



Are Ponds Recession-Proof?

Everyone Questions How Ponds Will Handle Economic Downturn

By Greg Wittstock, Founder and CEO of Aquascape, Inc.

Back when our company first started and we were trying to rent warehouse space, the leasing company didn't want to work with us. They were worried that because we sold a product that was such an optional, discretionary item, if a recession hit, our business would spiral downward along with the economy.

Fear Is In the Air

We protested hard, overcame their skepticism, and rented the space. Much to their relief, the economy boomed during that time, and we made all our payments. Now, in 2007, we're in a building considerably larger. Instead of the leasing company worrying if we'll pay our bills, it's the bank. And with the downturn in the residential housing market, people are biting their fingernails once again.

It's not just the bank that's worried about the economic downturn. Everyone from vendors to employees, even my own mother, has questioned me about how recession-proof ponds are. Maybe it's because ponds are viewed as an unnecessary extravagance that will easily be slashed from the consumer budget once Americans are forced to tighten their belt buckles.

My Response to All the Skeptics

Regardless of their reasons for asking, everyone seems to question how ponds will handle an economic downturn. If you've been asked this question before, or if you're just curious yourself about the future of ponds during an economic downturn when oil prices continue to rise, here's how I answer the question.

First and foremost, I say yes, a recession will certainly impact pond installers everywhere, and the water garden market in general. It's no great stretch to recognize that a slower economy will mean fewer sales for all of us (along with everyone else), when compared to what our business does in a red-hot economy.

Expecting Fantastic Growth

With that complex piece of logic out of the way, I say that we're still expecting growth over the next five years. If this seems like a contradiction, one has to look no further than the non-economic indicators to validate this logic. Not being one to cry, "The sky is falling!" without first assessing the situation, here's some positive trends that are very encouraging for growth in the water gardening market.

Popularity

Nobody would deny that water gardens have increased in popularity every year over the last several years. With that said, is there room for growth over the next several years? Think about all the people you know. How many of them have ponds? Not many, I'd bet. In fact, not many have even considered putting a pond in their yard.

Why? Because, although they're popular in the garden market, ponds are still struggling to break into the mainstream. But times are changing, and as more people become aware of sustainability and creating ecosystem living spaces, the water garden market is certain to grow. Boring green grass, which is more often turning brown because of drought conditions and water restrictions, has been the old mainstay relied upon to carpet America's yards. Watch for a turn in this trend over the

(continued)

next several years as organizations such as the American Society of Landscape Architects (ASLA) and others strengthen their attempts to promote ecological landscapes in urban areas.

Nature

Who out there believes the environment will become less important as an issue over the next five to seven years? Americans are more environmentally conscious now than at any other time in our history. Unless old growth forests start pushing back urban sprawl, Americans will have to address the environmental concerns that are continuously building up in our society.

What role do backyard ponds play in an increasing environmental consciousness? As fewer wild places exist for native animals to inhabit and for suburbanites to visit, more and more people will create their own backyard habitats for the benefit of wildlife, as well as themselves. Living in harmony with Mother Nature will become more widely accepted, and unnatural, high-maintenance, manicured properties will be a dying breed in our time-crunched society. Native plantings, which have adapted to various weather extremes, will become more commonplace. Ponds fit perfectly into this "back to nature" scenario, and are being embraced by an ever-increasing percentage of the American population.

Cocooning

The phenomenon of *cocooning* has been well documented, and has increased each year over the last 10 years. It refers to people spending more time at home, over pursuing activities outside the home. The first to notice this trend were travel agents who booked fewer trips than in the past. Why? Increasingly, travel itself has become more stressful, most costly, and time for leisure activities outside the home is decreasing. The result? People are just plain worn out at the end of the day. Downtime at home is now considered a luxury, coveted by many.

As outside stresses continue to increase, more people are choosing to stay in. Increasingly, their homes and yards are becoming the places they go to unwind. With this trend, more people will be investing in environmental improvements in and around their home, and the water garden market will naturally benefit from this increased interest in peaceful, close-to-home living patterns.

No Argument Here

No one would argue that ponds are a discretionary income item. And, if you left it at that, a recession would undoubtedly have a major, negative impact on water gardens. However, when viewed from a broader perspective, the picture is very revealing.

With oil prices rocketing, and the bottom falling out of the housing market, homeowners aren't traveling as much, and rather than upgrading to a bigger, better house, they're looking for ways to improve their current homes. By improving their home's value today, they're hoping for an easier sale when the housing market improves and they can upgrade to larger living quarters. In August 2007, *The Wall Street Journal* featured an article on home landscape improvement. "Real estate agents say a nicely landscaped property can have a pronounced effect on the asking price of a home ... Nearly 20% of buyers say they consider landscaping to be a 'very important' factor in their decision to buy a new house, according to a new study by the National Association of Realtors."

So although a water garden can be viewed as an unnecessary expense, it should actually be considered as property investment. Coupled with the fact that homeowners are helping the environment by creating an ecological outdoor living space, water gardening will continue to be a stable market.

###

*Greg Wittstock (The Pond Guy™) is the Founder and CEO of
AquaScape, Inc., St. Charles, IL, manufacturer of the ecosystem pond.
www.aquascapeinc.com*