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A SUPPLEMENT TO FLORIST MAGAZINE



BUSINESS BEAT

INDUSTRY NEWS EXCLUSIVELY FOR FLOWER SHOP OWNERS/MANAGERS

by Jean Adamczak

BAD ECONOMY HITS BUSINESSES WHERE IT HURTS

Things are tough all over

A florist's life is no bed of roses, according to a recent BusinessWeek article. The item pointed out that some careers, such as real estate brokers, leveraged-buyout specialists and thrift executives, looked more promising in the roaring 1980s than in the slumping

'90s. After reviewing other industries' statistics, BusinessWeek added florists to that list, explaining that "sales of flowers have leveled off, but the competition hasn't." The following facts, provided by the Society of American Florists, were cited in the article.

| Flower sales (billions) | | |
|---------------------------------------|--------|--------|
| 1982 | 1990 | 1991 |
| \$5.7 | \$12.9 | \$12.8 |
| Number of flower shops (thousands) | | |
| 1977 | 1987 | |
| 29.3 | 49.5 | |
| Customers/prospects (per flower shop) | | |
| 1972 | 1990 | |
| 8,567 | 6,135 | |
| Share of floral market | | |
| | 1981 | 1991 |
| Florists | 63% | 58% |
| Non-florists | 37% | 42% |

Source: BusinessWeek, April 27, 1992, 1221 Avenue of the Americas, New York, N.Y. 10020

1991 bad year for business

A record number of U.S. businesses went belly up last year, according to Dun & Bradstreet Corp. Approximately 87,266 businesses closed their doors permanently in 1991, 44 percent more than in 1990, Dun & Bradstreet reported. Dollar liabilities associated with business failures also skyrocketed, from \$55.5 billion in 1990 to \$108.8 billion in 1991, the company said.

"The recession, coupled with the vast amount of debt accumulated in the 1980s has taken its toll across the U.S.," a Dun & Bradstreet economist noted. Business failures increased in every region of the country last year, as well as in every major industry, from services to manufacturing, the economist reported. Unfortunately, 1992 isn't shaping up much better. As of March, business failures were running approximately 25 percent above last year's pace.

"Even if a recovery takes hold in the next few months, a lot of businesses are likely to find that the pickup is too little and too late," the economist said.

Source: BusinessWeek, March 16, 1992, 1221 Avenue of the Americas, New York, N.Y. 10020