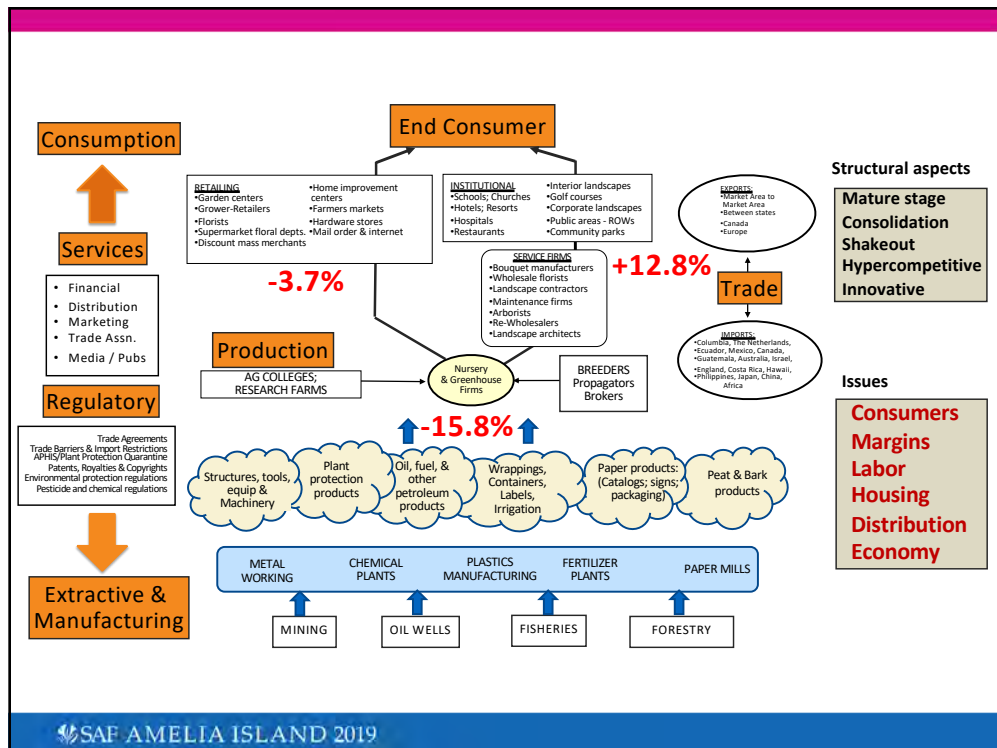




Forecasting Amidst Expansion, Trade Wars, and a Looming Downturn

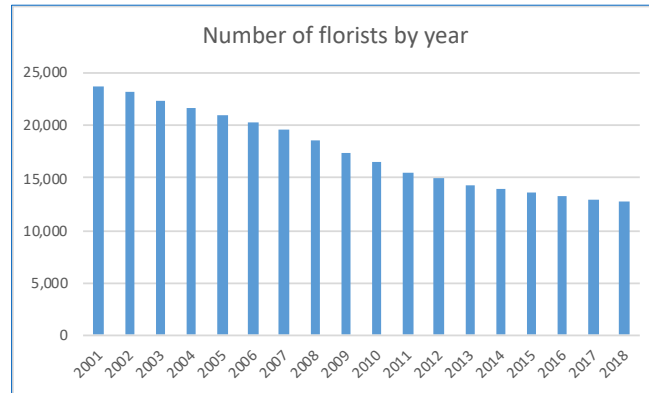
Dr. Charlie Hall
 Professor & Ellison Chair
 charliehall@tamu.edu

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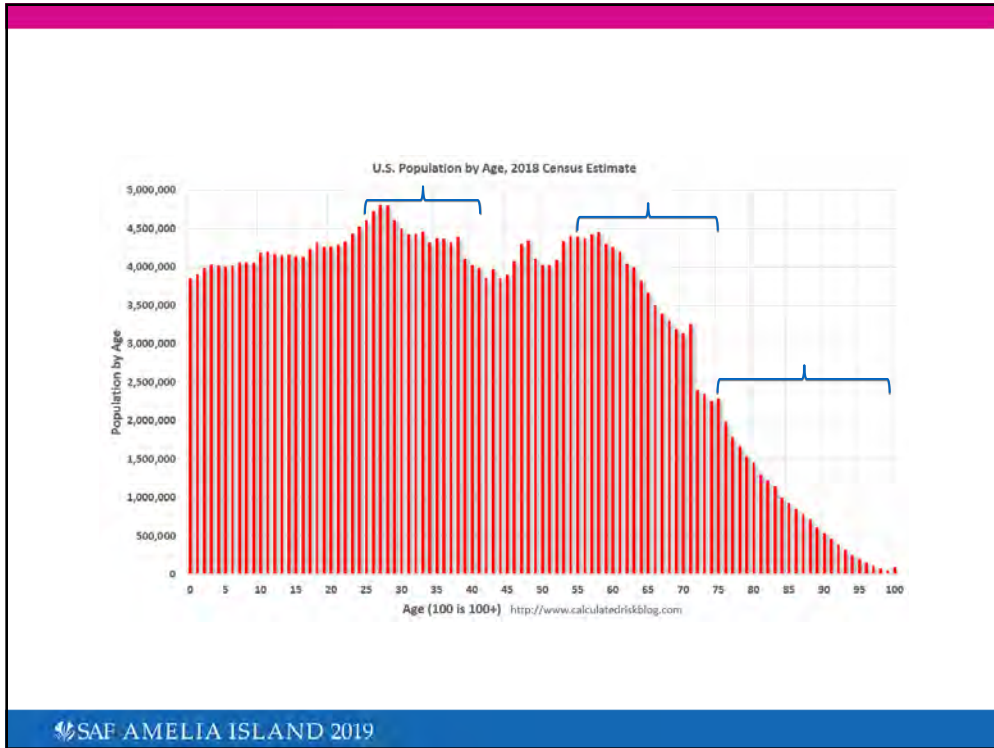
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The decline in the number of florists is slowing.

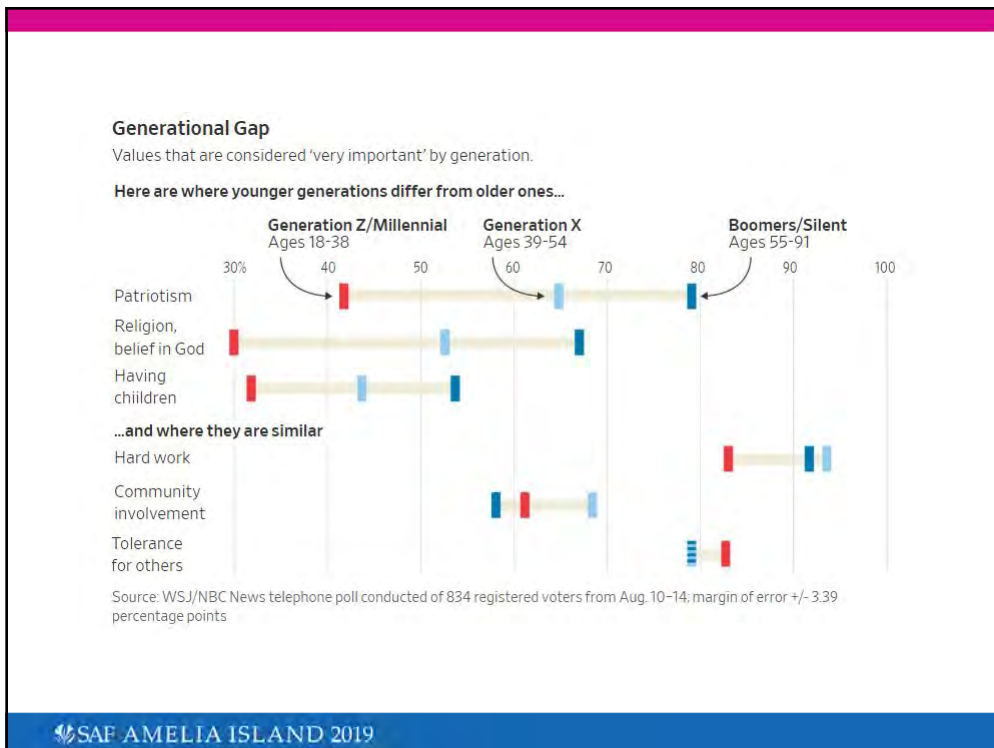


Determinants of demand

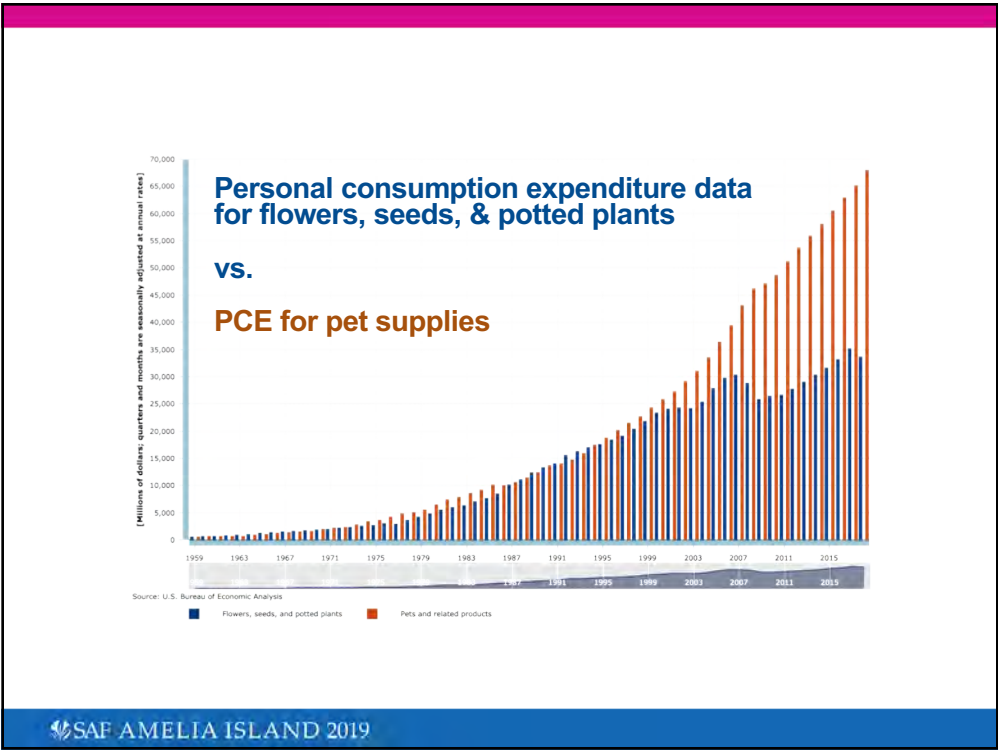
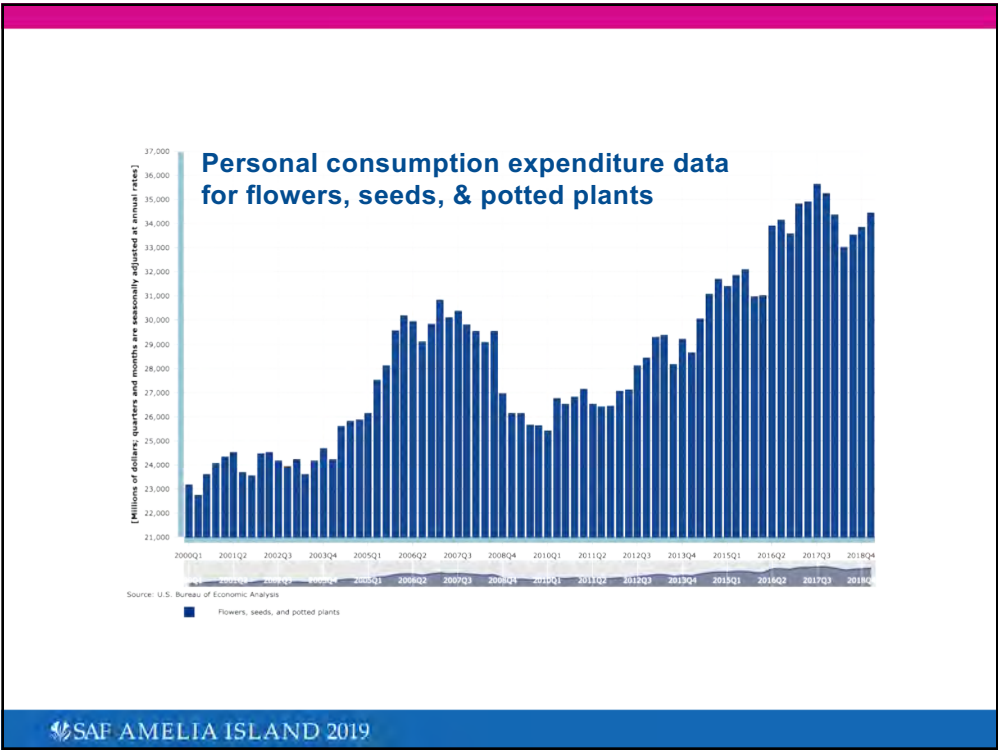
- Size of market (population)
- Propensity to spend (income effects)
- Tastes and preferences
- Own- and cross-price elasticity
- Consumer expectations



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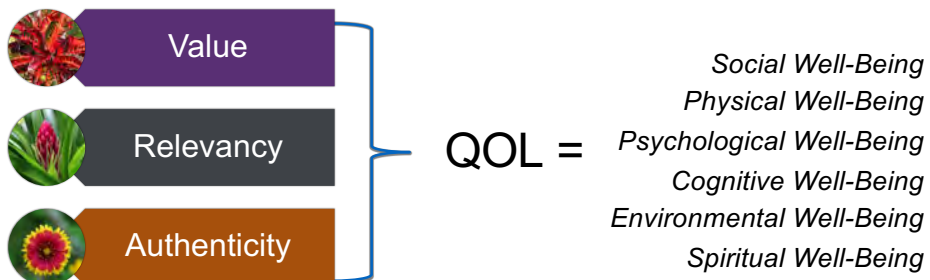


How do we interpret this?



People, regardless of age or any other demographic characteristic, want things that enhance the quality of their lives!

What defines Quality of Life?



We are more than pretty!



ellisonchair.tamu.edu -- Benefits of Plants

We are more than pretty!


Economic Benefits	Environmental Benefits	Health/Well-being Benefits
<ul style="list-style-type: none"> • Beautification draws customers & reduces shopping stress • Boosts occupancy rates • Generates tourism revenue • Job creation from increased services demanded • Reduced health care costs • Increased property values • Tax revenue generation • Reduced street repairs and maintenance costs • Upgrade effects of surrounding areas • Revenue from educational programs & special events 	<ul style="list-style-type: none"> • Carbon sequestration • Improved air quality • Attracts wildlife and promotes biodiversity • Energy cost savings associated with heating / cooling • Reduced heat and cold damage • Offsets heat islands • Reduced noise pollution • Reduced soil erosion • Reduced storm water runoff • Improved water quality • Reduced urban glare • Effective windbreaks • Increased biodiversity 	<ul style="list-style-type: none"> • Improved concentration and memory retention • Enhanced learning capacity • Plants generate happiness • Reduced stress and depression • Health and recreation benefits • Accelerates healing process • Therapeutic effects of gardening • Improves relationships / compassion • Improved human performance / energy • Medicinal properties • Improved mental health • Reduced community crime • Traffic safety / driver satisfaction

ABOUTFLOWERS

Home | Flowers | Meanings of Flowers | Weddings | About the Flower Industry | Florist Directory Search | BLOG

Solution for Relieving Stress

University of North Florida Research Team Releases Findings on the Impact of Flowers on Well-Being



According to a survey by Wakefield Research, 68 percent of people feel stress on a weekly basis, and 32 percent are stressed every day. Women, in particular, are affected, as 1 in 4 report experiencing stress multiple times a day. With so many sources of stress today – from finances and health concerns, to our seemingly never-ending to-do lists – most people can relate to a constant state of frenzy.


Research from the University of North Florida shows that something as simple as flowers can help. The findings show that people who lived with flowers in their homes for just a few days reported a significant decrease in their levels of stress and improvements in their moods.

These new findings support other [university research](#) studies conducted by researchers at universities including Harvard, Rutgers and Texas A&M that demonstrate flowers' ability to make people happy, strengthen feelings of compassion, foster creativity and even provide a boost of energy.

The 2018 study, entitled, *The Impact of Flowers on Perceived Stress Among Women*, concludes that adding flowers to indoor environments results in a statistically significant and meaningful reduction in stress.

"There is a growing body of research that illustrates how environmental design positively impacts health. Now it is both intuitive and scientifically known that adding elements of nature, like flowers, to interiors promotes well-being," said lead researcher Erin Largo-Wight, Ph.D., Associate Professor of University of North Florida's Department of Public Health.

- Flower & Plant Info & Photos
- Holidays & Occasions
- Health Benefits & Research
- Home Decorating
- Flower Gift Giving Tips
- Live Like a Flower
- Ordering Advice
- Flower Factor
- Photo Gallery
- BLOG



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Bottom line...

1. Demographics are working in our favor.
2. We have what people need to enhance their QOL.
3. We have an opportunity to help solve societal issues.

BUT... Will the economy mess it up?

First, let's clear up errant assumptions.

Stock market performance
does not equal economic
performance.

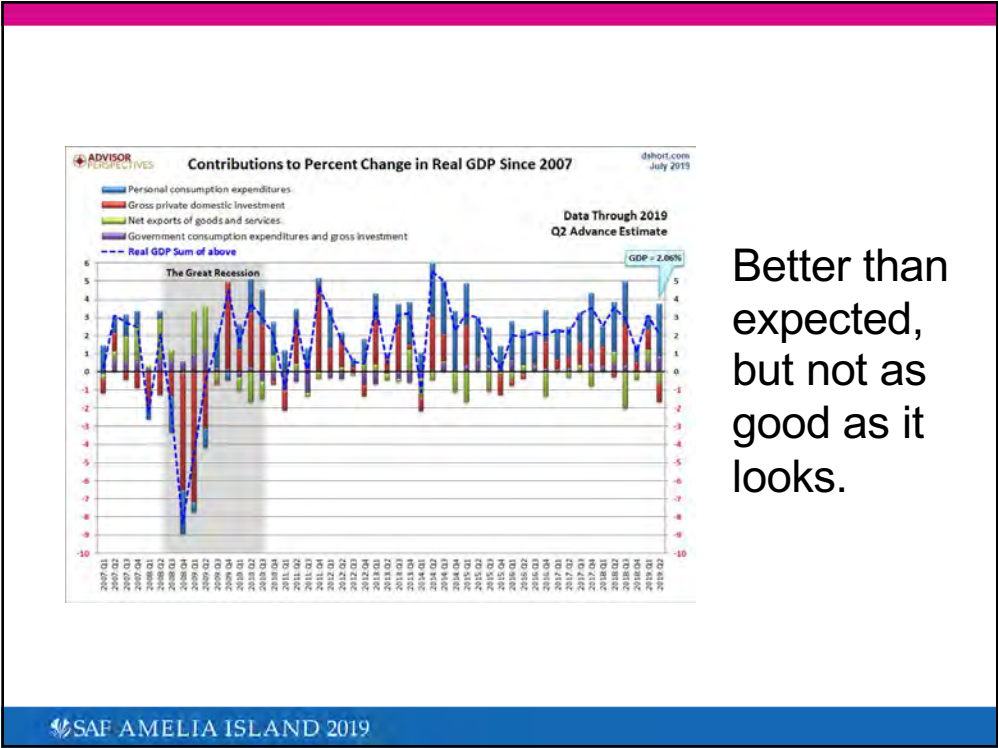
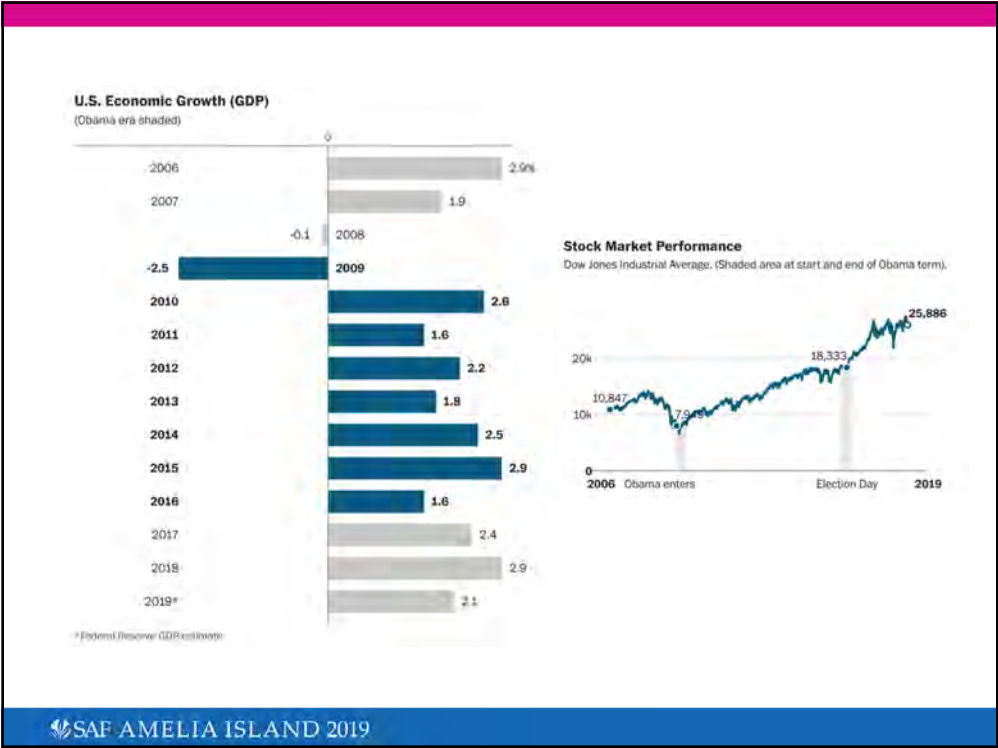


Consumer confidence
does not equal economic
performance.

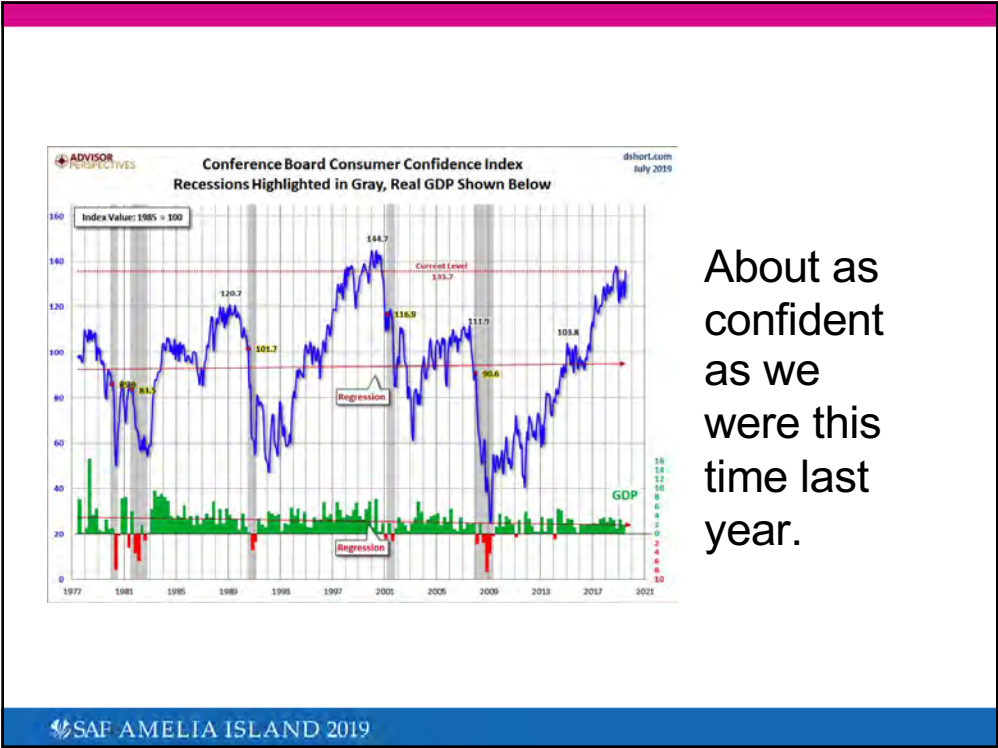


123 MONTHS

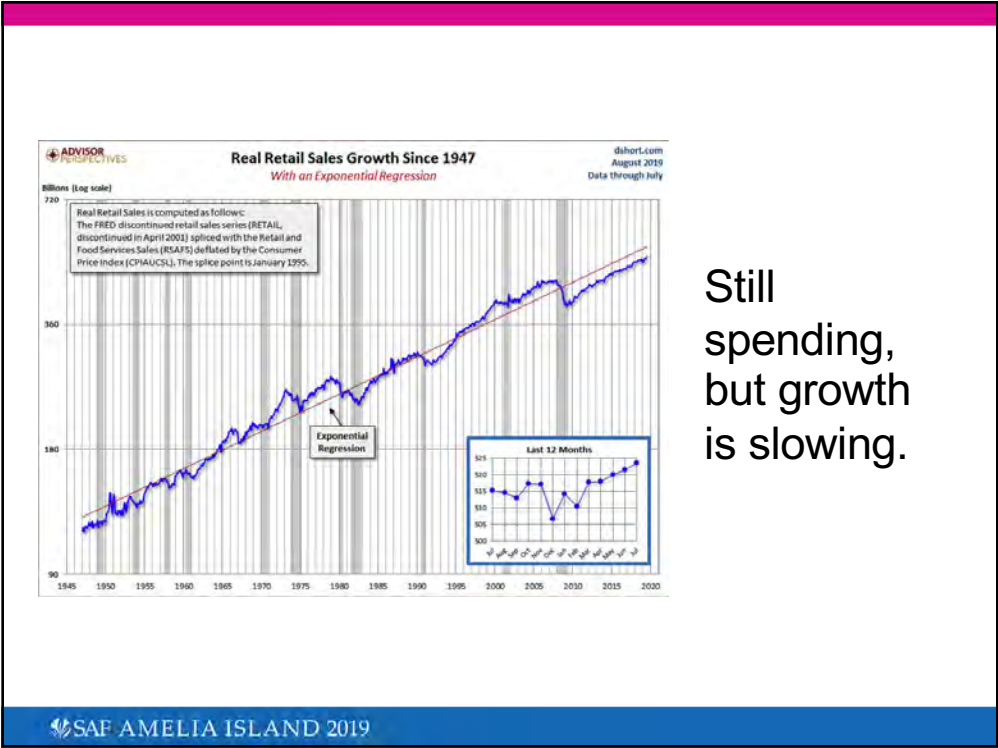
Economy



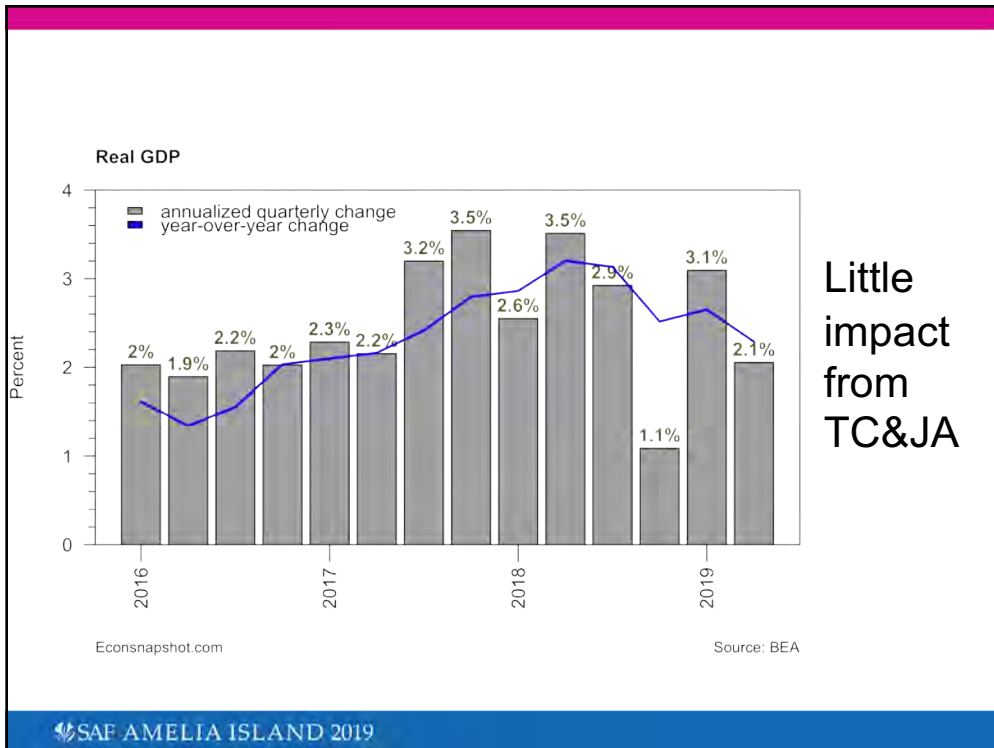
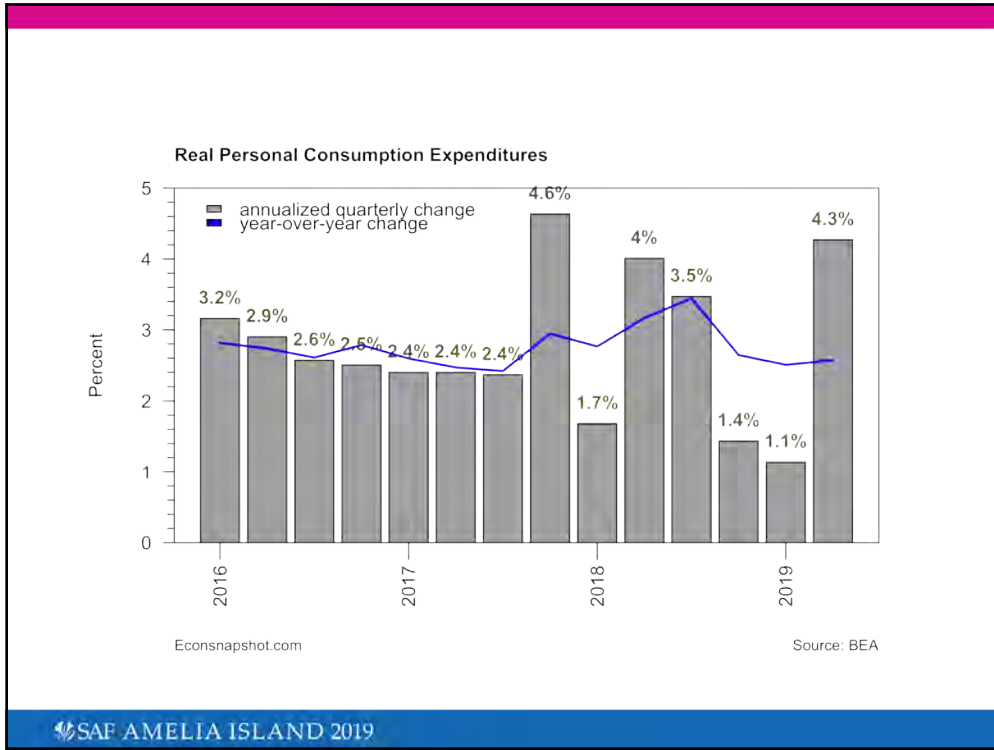
Better than expected, but not as good as it looks.

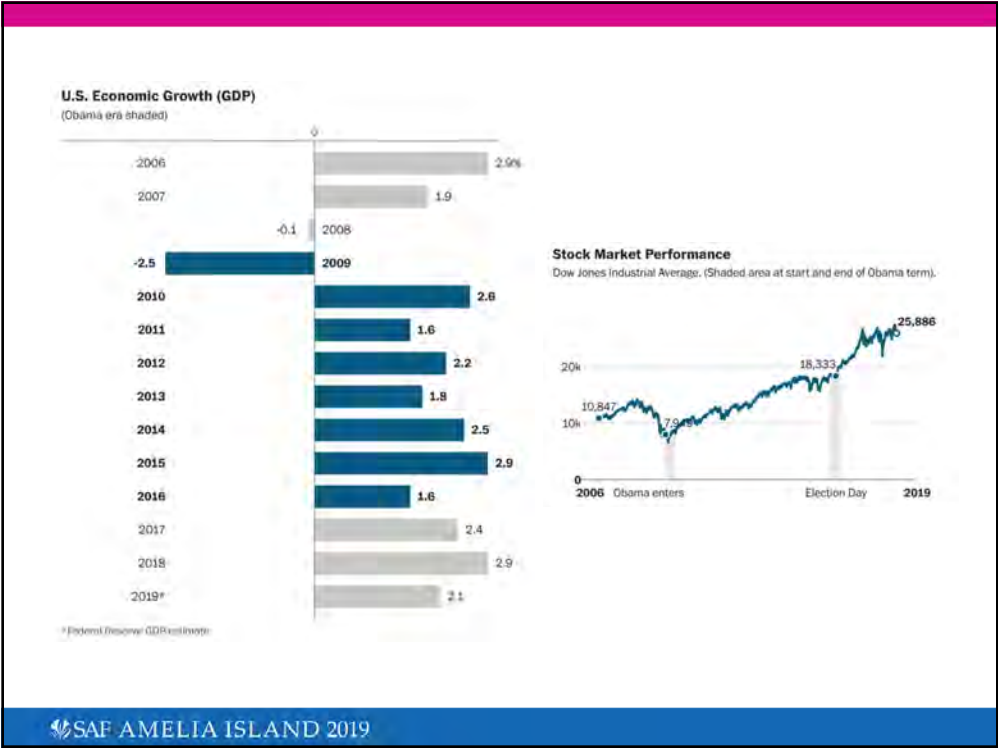


About as confident as we were this time last year.



Still spending, but growth is slowing.





Unemployment rate 3.7%; U6 rate 7.2%

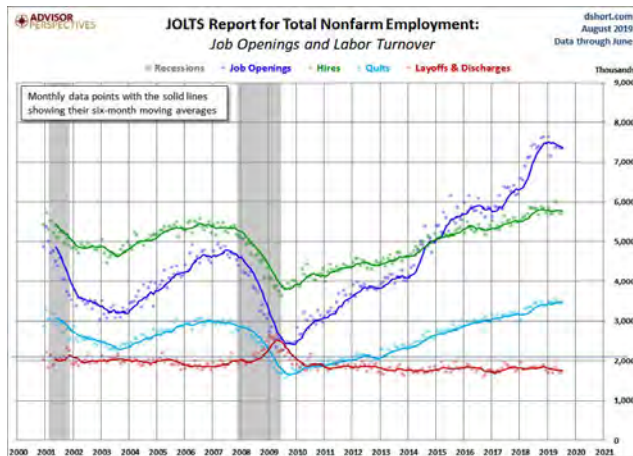
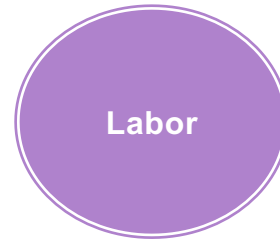
Labor force participation rate at 62.9% - same YOY

Avg hourly earnings up 1.3% YOY

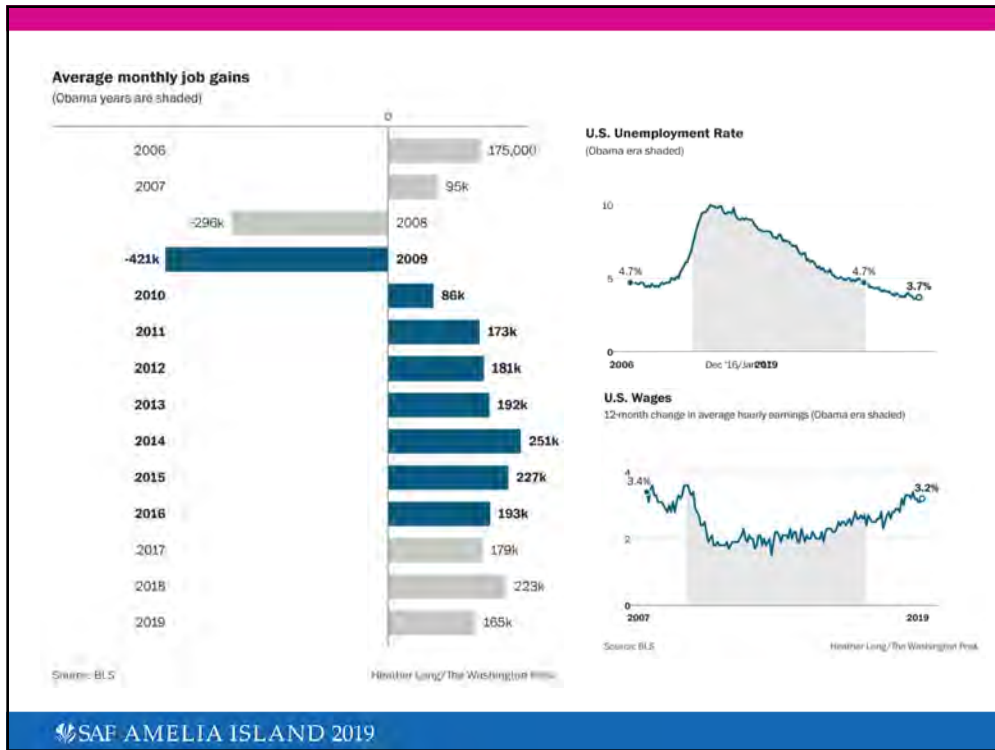
CPI up 1.8% YOY

Last 29 mos. 221,000; First 29 mos. 194,000

7.3M vacancies vs. 6.4M workers



The quits rate was unchanged at 2.3 percent, and the layoffs and discharges rate was little changed at 1.1 percent.



THE SURPRISING WORLD of HORTICULTURE

Plants and the green-collar industry that thrives on them are powering our lives in innovative and sometimes unexpected ways.

- 60% of people who work in horticulture are women.
- 1 Tree can absorb 48 CO2
- 39% of people who work in horticulture are women.
- 2.5% of people who work in horticulture are women.
- 39% of people who work in horticulture are women.
- 20% of people who work in horticulture are women.
- 39% of people who work in horticulture are women.
- 39% of people who work in horticulture are women.
- 39% of people who work in horticulture are women.

Did you know?

Introducing trees and plants into communities can have a dramatic impact on our lives.

WHAT'S YOUR PLANT POWER?
WkndBLOOM.org

Sherry Head Groundskiper
for the Baltimore Orioles

SEED YOUR FUTURE™

Please participate!

2019 SURVEY STUDY
ESTABLISHING EDUCATIONAL AND CAREER PATHWAY
FRAMEWORK, AND OCCUPATIONAL SKILL QUALIFICATIONS
IN THE FLORAL INDUSTRY



Xuan (Jade) Wu AIFD, CFD, EMC

Department of Horticultural Sciences
Texas A&M University- College Station

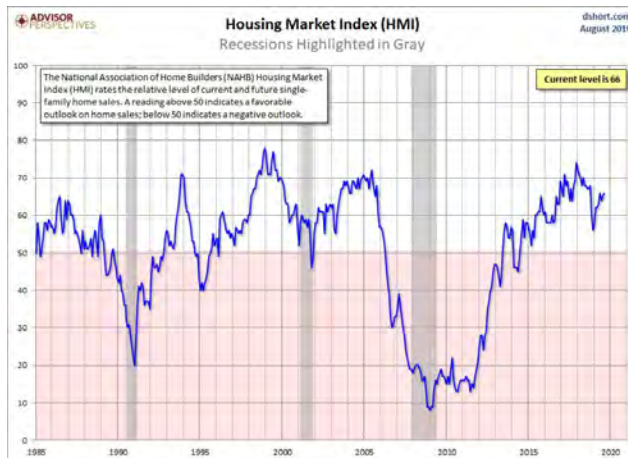
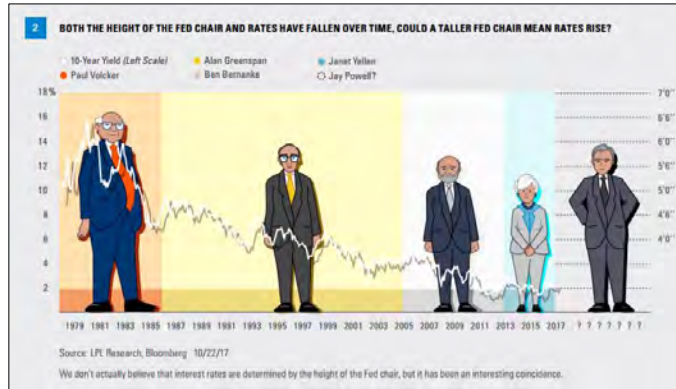


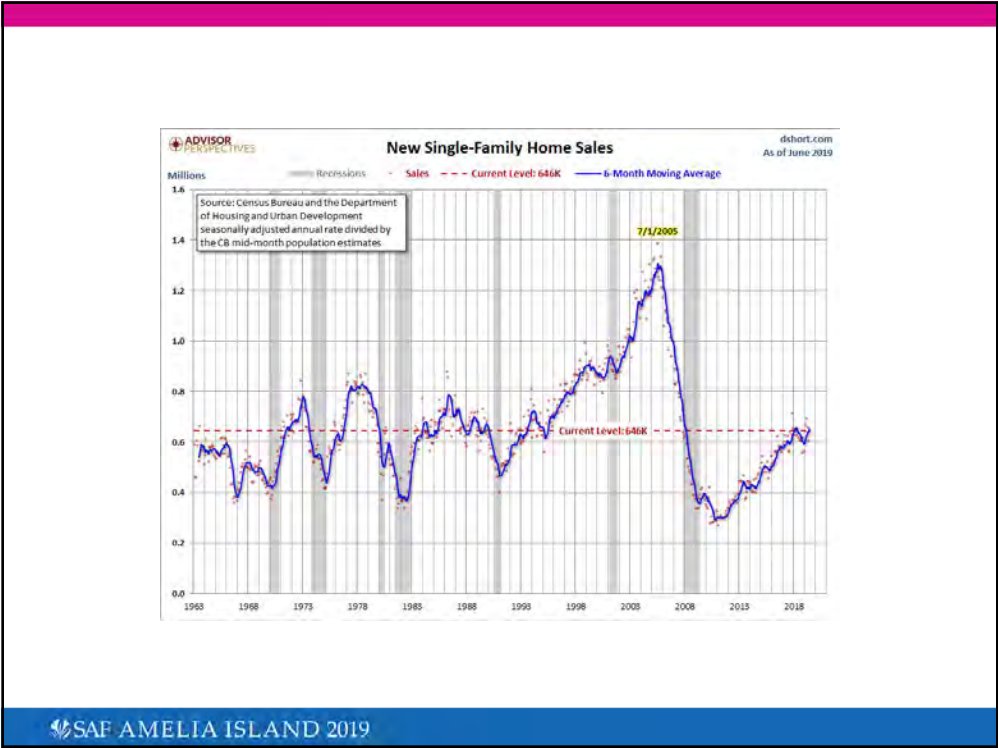
Margin
compression

2018 Index of prices paid by growers = **126.8**

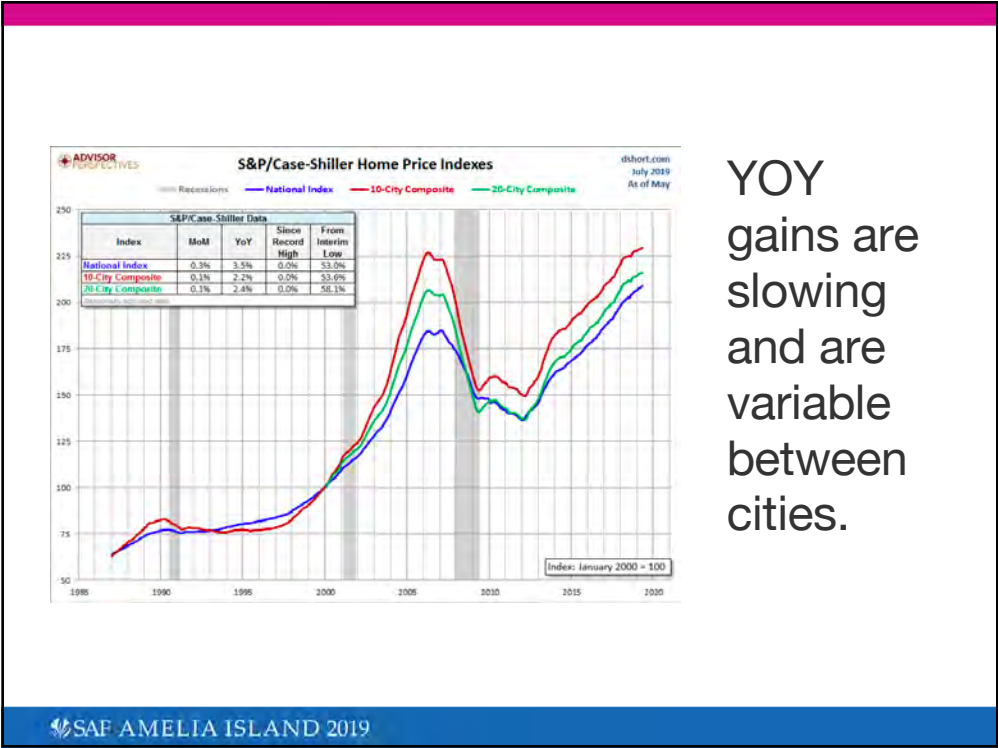
+3.51% YOY

Interest rates



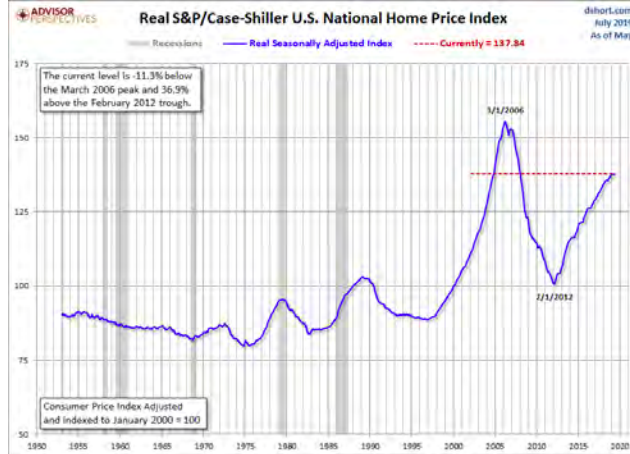


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YOY gains are slowing and are variable between cities.

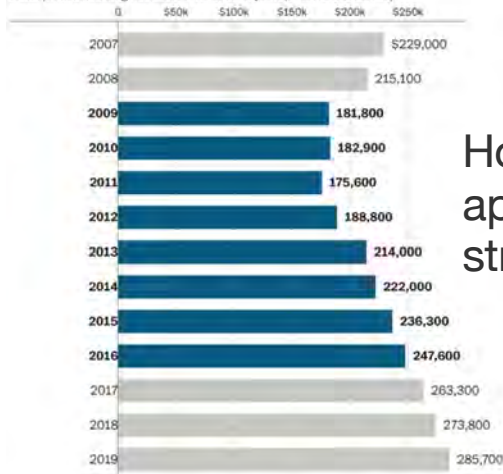
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Current level is 11.3% below March 2006 peak and 36.9% above the Feb 2012 trough.

Median sale price of U.S. homes

Sales price of existing homes in June of each year, (Obama era shaded)



Home prices have appreciated for 9 straight years.

Source: National Association of Realtors

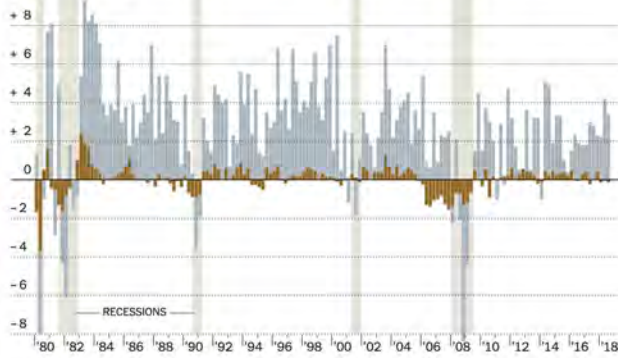
Heather Long, The Washington Post

Housing Isn't Driving the Economy This Time Around

Housing ordinarily accounts for a big piece of the quarterly swings in G.D.P. But lately it has played less of a role.

Contributions to quarterly G.D.P. change ■ Housing ■ Other

+10% quarterly change



By The New York Times | Source: Bureau of Economic Analysis

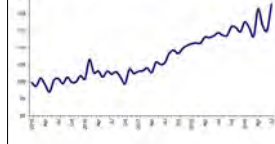
Cass Truckload Linehaul Index®

A measure of changes in per-mile truckload linehaul rates.



ATA's Truck Transportation Index

(Seasonally Adjusted, 2015 = 100)



Truck Transportation Employment

MoM change, thousands



Source: Bureau of Labor Statistics

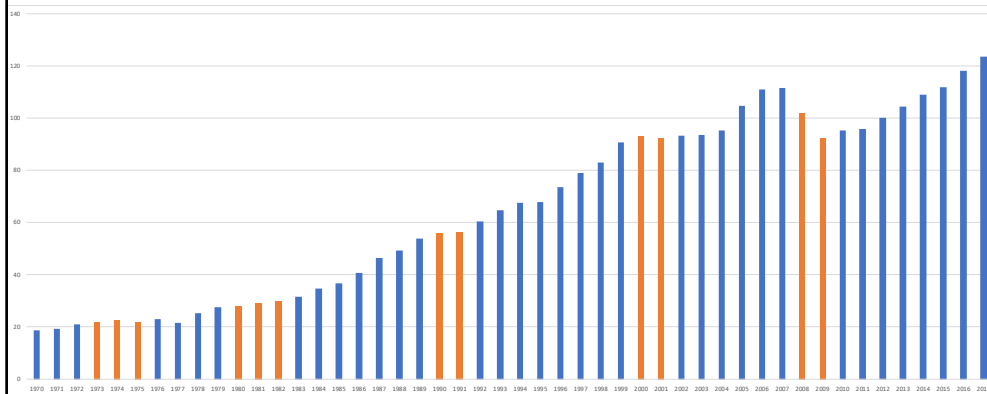
Costs declining,
industry hiring.



When will the next recession start?

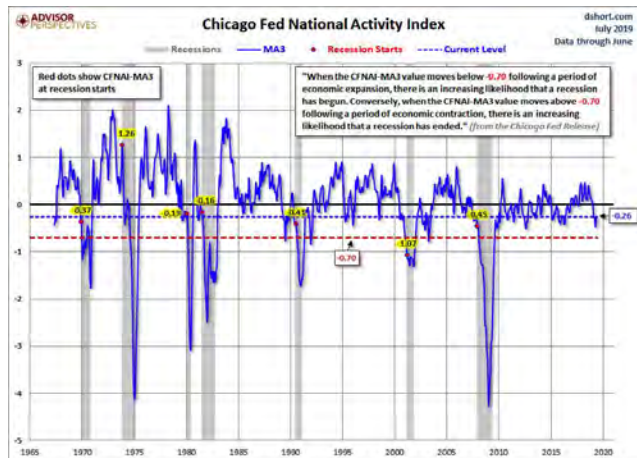


Flower sales in the midst of recessions





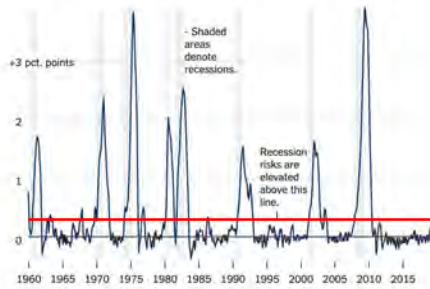
Financial sector risk is negligible.



Growing slower than historic average.

The unemployment rate is still in the safe zone.

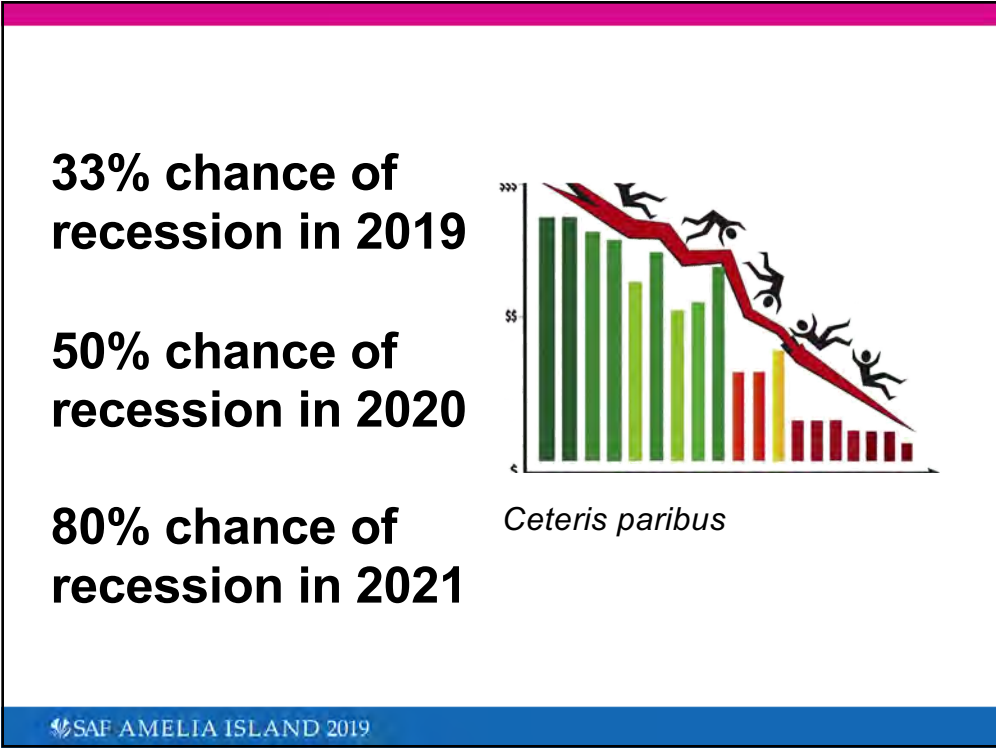
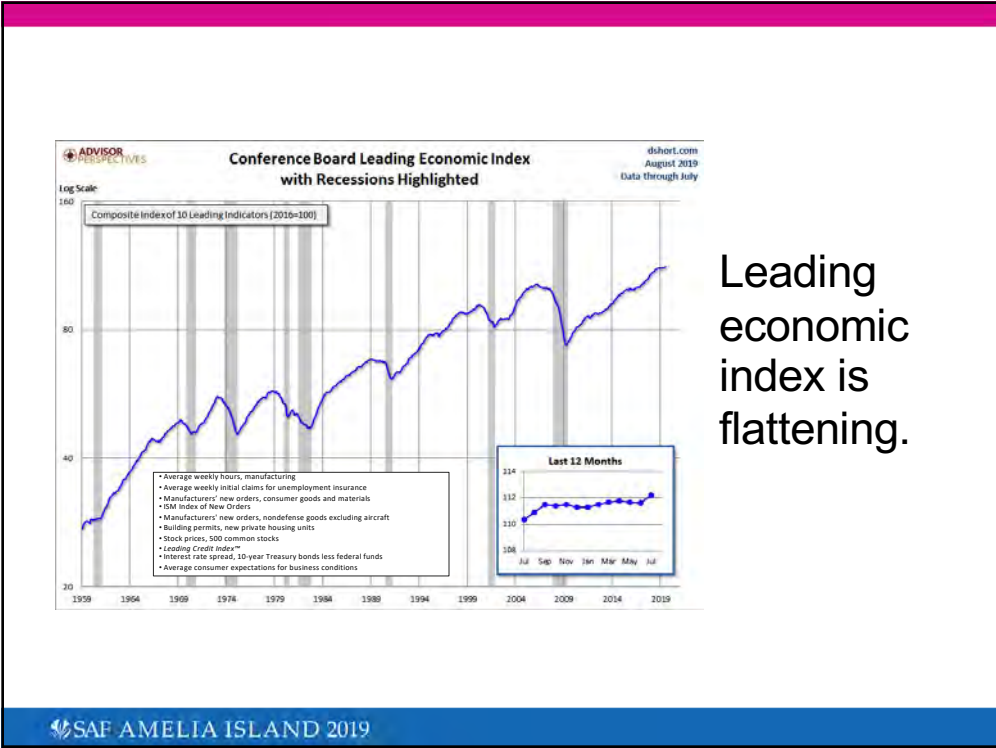
Gap between the unemployment rate and its low point over the previous 12 months



Note: Both unemployment rate and 12-month low are based on three-month rolling averages. Data is as originally reported (before revisions). | Source: Bureau of Labor Statistics via Brookings Institution.



17-34 months from Dec 2017



What could derail this outlook?

Monetary policy gone awry.
Trade war effects.
OPEC renegeing on output deal.
Bubble bursting.
Recession in China/Europe.



Uncertainty



Do you have a contingency plan in place?

1. How prepared am I for the next downturn?
2. What predetermined strategies should I have in place?



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Questions?

 Society of American Florists