

# So what if we're older? That's better for business, firms discover

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By Anya Sostek, Pittsburgh Post-Gazette

No matter how you slice it, the residents of Allegheny County are, well, old. For more than a decade, the county has laid claim to the second-oldest-large county in the nation title, outdone only by retirement havens in South Florida.

But where some see octogenarians, others see opportunity.

And a spate of businesses geared toward seniors are now flourishing in the Pittsburgh region.

When Matthew Earnest took the job as general manager of Pittsburgh's 1-800-GOT-JUNK franchise, he expected to serve primarily realtors and families with overcrowded basements and garages.

Instead, more than half of his customers are senior citizens, and the franchise is expanding rapidly. The business, which removes any amount of unwanted stuff from homes and businesses, had five employees when Mr. Earnest started a year ago; it now has between 10 and 15.

"We've seen nothing but growth, even in the winter months," he said. "I didn't realize at the time that [seniors] would be as large of a market, but it makes perfect sense now."

For a variety of industries -- ranging from health care to maid services -- Pittsburgh is pretty much the perfect place to be, said John Tubridy, owner of FranNet, a consulting business that advises franchisers.

"According to some of the franchises I represent, the demographics here are almost twice as good as their normal market," he said. "Seniors generally have expendable income and they sort of change mentally. Seniors will lose their savings to get things that they want."

And as the U.S. population ages, senior buying power increasingly touches nearly every piece of the economy. Even on a relatively youth-oriented industry, such as athletic footwear, seniors spent nearly 13 percent more in the past year than they did two years ago, according to data from the NPD Group, a New York marketing research firm.

Even Pittsburgh seniors on fixed incomes are relatively good for businesses, said Mr. Tubridy, because the cost of living here is lower than many comparable markets.

That said, it's the luxury market that many business owners are after.

For years, Jamie Campolongo had dealt with transportation for senior citizens through

contracts with the federally funded Access program secured by Mr. Campolongo's company, now called the Pittsburgh Transportation Group.

Mr. Campolongo saw another market for seniors who wanted something more upscale than Access, which handled multiple customers at once.

So Mr. Campolongo started a luxury van service, Freedom Coach, equipped with employees with a nursing background. For about \$45 an hour, the vans will serve what he calls "an emerging market," taking affluent seniors where they need to go.

Since starting last year, the business has quickly grown to 11 vans. "It could be 22 tomorrow if I'd let them do it," Mr. Campolongo said. "We thought we were going to dabble in it, and now we've got the reins pulled back on it. It's taken off."

Though businesses geared toward seniors can be lucrative, they also bring their own unique challenges.

For one, there are the physical limitations. Even with handicapped-equipped vans and medically trained staff, Mr. Campolongo worries sometimes about the risks of transporting some of his customers.

"Sometimes we get there and the people are so fragile we wonder if they shouldn't be in an ambulance instead," he said.

At 1-800-GOT-JUNK, one of Mr. Earnest's top concerns is preparing his employees -- who are mainly college students or workers in their 20s -- to relate to a clientele born in a different era.

To train his employees, he organizes role playing games where a young staff member might have to console an elderly customer parting with her belongings, or might have to help a customer sort through what to keep and what to throw away.

For Kathy Roslonski, owner of the Pittsburgh franchise for 24/7 BrightStar Healthcare, her biggest challenge has not been finding enough customers, but finding enough trained younger workers to staff the business.

BrightStar provides medical and nonmedical aid to people in their homes, as well as in nursing homes or assisted living facilities.

An accountant by training, Ms. Roslonski and her brother, Kevin Dunn, purchased the business in December 2005 and started operating in March of 2006. The business has been rewarding, she said, as she is able to watch her customers' quality of life dramatically improve, by enabling them to have physical therapy or baths in their homes, or by transporting them to doctors' appointments.

But getting her current staff of 30 employees in place wasn't easy. "Pittsburgh has a crisis of quality, dependable caregivers," she said.

The lack of a younger population hurts Pittsburgh businesses in other ways. Mr. Tubridy said that tutoring franchises don't tend to do well here, because of the population mix.

But challenges aside, he said, the market geared toward seniors has tremendous expansion potential.

"There's a preponderance of personal services coming up in the franchise world, and for the services in general, the seniors are a really good target because they can't physically do a lot of stuff," said Mr. Tubridy. "I have several franchises that are dying to come in here."