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USA: Why So Glum? Numbers Point to a Recovery

8 April 2010 -- The American economy appears to be in a cyclical recovery that is gaining strength. Firms have begun to hire and consumer spending seems to be accelerating.

That is what usually happens after particularly sharp recessions, so it is surprising that many commentators, whether economists or politicians, seem to doubt that such a thing could possibly be happening.

Usually you can depend on the White House to view the economy with the most rose-tinted glasses available. But it was not until last week, after a strong employment report, that President Obama started to sound a little optimistic.

"The tough measures that we took — measures that were necessary even though sometimes they were unpopular — have broken this slide and are helping us to climb out of this recession," he said in a speech at a factory making battery components in North Carolina.

Note, however, that he seemed to believe the country remained in recession. It is virtually certain that is not accurate, as least as will be determined by the arbiters of recession at the National Bureau of Economic Research. "The recession is over," one of those arbiters, Jeffrey Frankel of Harvard, wrote this week.

But the White House is unwilling to make that claim.

Why is good news being received with such doubt? Why is "new normal" the currently popular economic phrase, signifying that growth will be subpar for an extended period, and that the old normal is no longer something to be expected?

It is possible, of course, that I am wrong and the prevalent pessimism is correct. Many economic indicators, including Thursday's retail sales report, are looking up, but that does not prove the recovery will be self-sustaining. There are issues relating to over-indebted consumers and local governments. The housing collapse will have an impact for some time.

But there are, I think, a number of reasons for the glum outlook that are unrelated to the actual economic data.

First, the last two recoveries, after the downturns of 1990-91 and 2001, were in fact very slow to pick up any momentum. It is easy to forget that those recessions were also remarkably shallow. If you are under 45, you probably don't have much recollection of the last strong recovery, after the recession that ended in late 1982.

Add to that the fact that the vast majority of the seers did not see this recession coming. Remember Ben Bernanke assuring us the subprime problem was "contained"? In mid-2008, after the recession had been under way for six months, the Fed thought there would be no recession, and the most pessimistic member of its Open Market Committee thought the unemployment rate could climb to 6.1 percent by late 2009. It actually went over 10 percent.

In January of this year — after the recession had probably been over for at least a few months — the most optimistic member of the committee expected the unemployment rate to fall to 8.6 percent by late this year. The consensus was for a rate no lower than 9.5 percent.

Having been embarrassed by missing impending disaster, there is an understandable hesitation to appear foolishly optimistic again.

But even without that factor, it is normal for recessions to make people pessimistic. “Go back and read what people were saying in 1982 or 1975,” said Robert Barbera, the chief economist of ITG. “Nobody was saying, ‘Deep recession, big recovery.’ It is quite normal to expect an abnormally weak recovery. It is also normal for that expectation to be wrong.”

But if that is normal, one factor that brings optimism to some forecasts is absent this time. Both Republicans and Democrats have good reasons to be negative. Republicans are loath to give President Obama credit for anything, and no doubt grate when he points to his administration’s stimulus program as a cause of the good economic news, as he did in North Carolina.

Democrats would love to give the president credit. But much of the Democratic Party wants another stimulus bill to be passed, notwithstanding worries about budget deficits. Chances for that are not enhanced by the perception the economy is getting better.

The employment report for March, released a week ago, was a milestone that has been little noted. The household survey, from which the unemployment rate is calculated, showed a gain during the first quarter of this year of 1.1 million jobs, the best performance since the spring of 2005.

True, the more widely reported numbers from the survey of employers are not as good. But those numbers are subject to heavy revision as better data becomes available. At the turning points for employment after the last two downturns, those numbers turned out to be far better than was reported at the time.

Employment is a lagging indicator. Employers can be slow to cut back when business turns down, and slow to rehire when it picks up. It stands to reason that when employers cut back sharply — as happened in this cycle — they will have to rehire faster than if they had been slow to fire, as was true in the two previous downturns.

I looked back at the recoveries after seven recessions from 1950 through 1982 and found that, on average, such a strong three-month performance of the household survey, defined as a gain of at least 0.8 percent in the total number of existing jobs, came seven months after the recession had ended, with a range of two to 13 months.

If the 2007-9 recession ended in August, as the index of coincident indicators would seem to indicate, the lag this time will have been seven months.

The lag was 28 months after the 1990-91 recession ended, and an amazing 42 months after the 2001 downturn concluded. Those really did deserve the title of “jobless recovery.” But they were very different from what appears to be unfolding now.

The stock market’s recent performance may be sending a similar message. Prices have been rising, but there is not much volume. Why? A lot of money managers are fully invested, but many investors remain fearful and are not putting cash into mutual funds. To judge from anecdotal evidence, some of the buying now is short-covering by hedge funds that expected the economy to be much weaker than it is, and thought corporate earnings reports would devastate investors. Instead, they are hearing from companies that business is stronger than expected.

Some Americans are in deep trouble, to be sure, and the days of paying for second homes by refinancing the mortgage on the first will not return soon. But many Americans — both individuals and businesses — who cut back sharply when fear was at a peak a year ago are now finding that they overreacted. The businesses need to hire to meet demand, some of it coming from individuals who are less fearful now of losing their own jobs.

In 1982, Democrats scoffed at a surging stock market and thought a severe recession would last for a very long time. They were confident that the economy would doom Ronald Reagan's re-election campaign in 1984. All they had to do was make clear they offered a stark alternative to the failing policies of the incumbent.

Change a few words (Reagan to Obama, Democrats to Republicans, 1984 to 2012) and you have an accurate description of the current political climate. Could the Republicans be as wrong now as the Democrats were then?

Source: The New York Times

USA: Americans Say Time is Right To Buy Home: Poll

6 April 2010 -- Nearly two-thirds of Americans think the time is right to buy a house, with a majority believing prices will be the same or higher over the next year, according to a FANNIE MAE survey released Tuesday.

The 64 percent that said it is a good time to buy is just shy of the 66 percent that said the same thing in 2003 as the U.S. housing market was racing higher, said the survey.

However, most of the 3,451 polled said that it would be tougher for them to get a loan than it was for their parents.

The survey comes amid signs that the U.S. housing market is recovering after suffering the worst downturn since the 1930s. But, while home prices in some regions are rising, soaring delinquency rates across the nation mean foreclosures will keep persistent pressure on the market, according to analysts.

FANNIE MAE, the largest U.S. mortgage finance company, said that the public still "strongly believes" in upholding their financial commitments, though that weakens once people know someone who is defaulting.

Those who know someone in default are more than twice as likely to have seriously considered stopping payments on their own mortgage, FANNIE MAE said.

Source: Reuters

USA: Upbeat Signs Revive Consumers' Mood for Spending

6 April 2010 -- American consumers are finally coming out of hiding. After months of penny-pinching amid the recession, new figures — showing an improving job market, rising factory output and increased retail sales — suggest that consumers are no longer restricting their budgets to necessities like food and medicine. They are starting to buy clothes, jewelry and even cars again.

The mood has gone from panicked to cautious, and now, as Mark Zandi, chief economist for MOODY'S Economy.com put it, some consumers are "almost a bit giddy."

After the financial crisis hit in late 2008, consumers retrenched heavily. And in the months that followed, there were fears that newly frugal Americans would increase their savings so much there was no hope that consumer spending could be a factor in a recovery.

That was a troubling prospect because consumers have been the drivers of economic growth after past recessions. After all, their spending accounts for more than two-thirds of all economic activity in the United States.

But just a year later, consumers have eased off a bit on their savings, which frees up cash for them to spend. And in part because of the high rate of mortgage defaults, the overall consumer debt burden has been dropping. Those trends suggest to some economists that consumers may now be in a position to help drive the recovery.

The improved outlook has been showing up at store cash registers for several months, and the trend seems to be accelerating. Major retailing chains posted better-than-expected earnings in their most recent reporting periods and are likely to deliver more good news on Thursday, when they report their March sales results.

Total industry sales are predicted to increase up to 10 percent compared with the period a year ago, which would make March the seventh month of growth in a row, according to the International Council of Shopping Centers, an industry group. (A significant part of that increase is because of a calendar shift involving Easter.)

SPENDINGPULSE, an information service of MASTERCARD ADVISORS, is scheduled to release figures on Wednesday showing that closely watched retailing categories — furniture and home furnishings, clothing, electronics and luxury goods — had healthy year-over-year sales growth last month.

And after months of cutting inventory to bring it in line with weakened demand, the nation's retailers are ordering more merchandise. The cargo volume at major ports that handle retail imports is expected to increase 8 percent in April compared with the period a year ago, according to the National Retail Federation and the consulting firm HACKETT ASSOCIATES.

"What I'm hearing across a wide swath of retail is that sales are simply much stronger than companies had expected," said Robert Barbera, the chief economist of ITG, an investment advisory firm.

The improvement extends even to some of the most costly household items. Last week, almost every automaker, including FORD, TOYOTA and GENERAL MOTORS, reported robust sales increases in

March. Spring incentives like no-interest loans helped lure consumers into showrooms.

The Commerce Department said its broadest measure of retail sales, a figure known as personal consumption expenditures, increased 0.3 percent in February compared with January, or $34.7 billion, the fifth monthly gain in a row. And the personal savings rate — which jumped above 5 percent during the recession — has returned to its historical level of about 3 percent.

Lauren Keshet, the owner of PAWS AND CLAWS, a pet care company in Hoboken, said her business suffered when the economy nose-dived and consumers snapped their wallets shut. "My business went to half" of what she had been selling, Ms. Keshet said. But today, "my business is booming again," she said. "It's really come back."

So has her spending, and that of other shoppers she has seen lately at the Westfield Garden State Plaza mall in Paramus, N.J. "Right now I'm renovating my house," she said. "I'm buying furniture."

Indeed, sales of furniture and furnishings combined increased 13.8 percent year-over-year in March, according to SPENDINGPULSE.

Perhaps the most meaningful sign of recovery is that employers added 162,000 jobs last month. With unemployment hovering at 9.7 percent, the job market is still weak by historical standards, but the rate is no longer rising.

John D. Morris, a retailing analyst with BMO CAPITAL MARKETS, said that at the nation's malls, strong fashion trends like jeggings (jeans so tight they resemble leggings) are helping drive sales. He expects the new iPad from APPLE will do the same.

"There's a true desire to buy that I haven't seen in two or three years," Mr. Morris said. "The consumer's gotten a little bit braver."

Economists and analysts said much of the uptick in spending was being propelled by wealthier consumers. With year-end bonuses in their pockets and healthier stock portfolios, they have slowed their savings. That has contributed to robust sales at upscale chains that were hit hard by the recession, like NORDSTROM, TIFFANY, SAKS and NEIMAN MARCUS. SPENDINGPULSE said sales of luxury goods climbed 22.7 percent in March compared with a year ago, making the category one of the best performers last month.

In February, the pricey teenage clothing retailer ABERCROMBIE & FITCH — which had been reporting the worst monthly sales of any major national chain — posted a 5 percent year-over-year same-store sales increase. And it is expected to post another strong figure on Thursday.

Michael McNamara, vice president for research and analysis for SPENDINGPULSE, pointed out that the results from chain stores sound robust largely because this year's sales were being compared with the depths of the recession. So the big gains really represent a return to normal patterns.

"It's more about how little people were buying a year ago than how much people are buying today," he said.

Indeed, retail sales are still below the highs they hit in 2006 and 2007.

A lingering fear is that the sales gains could turn out to be temporary. Mr. Zandi of MOODY'S said that once wealthier consumers satisfied their pent-up demand, they might become cautious again. And other economists fear that the strengthening retail figures are not necessarily a good sign.

"The more money the consumer spends, the worse shape our economy is going to be in," said Peter D. Schiff, president of EURO PACIFIC CAPITAL, "because we are spending borrowed money."

Paul Laudicina, chairman of A. T. KEARNEY, the management consulting company, said that while some people were feeling confident enough to spend, he predicted a continuing degree of caution among consumers.

"We shouldn't free the balloons," he said, "because this is going to continue to be a slow, long, steady climb."

Source: The New York Times

USA: Economy Ended First Quarter Like a Lion

April 11, 2010, WASHINGTON -- Strong consumer spending and manufacturing output in March pushed the US economic recovery forward in March, but lingering weakness in housing and employment are flashing caution.

After a week with little news on the economy, there'll be an overflowing harvest of data and opinion this coming week. The economic indicators will fill in some blank spots about the just-concluded first quarter, while Federal Reserve Chairman Ben Bernanke will lead a full squad of Fed speakers onto the field.

Economists have been quietly marking up their forecasts for first-quarter growth, and they now estimate that gross domestic product rose at a 3.5% annual pace in the first three months of 2010. That's up from a 2.8% forecast a few weeks ago.

The first quarter probably had a better composition of growth than did the fourth quarter, when the inventory adjustment provided much of the lift, economists say.

In the first quarter, final demand from US consumers and businesses improved. Meanwhile, inflation stayed low.

"Indicators next week will simply build further on this relatively positive story of a low-inflation, relatively high-productivity recovery," wrote Brian Bethune and Nigel Gault, US economists for IHS Global Insight.

The weekly data calendar will have something for almost everyone. Retail sales, consumer sentiment, industrial production and regional manufacturing surveys should point to gathering economic strength. But data on jobless claims and housing starts are expected to show only small improvements from extremely weak levels.

Consumers

Retail sales rose a seasonally adjusted 1.3% in March, boosted by robust sales at auto dealers and at the malls, according to the median forecast of economists surveyed by MarketWatch.

Auto sales rebounded in March to an 11.8 million annual pace, the automakers have reported. Aside from the cash-for-clunkers months, it was the best sales since Lehman Brothers collapsed in September 2008.

Chain stores reported their best year-over-year growth since 1999, but that sounds more impressive than it was. Sales this March were boosted by the early Easter holiday, while sales last year were very weak, providing an easy comparison.

Still, first-quarter retail sales are up more than 6% compared with the fourth quarter, wrote Peter D'Antonio, U.S. economist for Citigroup Global Markets, Excluding autos, our consensus estimates growth of 0.6% in March.

Retail accounts for about half of overall consumer spending, which is on track for a 3.5% annualized gain in the first quarter, economists said. It would be the fastest growth in consumer spending in three years.

"Households are spending more and saving less in anticipation of an improving economy," said Gault and Bethune of Global Insight.

The increase in household wealth from the bull run in stocks and stabilization in housing prices has supported spending, but ultimately spending depends on wage growth, especially with households still paying down debt.

Source: www.marketwatch.com

USA: Housing Starts on Upward Trend in March

April 16, 2010, WASHINGTON -- Fresh data on new construction of US housing units showed an upward trend in place since the beginning of the year as an initial report of weakness in February was revised away.

Starts rose 1.6% in March to a seasonally adjusted 626,000 annualized units, the Commerce Department reported Friday. This was stronger than the 610,000 pace expected by economists surveyed by MarketWatch.

Treasury prices and the dollar added to gains after the report.

Even more surprising, February starts were revised higher to a 616,000 pace from 570,000 previously reported. This was up 1.1% from the prior month. The initial estimate was a 5.9% drop.

As a result of the revisions, starts have risen for three straight months and are now at the highest level since November 2008.

The government cautions that its monthly housing data are volatile and subject to large sampling and other statistical errors. In most months, the government can't be sure whether starts increased or decreased. In March for instance, the standard error for starts was plus or minus 15.2%. Large revisions are common, but rarely have been in such a positive direction during this recession.

In March, the strength came from multifamily starts. There was a slight decrease in starts of single-family homes.

Starts of single-family homes fell 0.9% to a 531,000 rate in March.

Starts of multifamily units surged 39.7% to 88,000.

The strength was concentrated in the South. All other regions declined in March.

In the past year, starts are down 20.2%. Starts of single-family homes are up 47.1%, while starts of apartments and condos have plunged 31.8%.

Building permits rose 7.5% to a seasonally adjusted annual rate of 685,000 in March.

Building permits for single-family homes increased 5.6% to a 543,000 rate. This is the highest level since August 2008. Many economists consider single-family permits to be the most important number in the government's release.

Permits for apartments and condos rose 15.4% to 142,000.

On Thursday, the National Association of Home Builders said its members were more encouraged about their business in April.

The home builders' sentiment index rose to 19 in April from 15 in March.

"We may be seeing some modest improvement in the fundamentals for new housing construction," wrote the RDQ economic team in a note to clients.

A tax subsidy for buyers expires at the end of April and "we will need to see data for May and June before we can put too much weight on this conjecture," the RDQ note said.

It can take four months for a new trend in housing starts to emerge from the data. In the past four months, housing starts have averaged 606,000 annualized, up from 594,000 in the four months ending in February.

Source: www.marketwatch.com

USA: New-Home Sales Surge 27% to 411,000 Pace

April 23, 2010, WASHINGTON -- Boosted by a soon-to-expire tax break, low mortgage rates and favorable weather, sales of new homes surged 27% in March to a seasonally adjusted annual rate of 411,000 after hitting a record low in February, according to Commerce Department estimates released Friday.

It was the largest percentage gain in sales since April 1963, the government said. It was the highest sales pace since July, and much stronger than the 335,000 expected by economists surveyed by MarketWatch.

Sales in December, January and February were revised higher. In February, sales were revised to a 324,000 annualized pace, up from 308,000. It's still the lowest on record, dating to 1963.

Sales are up 24% compared with March 2009, but are down 70% from the peak in 2005.

Government statisticians have low confidence in the monthly report, which is subject to large revisions, and large sampling and other statistical errors.

In most months, the government isn't sure whether sales rose or fell. The standard error in March, for instance, was plus or minus 21.1%.

The government says it can take up to five months to establish a statistically significant trend in sales. Over the past five months, sales have been on a 358,000 seasonally adjusted annual pace, up from 355,000 in the five-month interval through February and 356,000 in March 2009. It's the first time since January 2006 that the five-month average was higher than a year earlier.

Sales of new homes had fallen four months in a row before March's surprising boom. A federal tax credit for home buyers that expires soon seemed to have little impact on sales until March.

In order to qualify for the credit, a buyer must sign a sales contract before April 30, and must close before June 30. New-home sales are recorded at the time of the contract signing, not the closing, so April's sales figures would be the last to show any impact from the subsidy.

"We expect a further sharp rise in April sales then a sharp, though temporary, drop in May," wrote Ian Shepherdson, chief domestic economist for High Frequency Economics. "After that, much depends on whether Congress extends the tax break; we expect it will."

On Thursday, the National Association of Realtors said sales of existing homes rose 6.8% in March. Existing-home sales are recorded at the time of closing.

Housing, which led the economy into recession, seems to be the last sector to recover. Earlier this month, Federal Reserve Chairman Ben Bernanke said, "We have yet to see evidence of a sustained recovery in the housing market."

Policy makers and investors will be watching the housing data closely over the next few months to see if the market can continue March's gains even after the tax credit expires and federal support for low mortgage rates subsides.

"We think that the second quarter will be a make-or-break quarter for the housing sector," wrote Ward McCarthy, chief financial economist for Jefferies Economics. "Our current view is that the housing sector is in the process of stabilizing on a national level. Recovery will be a slow and fitful process."

Fundamentally, housing starts are too low to meet the demand caused by household formation, noted Tony Crescenzi, strategist for Pimco. Ahead of the recession, about 1.2 million households were formed each year. Not all of those families will buy homes, but all of them need shelter. Many of them have been doubling up during the recession.

Details

Inventories of unsold homes fell by 5,000, or 2.1%, to 228,000, the lowest in 39 years. At the March sales pace, it would take 6.7 months to sell off the inventory. That's the lowest months' inventory since December 2006.

Home builders have been slashing their inventory of unsold homes for more than a year. The number of homes for sale that are under construction fell to a record low of 100,000.

Builders have cut back on production of new homes, but they still face headwinds from unsold existing-homes as foreclosures continue to mount up.

If a home isn't sold before it's finished, it's taking a record 14.4 months to sell it after completion -- a reflection of the mismatch between more expensively priced homes in the inventory and lower-priced homes that have been selling.

The median sales price of a new home sold in March was $214,000, up 4.3% compared with a year earlier. Cheaper homes were selling better than expensive ones. Just 12% of homes sold for more than $400,000.

Sales were up in all four regions: up 36% in the Northeast, up 4% in the Midwest, up 44% in the South and up 6% in the West, the government's data showed.

Source: www.marketwatch.com

USA: Top 10 Builders Slogged Through Tough 2009

April 22, 2010 -- Our annual Builder 100 survey reveals how the leaders ceded market share again last year.

The end of the housing recession did not materialize in 2009 as builders expected, and the fallout—in terms of failed companies, lost jobs, and red ink—is still spilling into 2010. But there were signs in some markets that both buyer demand and home prices had hit bottom, and that business conditions might finally improve this year.

The industry's largest 10 builders proved once again that size isn't everything. Their combined closings in 2009, at 89,578, were off by nearly 37%, and for the third consecutive year, these builders lost market share. Only one of them—NVR—managed to turn a full-year profit.

Like many of their midsize and even custom competitors, several big builders found some solace in first-time home buyers, who seemed to be the only customers able to get mortgage financing. In their pursuit of these buyers, builders added smaller, more affordable house plans to their portfolios. And a few, such as LENNAR, added social networking to their marketing efforts.

A number of big builders, which finished 2009 with sales and earnings spurts they hadn't seen in years, are again looking to expand their market reach, either by optioning land or through acquisition. The relative scarcity of new product available in many markets has large builders convinced they will be best suited to meet demand when it revives. However, facing the dual realities of high unemployment and foreclosures, builders will need to work harder than ever just to stay even.

Every year, BUILDER magazine asks the nation's builders to provide their sales and closings. Our May issue will feature the full results of our findings, but read on to see which companies finished among the Top 10, and how they fared.

Top 10 Builders for 2009

Rank	Company	2009 Closings	% Change	2008 Closings	2008 Ranking
1	D.R. HORTON	18,164	-24%	23,915	1
2	PULTE HOMES	15,013	-29%	21,022	2
3	LENNAR CORP.	11,478	-27%	15,735	4
4	NVR	9,042	-16%	10,741	7
5	KB HOME	8,488	-32%	12,438	5
6	CENTEX CORP.	6,900 (est.)	-62%	18,241	3
7	HOVNANIAN ENTERPRISES	5,659	-50%	11,281	6
8	HABITAT FOR HUMANITY INT'L	5,294	-3%	5,459	11
9	THE RYLAND GROUP	5,129	-30%	7,352	8
10	BEAZER HOMES USA	4,411	-33%	6,624	9

Source: www.builderonline.com

USA: Foreclosures Up in 1st Quarter; Real-Estate Owned at Record

April 15, 2010 -- US properties subject to foreclosure action in the first quarter rose 16% from the year-earlier quarter and 7% from fourth-quarter 2009, consultant RealtyTrac reported Thursday.

Real estate owned by lenders is at the highest level RealtyTrac has seen since it began reporting the data, Chief Executive James J. Saccacio said in a statement.

The report "may be further evidence that lenders are starting to make a dent in the backlog of distressed inventory that has built up over the last year as foreclosure-prevention programs and processing delays slowed down the normal foreclosure timeline," he said.

Foreclosure filings -- default notices, scheduled auctions and bank repossessions -- were reported on more than 932,000 properties in the quarter. That means one in every 138 U.S. housing units received such a filing, the Irvine Calif., firm said.

In March, 367,000 properties were subject to foreclosure filings, up 8% from March 2009 and up 19% from February 2010.

Nevada for 13 quarters has been the state with the highest foreclosure rate, RealtyTrac reported. In first-quarter 2010, 1 in every 33 housing units in the state was subject to a foreclosure filing.

That's more than four times the national average and is up nearly 15% from fourth-quarter 2009. More than 34,500 properties in the state received a filing in the first quarter, down 16% from first-quarter 2009.

Arizona was second with 1 in every 49 properties subject to a filing in Florida was third with one in every 57.

Ten states account for more than 70% of the foreclosure filings in the first quarter, RealtyTrac reported.

In absolute numbers, California's more than 216,000 properties subject to a foreclosure notice accounted for 23% of the nation's total. Florida was second with more than 153,500 and Arizona was third, with nearly 55,700.

Source: www.marketwatch.com

USA: Hotels Check in to Water Savings

Hotels traditionally saved water by asking guests to keep the same towels and linens for the duration of their stay. Now, more and more hotels are replacing plumbing fixtures with more water-efficient models to save millions of gallons each year.

Hotels making the switch are not only realizing water savings, but also significant time saved from making fewer repairs. The Hilton Palacio del Rio in San Antonio, Texas, for example, replaced every toilet in the 480-room hotel with WaterSense labeled models and saved 6 million gallons of water in eight months. Even better, the hotel realized a 90 percent decrease in guest complaints about plumbing problems and an 80 percent decrease in plumbing repairs.

After San Francisco's Parc 55 Union Square Hotel replaced its more than 1,000 toilets with WaterSense labeled models, KOHLER CO. and Veritec Consulting conducted a study that found the hotel reduced its water use by 1 million gallons of water per month and saved $170,000 on water and sewer charges per year after the retrofit.

Hotels find "greening" of facilities as a business opportunity too. A 2008 Deloitte survey of 1,000 business travelers found that guests not only are willing to pay for greener lodging, but they expect these environmentally friendly measures from hotels. Forty percent of those surveyed said they would pay more for hotels with green amenities, and 95 percent said they think the industry needs to become more sustainable.

In addition to WaterSense labeled toilets, hotels can complete the suite by retrofitting with WaterSense labeled bathroom faucets and showerheads. Another branch of Hilton—the new "Homes2Suites" design—is also including WaterSense labeled plumbing fixtures to increase sustainability measures for the extended stay hotel.

Source: www.epa.gov/watersense

USA: Boomers Beset with Mobility Disabilities

8 April 2010 -- The number of middle-aged Americans with certain mobility-related disabilities, such as trouble climbing stairs, is on the rise, according to a new study.

This upward trend for baby boomers contrasts with a decline in disabilities found for people 65 and over.

The study is based on data from the National Health Interview Survey, conducted annually from 1997 to 2007 and including up to 15,000 individuals each year. The results show that more than 40 percent of people aged 50 to 64 reported having problems with at least one of nine physical functions, and many reported difficulty with more than one.

While the total number of adults reporting physical problems in this age group did not change significantly over the study period, there was a significant uptick in people reporting difficulties with specific mobility related functions, including walking a quarter-mile and climbing 10 steps.

There was also an increase in the number of people using special equipment to get around, such as a cane or wheelchair. In addition, more people reported needing help with daily personal care activities, such as getting out of bed and moving around the home.

"Although the overall rate of needing help with personal care among this group remains very low — less than 2 percent — this rise in disability is reason for concern," said study author Linda Martin, of RAND CORPORATION, a nonprofit research organization. "It does not bode well for future trends for the 65 and older population, plus there are substantial personal and societal costs of caring for people of any age who need help."

Here's the breakdown of the number of adults per 10,000, ages 50 to 64, who reported difficulty with various actions in the 2005-2007 period and from 1997-1999 (in parentheses).

Cause still unclear

Stooping, bending, kneeling: 3,129 (2,875) Standing two hours: 2,491 (2,321)Pushing or pulling large object: 2,010 (2,024) Walking a quarter-mile: 2,146 (1,954) Climbing 10 steps: 1,749 (1,537) Sitting two hours: 1,491 (1,445) Lifting and carrying 10 pounds: 1,410 (1,387) Reaching over head: 1,186 (1,149) Grasping small objects: 1,128 (1,109).

However, the exact cause of the rise remains unclear, the researchers say.

The reported increases in conditions causing disability could reflect real deterioration of health or improved awareness of conditions as a result of diagnosis and treatment. It also could be that improved medical care has extended the lives of people whose disabilities began early in life and who might have not survived to age 50 in earlier decades.

Despite the growing obesity problem in the United States, those needing help did not cite obesity as an important cause of their limitations.

The study also found increasing proportions of middle-aged adults attributed their need for help to back or neck problems, diabetes, and depression, anxiety or emotional problems. By 2005-2007, the most common causes for needing help were these ailments plus arthritis or rheumatism. People who reported these conditions as causes were most likely to report that the ailments started at ages 30 to 49.

"This a disappointing trend with potentially far-reaching and long-term negative consequences," said Richard Suzman, director of the Division of Behavioral and Social Research at the National Institute on Aging, which funded the study. "If people have such difficulties in middle age, how can we expect that this age group — today's baby boomers — will be able to take care of itself with advancing age? If it continues, this trend could have a significant effect on the need for long-term care in the future."

The researchers note that the study was based on people's self-reports, which could affect the results. The study was published in the April issue of the journal Health Affairs.

Source: www.msnbc.com

Canada: MAAX Announces New President & CEO, Mark A. Gold

Lachine, Quebec, Canada, April 22, 2010 – MAAX BATH INC., today announced the appointment of Mr. Mark A. Gold to the position of President and Chief Executive Officer of MAAX BATH INC., effective April 19, 2010.

Mr. Gold has more than 20 years of experience in leading high-growth businesses. Most recently, he was President and CEO of WESTERN FORGE, an operating company and part of REVSTONE INDUSTRIES, a global manufacturer of engineered transportation products with revenues of $1.0 billion and 1,600 employees. Prior to WESTERN FORGE, Mr. Gold held various management positions with NEWELL RUBBERMAID CORPORATION and THE BLACK & DECKER CORPORATION (Hardware and Home Improvement Division) where he acquired broad experience in solving complex commercial, supply chain and manufacturing challenges, each uniquely relevant to our industry.

Within these respected organizations, Mr. Gold has consistently demonstrated his leadership ability to develop winning teams and business strategies. His specific expertise in sales and marketing will prove beneficial to the challenges at hand for MAAX and the entire “bath-ware” industry.

“We are convinced that he will quickly be appreciated for the great value that he will undoubtedly bring to the Company and to every MAAX employee and customer”, stated Mr. Pierre McNeil, Interim President and CEO, and Senior Vice President, Brookfield Asset Management.

About MAAX

MAAX BATH INC. is a leading North American manufacturer of award-winning bathroom products for the residential & commercial housing markets. The Company is committed to offering its customers an enjoyable experience: distinctive, stylish and innovative products and the best customer service practices in the industry. MAAX offerings are available through plumbing wholesalers, specialty boutiques and home improvement centers.

The corporation employs over 1,300 people and currently operates in 9 manufacturing facilities and independent distribution centers throughout North America.

Source: www.maax.com

USA: People On The Move…

1 April 2010 -- GERBER PLUMBING FIXTURES LLC promoted Kevin McJoynt to VP of marketing. After 12 years with the plumbing company, McJoynt will be responsible for GERBER's branding, communications and product development activities. He joined the company in 1998 as marketing services manager and was promoted to director of marketing in 2002.

12 April 2010 -- MASCO CORP. named Charles L. Jones chief design officer effective May 3. He will be responsible for the global leadership of design strategies across MASCO's business units.

"Chuck has a proven history of combining design and innovation to reach customers," said Donald DeMarie, executive vice president and COO. "He has the experience and expertise to lead MASCO's design teams around the world in delivering unique brand experiences that we believe will resonate with customers and drive market share. With the creation of this role, we are further reinforcing the importance of design as a competitive differentiator."

Prior to joining MASCO, Jones was vice president of Global Consumer Design and User Experience at WHIRLPOOL CORP. where he has been credited for turning WHIRLPOOL into a global design leader. Before that, he worked for XEROX, leading its global industrial design and human interface department with locations in North America, Latin America, Europe and Asia.

Jones has received over 30 international awards for product design excellence and has been awarded more than 20 patents. He is an active member of the Industrial Designers Society of America, the Design Management Institute, the Corporate Design Foundation and the Interaction Design Society.

Source: Supply House TImes