

OPINION

Economic advantage: Teaching young people about free market could provide big dividends

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states, while nine states now are considering some form of health insurance mandate.

Those anti-business proposals sound like pennies from heaven to people who lack even a cursory grasp of economics. Not surprising, industry usually is criticized when it mobilizes in opposition. Would people feel the same way, though, if they understood the real impact those laws have on wages and job growth — if they had realistic ideas about profit margins?

Most people can be counted upon to make wise decisions once they understand the facts. But it's impossible to teach the electorate about labor economics a few

weeks before a referendum on the minimum wage. We need a long-term commitment to educating the public. That's why Berman and Co. is supporting the FirstJobs Institute. Its mission is to increase economic literacy by teaching the "hows" and "whys" of a free-market economy.

The FirstJobs Institute is focusing special attention on helping young people develop a more sophisticated understanding of economics. The FirstJobs ECON4U program presents short economics questions and answers in unique venues frequented by youths, such as movie theaters and bowling centers. Restaurant chains are consider-

ing using tray liners to deliver the message.

By engaging young adults in the places they visit and repeating the lessons in different locations, the information reaches the people who need it the most.

Those easily digested facts cover personal finance, macroeconomics and business economics in a fun, approachable way. More detailed explanations, along with quizzes and economic-education resources, can be found on the interactive website www.ECON4U.org.

Investing in economic education will pay big dividends for the restaurant industry. A generation attuned to the mechanics of a free-

market economy will brush off the naysayers determined to undermine confidence in American business.

Many of the nation's most important business and political leaders are getting involved. Larry Lindsey, economic adviser to former presidents Reagan and Bush, is chairman. Dell Computer founder Michael Dell, Jack Schuessler of Wendy's, former Marine Corps Commandant General P.X. Kelley and oil industry executive Boone Pickens are only a few of the people supporting the FirstJobs Institute.

For more information on how you can help, contact Erin Grant at (202) 463-7114.

NEWS

Figaro's Pizza taking a slice out of Chi-Town's pie

By Amy Garber

CHICAGO — As take-and-bake pizza chains take flight nationwide, Figaro's Pizza of Salem, Ore., is looking to make a big splash in the suburbs here, a city widely considered to be one of the country's leading pizza markets.

The 100-unit chain, which opened 30 new stores around the country in 2004, made its debut in Illinois in February with a store in Rockford, and one month later a second location opened in the suburb of Algonquin. The Chicago area is expected to have four Figaro's by the end of 2005, with plans to open some 93 stores around the northern tier of Illinois in six years, officials said.

"In terms of the pizza market, Chicago and New York are the biggest," said Jerry Doty, national director of marketing for the Figaro's chain. "Each city has its own distinct style, so there are lots of pizza lovers out there."

Doty said Figaro's faces competition from such pizza giants as Pizza Hut, the segment leader, and Domino's, the nation's second-largest pizza chain, which have large marketing budgets and national brand recognition.

"In Chicago we also expect strong independent competition, and that goes back throughout the history of pizza in Chicago," he explained. Figaro's core strategy for introducing its product to new markets is sampling, according to Doty.

Startup costs for a single



Ron Berger, Figaro's chief executive, is spearheading the plan to expand the Salem, Ore.-based chain into the Chicago area.

Figaro's unit average \$200,000 to \$300,000, including a \$20,000 initial franchisee fee that is reduced to \$10,000 for each additional restaurant, operators said. They are required to fund a minimum of 30 percent in cash, and the royalty fee is 5 percent of gross sales. Franchisees also are expected to spend 3 percent on local advertising, while contributing another 3 percent to national marketing.

The new Figaro's in Algonquin is operated by Carl Thunboe, who said he chose the brand because of the quality of the food and the people in the organization.

"I think the Chicago market is particularly competitive because of the city's distinct style of pizzas, like deep dish," said

Thunboe, who owns the restaurant with his wife, Susan, and their son Derek Andersen.

Figaro's positions itself as a "We bake or you bake" concept, offering delivery of cooked or uncooked pies. Pizzas are sold by the slice and can be eaten in the restaurant as well. Toppings range from pepperoni, sausage and mushrooms to chicken, pineapple and barbecue sauce. Other menu items include pasta, sandwiches, calzones and salads. The price of a one-topping large pizza, which is 14.5 inches, ranges from \$9.99 to \$10.99, and a "giant," which is 16.5 inches, ranges from \$11.99 to \$12.99. The chain charges \$1 extra for baked pizzas.

Figaro's opened 30 stores in

2004 and plans to open 30 to 60 new units each year going forward, according to Doty. The chain operates in 21 states, and new markets include Houston; Reno, Nev.; and Birmingham, Ala.

Some store layouts are limited to takeout and delivery, while other footprints offer seating that ranges from eight to 90.

Meanwhile, rival Papa Murphy's Take 'n' Bake Pizza, the Vancouver, Wash.-based chain that has more than 840 units, also has ramped up its growth recently with plans to have 100 units in the Chicago market by 2010. The chain sells a one-topping, uncooked, 12-inch pizza for about \$6.99, a 14-inch for \$7.99 and a 16-inch for \$9.99.

In addition to national competition from Papa Murphy's — the leader in the take-and-bake sector — Chicago has a locally based chain called HomeMade Pizza Co., which specializes in premium uncooked pies and is preparing to open its sixth unit in the area. HomeMade Pizza Co. sells a one-topping, 12-inch pizza for about \$10 and a 14-inch for about \$12. Nontraditional toppings include artichokes, pine nuts and kalamata olives. Signature pies include the Miesan, which is priced at \$15.75 for a large and is topped with Roma tomatoes, roasted garlic, basil and mozzarella, and the Georgia, a \$16.75 large with cumin-scented chicken sausage, poblano peppers and Ricotta cheese.