

Economies of Scale

Architects redesign efforts in tough financial environment

By Eric Smith

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The dynamics of a bleak economy render a simple equation when applied to the architecture and design industry.

If financing is tight, then fewer construction projects are started. If fewer construction projects are started, then the need for architectural firms to create blueprints and design buildings also diminishes. And if there's a decreased need for architectural firms, then some companies are forced to cut staff and many more to implement hiring freezes.

Memphis is not immune to the nationwide credit crunch and subsequent slowdown in residential and commercial building activity, and that formula has drastically affected the local architecture and design industry, which languished as much as any during the past year.

Nationally, the forecast remains gloomy, as the Architecture Billings Index in June reached its lowest total since February with a score of 37.7, according to data from the American Institute of Architects. (An ABI score above 50 indicates growth; a score below 50 indicates decline.)

As job losses mount and projects are scrapped, Memphis firms are doing what they can to hang on. Because of shrewd business savvy or sheer luck – or a combination of both – not all firms are suffering, and not all have enacted layoffs. But the reeling financial climate is on the minds of everyone in the industry, said Joe Wieronski, a partner at Askew Nixon Ferguson Architects and president of the Memphis chapter of AIA.



GREEN DESIGN: Architecture Inc. is the architect of this Leadership in Energy and Environmental Design (LEED) certified house at 686 Somerville St. in University Place. -- PHOTO BY LANCE MURPHEY