



Economic free fall leaves Georgians trying to stay on their feet

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Stuart Landman took full advantage of metro Atlanta's real estate bubble in 2006. The Lawrenceville mortgage broker earned more than \$100,000 from work built on commission. He closed deals on up to 10 homes per month.

He owned 13 rental houses and others that he bought low, fixed up and sold for a nice profit. Business couldn't have been better.

"I was feeling good," the 55-year-old man said. "I was getting people in homes."

Yet when the real estate market crashed, so did Landman's financial portfolio. He went through job loss, foreclosures, personal bankruptcy and a lot of soul-searching. With most of those rental properties gone, he now makes about \$40,000 per year.

The Landmans' situation, in many ways, is a microcosm of metro Atlanta.

As the region's per capita income last year dropped more than the national average, for some, parties filled with friends, regular trips to nice restaurants and vacations have disappeared.

Stuart Landman is clipping coupons now.

Rick Hawkins, a Riverdale cabinet maker, laid off most of his workers — and sold off nearly all of his vintage cars.

And when John Veal, an IT manager from Cherokee County, lost his job, he cashed out his 401K savings plan to pay bills.

For them and others, living is no longer about success; it's about survival.

Across metro Atlanta, per capita income shrunk 4.8 percent — down from \$38,336 in 2008 to \$36,482 in 2009. Per capita income nationally dropped 2.8 percent to \$40,757, according to figures from the U.S. Department of Commerce.

Landman's concerns center around paying for his daughter's education and meeting his family's everyday needs. He's trying creative solutions to boost his business, working more with technology such as video presentations for clients. It's been an adjustment.

"My wife and I cried," Landman said.

The reasons for economic free fall are no mystery; they just have hit metro Atlanta harder than most.

"The biggest jolt came from the shutting down of construction activity," said Rajeev Dhawan, Georgia State University economic forecasting center director.

The national recession also slammed metro Atlanta's tourism and convention business. Unemployment remains above the national average. The region has one of the highest bank failure rates in the country.

"The credit industry is gummed up," making it hard for people and business to start again, Dhawan said.

Hawkins, the cabinet maker, depends on the credit industry to find work. In 2008, 90 percent of his jobs came from commercial clients such as hotels, offices and shops. When commercial loans dried up, so did the bulk of his business. He had to lay off four of his five workers and sell off more than half of his prized vintage Volkswagen car collection to invest in his company. He found himself bidding on jobs so small he might have passed on them years ago.

"I have started to receive phone calls this year, but it's still small potatoes," Hawkins said. "Before it was a \$20,000 job or whatever. Now it's a \$5,000 job."

Hawkins said times were tough in the 1980s, when the cost of materials skyrocketed, but that was nothing compared to the past two years.

"I did not live in the Depression so I can't say what that was like, but whenever you lose the amount of business we've lost that was a depression to me," said Hawkins, whose household income dipped 70 percent last year. "Six months ago I had the task of telling my wife that we were broke. It still chokes me up, because she was thinking we were on top of the world."

Hawkins and his wife, Marilyn, a real estate agent whose income also was gutted by the economic meltdown, have learned to do a lot more with less. They stopped eating out. They haven't taken vacations. They are doing what they must to make their payments and survive.

Hawkins said business is finally starting to rebound, albeit meekly. He's launched a new side company focused on creative custom woodwork and is doing millwork for a bowling alley in Chattanooga, income that will carry them through November. And then?

"Back to the soup line," Hawkins said, only half joking.

Veal, 35, said unemployment taught him a lot about himself. He was laid off by American Heritage Academy last year in June, losing his IT job across the hall from his daughter's pre-kindergarten class, as well as the ability to pay for her schooling there.

In the four-month period he looked for work, he questioned how to pay the bills, his relationships and self-worth. He blamed himself for losing his job. He was convinced he should have worked harder, made smarter decisions, worked longer hours.

"I felt completely helpless and humbled," he said.

Veal and his wife, Faith, quickly addressed their expenses. They pulled one daughter out of daycare to save \$200 weekly and refinanced the family home for another \$200 monthly savings. They refinanced their car and felt fortunate they had paid off the other one. Veal cashed out his 401K savings to pay bills and the \$1,700 mortgage.

With their money nearly depleted, Veal found a new job, though it's 70 miles away from his Holly Springs home. That's often a three-hour daily commute. Veal isn't complaining.

He takes fewer risks professionally, works longer hours and thinks more about shielding his family from future hardship.

"I learned that the happiness of my family doesn't depend on the dollars in our account," he said. "I learned that I will survive."

Per capita income is calculated as the cumulative personal income of residents divided by the area population; it includes income streams such as paychecks, rental income, dividends and government support.

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