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I am a 1984 Graduate of Capital High School here in Helena and a 1989 Graduate of Montana State University.

Dowling Sandholm Architects is a professional Architecture and Planning firm. I have been managing a practice in this state for 16 years. 3 years ago we had a staff of 16, today we have 9. At our peak, we were completing design work for close to \$30M worth of buildings annually. Today we are around \$12M. The profession of architecture has been hit especially hard this recession. Unemployment figures may be over 7%, but in architecture, more than **25%** have been forced out of the profession in the last 3 years. Montana State University graduates 30 – 40 students each year with a Masters degree in architecture, from one of the best programs in the country, and they have little prospect of finding a job in the State in their profession.

Most architecture firms have had to cut staff. Rather than cut more, many have elected to go to reduced work hours. Our firm was no exception with most of 2010 being 20 to 32 hour work weeks. I don't believe unemployment figures recognize this. Hiring new staff will be delayed as we go back to full time and even overtime, prior to bringing on new architects.

The recovery of the building industry and associated professions is going to be slow.

Banks are very resistant to or can't lend money for projects. I have a client right now who owns 4 restaurants around the state and is financially solid with good credit. 3 years ago, he hired us to design a new building here in Helena for a new restaurant. Plans are complete and are sitting on the shelf, for over 2 years now, as he exhausts every possibility of obtaining financing. A result is that jobs are not being created or sustained.

Local government is also choosing to tighten its belt. Building projects are delaying or cancelled. Our industry is bracing itself for an extended period of low billing and delayed hiring, anticipating a 3 – 5 year extended recovery period. This legislature seems to be focusing on **cutting** spending and reducing expenditures.

Reducing waste is *absolutely* necessary in times like this and I commend you for looking for ways to accomplish this. But eliminating spending where it can have a positive impact on stimulating Montana's economy is only going to delay recovery or worse, push us further into recession. Everyone in business knows that you have to invest and, yes spend, to grow and

keep your business healthy. The Stimulus spending over the last couple years has had almost no benefit for the architectural profession. We are not contractors and we are not engineers. When it comes to grant awards, many times we hear loud and clear that funds cannot be spent on professional services. We have projects that have received grants that can't be completed because they will not allow adequate design efforts to be included. So the projects sit. Little to nothing is being done and frustration grows.

I have two suggestions. I'll leave the *how* to implement these suggestions to you. The premise is that I don't think you can't create jobs. Jobs get created when small business grows. So how does small business grow? Simple, it requires spending money. Newsworthy success stories make great headlines, but too often they do little to help the average person. We need to be ready to implement some small scale approaches on balance with larger opportunities.

1. I would suggest a grassroots, "ground-up", bottom of the pyramid approach to economic stimulus. Consumer confidence at the most basic level is what is needed to get us going in the right direction. When people are confident, they will buy. When they buy, business grows and jobs are created. The average person needs to know that will be o.k. Figure out a way to put confidence back into the average consumer.
2. Although it sounds self-serving, and to an extent it is, but keep investing in building projects. Many projects are needed. Some are not, and they can wait. The construction of buildings affects the grassroots consumer. Think about how many professions and trades are affected by the design and construction of a single building. Architects, Mechanical, Electrical, Structural, Plumbing and Civil professions. Attorneys, financial institutions and title companies. General Contractors, excavators, concrete suppliers, steel suppliers, building supply companies, painters, roofers, carpet layers, tile and masonry installers, plumbers, tin-workers, electricians, cleaning companies, the list goes on and on. Everyone has a friend or neighbor who, in some way, benefits from building construction. Job creation is FAR reaching AND it fully supports the first suggestion of putting confidence back into consumers. Not to diminish the need to build a bridge or re-surface a road, but how many trades really get affected. Very few.

So as you begin this very important 2011 legislative session, I would challenge you to not only figure out how to trim your budgets by reducing waste, but also to look at the possibility of increasing your spending and investment where it can have a positive effect on our economic recovery, consumer confidence, small business growth and ultimately, job creation. It may very well be that some of the best answers are the simplest ones and those that won't make the evening news....

Thank You.