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Contact: Dianne Chase
704-442-9199 (o)
704-606-1144 (c)
dianne@alacartepr.com
www.alacartepr.com

New Study Shows Franchising's Growing Economic Impact Across the Carolinas Franchises Attracting New Owners at Record Pace

Charlotte, NC – (April 12, 2004) - From downsized corporate executives to budding entrepreneurs, franchises are drawing new converts at a record pace across the Carolinas; and that is translating into huge economic benefits throughout the region. That's the report from a study just published by PriceWaterhouseCoopers in conjunction with the International Franchise Association (IFA).

"It is solid evidence of a changing employment landscape across the Carolinas and the rest of the country, says Michael Hall, founder and owner of 'FranNet – The Franchise Connection'; a Charlotte based company that specializes in matching potential business owners with franchise companies. "During the last 10 years, corporate layoffs and general dissatisfaction with the corporate life has led a lot of people toward business ownership and franchising," says Hall. "Franchising is an attractive means of business ownership because it provides a safer alternative to the potential business owner. It is a chance for a single operator to become part of a larger brand name and organization."

Jill Garner, a former Bank of America and Ernst and Young Consulting executive (and a client of Hall's) is a case in point. She launched into franchising after losing her corporate position and is now the owner of 'Molly Maid' in south Charlotte. "My alternatives were limited when I was downsized," says Garner. "I had always dreamed of owning my own business and franchising seemed to be the way to go." Garner developed a comprehensive professional skill set during her many years at large corporations and she says "I have used every one of those skills to run my new business."

While a lot of people associate franchising only with food and automotive businesses, there are more than 90 categories of franchise companies and that number is expected to grow. Hall says some of the most successful franchisees he works with are in such wide-ranging industries as childcare, healthcare, business consulting, commercial cleaning, home services and more.

The PriceWaterhouseCoopers study, introduced at the IFA convention in Las Vegas, looked at the economic impact of franchised businesses in the US 2001, the most recent year in which complete figures are available. Among the significant findings:

In North Carolina:

- ❖ Number of franchise business: 25,000
- ❖ Number of franchise created jobs: 308,000
- ❖ Franchise produced payrolls: \$6.6 billion.
- ❖ Total sales from franchises: >\$18 billion.

Across the country franchised businesses:

- ❖ operated over 760,000 establishments in the US in 2001.
- ❖ provided almost 9,800,000 jobs
- ❖ met a \$230 billion payroll
- ❖ produced \$624 billion of output.

In all, the report shows, franchised businesses accounted for 7.4% of all private sector jobs, 5% of all private sector payrolls and 3.9% of all private sector output.

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