

**BRITISH COLUMBIA SOCIETY
OF LANDSCAPE ARCHITECTS**

**RESULTS OF THE
1989 PRACTICE SURVEY**

**PREPARED BY
R.K. HOUSE & ASSOCIATES
INGLEWOOD, ONTARIO
February, 1990**

INTRODUCTION

This report consists of two distinct parts. Part I is a selective report on the findings of the economic survey of landscape architects in British Columbia. Part II consists of recommendations for the profession. The link between the two is obvious. Economically or financially the profession is in an unenviable position. This is documented by the findings of the economic survey. The survey cannot, however, point to a remedy for the economic ills of the profession. How to resolve these ills is the substance of Part II.

For some members of the profession, this report may be unpleasant reading. It concentrates on what is wrong with landscape architecture and with landscape architects; its focus is with the problems of the profession and not with its many commendable attributes. Its intention is to inspire the profession to reform itself and to reach for a more prominent role in society. It is not intended to provide excuses for complacency or smugness.

This is not a consensus report. It is one person's vision. That vision is offered as a beginning point for discussion within the profession. It does not matter whether this vision is the right vision. What matters is that it serves as a useful beginning point for the profession.

The report should fuel controversy. In drafting this analysis and considering our readership, we have asked the question of whether we should play it safe and adopt a middle of the road approach. We could have cast our discussion in terms of "on the one hand and the other hand", but we have decided to plunge in and "take sides". In deference to those who are part of the profession, we admit to limited knowledge of many aspects of the profession. Our advantage is not that we know more than those who are part of the profession, but merely that we have a different and perhaps broader perspective. We are, after all, familiar with the inner workings of a number of other professions. This provides a basis for comparing and contrasting the profession with others. Undoubtedly, we suffer from some forms of tunnel vision; but our tunnel vision is different than the tunnel vision of the landscape architect.

IS LANDSCAPE ARCHITECTURE A PROFESSION?

The question of whether landscape architecture is a profession is profoundly important. To most landscape architects the answer is obvious. Landscape architecture is a profession. To the outsider the answer is not so obvious. The question, however, begs a further question: What is a profession?

Economists, chemists, physicists and biologists are all practitioners of well-defined disciplines, but none of these are members of a profession. Physicians, lawyers, dentists and engineers are members of a profession. Being a member of a profession has nothing to do with the nature or difficulty of a discipline or how well-defined a discipline may be. Microbiologists teach physicians, but microbiologists may not practice medicine. What confers professional status upon a discipline is legislation - legislation confers a special status upon practitioners. The distinguishing characteristic of lawyers or physicians is that no one else may engage in the practice of law or medicine. Professions have an exclusive or monopoly right to perform certain tasks or duties; others, non-professionals, are legally barred from doing the tasks reserved for the professional.

By this standard landscape architecture does not appear to be a profession. There is no exclusive domain for the practice of landscape architecture in British Columbia. Any one who wishes to provide the services now provided by a landscape architect may do so if he or she is able to find a client. The only exception to this is the requirement by some municipalities that some submissions be accompanied by drawings bearing an landscape architect's stamp.

In the classic sense that medicine is a profession, the landscape architect Act does not create a profession. It is principally a "housekeeping" act. It sets forth the conditions for admission to The British Columbia Society of Landscape Architects and the procedures for the proper conduct of the affairs of the Society, but nowhere does it provide for exclusivity of practice.

Landscape architecture is not a profession in a legal sense.

Could it be a profession in a "practical" sense? Areas of professional expertise are recognized even in the absence of formal recognition by the law. Holding a Ph.D. in a discipline confers an element of professionalism on some disciplines. For example, the Courts will generally recognize a Ph.D. in psychology as a "professional" or as an "expert". The criteria is the higher degree. Those holding a baccalaureate degree in psychology would not normally be qualified as "professionals" or experts unless they had some exceptional experience. Here again landscape architecture falls into a dif-

ferent position. Predominately, the Society contains members whose highest degree is a baccalaureate degree, along with some who have no degree, and a few who do have higher degrees.

The notion that an undergraduate education in landscape architecture is in some sense unique would not in itself make landscape architecture a profession. Concentrated training in any of the sciences or arts is unique when contrasted with each other. An honours degree in mathematics is different than an honours degree in sociology, but holding an honours degree in either of these subjects does not make the holder a "professional".

It was suggested above that unique experience could make a person an expert or professional. We talk about professional dancers and professional journalists and so forth. When we do, we usually mean to imply that these are people who devote themselves to their career and have achieved some success. By this criteria, the neophyte in the profession or the part-time employee is not usually seen as a full professional. Again landscape architecture is in a different position. Relatively "new" practitioners and part-timers assume the mantle of the professional landscape architect.

The last sense in which a person may be perceived as being a professional is when they have mastered a demanding and well-defined craft or discipline. Very often the craft or discipline mastered is very narrow: A "professional" baseball player or a "professional" photographer. Whatever landscape architecture is, it evades narrow definition.

There are two reasons why the issue of "the profession" is important. First, it determined the statistical base for the economic information that is reported in the first part of this report. "The profession" has implicitly been defined as all members of the Society. This is deficient in several respects. First, it excludes all those who are not members of the Society who, de facto, are doing exactly what landscape architects do. Thus we are not looking at what is encompassed by a particular area of interest or expertise. We are merely looking at a particular group who work in a very broad and general area. This is because those outside the Society are not currently seen as part of the profession. Yet from a practical point of view, all that may distinguish some members of the Society from some outside the Society is the membership in the Society. There may be no legal, practical or educational differences.

Secondly, we have implicitly assumed that landscape architecture is what landscape architects do. If this is the case, then landscape architecture is many very different things or activities. We are in danger of including within the compass of landscape architecture activities that many may rightfully feel are not part of the profession or the "market".

Our sense is that we have not surveyed or studied landscape architecture or landscape architects. We have studied the Society of Landscape Architects in British Columbia.

There is no doubt in our mind that most of the members of the Society feel they have achieved professional status. The suggestion that they are not part of a well defined profession will come as an affront to many, perhaps most of the members of the Society. It is not intended this way; it is intended to be a caution that professional status, in any of the usual meanings of the word, is still something that has to be achieved and defined.

Perhaps one of the strengths of the membership of the Society is that its members do feel they are professionals. This sense and the pride that must accompany it is a very positive point. It also points to a task that the Society could shoulder and which would likely have virtually unanimous support among the membership - achieving true professional status.

Achieving true professional status will not be easy. It will take years.

PART I THE ECONOMIC SURVEY

The economic survey of the Society was intended to reach a limited number of objectives. From some of the comments on the questionnaire, it is clear that some members of the Society hoped it would delve into areas in which they have a particular interest. Before "getting into the data", it is worth while reviewing just what we hoped to accomplish with the survey.

First, we wanted to identify the income characteristics of the profession. How much money do people in the Society earn? We need to know this to determine whether the incomes are in fact adequate to attract and retain ambitious, high-quality people in the profession.

Second, we wanted to know what caused differences in the levels of income within the membership. This knowledge could suggest how the incomes for all might be improved.

Third, we wanted to learn something about the market for the services of landscape architects. How big is the overall market; what are its component subsections; who are the most potent competitors of the landscape architect? With this information in hand, we would have some idea of how the market may be improved; where efforts to market the profession may be most rewarding, and how the competition might be best confronted.

Each of these three primary areas of interest expand into a myriad of subsidiary issues and policy options. The data base, however, is limited and can only support a limited range of conclusions. Many things that we may be interested in still remain matters of speculation.

THE DATA BASE

Approximately 123 questionnaires were sent to the full members, associate members and student members of the Society. Seventy-four percent of the full members responded, 84 percent of the associate members. This is a reasonably high response rate, and it would normally be sufficient to insure that the results of the survey could safely and confidently be expanded to make comments about the universe or the total membership of the Society. Unfortunately, not all questionnaires were answered completely and, because of the status of some individuals - retired, out of province or working outside landscape architecture, some responses were not useful.

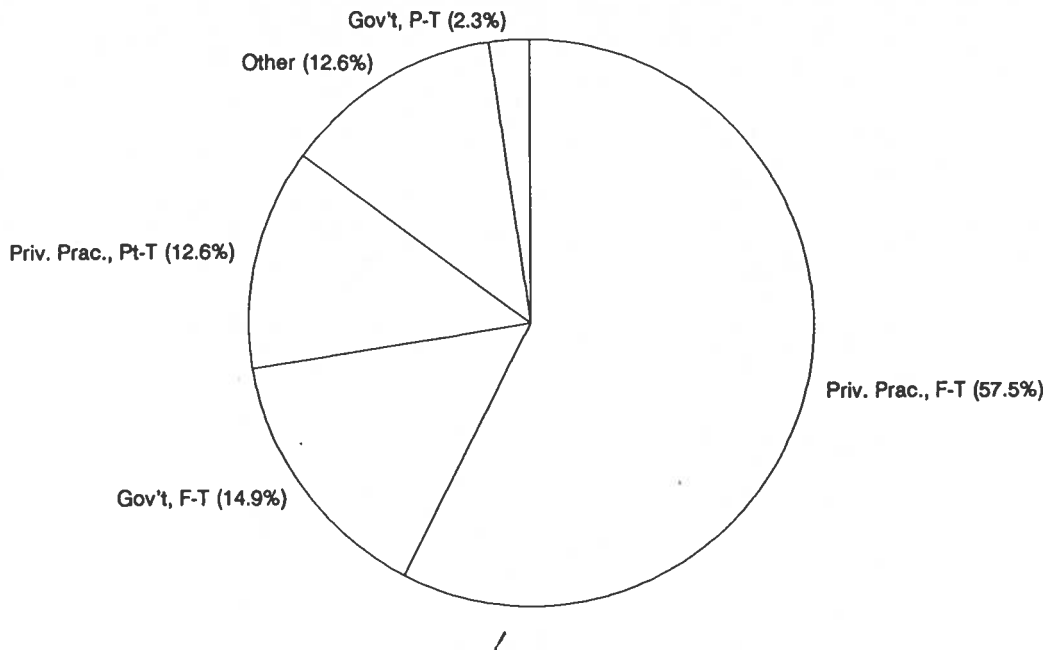
There are two sharply distinct forms of employment for landscape architects in B.C. - those in private practice and those employed by governments or government institutions. Each type of employment offers a unique but different perspective on the profession. Those employed in government were able to contribute a great deal on wages but less on the financial conditions of firms within the profession or on the nature of competition within landscape architecture. It appears that the response rate from those in government was considerably higher than from those in private practice. We therefore have much more wage information for these people than information on firms or on the competitive market place.

The Society's firm roster lists 51 firms; we had responses from individuals who worked for firms that were not identified as "firms" on the roster. Many solo practitioners are "firms" - unfortunately these individuals usually provided wage information but did not provide the "firm" information.

We know there are more than the 51 firms listed on the Society's Firm Roster but we do not know how many more. In any event, we have "firm" information for 19 firms. Information is missing for a few of the "larger" firms, but this is not a problem for the expansion of the sample unless these firms are radically different than those that are contained in the sample. We have no reason to believe this is the case and therefore we feel that the sample can be expanded with a high level of confidence.

We estimate that of the 123 on the full member and the associate member lists, approximately 93 would be in private practice. We have 64 responses from those in private practice. FIGURE 1 shows the breakdown of the sample between those in government and those in private practice.

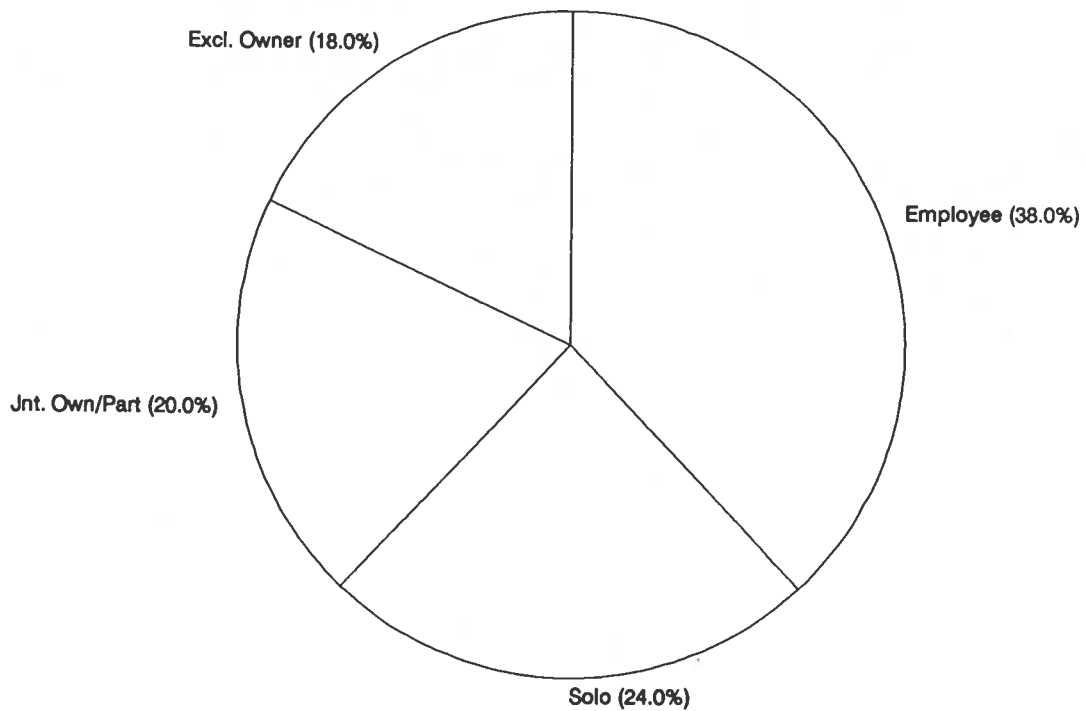
FIGURE 1
DISTRIBUTION OF ALL RESPONDENTS



As the figure shows about 16% of the respondents were employed by government. From an examination of the "Firm Affiliation" on the Society's membership list, it appears that just about 16% are in fact employed by government. Thus, in this respect the sample is representative of the "population" or universe under study.

Another characteristic of the sample that is of interest is the ratio of employees to employers. In many professions it is common for professionals to be part owners or partners in their practices. In fact, in some professions it is forbidden for a professional to be hired or retained by a firm. This convention is gradually breaking down and increasing numbers of "professionals" find themselves in the role of "employees". In landscape architecture, most landscape architects are owners or part-owners of their practices. As FIGURE 2, on the following page shows, only 38% of those in private practice are employees. A large number part of the profession is still comprised of solo practitioners. These are landscape architects that practice entirely on their own. From the examination of the financial statements of some of the firms in the profession it does appear, however, that the solo practitioners are frequently employed or retained as "consultants" or as sub-contractors. In the periodic monitoring of the profession it will be interesting to see whether the number of solo practitioners declines.

FIGURE 2
FULL-TIME PRIVATE PRACTICE - PRACTICE BY TYPE



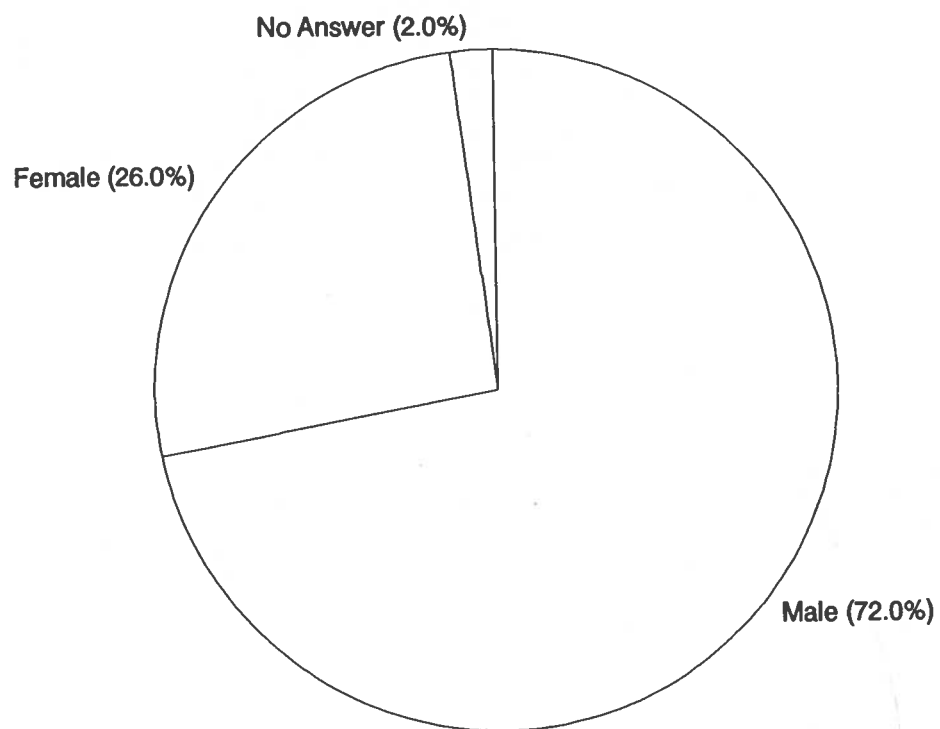
As is discussed later in this report, there is some evidence that the expense to gross ratio for the typical solo practitioner is considerably higher than it is for firms that employ two or more landscape architects.

Changing technology is compelling even relatively small firms to become more capital intensive and purchase computers, laser printers, fax machines, and so forth. All of this equipment can be effectively "shared" and thus the changing technology is creating pressures for the emergence of larger firms.

We feel that the data base is generally representative of the profession as it existed in 1988 and into the beginning of 1989. The B.C. economy, however, has revived with apparently dramatic effects on landscape architecture. Our understanding is that the profession is now booming. Does this mean that the data from last year is irrelevant? Maybe, but we doubt it. It does suggest, however, that the information on the profession is incomplete. We have a statistical snapshot. We have virtually no trend information. We can see where the profession is but have no good statistical basis for saying where it is going. That kind of information can only be accumulated by repeating annual surveys. We suspect that if the profession can suddenly prosper as a result of changes in the economy it may also suddenly become depressed. The lessons of the lean years may be the most important ones to learn.

FIGURE 3 shows the distribution of gender within the sample is 26% female and 72% male. Again from the membership list it appears that about 30% of the membership is female. There is, therefore, a slight under-representation of females in the sample.

FIGURE 3
FULL-TIME PRIVATE PRACTICE - GENDER



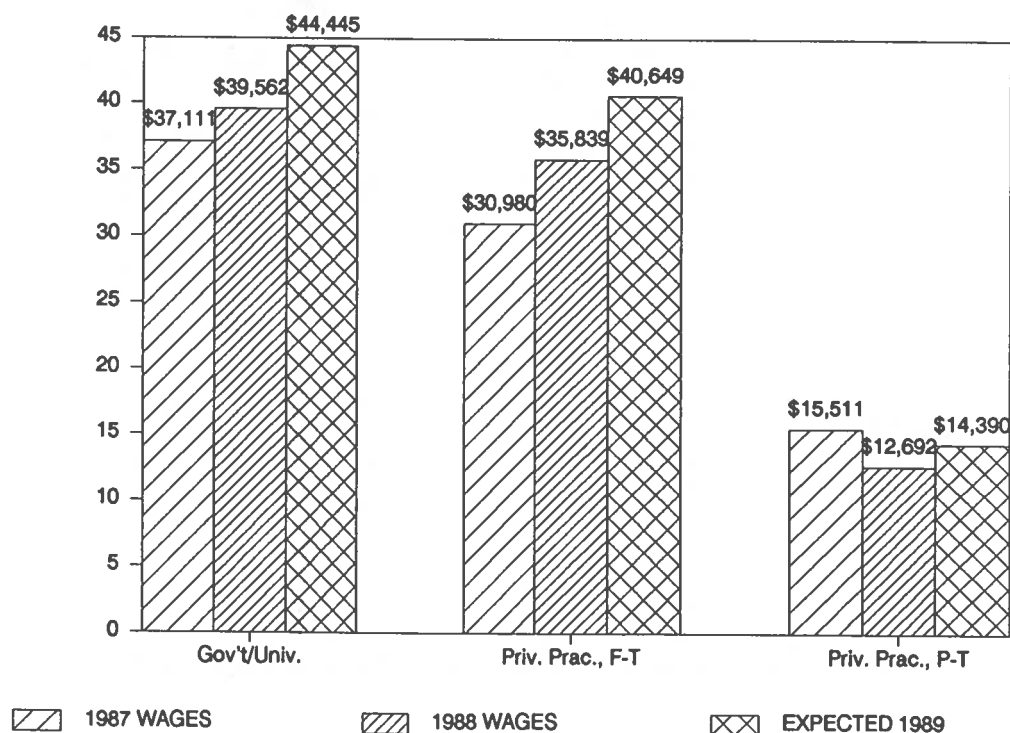
In all important respects the sample appears to be representative of the membership of the Society.

GOVERNMENT AS AN EMPLOYER

Government at all levels is a significant employer of landscape architects. In many respects, government would seem to have a greater appreciation of the talents and contributions that can be made by landscape architects than the private sector does. For members of the Society that are employed by government the average full-time salary is \$44,445. This compares with an average salary in private practice of \$40,649. The salaries in government are therefore 9.3% greater than those in private practice. This is somewhat surprising. Usually, but not invariably, salaries for professionals are lower in government than they are in private practice. The inverted relationship between government and private practice salaries is the first indication that salaries in private practice are, in a general sense, inadequate.

FIGURE 4 is a bar chart of government salaries versus private practice salaries.

FIGURE 4
TOTAL INCOME BY FULL-TIME AND PART-TIME POSTIONS



The differential in salaries between private practice and government does not tell the full story. Government is more generous in terms of the benefits that it provides than are employers in private practice. Benefits such as Health and Medical, Pension and Dental are covered to a much greater extent by government. The inherent costs involved in paying for these benefits out of personal after tax dollars places more of a strain on the non-government employee or owner. Thus the real income differences are somewhat greater than suggested by the 9.3% observed differences in wages.

It is difficult to determine whether landscape architects in government are well or poorly paid. It all depends upon the benchmark used for comparison. To get some better idea of how government treats landscape architects, it is possible to compare those in government with each other. Not all landscape architects in government are paid the same. While the average salary is \$44,445, the median salary is \$39,561, suggesting that there is some skewing of the salary distribution. The range is approximately from \$29,000 to under \$70,000 dollars. Because of the breadth of the range, one is tempted to conclude that some landscape architects in government are not particularly well paid. For professional groups, the range of salaries are usually more compressed than is the case for government landscape architects. The dispersion in the salaries cannot be explained merely in terms of ages or gender differences.

While government is a significant employer of landscape architects, the obvious question is "why are not more landscape architects employed by government?" There are obviously several major municipalities in B.C. that do not have a landscape architect on staff. Most of this report is concerned with the issue of expanding the market for private practice, but it must be clearly recognized that this preoccupation is artificial. One of the most promising markets for the services for landscape architects is clearly in government. Improving the economic and professional circumstances of landscape architects must include measures to induce all the larger municipalities to hire landscape architects.

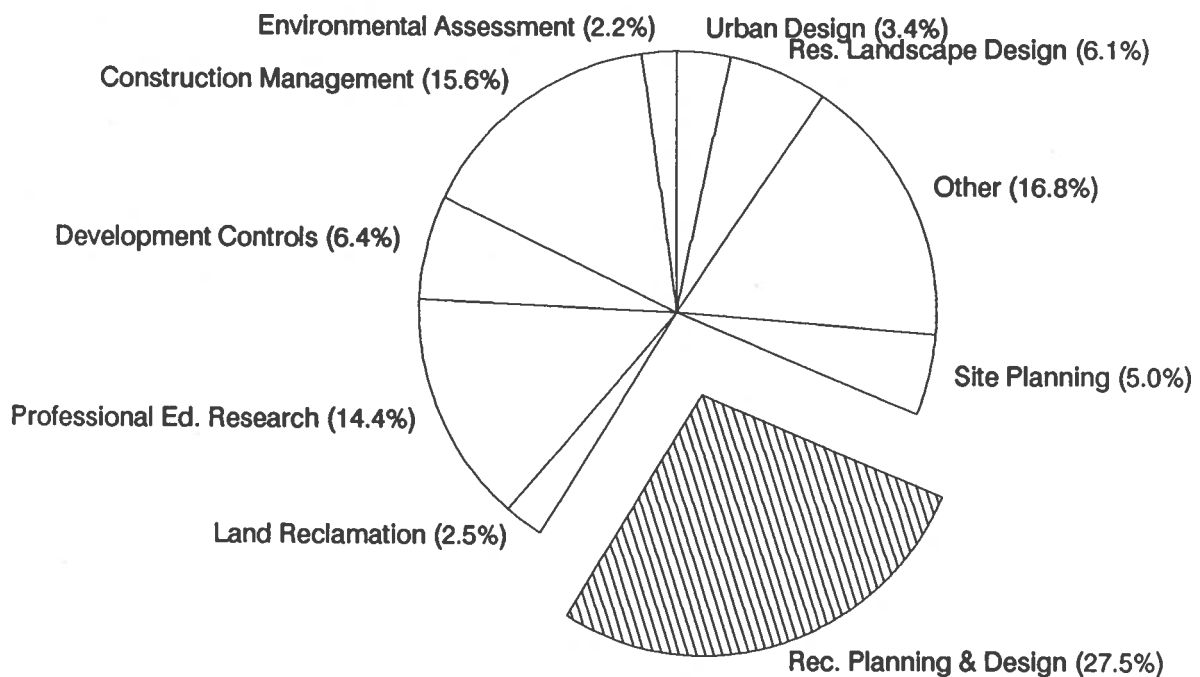
In the legal profession, there is an old saying that if a town has only one lawyer he will starve to death; if it has two both will make a fortune. As we shall see later, it appears that one of the factors that creates demand of landscape architects in private practice is the need to meet municipal requirements. If there were more landscape architects in government, the demand for landscape architects in private practice would be stimulated.

It is often easy to see divisions and to imagine that the interest of those employed in government may be different than those who are employed in private practice. We would reject this presumption. In our view, there is a positive symbiotic relationship between the landscape architect in government and the landscape architect in private practice. As the position of the landscape architect in government is strengthened and

improved, the position of the landscape architect in private practice will also strengthen and improve.

The activities of the landscape architect in government are somewhat different than those of the landscape architect in private practice. One of the predominant activities of the government landscape architect is recreational planning and design; by contrast the private practice landscape architect spends most of his time on urban design but there is nonetheless an overlay of activities and interests between the two. The differences in the activity of the government landscape architect and the private practice landscape architect is striking but is probably no greater than the diversity that can be found among those in private practice. FIGURE 5 shows the percentage distribution of use of time by government landscape architects.

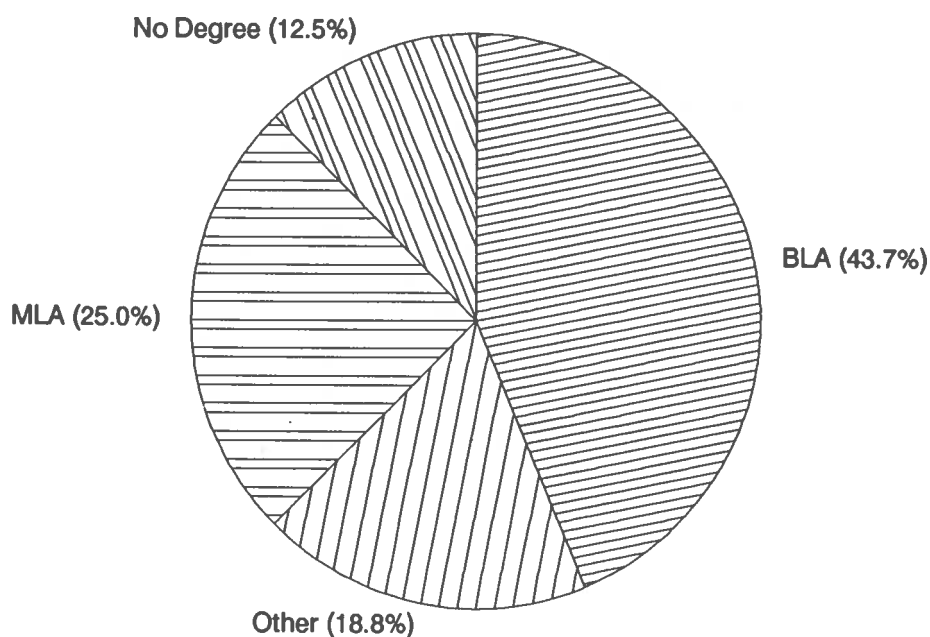
FIGURE 5
% OF TIME SPENT BY PROJECT FOR GOVERNMENT EMPLOYEES



It may come as something of a surprise that some government landscape architects are involved in residential landscape design. It is clear from the survey that much of this activity is not for the government but is "moonlighting". The survey did not address the question of how extensive consulting or freelancing may be among government landscape architects; we can only say that it exists and that it appears to be of relatively minor proportions. Most of this freelance activity is with respect to residential landscape design.

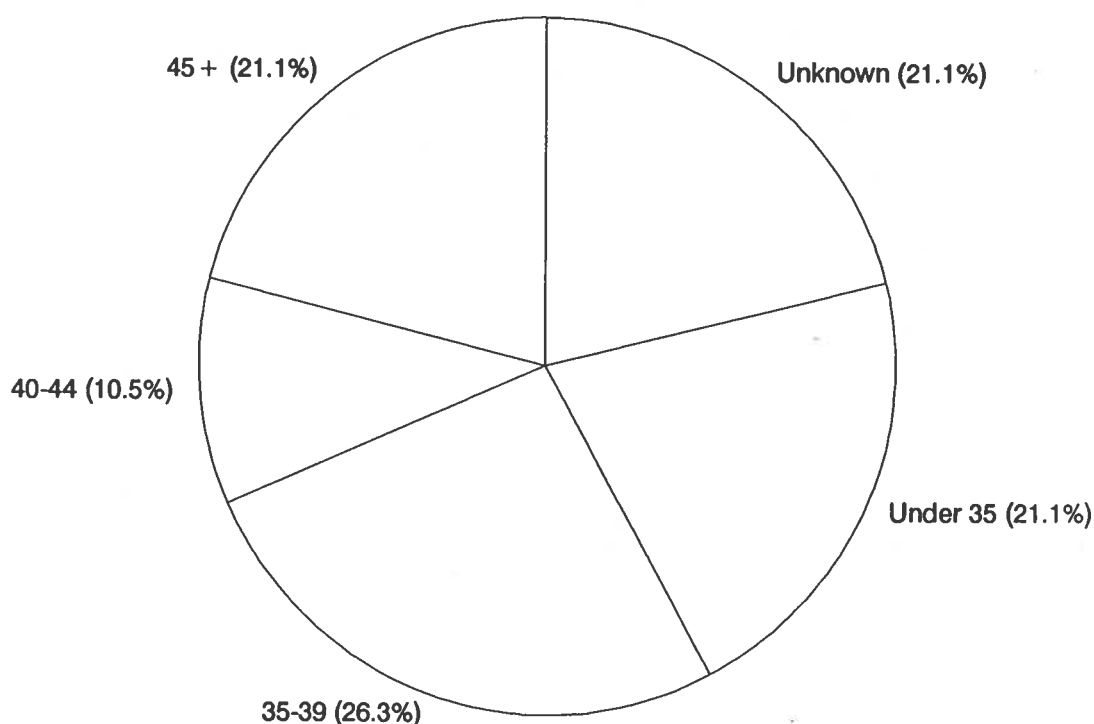
The educational profile of government Landscape Architects is unlike that of the private practice Landscape Architects. Twenty-five percent hold an MLA, almost twice the percentage of private practice Landscape Architects that hold an MLA, but, to confuse the picture, somewhat more have no degree. The distribution of qualifications is given in FIGURE 6.

FIGURE 6
DISTRIBUTION OF GOV'T EMPLOYEES BY DEGREE



The age distribution between government and private practice is significantly different in the sample. Unfortunately, a significant number did not provide their age and therefore it may not be prudent to trust the sample in this respect. It appears, however, that government Landscape Architects are somewhat older and this may reflect government hiring policies over the past decade. This, of course, has put pressure on private practice to absorb the increased numbers of Landscape Architects.

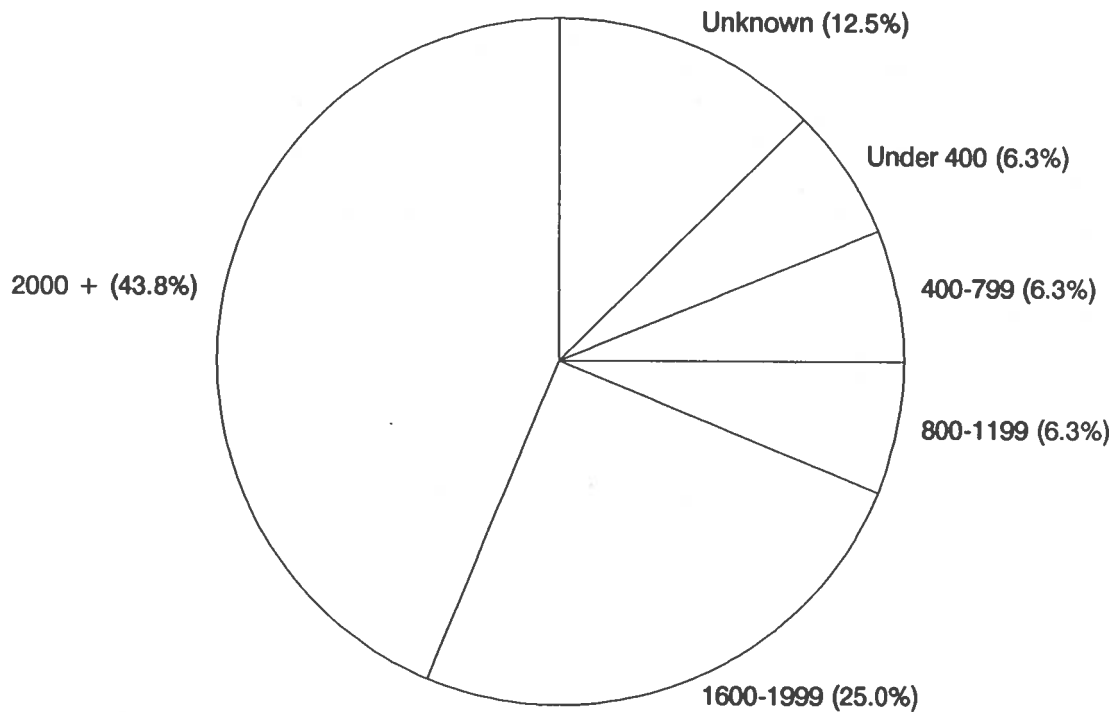
FIGURE 7
DISTRIBUTION BY AGE FOR GOVERNMENT



There is one aspect of the age distribution that should be investigated by the Society. It is our understanding that the entrance examinations for the Society are very demanding and that some graduates of the UBC program do not seek licensing by the Society. It would be interesting to know if government, particularly some of the municipalities are prepared to hire graduates and offer the same salaries that they would to a member of the Society. If this is the case, it is easy to understand why some graduates never bother with licensing by the Society. Needless to say this weakens the Society and ultimately the profession.

FIGURE 8 shows the distribution of hours worked by government Landscape Architects. About one quarter of those employed by government are part-timers. Those that are clearly full-time employees are working relatively long hours; 2000 working hours a year is much more than the average Canadian works and it is much more than most private practice Landscape Architects work. Almost 44% of government employees work in excess of 2000 hours a year.

FIGURE 8
DISTRIBUTION BY HOURS FOR GOVERNMENT



THE PRIVATE PRACTICE LANDSCAPE ARCHITECTURE

Describing the typical private practice landscape architect is difficult. There is a lot of "variety" in private practice and this makes the typical or average somewhat elusive. Using "average" figures disguises some of these essential differences. Before wading into the data, it is essential to appreciate the range of practice modalities that may be encountered within the profession. At one end of this spectrum is the landscape architect who practices in his house on his own for a few hundred hours a year, to the "downtown office" with several full time landscape architects and a full complement of support staff.

Both in practice and in the data, the edges of the profession are fuzzy. Landscape architecture appears to have a large number of part-timers. The data does not indicate why this is the case, but the causality is important. There are two reasons why a person may be working part-time. First, because they want to; second, because they are unable to find full-time work or employment. Landscape architecture in B.C. has attracted and retained a significant number of women. Many of the part-timers are women. It is possible that some of these part-timers were attracted to the profession because they believed that it would be possible to combine a career in landscape architecture with other life goals that they wanted to pursue. If landscape architecture is perceived to afford this opportunity, then we may expect that it will continue to attract students that fully intend to work part-time for some part of their careers.

The second reason why some may be working part-time - lack of work - is far more troublesome. If many of those who are part-timers would prefer to be working full-time and out of necessity are forced to work out of their own homes, it will be difficult to improve the economic circumstances of the average landscape architect until they have become fully employed. The reasons for this are inherent in the mechanics of the market place.

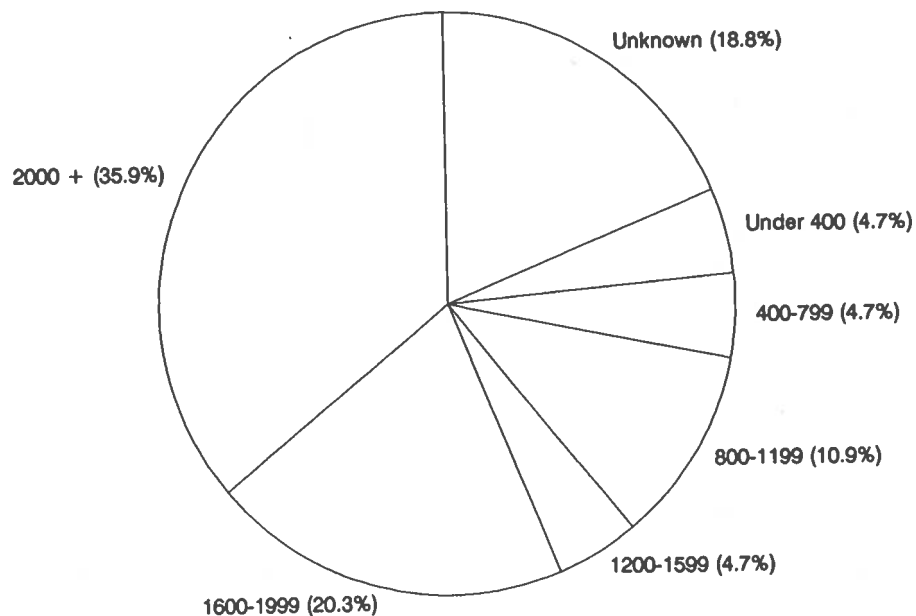
The struggling part-timer is a competitor. The solution to his economic problems may not be to improve the hourly billing rate, but to increase the number of hours he can work. Thus, in bidding for work or making proposals, he is more likely to "low ball" the bid. This phenomenon is observed in all professions that experience an excess of manpower.

Of course it is likely that there are a variety of reasons why some landscape architects are working part-time. In retrospect we can now see that we should have included on the questionnaire a series of questions that would have provided more information on the desires and intentions of the part-time landscape architect.

In any event, the difference between part-time and full-time landscape architects is striking and important. In recognition of this, we have presented much of the analysis in terms of the full-time landscape architect, especially when the analysis relates to aspects of the market; in other cases, we have provided separate information on full-time and part-time. Because of the large number of part-timers in the sample, averaging over the whole sample, is likely to be more misleading than helpful. In our view the part-timers are a distinct group for statistical purposes.

One problem in separating the part-timers out of the sample is that any definition of part-time is somewhat arbitrary. A typical full-time working year would normally contain something in excess of 1600 hours. We have found that there are some in the sample that have defined themselves as "full-time" and yet work under 1000 hours a year. In presenting the data, we have a choice of using the respondents determination of whether or not he is full or part-time, or selecting our own criteria for full and part-time. Most of the data has been presented on the basis of the respondents determination of whether or not she is full or part-time. FIGURE 9 shows the distribution of the profession by hours worked.

FIGURE 9
DISTRIBUTION BY HOURS FOR PRIVATE PRACTICE



There were three other minor (in terms of numbers) adjustments to the data base. First we have eliminated those who indicated that they were retired even though in some cases they were still doing a limited amount of work. Secondly, we have deleted from the sample those who were in the Society but were working and living outside the province. Thirdly, we have eliminated from the "firm" or "company" data those firms that were not primarily engaged in the practice of landscape architecture. The second of these deletions is open to some question because the individual involved may have been on temporary posting to other parts of the world and yet consider themselves to be "based" in B.C. An argument could have been made that they should have been included in the B.C. sample. In reviewing the data, we felt that the inclusion of these individuals would have distorted the data and given an erroneous picture with respect to the size of contracts, wages and the size of firm.

The decision to eliminate from the "firm" data those firms in which some landscape architects work but which are not primarily landscape architecture was similarly motivated. In the few cases in which some landscape architects indicated that they were employed in firms which were not primarily engaged in landscape architecture, the size of the firms were many times the size of even the largest firms in landscape architecture.

We have found the development of the data base to be surprisingly difficult. The primary problem arises from the potential confusion between variables that relate to firms and those that relate to individuals. The minimum size of the firm in landscape architecture is one person, and there are a lot of landscape architects that fall into this category. In these cases, there is no meaningful distinction between the individual and the firm. However, for firms that employ more than one landscape architect, there is a meaningful distinction between the firm and the individual. Since our analysis can be based either upon the behaviour of the individual or of the firm, we have two perspectives on the data. For the most part we have chosen to centre the analysis on the individual, and to examine the characteristics of the individual in terms of their participation in individual firms. This, however, leads to a problem or at least to a caveat.

In completing the questionnaire, some individuals who are also "firms" did not complete Section IV of the questionnaire that asked for company data and did not provide financial statements. They did however provide answers to the first three sections of the questionnaire; that is they provided "employee" data. Secondly, in developing some figures for firms that had multiple landscape architects we have assumed, since we were developing average figures, that some figures such as the average gross billing and average expense for the landscape architects in these practices could be determined by dividing the total by the number of landscape architects

in the company. This approach will affect the estimation of ranges but it does not affect the "averages".

THE INCOMES OF PRIVATE PRACTICE L.A.'s

As suggested in the INTRODUCTION, one of the primary purposes of the survey was to determine the incomes earned by landscape architects. This information contains a surprise. Average income for a full-time landscape architect in 1987 was \$30,979; in 1988 it was \$35,839, and the expected income in 1989 is \$40,649. The surprise is the rate of growth. In two years, incomes are expected to grow by 31%. This far surpasses the growth rates for any other group for which we have data. The intriguing and unanswerable question that arises from the data is whether incomes can be expected to grow at accelerated rates over the next few years. Equally intriguing is the question of just what has caused this growth.

The conventional wisdom is that landscape architects' incomes are highly dependent upon the business cycle and that the improving conditions of the B.C. economy are largely responsible for the improvement of the landscape architect incomes. One can think of many reasons why the earnings in the profession may be tied to the prosperity of the provincial economy, but there is no conclusive evidence to support the contention or to quantify it. In the absence of this evidence, it is probably prudent to assume that total demand for the profession's services will vary in some way with the business cycle and generally to presume that a booming economy will mean a booming profession. What is much more difficult to come to grips with is the actual relationship between the earnings of the profession and the phases of the business cycle. If the improvement in the economy in B.C. that occurred between 1988 and 1989 is the principle cause of the nearly 16% increase in incomes, then the profession is unusually sensitive to the vicissitude of the economy.

On the basis of the evidence that we have, we would have to speculate that if incomes can move so dramatically in response to an improving economy, they can also move dramatically in response to a decline or stagnating economy. If this is true or is believed to be true by many members of the profession, it would help to explain some of the characteristics of the profession, particularly the relatively small size of most of the firms and the short tenure that most employees have had in the firms in which they are now working. If there is a commonly held perception that wages could fluctuate markedly in both directions, then landscape architecture must be perceived as a very uncertain and insecure profession.

The proper response, and one that will be instinctively taken in response to uncertainty, is to remain as flexible as possible. This will mean that neither the individual landscape architect nor firms in the industry will be willing to undertake long term debt financing, the acquisition of long lived capital items or organizational structures

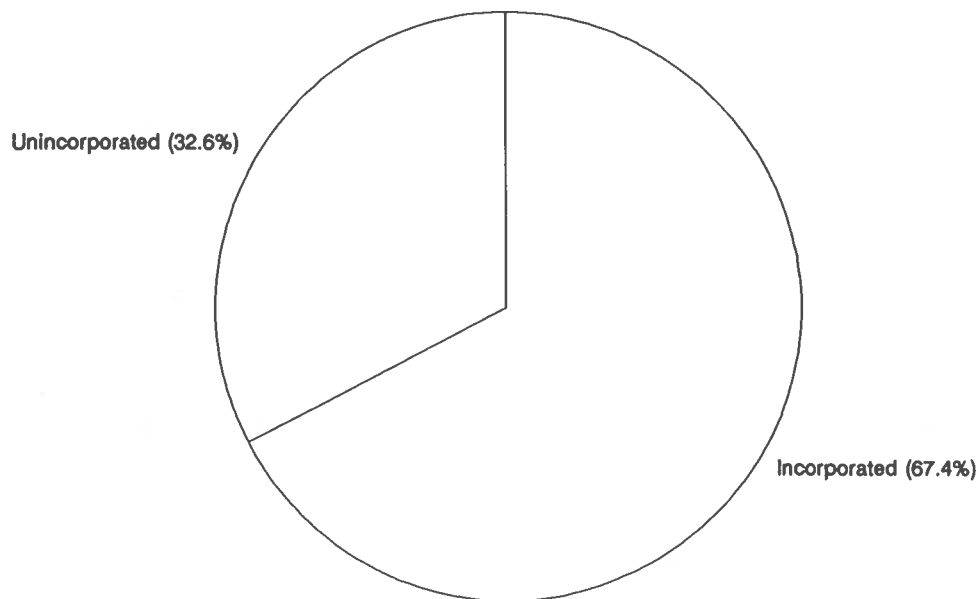
that have relatively high overhead. It would also explain the penchant for many in the profession to work out of their own homes and retain the flavour of a cottage industry.

In this discussion it is important to recognize that what is at issue is the sensitivity of incomes to fluctuations in the business cycle, not the sensitivity of total gross revenues of the profession. It is to be expected that total gross revenues would be sensitive to the cycle, but it is also to be expected that income levels would be shielded to some extent from the extremes in the economy. In some industries which are closely tied to the business cycle and in which it is important to build and retain talented teams, the corporate structure itself is used to "smooth out" the potential fluctuations in incomes by allowing incomes to climb more slowly as the industry enters the boom, and then uses the retained earnings to sustain employees during recessions. The vision in these industries is that loyalty to the employee is essential to the success of the firm. Of course, the employee has to sense the long term commitment of the firm itself.

We are reluctant to read too much into our limited data, but there is reason to question whether many firms in the profession are or can manage on this long run basis. It is hard to plan for the long run when one struggles to get by one day at a time.

The questionnaire asked if the practice in which the landscape architect worked was incorporated. FIGURE 10 indicates the response.

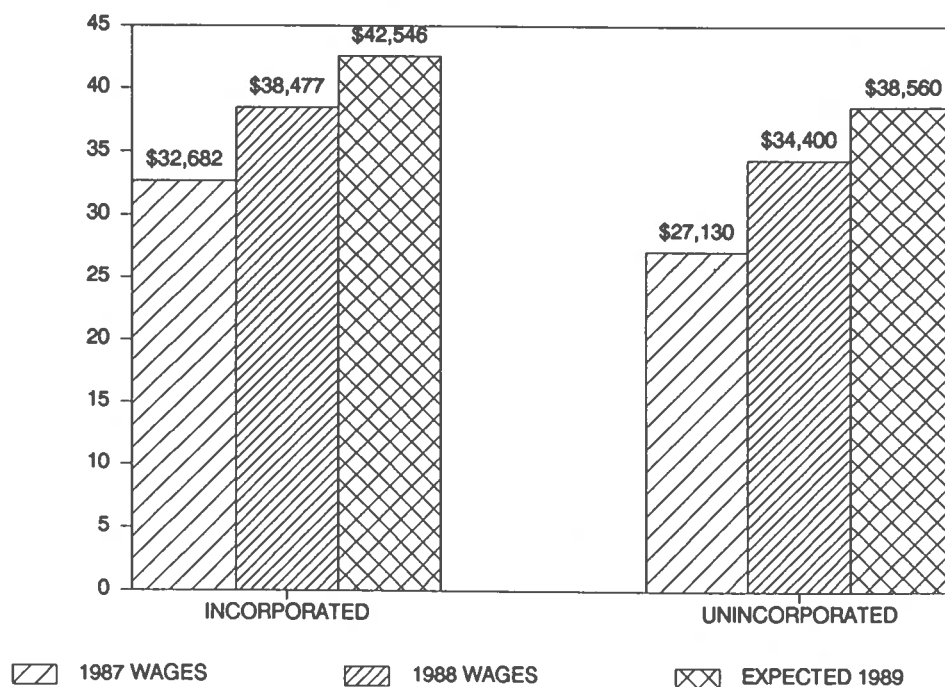
FIGURE 10
L.A.s IN FULL-TIME PRIVATE PRACTICE - IS FIRM INCORPORATED?



It may be supposed that incomes for those in unincorporated practices would have varied more widely than those in incorporated practices, because the incorporated practices could use the corporate structure to smooth out the fluctuations in income over the last few years. The sample was partitioned into those who earned incomes in the incorporated practices and those who earned incomes in the unincorporated practices. As shown in FIGURE 11, from 1988 through 1989 and into 1990, incomes for the incorporated practices were reported as \$32,682, \$38,477 and \$42,546. By contrast, the incomes for unincorporated practices were \$27,130, \$34,400 and \$38,560 for the same three years. The percentage change for the incorporated practices was 30.2%, and that for the unincorporated was 42.1%. This significant difference supports the hypothesis that the corporate structure may be used to ameliorate some of the fluctuations in income. Because of the complexity of the data, this must, at best, be a tentative conclusion.

What the data does reveal is that even within the corporate structure, the increase in incomes over the past two years has been dramatic. It would appear that the improved fortunes of incorporated practices are nearly fully reflected in improved incomes within the practice.

FIGURE 11
FULL-TIME & PART-TIME PRIVATE PRACTICE - TOTAL INCOME BY PRACTICE STRUCTURE



The distinction between incorporated and unincorporated leads to the issue of how incomes vary between practice types and status within the practice. The questionnaire asked the respondent to indicate the type of practice in which they worked and allowed us to determine his status within the practice (Question 7).

The type of firm in which one works and one's status in the firm makes a significant difference to income. FIGURE 12 shows that on average the most prosperous members of the profession are those that participate in the ownership of a practice that employs two or more landscape architects. The expected average 1989 income for this group was \$58,211. Significantly below this group of joint owners is the exclusive owner which averaged \$47,125. The difference between these two groups is approximately 24%, and the standard errors on the sample indicate that they are significantly different. Sharply distinguished from the joint owners and exclusive owners are those who were in solo practice and those who were employees within a practice owned by others. Solo practitioners average \$33,523 and employees, whose incomes were not significantly different, averaged \$31,542. Of course the differences in income cannot be attributed entirely to organizational structure or to one's status within the organization.

FIGURE 12
FULL-TIME PRIVATE PRACTICE- TOTAL SALARY BY PRACTICE TYPE (\$,000)

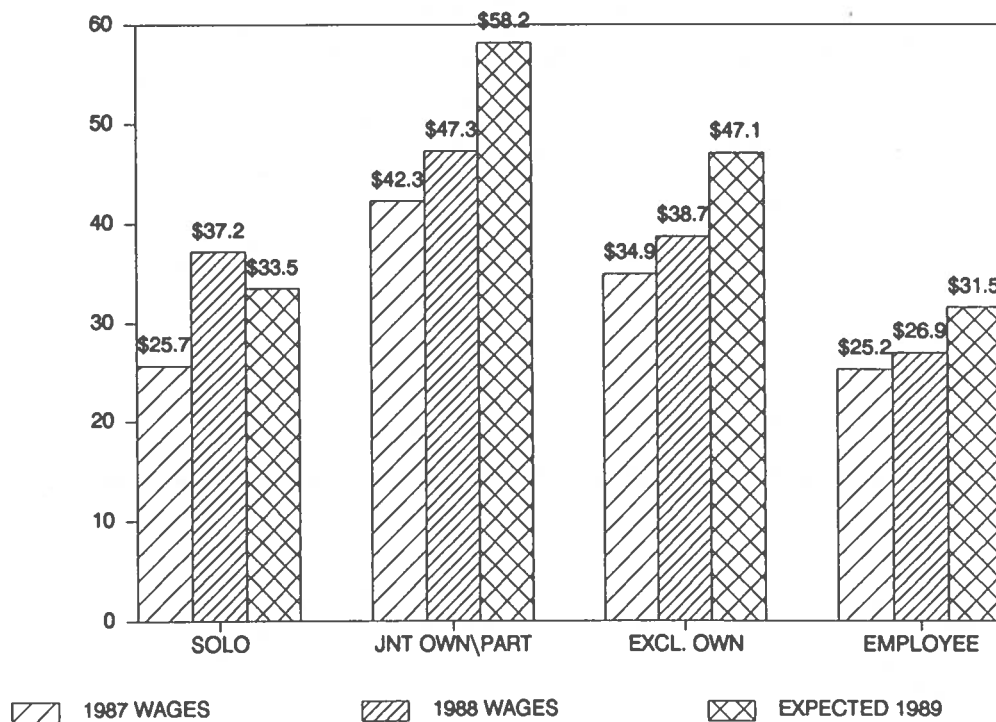


FIGURE 13
FULL-TIME PRIVATE PRACTICE - INCOME BY # OF L.A.'S, OWNER VS. EMPLOYEE (\$,000)

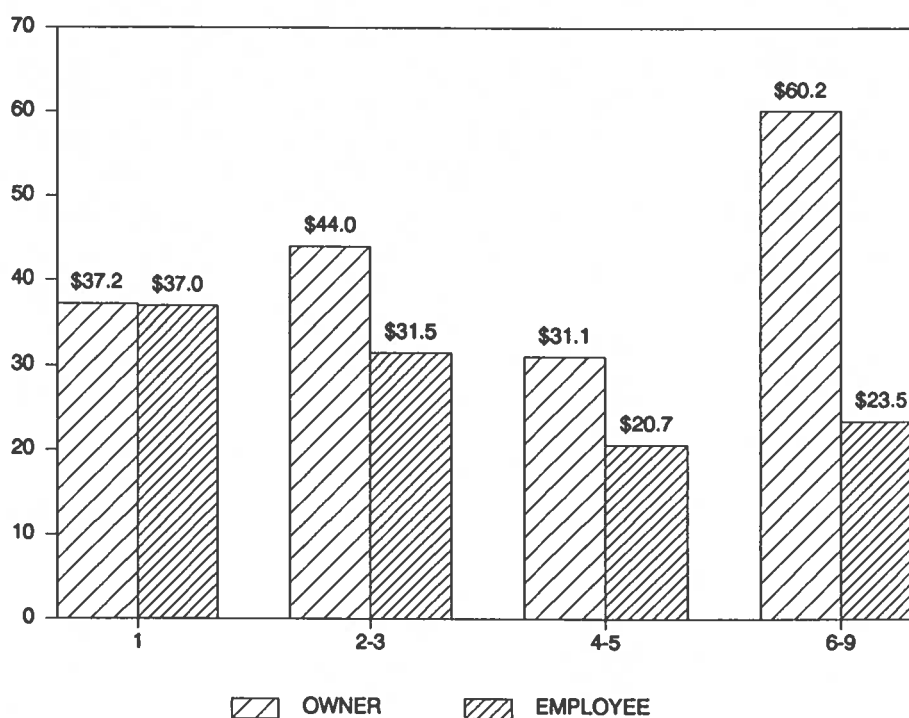
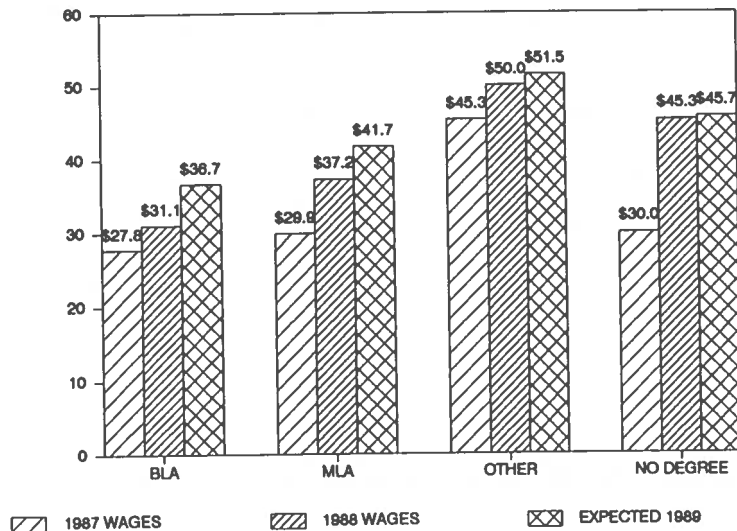


FIGURE 13 reveals a two-fold relationship between one's status and the number of employees one works with in a practice. The owner of a practice with 6-9 employees far outstrips any other status or practice size by income. Owners in this category reported incomes averaging \$60,000 while employees in the same firm reported incomes averaging around \$23,500. Perhaps the level of organization, amounts of supplies and resources needed at this level, along with the required projects, ensures certain economies of scale and profit for this practice size. The owner in all categories earns more than an employee, but this, ofcourse, does not come as a surprise. It is interesting to note that an owner with 2 - 3 employees has a much higher reported income than an owner with 4 - 5 employees: possibly suggesting that factors such as efficiency and operating costs may find a comfortable level here before entering the next larger employee stage of a practice with 4 - 5 employees, or possibly this is an anomaly in the data.

In most professions, the acquisition of a higher degree or speciality training leads to a higher income. In landscape architecture this seems to be true only to a limited extent. MLA's do earn more than BLA's but as FIGURE 14 shows the difference is not always very pronounced. In 1987, for example, the difference between the two was only \$2000. In the more prosperous years of 1988 and 1989, the gap between the two has widened significantly. This odd behaviour may be explained by idiosyncrasies in the sample and by the fact that MLA's may be less likely to be employees.

What clouds the picture is the incomes for those who have other degrees and those who have no degree. Both these categories lead to higher incomes than holding either a BLA or an MLA. In FIGURE 14 the other category includes only those who hold a degree other than a BLA or a MLA. The types of "other" degrees that these people hold varies widely. We have attempted to analyze the returns in some detail to determine if there were some degrees or educational preparation that seemed to prepare one for a career in landscape architecture other than the BLA or the MLA itself. Initially we wondered if many of those who held other degrees may have taken some type of business training. It appears, however, that the one area of study that landscape architects avoid is economics, accounting and business. There is no pattern in the other degrees held that suggests why those with other degrees are so successful.

FIGURE 14
FULL-TIME PRIVATE PRACTICE- TOTAL SALARY BY DEGREE (\$,000)



There is an alternative explanation for the relatively weak performance of the BLA compared to others, and that is the notion that the "problem" may lie with the BLA degree and the emphasis in the curriculum. Graduates in medicine and dentistry are usually very critical of their education on the grounds that it prepared them clinically, but provided virtually no training or skill for the running of the "business" part of their practices. It is obvious from the relatively small size of firms in which most landscape architects work that most landscape architects must be involved in the running of the business. We can ask the question, but we are in no position to answer it, does the BLA curriculum focus too exclusively on the subject matter to the exclusion of providing (and perhaps disparaging) the skills that are required to "run a business"?

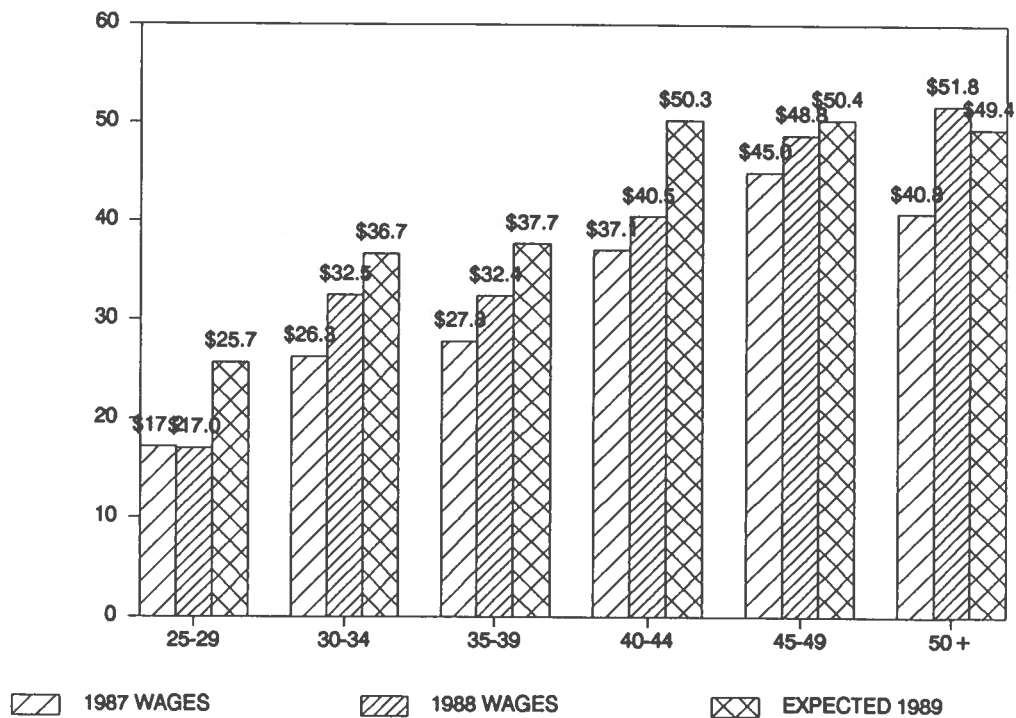
Those who come into landscape architecture without a degree, or with another type of degree and survive, may have a better appreciation of the "business problems" and therefore are financially more successful; or it may simply be that those who have some other degree or no degree remain in the profession through a process of natural selection - only the fittest survive.

Our study of the educational backgrounds of those in the sample did lead us to note the lack of "business" training generally within the profession. In our view it may be that some practices are suffering from a lack of skills in this area, and that this could lead to failure to recognize the true costs of some projects or proposals. This could mean that some members of the profession are unintentionally underbidding some projects.

The acquisition of appropriate business skills should be regarded as complementary to the creative skills that are required of a landscape architect. We would suggest that serious consideration should be given to having the Society provide suitably designed courses that would insure that members have access to relevant training. It may be possible that such courses could be developed in cooperation with the Universities, or that it could be sponsored by the Society. The Industrial Development Bank, for example may be interested in providing such a course.

Just as it may be expected that incomes will increase with higher levels of education, it is normally expected that incomes will also increase with age. As FIGURE 153 shows, this is indeed the case. Incomes increase from the mid-twenties to the early forties, and then more or less level off. This is a common pattern in many professions and is one of the instances in which the data meets our preconceived expectations. What strikes us as odd about the sample is the fact that we had only one respondent under the age of 25.

FIGURE 15
FULL-TIME PRIVATE PRACTICE - TOTAL SALARY BY AGE (\$,000)



As FIGURE 16, on the following page shows, nearly 50% of the sample was within the age cohort 30-39 and less than 9% was under age 30. This may be a peculiarity of the sample. We suggest that the membership list be studied to determine the age distribution of members in the Society. It has been our impression that the program at UBC has been graduating large numbers of potential landscape architects and we expected to see these graduates reflected in the membership of the Society.

If the sample reflects the actual age distribution within the Society, we believe that this is a cause for grave concern. It means that "in-take" into the Society is not sufficient to sustain itself in the long run. It is possible that graduates from the UBC program are seeking careers outside landscape architecture or, alternatively, that they practising their vocation but choose not to become members of the Society.

We suggest that a detailed study be made of the graduates of the UBC programs for the past few years to determine whether they have sought careers in landscape architecture or sought other careers, and whether they have chosen to become members of the Society. If they have chosen not to become members of the Society, it is important to determine why.

FIGURE 16
DISTRIBUTION BY AGE FOR PRIVATE PRACTICE

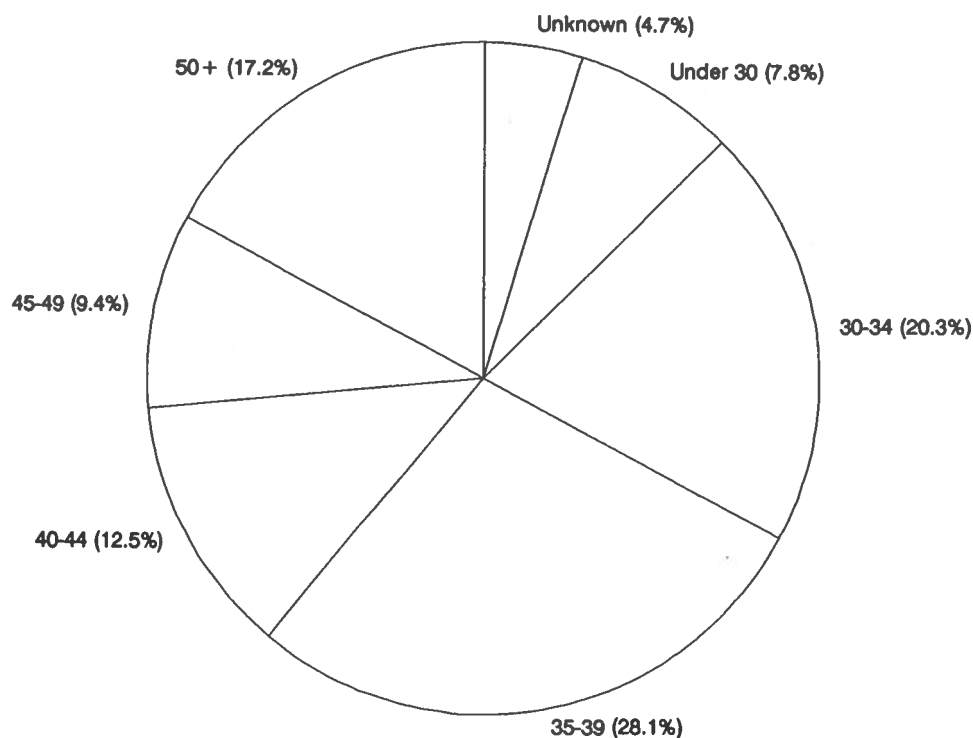
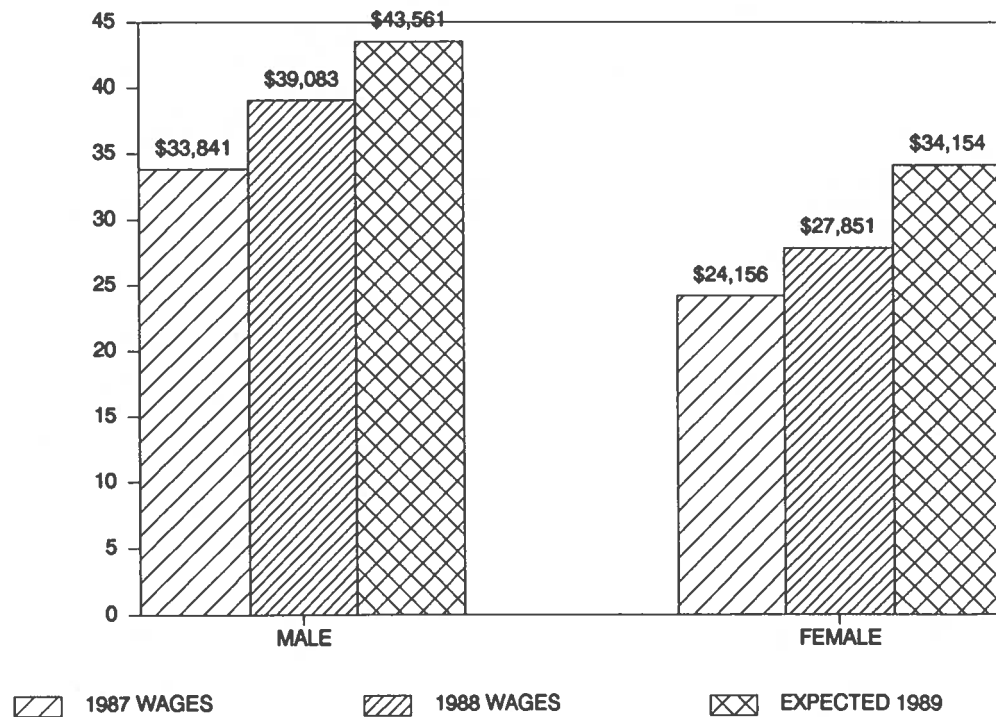


FIGURE 17, on the following page shows, the differences in private practice incomes by gender. This seems to be an explosive issue within the profession, and it is not our intention to add to the controversy on the subject. As the figure shows, there is a difference and the difference is significant. The difference is not unexpected. Throughout the Canadian economy, there are gender differences in incomes.

Whether this is due to gender discrimination we will leave for others to debate. We have attempted to elucidate the nature of the differences.

One difference between the males and females in the sample is the mean age. The males are significantly older with a mean age of 43.3 years compared with a mean age of 37.4 years for the females. Part of the observed difference in incomes may therefore be due to the age difference.

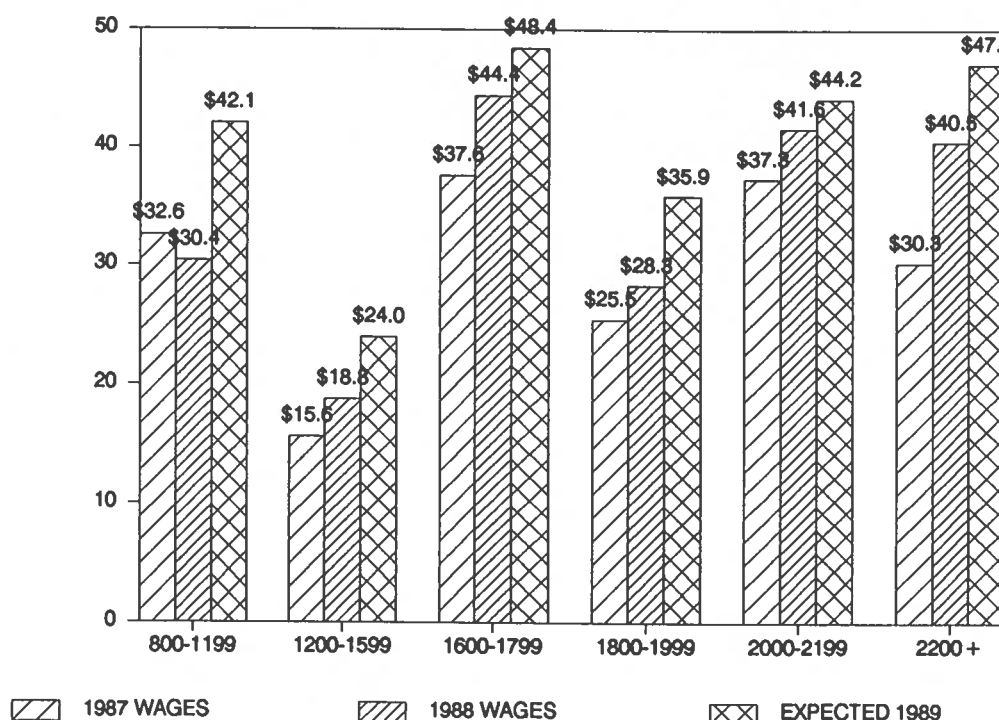
FIGURE 17
FULL-TIME PRIVATE PRACTICE - TOTAL SALARY BY GENDER



As noted above, we have also found a significant difference in the incomes between those who were employers and those who are employees. There is a significantly higher proportion of males in the employer category than females. In the sample of private practice, 73.2% of the males fall into the employer group while 57.9% of the females fall into the same group. In these calculations, those in solo practice are treated as employers. This difference in the ratio of employers to employees also explains part of the income differential.

Earlier it was indicated that the number of hours worked varies significantly across the profession. Generally we would expect that income would increase with the number of hours worked. FIGURE 18 presents an interesting picture on this theory. It would seem that, although the number of hours worked does make a difference to

FIGURE 18
F.T & P.T L.A'S IN PRIVATE PRACTICE-SALARY BY HOURS WORKED IN 1988 (\$,000)



income, the incomes in most cases are not as significantly different as the number of hours worked. It would seem that in some cases the "extra" effort put forth is not always directly transferable to increased income. For those who work more than 2200 hours, income still falls slightly below the 1600-1799 category. Although when the year over year increases are studied, the 2200 + category has experienced a huge increase from 1987 to 1988 and into 1989. If these increases continued over the next few years, it would seem that the "extra" effort might indeed start to pay off. What is interesting to note about all of the categories is the phenomenal increases experienced over the last 3 years. This pattern may again be an indication of the extreme sensitivity of the entire profession to the fluctuations of the provincial economy.

FIGURE 19
F.T.- PRIVATE PRACTICE- AVERAGE SALARY PER L.A.BY TOTAL NUMBER OF EMPLOYEES (\$,000)

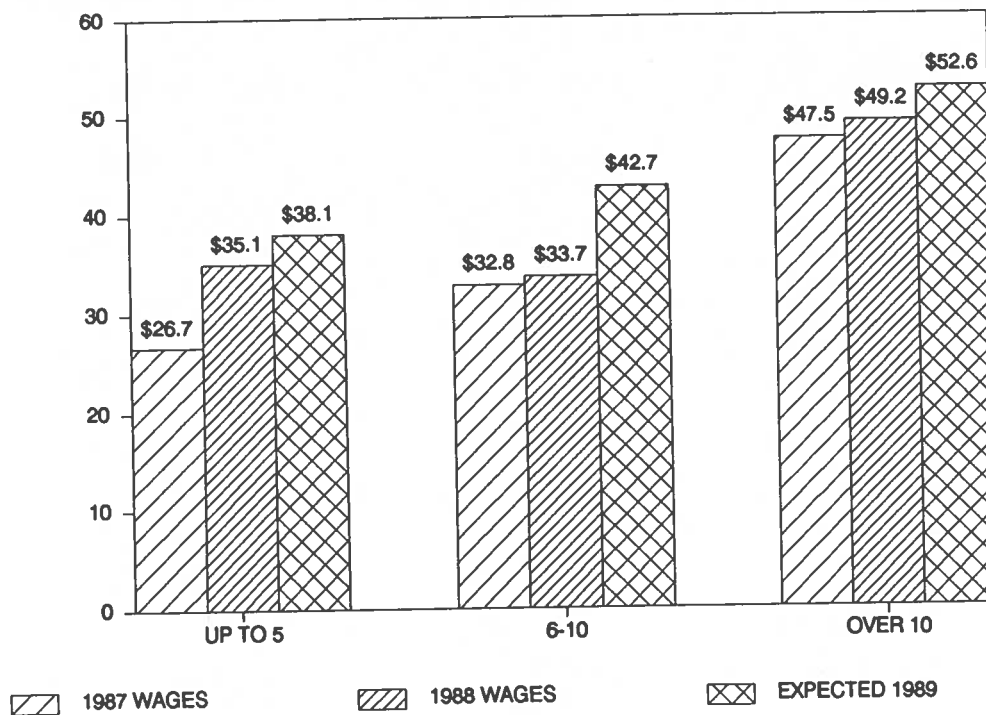
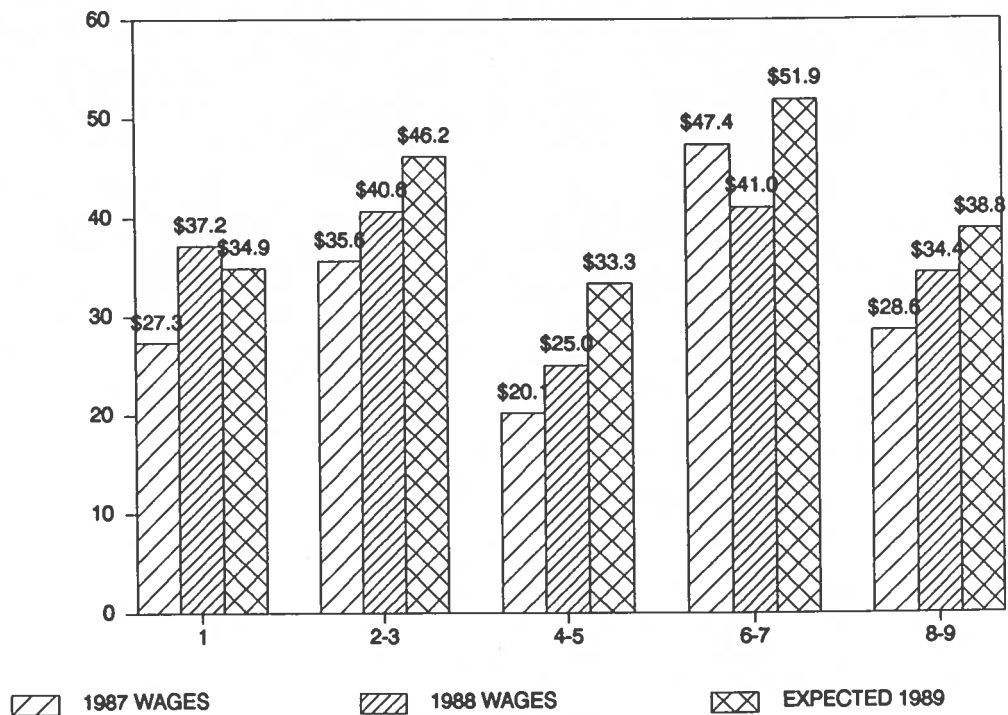


FIGURE 19 presents the expected pattern for the average salary per Landscape Architect with respect to the number of employees. The larger firms, those with more than 10 employees, provide the highest average salaries. These firms also show the smallest levels of increases over the 3 year period. The largest increases in average salary are found in the smallest practice size of up to 5 employees, followed by 6 to 10 employees. These increases may be indicative of the growth stages and, in some cases rapid expansion, of the practice which may begin to level off in the larger, more stable practices.

FIGURE 20
FULL-TIME PRIVATE PRACTICE- TOTAL SALARY BY TOTAL NUMBER OF L.A.'S (\$,000)



Total salary by the total number of Landscape Architect reaches its highest level with 6-7 Landscape Architect in the practice. This bar chart shows salaries that grow with the increasing number of Landscape Architects until a certain level is reached and then fall off again only to start climbing in the next category. This pattern may be prove little with further study, but it may also point towards an "ideal" practice size which may fall prey to overly rapid expansion with its inherent rising costs, needed resources and management responsibilities. It is also interesting to note that the only category that expects 1989 wages to decrease is the one Landscape Architect practice, which may be feeling the competition from the larger practices.

FIGURE 21
FULL-TIME L.A'S IN PRIVATE PRACTICE-SALARY BY YEARS AS AN L.A. (\$,000)

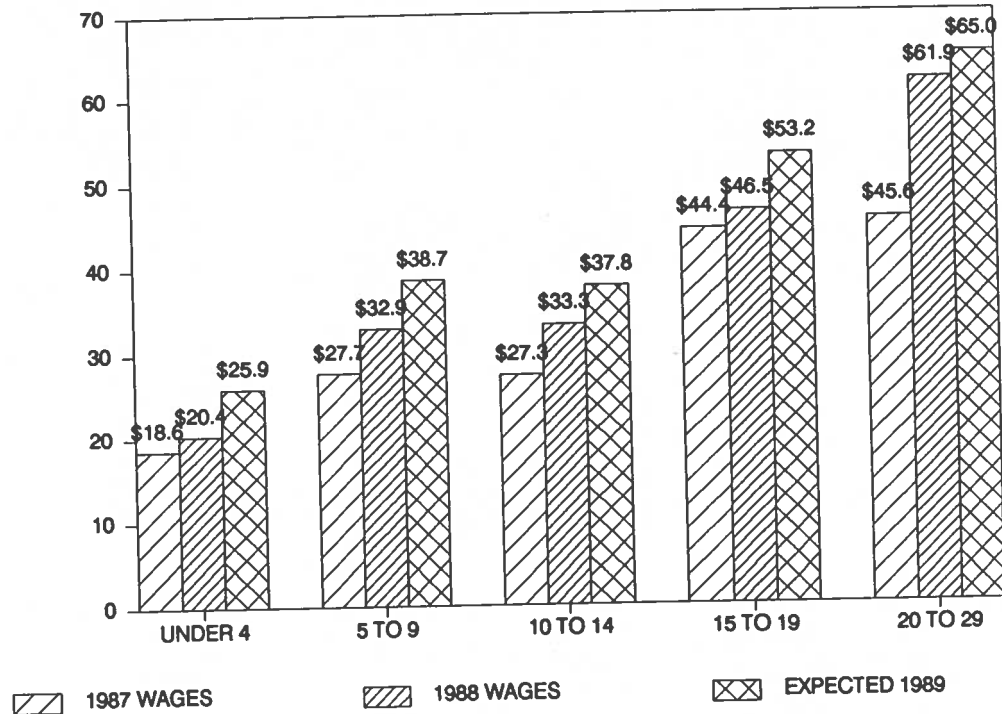


FIGURE 21 depicts a natural relationship between years of experience and salary. As years of experience increase from under 4 to over 20, the 1988 salary also increases from \$20,400 to \$61,900 for over 20 years experience. As noted earlier, owners tend to make the higher salaries and with increasing years of experience, we might expect that many of these over 20 year Landscape Architect are owners or part owners in the practice. What is encouraging about this Figure is that all of the categories have experienced significant increases over the last 3 year period. This is especially evident in the 20 to 29 year category with a 42% increase in incomes between 1987 and 1989.

FIGURE 22
FULL-TIME L.A.'S IN PRIVATE PRACTICE-SALARY BY YEARS WITH CURRENT FIRM IN 1988 (\$,000)

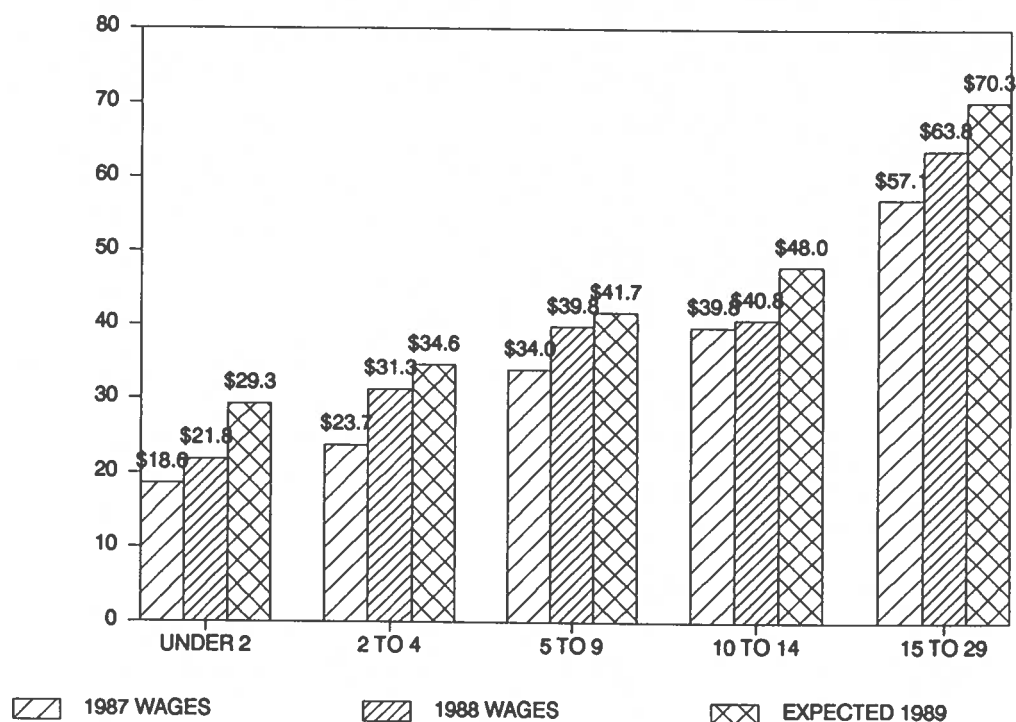


FIGURE 22 shows the expected relationship that exists in FIGURE 21. As with years of experience, years with the same firm also increases salary level. As the length of the employment increases the salary also increases at a stable rate.

FIGURE 23
FULL-TIME L.A.'S IN PRIVATE PRACTICE - TOTAL INCOME BY STATUS

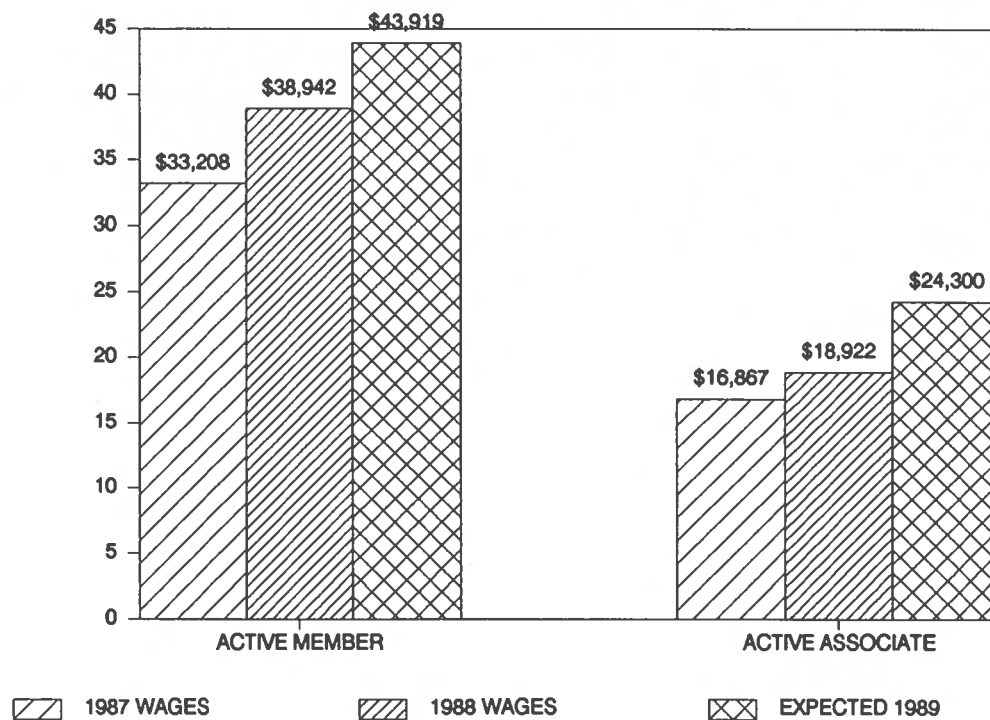


FIGURE 23 suggests one source of persistent problem in the profession. Associate members are clearly regarded as a cheap source of labour. The salaries in 1987 and 1988 are less than many unskilled workers in Vancouver would expect to earn and well below what holders of a B.A. degree would expect. Underpaying associates can only have the effect of depressing the whole income scale.

FIGURE 24
BENEFITS BY PRACTICE TYPE

| <u>Benefit</u> | <u>Gov't</u> | <u>Owner</u> | <u>Employee</u> |
|-------------------------|--------------|--------------|-----------------|
| Provincial Medical Plan | 87.5 | 46.2 | 37.0 |
| Extended Health Plan | 87.5 | 53.3 | 47.8 |
| Pension | 81.3 | 21.4 | 4.3 |
| Dental Plan | 87.5 | 60.0 | 43.5 |
| Life Insurance | 68.7 | 60.0 | 43.5 |
| Disability Insurance | 62.5 | 78.9 | 39.1 |
| Association Dues | 56.3 | 90.0 | 52.1 |
| Convention Registration | 50.0 | 95.0 | 30.4 |
| Parking Allowance | 31.3 | 61.1 | 26.1 |
| Bereavement Leave | 62.5 | 42.9 | 34.7 |
| Other | 18.7 | 42.9 | 26.1 |

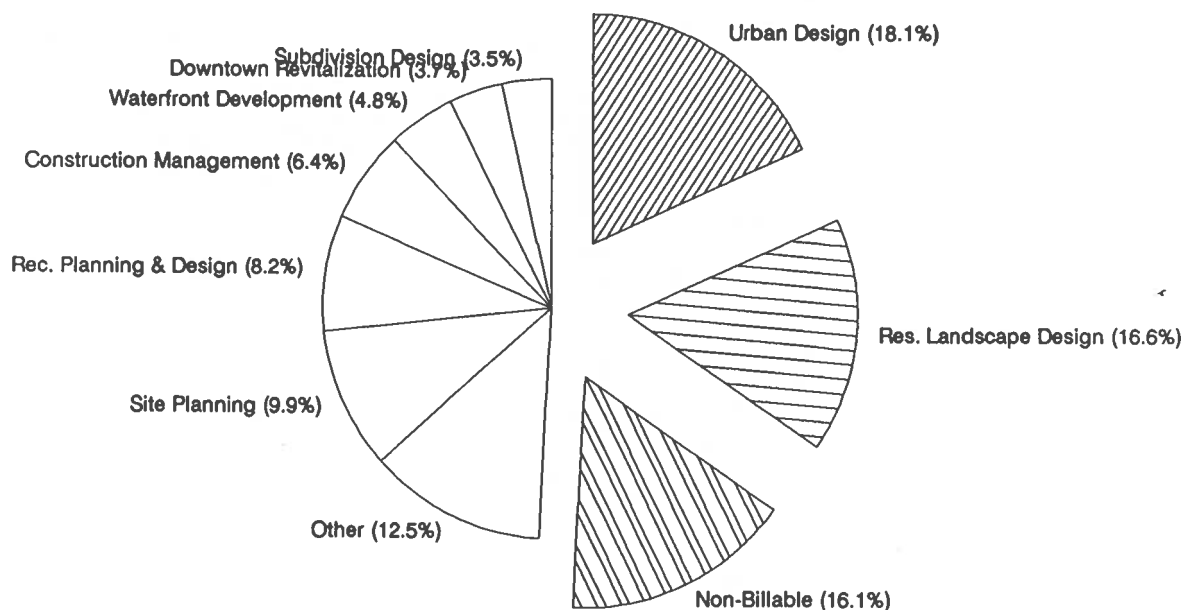
A final and interesting aspect to study about private practice employees and owners, as well as government employees, is the question of benefits. The information presented above illustrates the wide range of benefits received by members of the profession. The practice type dictates the benefits an individual receives. The majority of government employees, as mentioned earlier, receive the more popular and standard benefits in Medical, Dental and Pension plans. The private practice owner enjoys some benefits which cover some of the more obvious out of pocket expenses or perks such as Association Dues and Convention costs which may be written off by the owner and possibly the employee. The employee receives very little in the way of benefits compared to the other two categories.

The relatively low level of benefits offered to employees may reflect both the economic uncertainty within the profession and the mobility of employees.

DISTRIBUTION OF TIME

One of the objectives of the survey was to identify the principle activities of the landscape architects in the province. FIGURE 25 shows the percentage breakout of time for the typical or average landscape architect. The largest use of time is for urban design and residential landscape planning which together account for over one third the time of the average landscape architect. The next major allocation of time is non-billable activities at 16.1%. This means that over an hour a day is spent on non-billable time. By the conventional standards of other professionals in disciplines that require proposal writing and so forth, this is not a particularly large allocation of time. In many consulting practices, non-billable time may take up to 20% of total time.

FIGURE 25
FULL-TIME PRIVATE PRACTICE - ALLOCATION OF TIME

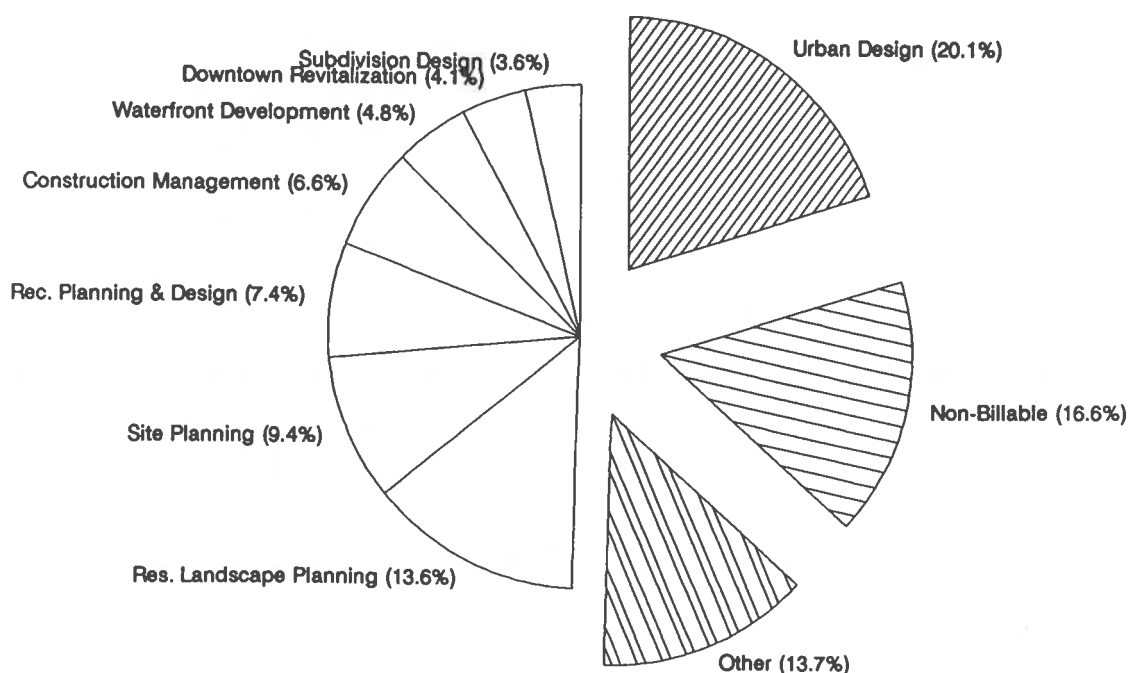


All other uses of time constitute less than 10% of time. The core activities of the typical landscape architect in B.C. would appear to be in urban design and residential landscape planning which together with Site Planning and Recreation Planning and Design account for more than one half of the time .

The foregoing figure is the aggregation of the reported % allocation of time for each landscape architect in private practice. In FIGURE 26 we have weighted the percentage distributions by the number of hours that each respondent indicated he worked. This is a truer indication of how total hours in the profession are actually spent. For the most part, the two figures are not significantly different; but they are different in one interesting respect. The time allocated to Residential Landscape Planning falls and that for urban design increases. The implication here is that those who work the longest hours are more heavily involved in urban design.

This information on how time is spent is our first real indication of the type of markets that are faced by the profession. One can look at FIGURES 25 and 26 and get an impression of the extent to which the "markets" are private individuals, developers or government institutions. We are somewhat surprised that a large part of the market, or at least a large consumer of time, seems to come from private individuals. Of course, it is possible that while such things as residential landscape planning may represent a demand for time by "individuals", this may not be the most highly paid work.

FIGURE 26
FULL-TIME PRIVATE PRACTICE - TIME SPENT IN PRACTICE (WEIGHTED BY HOURS)



It is our impression that members of the profession do not feel that residential landscape planning is financially rewarding. Whether it is, is a very complex question but one that deserves very serious study. We have undertaken a quartile study of the respondents and ranked each respondent from lowest to highest in terms of income, and then looked at the way in which they spent their time. In terms of usable responses, each quartile had 13 respondents. This analysis is quite startling. Of the top 13 income earners in the Society, 6 of them rank residential landscape planning either first or second in terms of time spent; and all of the 6 spend more than 30% of their time on residential landscape planning. If one looks at the way time is spent by this group, the most significant single activity is residential landscape planning; the second largest use of time, which is about half the size of residential landscape planning, is site planning. Site planning is closely followed by urban design.

In view of these findings, we undertook a correlation analysis between income levels and the amount of residential landscape planning. The purpose of this analysis was to determine whether, in general, there is a correlation between income levels and the amount of residential landscape planning done by a landscape architect. Our first correlation run was a simple correlation between total 1988 income which generated Pearson Correlation Coefficients. The results suggested that at best there was weak inverse correlation between the amount of residential landscape planning and the level of income. In other words, it appeared that the more time spent on residential landscape planning, the lower would be one's income. This seems surprising in light of the behaviour of some of the top income earners in the profession. On closer examination it was also evident that some of the lower income earners in the profession spent a significant amount of time on residential landscape planning. It was reasoned that many of these were employees, and the sample was divided and the study undertaken again. The result in this case still did not conform to the expectation that increased time spent on residential landscape planning would lead to higher incomes. In terms of total time spent on residential landscape planning there is a weak and insignificant correlation with total income; if correlated with per cent of time spent the correlation is still weak and insignificant but the relationship is inverse rather than direct.

The result of these studies are not very enlightening. It seems that it is just as probable that one could do poorly by becoming involved in the residential landscape planning market, or pursuing it as a specialty, as do well.

It will be recalled that the next major activity was urban design. Just as we were unable to find any significant correlation between incomes and the amount of residential landscape planning, we were unable to detect any significant correlation between incomes and the volume of time devoted to urban design. Regardless of the way in which the correlation was done, there appears to be no relationship between income

and the percent or absolute amount of time spent on urban design. In fact, as was the case with residential landscape planning, the direction of the relationship, as weak as it was, reversed itself from positive to negative in instance.

If these studies seem to be "useless" for what they say, they are of some value for what they do not say. What emerges from the studies is that there is no particular area of landscape architecture which is especially profitable. This suggests that the "market" between activities is fluid and competitive, and that entry into any type of activity is relatively unrestricted. The effect of this seems to be that no one has been able to carve out a particular set of activities and dominate them to the exclusion of others in the profession, at least not in any of the major areas of activity. This leads to a very important conclusion. Success in landscape architecture does not depend upon what you do; rather it appears to depend upon how well and how resourcefully you do it.

The correlation studies also have one further implication, but one that should be interpreted with caution. In terms of profitability for the scale of activity, there is no *a priori* reason for pursuing one particular activity or set of activities in preference to others. This means that if the Society does decide that it wishes to pursue some "marketing" initiatives, the governing criteria for which markets to pursue would seem to be the potential size of the market simply because no markets appear to be inherently more profitable than others. This was not a conclusion that we expected to reach. We were predisposed to believe that in some areas or activities, competition among landscape architects and between landscape architects and other professions, such as architecture and engineering, would lead to some "markets" being more profitable than others. On the evidence, this does not seem to be the case.

In a study such as this one with admittedly limited data, there is always a danger of reading too much into the data. Caution may be the hallmark of the prudent statistician, but it is not overly helpful in addressing problems of the real world. With this admission that we may be pushing the data too far, we would make the further "in-cautious" observation. The fact is that we cannot identify any particularly profitable markets, and therefore it does not seem to matter whether the landscape architect faces competition from within the profession or from without leads us to the conclusion that competition which is external to the profession probably does not materially affect the level of earning. Rather it appears that competition within the profession is so intense that wages are driven down to "market" levels.

The general correlation study reveals something else that was not anticipated. It was thought there would be patterns of time use; that is if a person spent a lot of time in one area, there would be complimentary activities in which they would also naturally work. What in fact was found was that such general patterns do not appear to exist. This suggests that landscape architects generally do not specialize in a limited and

similarly bundled collection of activities. The sense we have is that the typical member of the Society is a jack of all trades within his own profession. Some individuals may feel they have developed a unique area or expertise that ranges over three or four activities; what the study suggests is that the bundling of activities or the delineation of areas of expertise are very different. In this vein, it may also be noted that few landscape architects devote more than 50% of their time to a single activity; only 13% of the sample would fall in this category. It is more typical that the primary activity will occupy more than 30-35 % of a landscape architect's time.

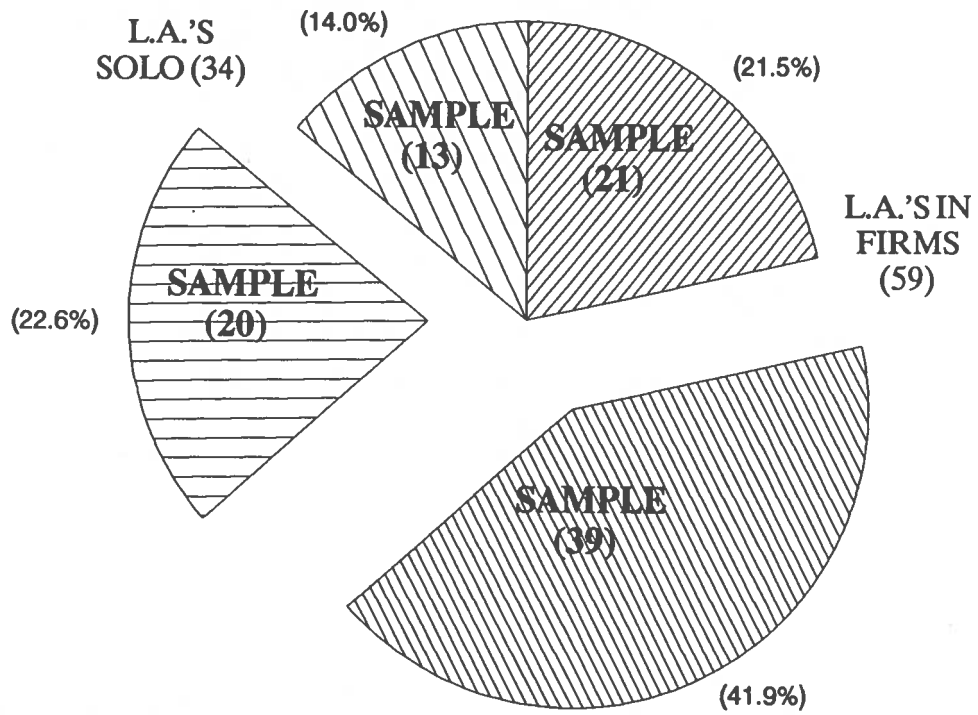
In interpreting this, we are somewhat handicapped by our incomplete understanding of the profession. The diversity of activity and the fact that it seems to follow no particular pattern does suggest that areas of specialization are neither recognized nor practised. The fact that many or most landscape architect are willing to try their hands at most tasks may contribute to the extremely competitive climate within the profession, and the sense that some bidders on some specialized projects are not fully informed on the complexity of the project.

The apparent lack of well-defined specialization may also be due to the small size of the firms and the complexity of the landscape architecture itself. If the typical client wants and expects one firm to be able to serve all the needs offered by the profession and the typical firm is small, the opportunity for specialization is sharply limited. The opportunity to specialize in particular areas or activities and to refine a limited range of skills may be one of the major advantages of belonging to a larger firm. Generally in the professions, specialization implies (but does not guarantee) improved quality in the professional service. Whether specialization within the profession would lead to improved quality is something for the members of the profession to contemplate; we can only observe that specialization seems to be the exception rather than the rule within the profession at the current time.

Our data limits us to a "slice of time". We have no information on whether the degree of specialization has decreased over time or whether the current boom may allow for an enhanced degree of specialization.

**DISTRIBUTION OF L.A.'S WORKING SOLO OR IN FIRMS
FIRMS = 2 OR MORE L.A.'S WORKING TOGETHER**

UNIVERSE = 93



SAMPLE = 60

PART II THE LANDSCAPE ARCHITECTURE "FIRM"

Many landscape architects are members of "firms" or companies. For many reasons, the firm and not the individual is the natural unit for economic analysis. It is within the context of the firm that we are able to identify the expenses of the practice, the interaction between landscape architects and the competitive position within the market place. Unfortunately, just as we have problems in analyzing the individual because of his involvement with the firm, we also have problems analyzing the firm because some firms consist of one person. In the survey we have financial results for 19 firms. Initially, this may seem a rather small sample, yet these 19 firms comprise over half of the landscape architects in private practice. In total we estimate that they would be responsible for over 60% of the total billings of the profession. Thus while the sample may seem small, it is nonetheless significant because of the relatively few firms within the industry.

There is some uncertainty about just how many firms there are in the industry. The BCSLA "Firm Roster" identifies 51 firms. We found, however, that some respondents were owners or employees of landscape architect firms that were not on the firm roster. From the firm roster, it appears that 34 of the 51 firms consist of only one landscape architect; this is 66% of the firms. Using the BCSLA membership list we have attempted to identify those who are in private practice and in a predominantly landscape architecture firm. Again it is impossible to be precise about the number, but it appears that roughly 93 would fall into this category. Some of these will be part-timers, some are unemployed and some, unknown to us, may be retired. Those we know to be retired or out of the province, we have deleted from the count of those in "private practice."

The 17 firms that employ more than one landscape architect, employ a total of 59 landscape architects. Thus, between the 59 employed in firms of more than one landscape architect and the 34 firms that employ one landscape architect, we are able to account for 93 of the approximately 95 we estimate to be in private practice. We have direct financial information for 53 of the total possible of 93. Many of the solo practitioners provided wage information but did not provide financial statements. For these we have estimated gross billing by assuming that their net to gross ratio would be similar to those for whom we have complete information. We are thus able to get a fairly solid estimate for most landscape architects in private practice. There is, however, a danger that we may have slightly over-estimated gross billing for the profession because we are assuming that those for whom we have no information are similar to those for whom we do have information. Intuition would suggest that those for whom we have no information are more likely to be part-timers, etc.

We have, however, assumed that the gross billings and expense patterns of those not in the sample is fairly represented by the information on the 34 solo firms who are in the sample.

Using these procedures, we are able to estimate the total gross billing of the profession and the pattern of expenses and total net incomes or wages.

We estimate that total gross billing are \$4.6 million; total expenses within the profession are \$1.8 million; and total wages and net income to the profession is \$2.8 million. We have had a strong subjective reaction to these figures. The profession is very small. The per capita expenditure on the services of landscape architects is certainly about \$1.50. Thus the cost to the public for the profession is about the same as providing every British Columbian with two chocolate bars or one ice cream cone.

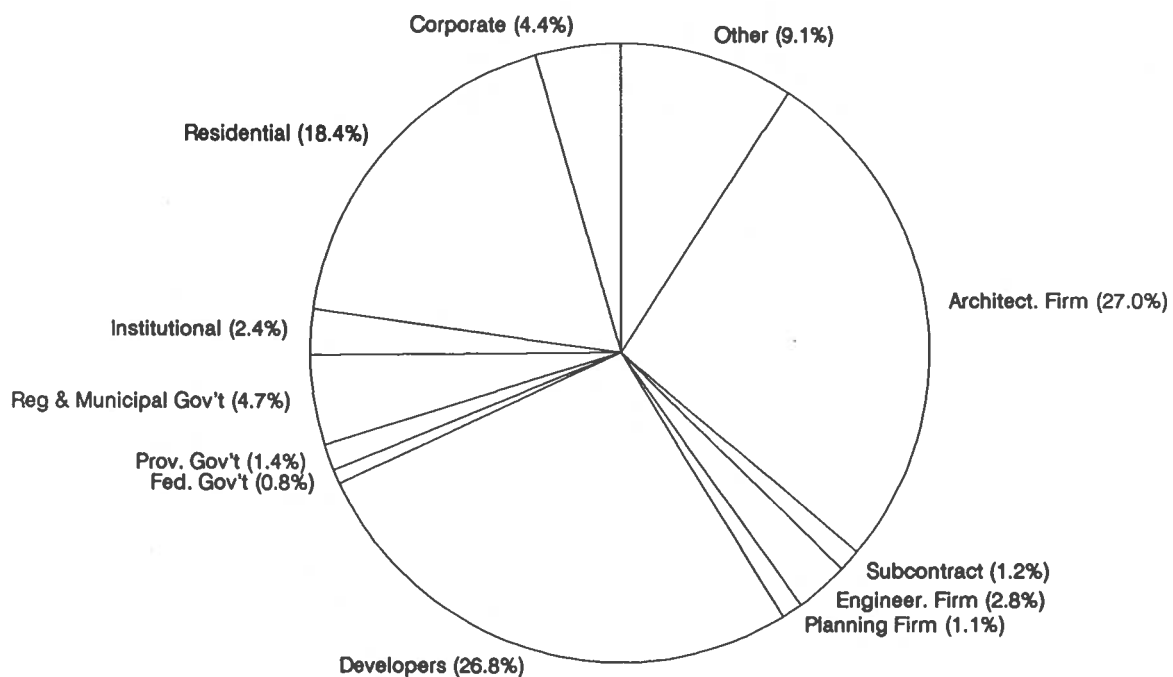
Given the relatively small size of the profession, it is easy to understand why it has such a low public profile. With only \$4.5 to \$5 million in total gross billings the market for landscape architects is very thin. The fact that this is so thin also explains in part why it is so volatile and the fluctuations in incomes is so violent. It seems obvious that a few dozen major projects will make a major impact on the economic fortunes of many Landscape Architects.

The relatively small size of the market merely adds importance to understanding the characteristics of the professions clients. FIGURE 27, shows the projects by client type in 1987 and FIGURE 28 shows the same information for 1988.

There are two aspects of these figures that are interesting. First, there is relatively little difference in client type from one year to the next. This may be because 1987 and 1988 were very similar years from the perspective of the profession. What we do not know is whether during periods of "boom" some types of clients become relatively more prominent than others. What we would like to know is whether the volatility is caused more by one type of client than an other. If it could be shown that some client types are indeed highly correlated with the business cycle it would be prudent to avoid building even greater dependence on this type of client. Our marketing objectives should be to attempt to foster those clients that are more stable in terms of the demands that they place on the profession.

The second striking aspect of FIGURES 27 and 28 is that the principle market is from Developers and Architectural Firms; these two comprise over half of the client types. Another 18% to 19% is accounted for by residential clients.

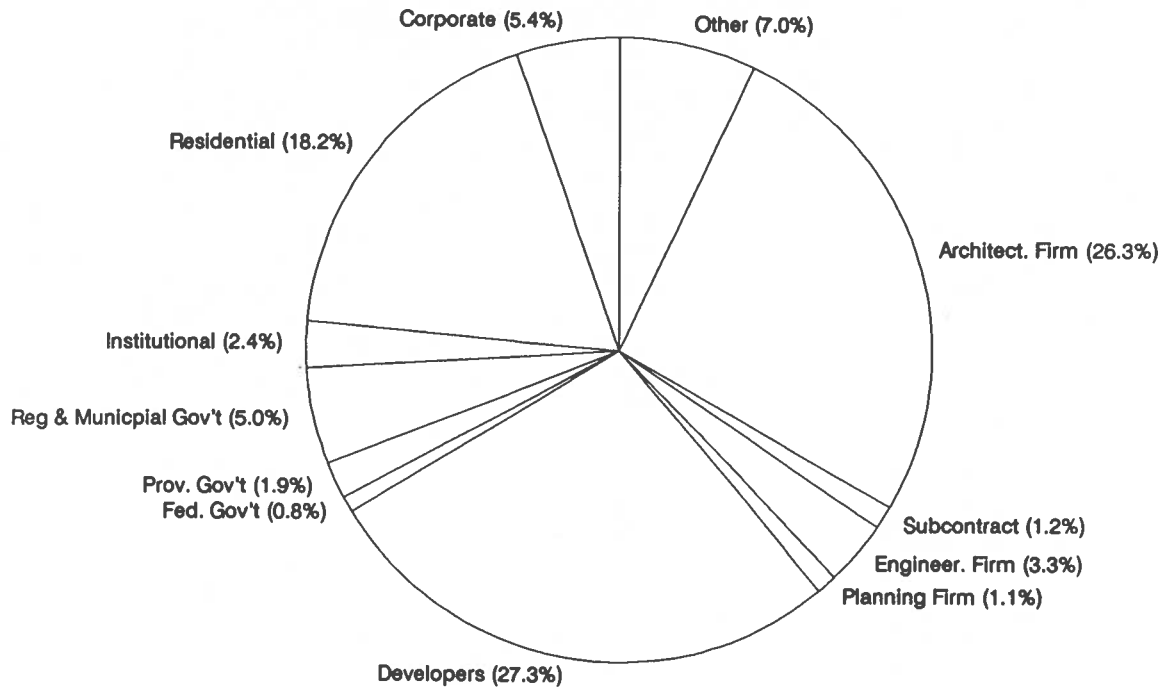
FIGURE 27
ALL FIRMS - PROJECTS BY CLIENT TYPE IN 1987



Again as outsiders to the profession we have a subjective reaction to the data. We are surprised at the relatively small involvement of both the provincial and federal governments with the profession. Our expectation was that it would be greater than the sample information suggests. Collectively, it appears that these two levels of government are spending insignificant amounts on the profession.

The involvement of municipalities with the private practice side of the profession is somewhat larger but not impressively so. As a client type municipalities represent about 5% of the total projects undertaken by the profession

FIGURE 28
ALL FIRMS - PROJECTS BY CLIENT TYPE IN 1988



Profitability may vary between types of clients and therefore a better indicator of the importance of the client types is represented by the percentage of total revenues that each client type contributes to the gross billings of the profession. These percentages are provided in Figures 29 and 30 on the following page. One's immediate impression is that the percentages do not change radically. Perhaps one of the most significant changes is the drop in total share held by Developers and Architectural Firms from a total of 54% of projects to 46% of revenues.

The other significant change is the increase in the percentage share of the regional and municipal governments, which in both 1987 and 1988 contributed more than 12% of gross billings compared with only 5% of projects.

Recalling our estimates of the overall size of the profession in terms of gross billings we can get a rough idea of the importance of each client type in terms of total expenditures on the profession. These numbers are, of course subject to a variety of possible estimating errors and should be regarded as "ballpark" figures.

Architectural firms appear to spend about \$1.2 million annually on the profession, developers about \$1 million, residential clients about \$710,000 and regional and municipal governments \$600,000.

FIGURE 29
ALL FIRMS - % OF TOTAL REVENUES BY CLIENT TYPE IN 1987

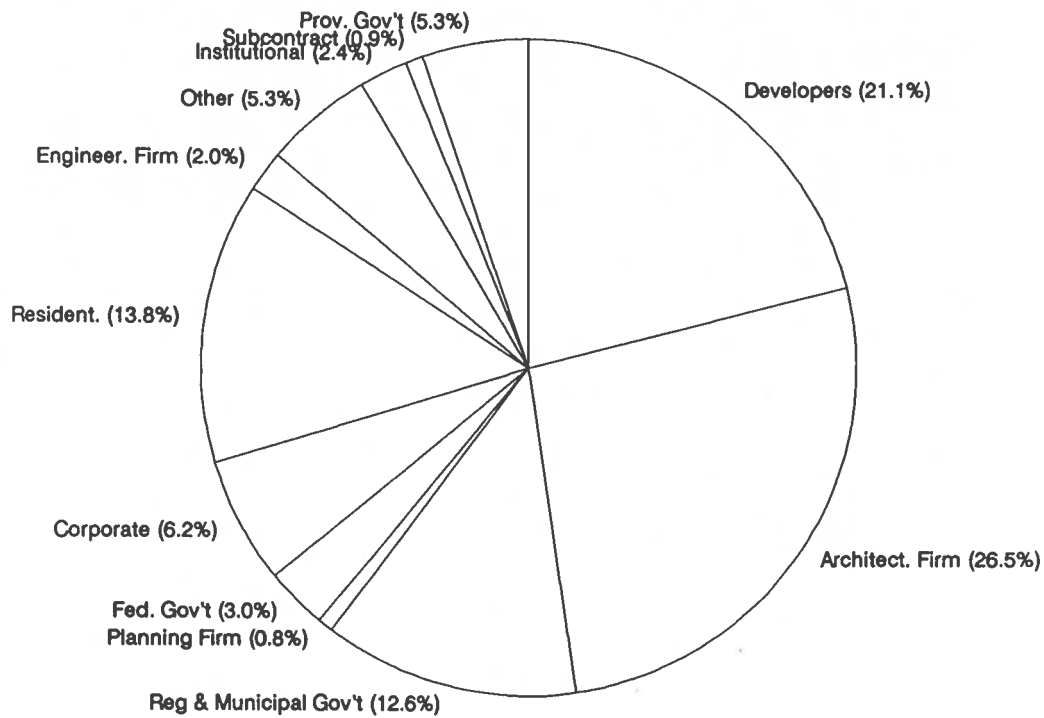
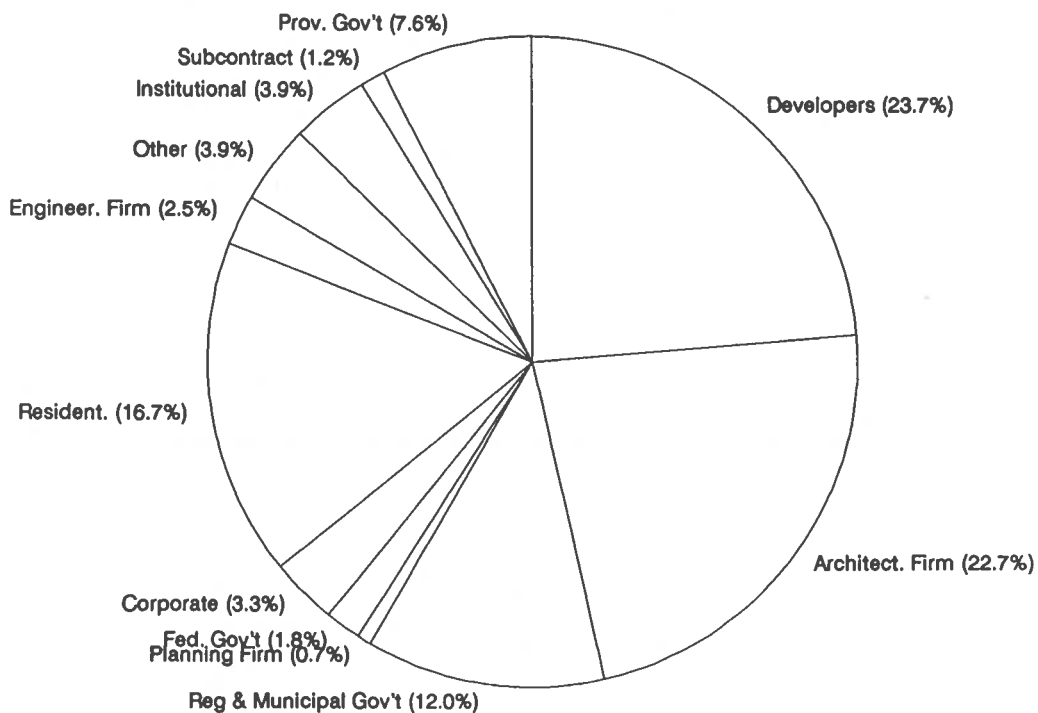


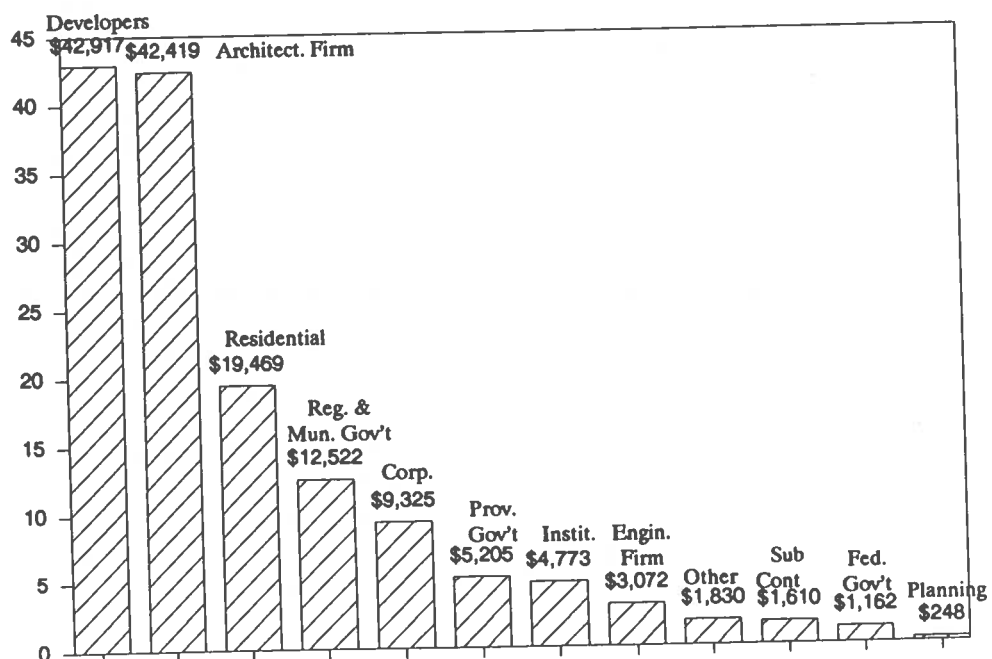
FIGURE 30
ALL FIRMS - % OF TOTAL REVENUES BY CLIENT TYPE IN 1988



Growth in any one of these major market segments will contribute significantly to economic conditions within the profession. The first three areas may, however, add to the problems of the profession- by contributing to the instability of earnings. We believe that one of the more promising areas to pursue in terms of market development is expenditure by municipal governments. Architects, developers and residential clients are much more likely to be subject to the business cycle than are municipal governments. Therefore growth in the demand by municipal governments is likely to be a more stable demand.

In attempting to identify which market segments are the most promising for the profession to pursue the issue of the stability of the market segment should be a prime consideration. In our view the problems of the profession are not merely the low level of income but also the volatility of incomes. It would be better to simultaneously improve both the stability of income and the level of incomes. The danger of increasing the market segments of those clients that are most sensitive to the business cycle is that periods of high levels of income will attract increased numbers of landscape architects to the province and make the subsequent "shakeout" during the depressed periods more difficult. Those who have been attracted into the province during periods of boom will be reluctant to leave at the first sign of a down turn and are likely to attempt, as will others, to maintain the volume of their practices by lowering fees or low

FIGURE 31
ALL FIRMS - AVERAGE \$ TOTAL REVENUES BY CLIENT TYPE IN 1988

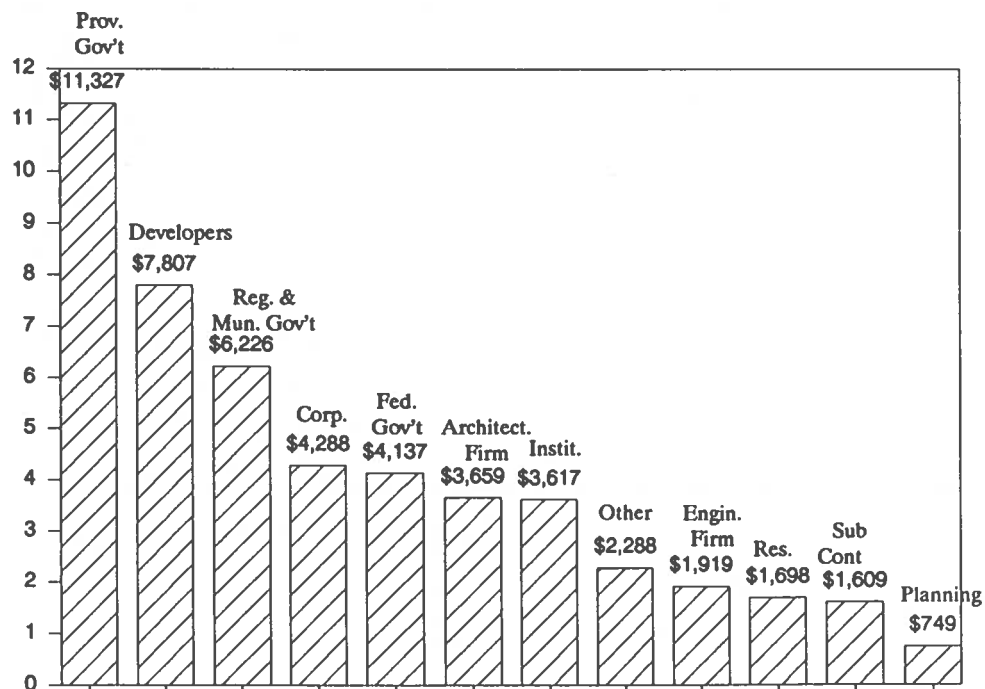


bidding on proposals. This type of behaviour simply increases the amplitude of the fluctuations in the profession.

As indicated earlier, the idea of an average firm is somewhat elusive because of the variety in the nature of the individual practices within the profession. Nevertheless we are able to get some idea of the composition of the "average" practices and its source of revenues from FIGURE 31 on the previous page.. FIGURE 31 shows the sources of revenues by client type, for 1988. Developers and Architects provide about the same amounts of revenues, somewhere between \$42,000 and \$43,000. The next largest source of revenue is from residential clients that, on average provide about \$19,000 to \$20,000; this is followed by municipal governments at \$12,500 and after that the importance of individual clients falls very sharply.

One can get an idea of the importance that some types of clients by looking at the typical size of the projects that they commission in the profession to undertake. This information is provided in FIGURE 32.

FIGURE 32
ALL FIRMS - AVERAGE TOTAL REVENUES PER PROJECT BY CLIENT TYPE IN 1988



The largest projects are commissioned by the provincial government. Thus, we can see that while the provincial government is not important in terms of total expenditures on the profession, it appears that it is a critical source of revenues and employment of a limited number of Landscape Architects.

One of the most revealing aspects of FIGURE 31 is the size of the typical project undertaken by the profession. They are very small: an overwhelming number are smaller than \$10,000 and well over a majority are under \$5000. If the reported billing rates in the profession are normally used to bid on projects then most projects require at most one or two manweeks. In terms of billable manhours, the image that one has of the profession is that it moves rapidly from one project to another. This image may be something of an illusion, however, because it appears from the financial statements and other information provided in the survey that a lot of work must be done and not billed for or, in fact, the billing rates are lower than reported. If we simply multiply "billable" time by the average billing rate we arrive at an estimate of gross billings that significantly exceeds the billings of the profession. It is therefore, our suspicion that more time is spent on the many small projects than is billed for.

From our expansion of the sample we are able to get a fix on the scale of activity of the typical l.a. The average billings for those in private practice, both part time and full time are slightly less than \$50,000 per years. To bill this amount each Landscape Architect will work on about 10 projects. It is difficult to determine an "average billing" rate because most Landscape Architects vary their rate from project to project or from client to client. The rate, however, would appear to be somewhere between \$30 and \$40 per hour. Allowing for the fact that part of the gross billings of \$50,000 are for the recovery of expenses, we estimate that the average Landscape Architect has less than 1300 billable hours per year. This would lead to a somewhat higher estimate of nonbillable time than that reported on the survey but not significantly different and still within the range of nonbillable time that might be expected of a profession.

FIGURE 33
AVERAGE OF ALL FIRMS - PROJECTS
AWARDED IN 1988

PROJECTS
UNDERTAKEN,
ON AVERAGE,
PER FIRM 42.94

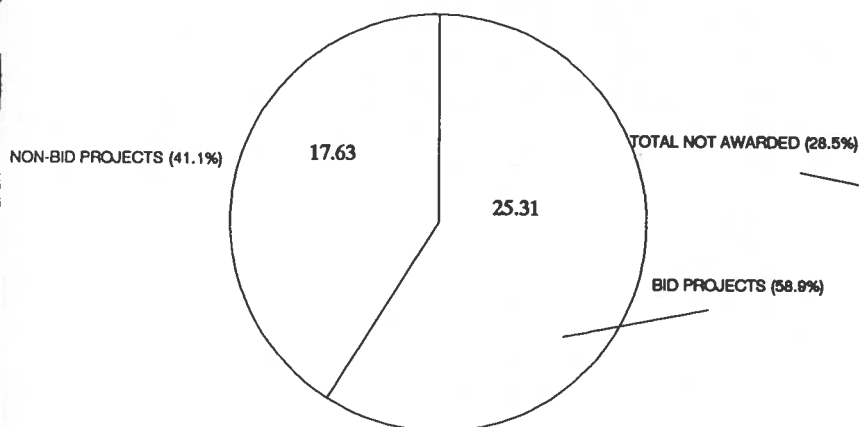
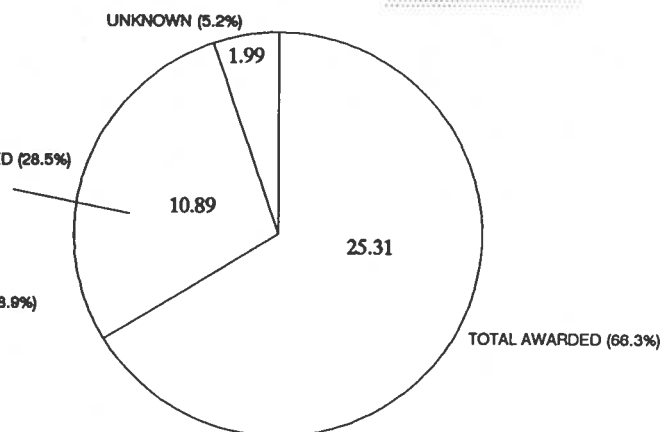


FIGURE 34
AVERAGE OF ALL FIRMS - PROJECTS BID APON

OUT OF A TOTAL
OF
38.19/RESPONDENT



A significant proportion of the nonbillable time probably is devoted to the preparation of proposals and bidding on projects. As FIGURE 33 shows the average firm undertakes 42.94 projects; of these nearly 60% of these projects are won through some type of bidding process. Apparently, the bidding process is not always a competitive bidding process because as FIGURE 32 indicates about two thirds of the projects bid upon are won by the bidder. This implies that in many cases there is only one bidder. From this Figure it can also be concluded that for the 25 projects bid upon and won the firm must submit a total of 37 or 38 bids. In total therefore there is nearly as many bids made as projects awarded.

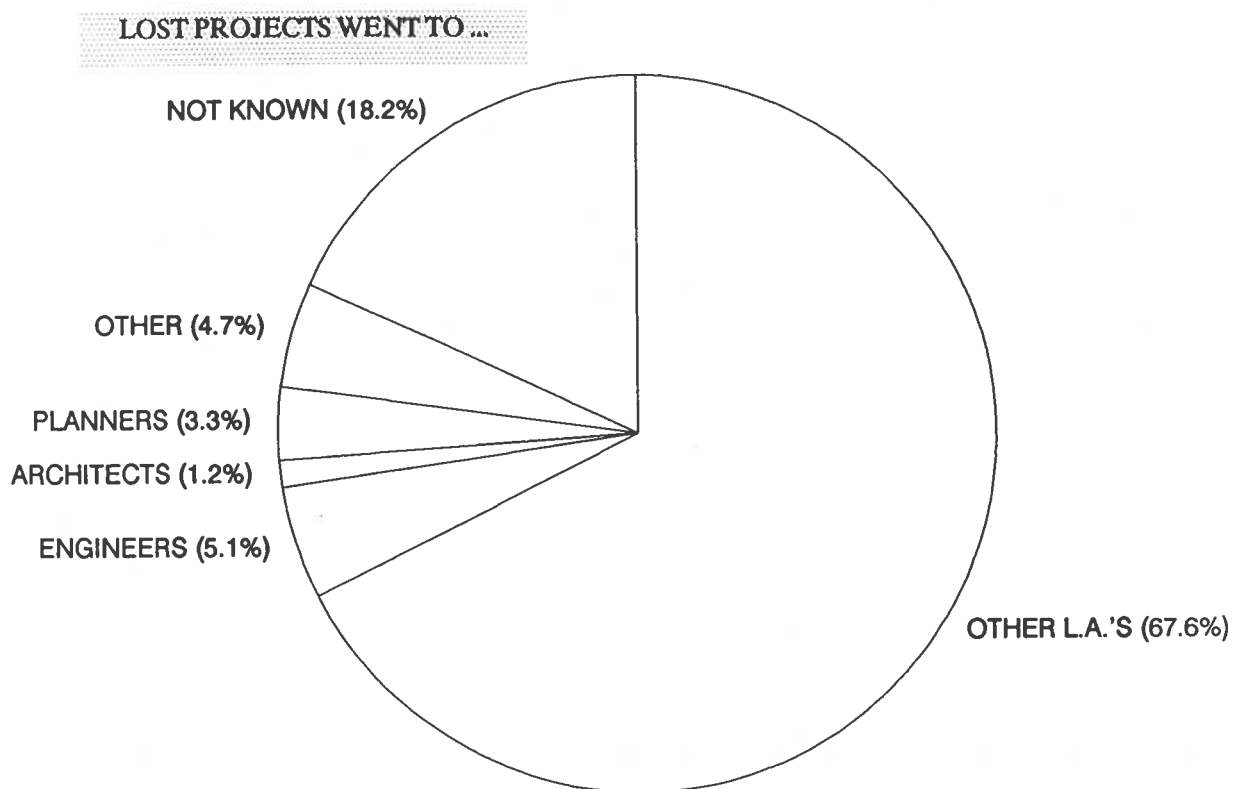
The extensive amount of bidding within the profession has a number of implications. First, most firms appear to lack a basic bread and butter clientele. These are the type of clients that after years of experience develop a level of trust and confidence such that they do not require a firm to prepare a bid. It is common practice that where bids are not required the profession will bill at preferred rate. This is merely one way of recognizing that it takes time and money to prepare bids.

We have no evidence as to why each firm does not have a "bread and butter" clientele and can only speculate on the causes. The first and most obvious is that few potential clients may have a regular and recurring need for the services of the profession. We are skeptic of this presumption because it appears that with the volume of demand from both architects and developers that there would be ample opportunity for continuing relationships to develop.

One impediment to the development of these relationships may be the mobility of l.a.s themselves. The tenure of many within a particular firm is relatively short as indeed the continuing life of many firms. If the composition of firms is subject to continuing change it makes it more difficult for clients to develop a firm attachment to a particular group.

Most likely, however, is the perception that the profession is inherently very competitive and that a competitive bidding process will yield the lowest possible cost for a project. The survey attempted to identify who "won" a project when the respondent lost a bid. The response is provided in FIGURE 35. Over two thirds of the "lost" bids were known to be won by other Landscape Architects. Almost a fifth of the lost

FIGURE 35
ALL FIRMS - AVERAGE DISTRIBUTION OF "LOST" PROJECTS IN 1988



projects were won by competitor unknown to the respondent and presumably in many cases the bid was lost to other Landscape Architects. If two thirds of these unknowns were in fact Landscape Architects, then nearly 80% of all "lost" bids were won by other Landscape Architects.

As FIGURE 35 clearly indicates the most potent source of competition for a Landscape Architect is another Landscape Architect. The economic picture of the profession as it emerges from the survey leads to the question of whether the rivalry between firms does not lead to cut throat competition in which prices are depressed to the point where the services are rendered at rates or fees that are sometimes below the cost of providing them. It is our view that many full time landscape architects do not receive incomes that are commensurate with their responsibilities or education. This, as suggested earlier may be due to excess manpower or an inadequate demand for the services of the profession or it may also be due to deficiencies within the profession itself. The most obvious deficiency may be an unrealistic sense of what the real costs of a particular project may be.

During our examination of the financial records of many of those in the survey we became aware of the fact that some practices seem to have relatively high costs. Generally, those in solo practices or in some of the smaller practices had very high expense to gross ratios; the proportion of gross billing retained as income in the larger practices was generally higher. Of course, there are exceptions to all of these statements.

FIGURE 36 shows the average income statement for a Landscape Architect firm. In this case the sample consists of all those who provided financial information so the average includes some part-time solo practices and practices with several full time Landscape Architects. The information in this table should be studied with some caution. The most difficult figures to interpret are the "net income" and the "salaries and employee benefits". The net income can be interpreted as income to the professional; the salaries and employee benefits however is a combination of income payments to Landscape Architects and to other staff. In arriving at the incomes for Landscape Architects we have had to disaggregate these figures but for the present purposes let us assume that it is sufficient to merely look at the ratio of total expenses minus all forms of wage payments, professional incomes and net income to gross billings. This ratio provides a reasonably clear notion of the non-labour related costs. Non-labour related costs for the average practice are nearly 45% of total costs.

The proportion of non-labour expense rises, the smaller the practice becomes. We have mentioned some of the inadequacies of the data base and the danger that we may attempt to conclude too much from it. Having mentioned this caveat yet again we do feel that there is evidence that leads to the conclusion that part of the profession's problem is that there are too many "small" firms and that there are some "economies" of scale associated with larger firms. The evidence, however, is mixed. Some of the most successful Landscape Architects are in fact solo practitioners. These practitioners generally appear to be able to charge fees that are well in excess of the average fee within the profession. In effect they succeed in increasing their incomes

by having substantially larger gross billings. Even their incomes may increase if they were embedded in a practice in which they were able to share costs.

FIGURE 36
AVERAGE PRACTICE EXPENSES

ALL L.A. FIRMS (Including Full-Time and Part-Time Solo Practices)

| | 1988 | % of Total |
|--------------------------------|----------------|-------------|
| GROSS (reported) | \$142,668 | |
| Accounting and Legal | \$1,902 | 1.6% |
| Advertising and Promotion | \$4,477 | 3.9% |
| Automobile | \$2,725 | 2.4% |
| Bad Debts | \$2,300 | 2.0% |
| Bank Charges and Interest | \$1,417 | 1.2% |
| Business Tax & Licences | \$592 | 0.5% |
| Travel | \$1,056 | 0.9% |
| Graphic Supplies | \$4,363 | 3.8% |
| Depreciation | \$1,815 | 1.6% |
| Dues and Subscriptions | \$391 | 0.3% |
| Equipment Rental | \$476 | 0.4% |
| Insurance | \$1,145 | 1.0% |
| Sub-Contracting | \$17,369 | 15.0% |
| Printing & Photography | \$4,154 | 3.6% |
| Office, Postage, Stationary | \$7,660 | 6.6% |
| Rent | \$6,119 | 5.3% |
| Repairs and Maintenance | \$83 | 0.1% |
| Salaries and Employee Benefits | \$53,180 | 45.9% |
| Telephone and Utilities | \$2,473 | 2.1% |
| Other | <u>\$2,045</u> | <u>1.8%</u> |
| TOTAL EXPENSES | \$115,743 | 100.0% |
| NET INCOME | \$26,925 | |

FIGURE 37
DISTRIBUTION OF L.A.s BY NUMBER OF L.A.s PER FIRM

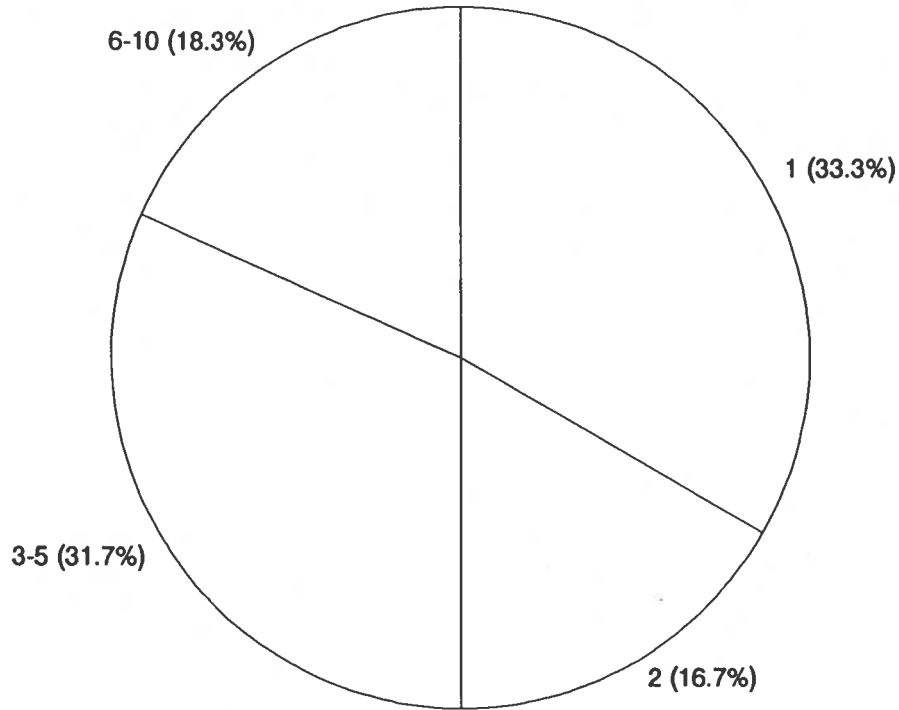


FIGURE 37 shows the current distribution of Landscape Architects. Nearly 50% of all Landscape Architects are in practices with 2 or less Landscape Architects. A substantial part of the profession has the possibility of improving its income by participating in larger firms. This is possible simply because of the economies that may arise from larger firms.

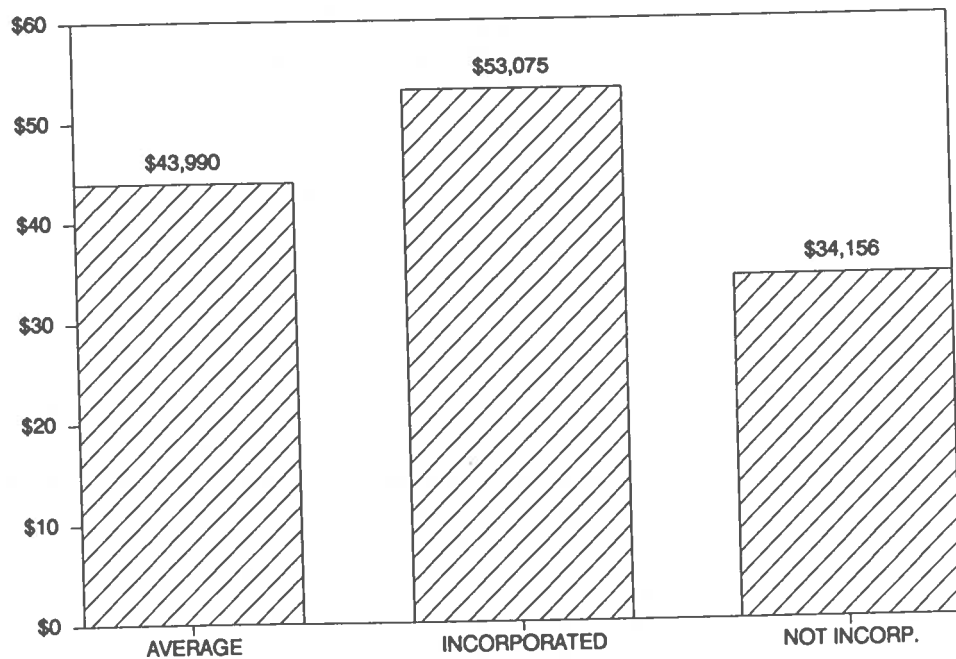
The possibility that smaller firms could merge to form larger practices has another very interesting possibility. Fewer firms and greater awareness of the non-labour related costs of practice could reduce the possibility of cut throat competition within the profession. A reduction in this type of competition would lead to an improvement in incomes.

FIGURES 36 and 37 also point to something else that is interesting or curious about the profession and the nature of interpersonal relations within the profession. It is the amount of sub-contracting that takes place. In the foregoing discussion we have included sub-contracting as a non-labour expense because it is an expense that is not a payment to the employees or owners of the firm. If we consider the net income and salaries as the labour expense of the firm, then sub-contracting is nearly 22% of current labour costs. Clearly, a lot of the work in the profession is done by sub-contractors.

In our view this dependence on sub-contractors is not healthy for the general welfare of the profession. Too often sub-contractors are used as a source of cheap labour. A firm may bid on a project with the intention that much of the work will be done by a sub-contractor. It hopes to make money on the project by forcing the sub-contractor to accept minimum fees and it is able to do this by showing the sub-contractor just how low the total fees on the project are. The sub-contractor is in a take it or leave it position and since many of them are under-employed they choose to take-it.

The problem that this generates throughout the profession is that it makes it difficult for firms that have retained full time employees and are trying to offer their employees reasonable wages, to compete with those that heavily use sub-contractors. The competitive process will pull everyone down to the lowest common denominator.

FIGURE 38
FULL-TIME PRIVATE PRACTICE - EDUCATIONAL BACKGROUND?



PART II RECOMMENDATIONS

The two primary economic problems of the profession are the volatility and the low level of incomes. We see no quick fix for these problems. There are, however, a number of initiatives or policies that the Society may wish to consider. Before looking at these initiatives it seems appropriate to face the issue of the Society's major handicap.

We have registered our surprise at the small size of the profession. Gross billings of less than \$5 million dollars is not a very big base to start from nor is a membership list of 123. It is only realism to recognize at the outset that the Society will not have a very large budget for any undertaking. Even if it were possible to assess each member \$1000 annually the budget would be modest. Our suspicion is that an assessment of this size would be strongly resisted and simply drive some members out of the Society. For many members even relatively modest levies represent a significant part of their after tax income and the benefits that they may eventually receive from the initiatives of the Society may seem elusive.

We began this report with a serious question: is landscape architecture a profession? If it is are the only professionals those in the Society? We are not qualified to answer these questions; ultimately that must be done by the membership of the Society. We would point out however, that the rigorous entrance requirements into the Society may be self defeating. We posed the question of the professional status of landscape architecture to draw attention to the fact that it is possible that there are many individuals who practice as if they were landscape architects but do not hold accreditation from the Society. They may be working for municipalities, for architectural firms and in practices as competitors of the landscape architect. They may hold a BLA. What they lack may be membership in the Society.

It is not obvious what benefits membership in the Society may confer on the new graduate. Membership, as this report demonstrates does not assure one of employment or a high income, nor is it necessary in order to practice one's discipline. What benefits do the members of the Society gain by excluding some graduate BLAs from membership? Exclusion does not necessarily reduce the numbers of those that practice the discipline. Firms that are predominately composed of Society members may hire BLAs who are not members of the Society and have no intention or prospect of passing the Society's examinations. Moreover, there is no evidence that excluding some from the Society preserves a particular market for members of the Society.

We can understand that in the minds of many members of the Society the certification process makes an important distinction in terms of those who possess certain

qualifications and those who do not. The BLA also does that, but perhaps not to the same extent. Apart from this however we are not convinced that the demanding entrance requirements to the Society necessarily serve the best interests of the current membership of the Society. Would it not be better to have all the BLAs and MLAs that may be practising in B.C. in the folds of the Society. Would it not be better to also have them as a membership that can be assessed to provide better funding for the endeavours of the Society?

RECOMMENDATION #1

We believe that it is important that the Society stake claim to unique professional area of expertise in the public mind. Among the members of the Society we sense that the title "Landscape Architect" is too narrow to describe the range of professional services performed by members of the Society and that too easily confused with "landscape companies" and nurserymen. We suggest that consideration be given to changing the name to "Landscape and Environmental Architect". This is more descriptive of the range of services, and it stakes a claim to an area of expertise that can not readily be claimed by architects, city planners and so forth. In conjunction with the name change we would suggest that the Society attempt to get all levels of government to require the Landscape and Environmental Architect's seal on all projects that materially alter the landscape or the botanical characteristics of the landscape. Public concern with the environment may make many politicians sympathetic to such a request.

RECOMMENDATION # 2

Positive steps should be taken to encourage the development of practices consisting of several Landscape Architects and to discourage the use of sub-contactors. It is our belief that part of problem of the profession is that the current system of bidding on contracts generally works to the disadvantage of the profession and to the advantage of the clients of the profession. It is our belief that with larger firms and less dependence on part-time contractual help that fees and incomes would gradually rise. We do not believe that it is appropriate to attempt to discourage part-time work within the profession; we do believe that it would be beneficial if the part-timers were involved in the practices to which they contribute.

In some professions there are strict prohibitions against the hiring of one professional by another. Physicians, for example, cannot sub-contact and while they can work with another physician, in many jurisdictions it is illegal for one physician to be hired by another. The reason for this is the sense that sub-contacting diffuses the professionals responsibility and leads to declining standards and erodes the economic base of the profession.

The membership must determine what may be the most productive "positive steps" towards the development of larger practices. We suggest that the larger firms, perhaps with input from an appropriate lawyer, conduct a workshop on forms of partnership agreements and how costs and revenues may be shared in the multi-professional practice.

RECOMMENDATION #3

We believe that the net incomes of many members of the profession could be improved by better practice management. To foster better practice management the Society should, as a member service, organize a specialized course on practice management. Such a course should cover such topics as cost control, employee compensation, preparation of proposals and so forth.

RECOMMENDATION #4

The Society should publish and annually revise a schedule of recommended fees and salaries for employees. The fee and salary guide should be the responsibility of a continuing committee. The Committee should make its recommendations to the Board. The approved guide should then be mailed to all members for discussion at a general meeting of the society. The committee should be prepared to explain how the fees and recommended salaries were determined and why adherence to the guide would be economically beneficial to the individual practice. Adherence to the guide must be purely voluntary.

RECOMMENDATION #5

The Society should annually conduct a survey of all government or institutionally employed Landscape Architects to identify both levels of income and benefits. The results of this survey should be presented in a report form that would assist the individual Landscape Architects in negotiations with his employer. The intent of this recommendation is to improve the level of income and benefits for some government employees. It is particularly important that municipal employers are encouraged to pay professional wages.

RECOMMENDATION #6

A survey of municipalities should be undertaken to determine who may be performing the duties or functions of a Landscape Architect and in particular whether municipalities are hiring BLA graduates who are not members of the Society.

A systematic program should then be undertaken to encourage municipalities to hire members of the Society. This may be done by preparing literature that could be sent to each municipality; by making a presentation to the convention of mayors or municipal clerks and so forth. It is important that the Society recognise that the single largest and most important client it has is "government" at all levels, this of course is as an employer not as a project sponsor.

RECOMMENDATION #7

The Society should sponsor an award for the most creative or project undertaken by a municipality and the award should be made during the annual convention of mayors or municipalities. This is intended not only to recognize excellence in landscape architecture but to underline the importance of the Landscape Architect to the municipalities. It may be appropriate to have two awards, one for the smaller municipalities and one for the larger.

RECOMMENDATION #8

The Society's firm roster, a description of the services of landscape architects and procedures for inviting bids from landscape architects should be sent to every mayor and every town or city clerk in the province. This should be done annually.

RECOMMENDATION #9

A campaign should be launched to persuade all municipalities to require the seal of a Landscape Architect on major developments

RECOMMENDATION #10

The Society should sponsor an award of excellence for the Developer responsible for the most creative or important project during the past year. If there is no suitable annual meeting held by developers at which such an award could be made consideration should be given to the hosting of a black tie dinner of developers who have made significant contributions to the profession. The purpose of this is not only to recognize excellence and attract press notice but also to provide an occasion when developers may meet landscape architects face to face. In preparing the invitation list for this "award" night, special efforts should be made to invite developers who normally retain the services of the Landscape Architect indirectly through a prime contract with an architect. The award night should be used to encourage developers to see the importance of the Landscape Architect, to have him involved at the initial planning stages of the project and to contract with him directly.

Such an evening may be expensive, but the members of the Society may wish to reflect on the market efforts of one group of three oral surgeons. They rented the Vancouver Aquarium and invited 600 people to come and eat and drink to their hearts content. Expensive but very effective promotion of their practice. Those invited were other dentists that normally refer to oral surgeons.

To alleviate the financial strain on the Society corporate sponsorship should be sought. An attempt should be made to make the award night something of a gala affair and to have it covered by the press.

RECOMMENDATION # 11

Every major developer and the relevant contractors should be provided with the Societies firm roster, description of the services of the landscape architect and outline of how to retain the services of a Landscape Architect. This material should be mailed annually.

RECOMMENDATION # 12

Attempts should be made to have the Society's firm roster and a description of the services that Landscape Architects are able to provide the home owner sent as an insert in every seed catalogue and nursery catalogue. Similar promotional literature should be made available at all garden centres and nurseries. Consideration should be given to providing a "usual" cost for assisting the home owner. It is our suspicion that many home owners believe that consultation with a Landscape Architect is more expensive than it in fact is. Firms that do not wish to be include in such a promotion should be deleted from this roster.

RECOMMENDATION #13

The limited budget of the Society should not be spent on promoting the services of the Landscape Architect with architects. There are two reasons for this in addition to the fact that the resources of the Society are limited. First of all the client groups architects already appear to be the most fully informed with respect to the capabilities of the Landscape Architect; marginal improvements in their understanding of the profession will not lead to significant rewards. Secondly, dependence on architects is likely to be one of primary causes of the volatility of incomes and everything possible must be done to restrain the fluctuations in income.

RECOMMENDATION #14

The Society should plan to have a permanent office and full time staff as soon as possible. Consideration should be given to sharing facilities with another similar professional organization in order to ease the financial strain on the membership.

RECOMMENDATION #15

The Society should build on the experience of the present survey and conduct an annual economic survey. This would provide information for the suggested fee and salary guided, the government employees' negotiating package and so forth. Most importantly, the Society must develop "trend" information so that remedial action can be taken.