



“Preserving the Past while Building the Future.”



Celebrating 128 Years of Service

A note from the Siewers Family...

Getting ready for fall

This fall-like weather has really been spoiling us and we just hope that it lasts for a few more weeks before the winter cold?

We have had an exciting month here at Siewers Lumber Company! A group of about 18 of our staff recently volunteered to spend time with some of our community's homeless people at Richmond's First Baptist Church. What a humbling experience to serve a meal to and sit down and fellowship with those among us who live on the margins of society. It truly hits home that although we complain a lot about the condition of the economy and what we don't have, indeed we have so much to be thankful for each and every day!

Bill Diederich (former counter salesman), retired in August and we wish Bill the very best on his future endeavors! In September we hired a Kitchen and Bath Designer/Consultant, Kellene Gordon. Kellene comes to us with over 10 years of experience in kitchen and bath design and welcomes the opportunity to help with any of your cabinet needs. From measuring to designing and coordinating selections to ordering and complete kitchen installations, Kellene looks forward to providing the same level of service and expertise you have come to expect from all of us at Siewers Lumber Company. So, the next time you are in our store, feel free to ask for her. Or, give her a call. She looks forward to meeting you!

As always, all of us at Siewers wish to **“Thank you”**, for your patronage and allowing us to be of service to you.

-The Siewers Family

Economic News

Local Businesses Benefit Economy

A study conducted by national research firm Civic Economics indicates that independent retailers return 52% of their revenue to the local economy, compared with 14% by national chains.

For comparison purposes, Civic Economics analyzed annual reports for four major national chains: Barnes & Nobles, Home Depot, Office Max and Target. In addition, researchers analyzed reports for three national restaurant chains Darden, McDonald's and P.F. Chang's.

According to Civic Economics, chain stores and restaurants extract locally generated revenue from the community with each nightly bank transaction, while independents create a cycle of local spending.

The extra dollars in local communities produce more jobs, extra tax revenue, more investment in commercial and residential districts and enhanced support for local nonprofits.

Shopping locally can keep at least three times more revenue in local economies.

August 21, 2012 / Brae Canlen

Recession imminent in 'Fiscal Cliff' of tax hikes, budget cuts not averted, CBO says

The U.S. economy will hurtle into a recession if Congress fails to avert a series of tax increases and budget cuts due in January, the Congressional Budget Office said Wednesday, **warning that a fiscal impasse would have consequences even more dire than previously forecast.**

The CBO's gloom sparked another round of political finger-pointing but failed to cast much of a shadow over financial markets.

With just 2 months left until the presidential election, it may be too late for monetary or fiscal policy to significantly alter the state of the economy before voters head to the polls. But actions taken now by the Fed or Congress might still influence whether voters believe the economy is on the right track.

In its report, the CBO warned that the nation would be plunged into a significant recession during the first half of next year if Congress fails to avert nearly \$500 billion in tax increases and spending cuts set to hit in January.

The CBO's economic outlook is considerably darker than the forecast the agency released in January, when it predicted that the fiscal cliff would trigger a mild recession in the first half of 2013, with the economy shrinking by 1.3 percent. Now the agency foresees a contraction of 2.9 percent in gross domestic product, "similar in magnitude to the recession of the early 1990's."

Article found in the Business section of the Washington Post 8/23/12.

Contractor News

Good News: Have another cup of Joe!

Five cups of coffee a day can be good for you! It lowers blood pressure, prevents diabetes and may even fight skin cancer. People who drink coffee regularly are less likely to have a stroke or get Parkinson's disease.

Coffee contains hundreds of antioxidants and other bioactive compounds, including some of the same polyphenols that are found in fruits, vegetables, wine and green tea. Polyphenols are potent antioxidants that inhibit inflammation as well as cell damage. More coffee might be better for disease prevention. People who drink five cups a day seem to benefit more than those who drink three cups. More than 20 studies have found that coffee drinkers are less likely to get diabetes than those who don't drink coffee.

General contractors getting caught in the squeeze

Too many contractors taking on too much low-bid work just to stay alive may soon result in a market shake-out, according to a report by FMI, a leading provider of management consulting and investment backing to the engineering and construction industry.

The third quarter nonresidential construction report index has dropped 5 points, putting it back at second quarter 2010 levels. On the rise is the number of contractors participating in self-funded projects as a financing partner with owner/developers, the report said.

The rising material and labor costs, combined with lower project management fees and profit margins, are resulting in an upturn in bankruptcies for construction industry firms, the report said. Nearly a third of the panelists surveyed have seen a decline in trade contractors, with more than 10% noting fewer general contractors and design firms.

"There are still too many contractors chasing too little work," commented one survey participant. "Owners still seem to be selecting the lowest price, driving margins to the lowest level we have ever seen."

Article found in Home Channel News (www.homechannelnews.com)

New to you....

Three-Legged Stool: Quality Service & Price

Ben Franklin once said, "The bitterness of poor quality remains long after the sweetness of low price is forgotten." How true that statement is still valid today. Typically, if you look at many of the successful businesses today, you notice that the companies are providing a high level of service and quality at competitive (not cheapest) prices. Unfortunately, due to these tough economic times, many contractors have been reluctantly forced to provide a lower price on their jobs by providing these lower prices, they are forced to either reduce their quality or the service on their jobs. If the contractor is pressured to reduce their prices they must also be aware of the long term consequences to their reputation by lowering their standards of quality or service. Most successful

contractors rely heavily on referrals for future potential business rather than other traditional methods of marketing such as advertising. The customer may be satisfied at the beginning of a job and felt they got a bargain due to a reduced price but are they going to be satisfied at the end of the job if the contractor was to reduce either their quality or service. If the successful contractor attempts to still provide their typical high services and quality then painfully it will begin to affect his bottom line and potential to future survival. So, it all goes back to the three-legged triangle of service, quality and price and which two attributes do you want to provide for your customers. If you are going to sell at a low price, you cannot provide both a high service and quality product and expect to survive. Is it worth your reputation and potential future business? Sometimes, the best solution may be to not quote a particular job or refuse a job when a customer wants you to lower your prices, thus forcing you to lower your standards of quality or service. Is it worth potentially damaging your reputation and having a dissatisfied customer where as a satisfied customer may be holding the keys to your next job?



Made in the USA!

Norcraft Cabinetry

Norcraft is one of the oldest cabinet producers in the industry. They started out in western Minnesota in 1966. They have grown to the fifth largest producer of cabinetry in the U.S.

Norcraft is made to precise quality standards. While they are using time honored joinery techniques, their culture is based on innovation and continuous improvement. They specialize in product styling that is aligned with updated home fashion.

They are just one of the lines of cabinetry that Siewers is now carrying. Our newest employee, Kellene Gordon comes to us with over 10 years experience as a design consultant. She will design, measure and arrange for installation. Next time you are at Siewers be sure to stop by and introduce yourself.

Quick Contractor Tip

Replacing an air-hose fitting

When replacing an air-hose fitting with a barbed brass fitting, the usual process is to seal the connection with a small hose clamp. Use plumbing tools to make a cleaner connection on a 1/2" O.D. air hose.

Cut the end of the hose square. Then slide a 1/2" PEX plumbing crimp ring onto the hose so that 1/8" of the hose extends beyond the ring. Then apply some light oil or Vaseline to

the barbed end of the fitting to facilitate insertion. Finally, compress the ring with a set of crimpers. *R. Timothy Maddox , Lynchburg VA*

How would you like to be published in a future issue of Siewers Newsletter?

Be sure it is a quick tip that can help another contractor and one that is simple to understand (“Even I need to understand it!”) It also must be economical to create. Submit your tips to us at laurenf@siewers.com.



6 AIA Certification Classes – Oct. 11th.
 RSVP: <http://coxrichmondclass.eventbrite.com/>



Economy Snap Shot.....

	<u>Unemployment Rate – Entire U.S.</u>	<u>Consumer Confidence (Indexed to value of 100 in 1985)</u>	<u>Total Housing Starts /Seasonally Adjusted Annual Rate</u>
August 2012	8.1%	60.6	750,000
Prior Month – July 2012	8.3 %	65.4	733,000
Prior Year – August 2011	9.1%	45.2	581,000

	<u>Gallon (\$) Of Gas</u>	<u>Existing Home Sales</u>
August 31, 2012	\$3.74	N/A
Prior Month – July 2012	\$3.49	4,470,000
Prior Year – August 2011	\$3.71	4,410,000

Market Summary

	<u>September 19, 2012</u>	<u>1/01/12</u>	<u>8/31/11</u>
DOW	13,564	12,217	11,613
NASDAQ	3,177	2,605	2,579
S&P 500	1,459	1,257	1,218

Company Mission

To operate and maintain a genuine state-of-the-art lumberyard and mill for Richmond remodelers, with service that is second to none.



“When unhappy, one doubts everything; when happy, one doubts nothing.” Joseph Roux

**Siewers Lumber & Millwork
1901 Ellen Road
Richmond, VA 23230**

**Visit our website for product and general information.
www.siewers.com**

Phone: (804) 358-2103 Fax: (804) 359-6986

**Hours:
Monday – Friday
7:30 a.m. – 4:30 p.m.**

**If you wish to receive our newsletter each month, forward your email address to
laurenf@siewers.com or us at 804-358-2103.**