

More Learning = More Earning

New Demographic Data Relevant to Paint Retailers

This summer, Harvard University's Joint Center for Housing Studies released *The State of the Nation's Housing 2008* (www.jchs.harvard.edu).

As you might imagine, the 40-page report was filled with facts and figures that reinforce we are currently in a housing slump. No paint dealer needs to go to Harvard to figure that out. Yet the report is worth reading for retailers who wish to better understand the underlying trends and information often unreported in today's sensational headlines.

Impressive Household Growth

The good news is that due to a number of demographic realities, household growth is expected to increase by a healthy 1.4 million per year from 2010 to 2020. The purpose of this article is not to support nor debate this robust growth projection. Instead, I wish to share a handful of the demographic drivers and trends that the Harvard team believes will positively impact household growth in the decade ahead. By understanding the significant transformation taking place in household ownership, you can equip your retail team to successfully serve the swiftly changing face of American homeowners.

Non-Traditional Homeowners

Perhaps the most important concept for all of us to embrace is that today's typical homeowner is anything but typical. According to the Harvard report, between 2010 and 2020, 36 percent of household growth will be generated by singles who are living alone. It may be fair to assume tighter mortgage restrictions may reduce this figure a tad. But don't bet on it. Three-quarters of the an-

tipated 5.3 million increase in single-person households will be aged 65 and older. Rather than being cash-poor restless wanderers, these senior singles will have a strong interest in remaining in their new homes as they age. Instead of moving to a smaller unit a few years down the road, many seniors will be remodeling their homes to improve convenience, safety or accessibility.

Married couples continue to be a shrinking share of American households. The number of single heads of households with children is approaching one out of every three homeowners. Yet many of these single moms and dads are not living on one income. Nearly 40 percent are living with a partner or roommate. The unmarried partners enjoyed a 2007 average household income of more than \$48,000. Those with roommates averaged \$39,000.

To be sure, there are many single-parents and elderly citizens who struggle to make ends meet. Yet increasingly, the single American homeowner will either live in a dual-income household

or be an independent senior citizen who has the means to buy a home and fix it up to meet their needs.

Single Seniors are Super

The takeaway here is that your store needs to be increasingly friendly to singles of all ages. The elderly woman you just side-stepped on your way to the paint counter may be planning a high-dollar remodeling project. The harried, sleep-deprived single mom negotiating a stroller through the entry may possess more household income than you dreamed possible.

Consider adding new signage to emphasize time-savings and convenience, because DIY research tells us that many women appreciate and will pay more for these attributes. As baby-boomers retire, there will be a growing number of seniors with the time, energy and resources to devote to paint and decorating projects. Make sure your younger employees are trained to comfortably and politely interact with your senior citizen shoppers.

Want to endear yourself to seniors and single moms? As you greet them with a smile, let them know your staff would love to help them carry whatever they buy out to their vehicle. They ac-



By **Tom Hatcher** Purdy Senior Product Manager and PDRA Advisory Committee Member

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Wealthy New Neighbors

Twenty-nine percent of all households are now minority-owned. This compares with 25 percent in 2000 and 17 percent in 1980. If immigration rates remain stable, by 2020, the figure is expected to climb to 35 percent.

In addition, a growing number of high-income homeowners are minority and foreign-born individuals. The Harvard report defines a high-income homeowner as one who is in the top 25 percent of pre-tax income nationally. This emerging trend is most evident in the American West, where foreign-born individuals make up more than 15 percent of the total high-income households.

The bottom line is that a growing portion of our nation's homeowners are immigrants or minorities. And while the headlines tell us cash-poor immigrants are taxing America's social networks, the news in the Northeast U.S. fails to mention more than 1 in 10 high-income homeowners are foreign-born. In the West, minorities currently make up 25 percent of the high-income homeowner population. The big news for paint retailers is that a surprising number of today's immi-

grants are healthy, wealthy and buying a nice home in your community.

Welcome to My Store

So what can you do? Stocking goods with bilingual packaging is a smart start. If your market has growing populations of immigrants, consider adding your own bi-lingual in-store product and project signage. Do you have an employee named Mary who speaks Spanish? Place a sign near your entrance that says, "Speak Spanish? Ask for Mary!" For better results, translate the sign into Spanish or the appropriate minority language in your community.

Bi-lingual packaging and signage is increasingly commonplace in many parts of the U.S. and is a practice that most national chains have already adopted. With the immigrant population growing rapidly, it is vital for independent stores to be attractive and welcoming to their new neighbors. Otherwise, the major chains will capture and retain much of the home-improvement growth opportunity in the years to come.

Certainly there are a myriad of challenging immigration and minority matters in our society today, and I will not attempt to address any of them! However, the reality is that a fast-growing number of the homeowners in your lo-

cale are minorities. Are your new neighbors greeted with a smile and a hearty welcome when they enter your business? Or are you opening doors for existing and new competitors to prosper by failing to adjust to the changes in your own local community?

Positive Demographic Trends

Certainly, there will come a time when the headlines focus on an emerging housing recovery. The demographic data suggests the growth may happen sooner rather than later. The Harvard report projects that even if immigration levels are reduced by 30 percent, America will still experience overall growth across all demographic categories of nearly 1.3 million households per year from 2010 to 2020. While less than the 1.4 million figure stated previously, this easily tops the annual growth America experienced from 1995 to 2000.

The Big Question

So, the big question isn't when the turnaround will happen. The most important question for independent paint store owners is this: As the demographics in my marketplace change rapidly, will I continue to be the paint retailer of choice for the homeowners and contractors in my community? ■

industry BRIEFS

Hunter Douglas Is Finalist for IDEA

Hunter Douglas has been named a finalist for the 2008 International Design Excellence Awards (IDEA) for its ground-breaking iImagine™ Design Center featured on www.hunterdouglas.com.

As a finalist for this prestigious award sponsored by the Industrial Designers Society of America and *Business Week* magazine, Hunter Douglas competed against

more than 1,500 other entries, including the Apple iPhone, Microsoft Zune and Bloomberg Terminal. Now in its 28th year, the IDEA has become the world's most prestigious recognition for excellence in the industry.

With the iImagine Design Center, consumers can do everything from zooming in on design and construction details of different fabrics or textures to actually viewing Hunter Douglas products installed on windows

within a variety of room settings similar to their own.

NPCA & FSCT To Hold Conference

The National Paint and Coatings Association (NPCA) and the Federation of Societies for Coatings Technology (FSCT) will hold their annual meetings concurrently and offer a new CoatingsTech Conference April 26-29, 2009, at the Indianapolis Marriott

Downtown. The theme of the meetings and conference is "Embracing the Future." The new Coatings-Tech Conference kicks off Monday, April 27, 2009, and features world-class speakers and varied technical tutorials.

Both NPCA and FSCT will hold their traditional annual meetings with their respective board of directors and management council convening.