

## Smart Money

Small Businesses Cater to Gray February 21, 2008 `function bylineLink(){ location.href="mailto:"+ "editors"+"@smsmallbiz.com"+"?subject=SmallBiz%20Article%3A%20Small%20Businesses%20Cater%20to%20Gray&body=http%3A%2F%2Fwww%2Eesmsallbiz%2Ecom%2Fprofiles%2FSmall%5FBusinesses%5FCater%5Fto%5FGray%2Ehtml"; }` By Diana Ransom TO SCOTT NEAL, who recently lost his job at a Tampa, Fla., home builder because of the sagging real-estate market, a generation of about 77 million aging Americans sounds an awful lot like opportunity knocking.

Whether it is somebody moving across town to live in a managed retirement community, migrating to Florida from a colder state or just plain staying put, he says, "the vast majority of 62-year-olds won't want to run down to Home Depot, pick up a gallon of paint and hop on a ladder." That's why Neal and his business partner are confident about their decision to buy a CertaPro Painters franchise. Being in the business of home improvement and specifically catering to an older demographic, he predicts, "will be the brighter side of housing as we start to come out of this very down market."

Targeting the older customer has long been a focal point among big business, which regularly features older celebrities in advertisements. (Think: Isabella Rossellini gracing print advertisements for Lancome products or Peter Frampton strumming a guitar in a recent Geico television commercial.) However, says Matt Thornhill, president of the Boomer Project, a Richmond, Va., consulting firm: "The aging of the baby boomer demographic is a huge opportunity for businesses of any size."

According to Mintel Group, a market-research firm, the baby boomer generation — that is, individuals born between 1947 and 1964 — has an estimated spending power of more than \$2 trillion a year. Plus, says Thornhill: "They know they are going to live another 10 to 20 years longer than their parents."

But while targeting boomers makes sense, it's not necessarily easy. This generation is as disparate as they come. For example, some members are beginning to enter retirement while others have 20 more years left on the job. They could be starting new careers, businesses or even going back to school. They may be newly single or even newly remarried with kids in college and much younger children at home.

Business owners who can maneuver around or cater to these demographic splits stand to gain from this vast generation. Here's a look at a few promising industries within the gray market:

**Longevity Products** Since people are living longer — on average, 77.8 years, according to the National Center for Health Statistics — smaller businesses have begun offering products that aim to improve individuals' physical and mental longevity. Posit Science of San Francisco, for example, began offering in January 2006 a software program that provides brain exercises for older adults designed to improve memory and cognitive functions such as sharpness and attention.

Another longevity-focused product is the emWave Personal Stress Reliever, produced by HeartMath of Boulder Creek, Calif. The device, available in handheld form since 2006, gauges a body's heart rhythms and helps focus the user's attention on calming his or her stress level. As a person ages, says Howard Martin, the company's executive vice president, "stress may exacerbate many ill health conditions," such as heart disease and sleeplessness.

**Beauty Products** Thanks to living longer and staying more active, baby boomers are clamoring for products or services that enhance appearance, says Mary Furlong, a professor of entrepreneurship at Santa Clara University in Santa Clara, Calif., and author of "Turning Silver Into Gold." As boomers retire, they might dedicate a chunk of their newly acquired free time to improving themselves physically, she says. "Making them look vibrant and sexy as they get older is huge," says Furlong. Plus, a higher divorce rate among boomers than previous generations means beauty and body services will naturally take on a new level of importance. "When you are 60 and dating again, it takes a good week to look good," says Furlong, who is nearly 60 herself.

**Financial Services** As people live longer, everything from maximizing retirement income to reducing estate sizes takes on a more vital role. This means that demand for businesses in the financial-services realm will likely increase, says Michael P. Sullivan, president of 50-Plus Communications Consulting in Charlotte, N.C., who regularly advises businesses on how to reach the baby-boomer market. Banking on this, the Longevity Alliance of Washington, D.C., which launched in 2005, offers expert financial advice to aging baby boomers as well as a comparison of financial and insurance products from multiple vendors.

Similarly, AtPrime, a content portal out of New York for people over 50 years old, provides information about financial issues, such as fraud and financial security. Eons, a social network for boomers out of Boston, has among its subject areas a money section where users can join groups, discuss issues and receive advice.

**Elder Care** Baby boomers are dealing with their own age issues while simultaneously caring for elderly parents. As a result, companies that provide elder care and concierge services, which help seniors get around and run errands, are in demand. For example, Visiting Angels, an elder-care franchise with 325 offices in 48 states, provides nonmedical at-

home care for seniors. "If Mom and Dad breaks a hip I help them" around the house, says Wayne Boylan, an Angels franchise owner in Ft. Lauderdale, Fla. When the baby-boomer caregiver needs a break, the service also can provide respite or temporary care for elderly parents.

Other companies offer non-health-care-related services to baby boomers and aging parents alike. SilverRide in San Francisco operates a fleet of eight PT Cruisers to help older individuals get around while Moving Solutions in Red Bank, N.J., helps relocate them and all of their belongings. SilverRide's owners intend to franchise the elder-car-service concept across the country, while Moving Solutions has been doing so since 2005.

Leisure GoodsFor affluent baby boomers, travel along with life's little luxuries is expected to play a big role in their retirements. "Boomers are the first generation that had dual incomes," says Furlong. As such, they're well-positioned in retirement to play catch-up on vacations passed up during the working years, she says.

Liz Dahl, a former public-relations executive, agrees. Just over a month ago she launched Boomeropia, a travel portal where boomers can check out a range of vacation packages, from spots for "Glamping" — that is, nicer camping — to "Gladiator Training" in Rome. Dahl, who's 59, saw a need for such a site after she turned 50. "You get your AARP card," she says. "After that, you get hearing aids and burial plots." No one, she says, "was appealing to my fun side."