

Stepping Through Change: Survival in a Down Market

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We humans tend to be an optimistic bunch and I am no different. With a background in psychology, I am hard wired towards an optimistic view of the world. Instinctually, I turn over rocks to find a glimmer of hope or the solution to a root cause. But, sometimes you can look under a lot of rocks and still find no seeds of optimism. In writing this article on the Home Building industry, I ran in to bad news at every turn. I began to feel as cornered as a Las Vegas home builder with 40 properties and a bank calling in the notes. I started to doubt if I could offer any guidance to this industry and its associates.

The State of The Nation's Housing Report published by the Joint Center for Housing Studies of Harvard University for 2008, discusses the persistent hang-over from an overheated housing market. From the mortgage market melt down, to doubled rates of foreclosures, unbridled housing surpluses and a broad economic downturn, this report summarizes the avalanche of bad news and the rocky road ahead.

I was about to give-in to all this pessimism until the day I met an amazing man named Jack. In an effort to clear my head one afternoon I went for a bike ride. Taking a break I stopped to listen to the rhythmic "whoosh-ping" of golfers working on their strokes at a local driving range. But, there was one golfer whose rhythm was not the same as others. As I looked closer, I realized that the last man in line was an amputee golfing on one leg and he was knocking the soul out of every ball he hit. Amazed, I watched for a while until he took a deep breath, hopped over to his crutches, ambled over, and joined me on the bench for a breather.

Optimism and Positive Thinking

*"What a caterpillar calls an end,
The rest of the world calls a butterfly"*

- Lao Tzu

In many circles, the golf swing is considered to be one of the most difficult challenges in sport. Jack's golf handicap never waivers far from 7 and that is pretty decent stuff in a sport where the average score is in the high teens. However, Jack does this on one leg. "I don't see myself as inspirational," he says "when I first lost my leg, I had my doubts about everything, those were depressing times, but I've learned to mentally find the positive and manage what I can in the moment."

According to Dave Ellis, Executive Vice President of the Greater Atlanta Home Builders Association, optimism and maintaining a positive mindset is probably the greatest challenge home builders and associated industries are facing. Optimism and challenging patterns of negative thinking is crucial to surviving during difficult times. Optimism is

directly associated to a good mood, good morale, perseverance, effective problem solving, good health, long life, and occupational success. In contrast, pessimism and patterns of negative thinking foreshadow depression, passivity, failure, social isolation and even death.

“For me it is a matter of perspective,” says Jack “I have experienced some pretty good suffering in my life -- so has this country and the world. Compared to that, this is nothing.” Even economists point to consumer optimism as one of the most fundamental aspects of the economy’s current performance. According to Dr. Thomas D. Boston, Professor of Economics at Georgia Tech and CEO of EuQuant, an economic research company, “Economists have understood the importance of investor and consumer optimism since the period of the Great Depression. Consumer optimism will be a key

Tips for Positive Thinking:

1. Engage in positive self talk with yourself and others.
2. Set and pursue both short and long term goals.
3. Acknowledge at least one thing you achieved each day.
4. Stop comparing yourself to others. When we do this, we often come up short.
5. Focus on what you can control in the present moment.
6. Remind yourself of the things you’re grateful for each day.

factor in turning around this economy.”

Movement and Social Interest

The first challenge Jack faced after losing his leg was one of movement and loneliness. “Obviously I couldn’t move well, I didn’t want to at first and because of this, I moved in a direction of isolation. I was in pain, immobile and embarrassed, but that became a death spiral of depression,” said Jack. “Golf really picked me up after I lost my leg,” he continued. “It got me physically and mentally moving. Golfing forced me to socialize and people were very supportive. I needed to reach out and I think it probably saved my life.”

We all have a fight or flight instinct that either compels us to withdraw or spurs us in to action. Movement is essential to survival, but it must be in a useful direction towards other people and positive change. Movement inwards through isolation, lack of communication or escapism through alcohol and self-medication will solve nothing.

The Atlanta Home Builders Association has realized the need for its members to get out of their environment and the need for increased social interest. Instead of bringing in more speakers to their meetings, they are focusing on social events like casino nights and a barbecue. “We are trying to create as many opportunities for communication as we can and encourage the guys just to talk,” says Ellis. “Homebuilders are probably not natural

at sharing their emotional state with one another. But, more and more, personal and emotional issues are part of the conversation.”

Communication

One of the biggest problems Jack faced was a barrier in communication, “I got tired of telling and retelling the story of losing my leg,” he said. “Constantly talking about this negative event in my life was like rehearsing it over and over again. It began to drag me down.” But, the positive focus of becoming a golfing amputee, not only opened Jack’s communication; it offered a more positive focus. “It was important for me to reach out and be open to talking with others, but it was even more important to discuss my overcoming challenges and how I was adapting.”

According to Wes Suggs, Co-owner of Princeton Properties, communication has been a key to surviving this crisis, “We manage what we can manage and communication with the banks and suppliers is important. I've always envisioned them as partners in this. Bankers and related industries have taken it on the chin as much as the builders are.”

Improved communication has been a key issue that is forcing the Atlanta Home Builders Association to adapt and reshape their relationship with its members. “Our message these days to any business owner, if they're in a challenging situation and they don't feel that they can handle what's going on, get help. Communicate and don't take it on alone,” says Ellis. “What is daunting to us as an association is that some of them are talking to us and we don’t always have the communication skills to match their need.”

Tips for Effective Communication:

1. Listen carefully:
Make eye-contact, put down distractions, and paraphrase.
2. Avoid barriers:
Don’t interrupt, don’t get defensive and don’t get lost in thought.
3. Stay focused:
Spending too much time on the past can cloud issues.
4. Own what is yours:
Personal responsibility is strength

Innovation

Jack lost his leg in a motorcycle accident and wore an artificial leg for nearly five years and never really liked it. “One day I had had enough and I just put it in the basement, he says. “Soon after that I tried golfing and I just teed the ball up, put down my crutches and whacked it,” Jack laughed. “I believe that you have to innovate in order to adapt, but in this case, I innovated by leaving my leg at home. It actually helps my balance.”

Difficult times often give rise to new innovation and this is true for home builders and our economy. According to Dr. Boston, “the US economy is no-longer the epicenter of the world’s economy.” An important variable in our

economic recovery will be innovation driven by the Federal Reserve board of Governors and the upcoming change of administration whether Democratic or Republican.

Most home builders have been forced to innovate in how they run their business even if this means dismantling it. But, the difficult times have also given rise to innovation and reinvention. “Going green is being viewed as a marketing advantage,” says Ellis. “However, we don't even use the term green anymore, instead we talk about building high-performance homes. ‘Green’ has become a very generic term and we want to differentiate ourselves.” Recent license requirements in Georgia should also benefit licensed contractors who are moving in to home remodeling. “We think that licensing will have a positive effect overall,” continued Ellis.

Resilience

Golfers who play on one leg face many obstacles like wind and awkward lies. “Wind gives me the greatest difficulty,” adds Jack. “A breezy day I can handle, but gusts really test my balance and my will,” he continued. “The first time I played a course, my partner thought I should hit from the women’s tee and throw out any ball with a bad lie. I didn’t want to do that and I really made a fool of myself falling in to sand traps and wet turf. I’ve persevered to the degree that if I fall now, it’s more than likely my fault. Now, I have to give my friend strokes when we play.”

Resilience is the ability to adapt well to stress and endure hardship. Resilience increases with experience and those who have faced life’s hardships are better prepared to handle future struggles. This is good news to home builders as they have a long history of surviving good times and bad.

This is not the first time home builders have put their heart and soul into their business and seen the market collapse. There are no guardrails in this current economy, and down cycles have historical precedence in the home building industry, “Home builders are some of the most resilient and entrepreneurial business people I have ever met and Atlanta is one of the markets that is most poised to make a recovery,” says an optimistic Ellis. “Atlanta has marked advantages over many cities going forward that are very positive, including affordable land and good job growth which translates into affordable housing.

Tips to Improve Resilience:

1. Accept and anticipate change.
2. Take care of yourself physically and emotionally
3. Get connected. Build strong positive relationships.
4. Work towards both short and long-term goals

Jack, who has won local and regional tournaments, wants to further the growth of the National Amputee Golf Association and help others. “I struggle every day, but I am healed and this allows me to move forward. I have hit bottom and there is no

where else to go but up,” and he is still climbing, with one leg at a time.