

SECTION C Careers

Small Business Owners Focus More on Retirement Than Most Americans

New National Survey Shows Long-Term Business Planning Not as Important as Retirement Planning for Many Small Businesses

While financial analysts warn that many Americans are not investing enough time and money in planning for retirement, small business owners appear to be looking to the future. In a national survey of more than 400 small business owners conducted by KeyCorp (NYSE: KEY), the nation's second largest lender to small business, 86 percent of respondents indicated that they have a plan in place for, or have put considerable thought into, their retirement. This is in contrast to 60 percent of Americans who say they have a financial plan in place for meeting future retirement goals.

Yet results from this Spring's "KeyCorp Survey of Small Business Sentiment" demonstrate that though small business owners are ready for retirement, other long term planning issues tend to receive less attention. While 71 percent of respondents agreed that they did have a business plan firmly in place for the next year, that number dropped to 46 percent when the question was extended to having a plan in place for three or more years. Small businesses in the service and manufacturing industries came out as

better long-term planners, along with those companies that described themselves as technologically advanced. These more high-tech businesses scored higher marks on planning for the next year, as well as for several years down the road. The Question of Succession.

Wide gaps in long-term planning by small businesses were reflected in responses on succession preparations. A little more than half of the small business owners surveyed did cite having a strategy in place: 38 percent said that they were in the midst of implementing a succession plan and 16 percent said that they have a plan that is not yet implemented. However, 26 percent said that though they'd put some thought into succession, they had not crafted any specific plan. Another 15 percent admitted to having not put any thought into the issue.

When asked about their concerns regarding succession, the majority of respondents (26 percent) indicated that finding the right person is their greatest challenge. Succession worries seemed less for family-owned businesses, as 54 percent responded that a successor was very likely to be chosen from within the family itself. These family-owned small businesses tended toward greater general attention to

long-term planning. Planning Ahead for Growth Results of the KeyCorp survey indicate that faster growth and long-term planning go hand in hand. Those companies which had rapid growth over the past few years also tended to have business plans in place for the coming years — 53 percent versus only 40 percent of the slower growth small businesses. In terms of succession planning, those high-growth small businesses were also more likely to be in the process of implementing their succession plan, by 43 percent versus the 33 percent of slower growth businesses.

"Planning for the future is, of course, crucial for any business," said Sandy Maltby, senior vice president, Key Small Business Services. "The survey results demonstrate that small businesses do appreciate the need for planning, especially in the area of retirement. Yet we see in those businesses which put an emphasis on facing those other long-term issues, such as questions of succession, a real correlation with faster growth and stronger performance. In looking ahead to the future, small businesses need to make sure that their planning is covering all those critical bases."

For the respondents who have already put thought into their retire-

ment, the average age that they anticipate bowing out of their day-to-day duties is 61 years old. However, when asked if they had the means to walk away from their business and retire tomorrow, 56 percent said they would not do so. The greatest percentage of small business owners said that they plan to travel during retirement (31 percent), while golf (16 percent) and other leisure and family oriented activities were also cited. At least 15 percent said that they will either continue working or will start another business.

The fifth wave of the "KeyCorp Survey of Small Business Sentiment" was conducted by Wirthlin Worldwide from April 10 to May 1, 1996. This semi-annual survey is based on a representative cross-section national sample of companies with annual sales from \$1 to \$3 million. A total of 407 business heads were interviewed. Sample error for the total sample is plus/minus 5 percent at a 95 percent confidence interval. Thus, in 95 out of 100 cases, a survey of this size produces results within plus/minus 5 percent of the result obtained had all businesses of this size and industry composition been interviewed.

Dole Bids fare-well to Senate

On the eve of ending his 35-year congressional career, Bob Dole began his goodbyes to Washington Monday with two festive events with overtones of victory rallies.

Dole, who leaves the Senate Tuesday to devote himself full-time to his Republican presidential campaign, kicked off his farewells at a flag-waving gathering in the House of Representatives.

"The next time I see you will be next January when I deliver my State of the Union message," Dole, who spent eight years in the House before moving to the Senate, told members.

But until then, he told his congressman, Kansas Republican Pat Roberts, he would be asking like any other constituent: "What have you done for me lately?"

Dole, who stunned Washington last month when he announced his planned resignation, will bid farewell to Republicans at a lunch Tuesday and make a last speech on the Senate floor.

His successor, Kansas Lt. Gov. Sheila Frahm, will be sworn in almost immediately after his resignation becomes effective.

The first farewell was set up as a victorious rally. House members, staff and TV cameras crammed into part of the ornate, flag-draped House caucus room.

Blaring Sousa marches and Aaron Copland's "Fanfare for the Common

Man" greeted Dole as he walked with his wife Elizabeth along a roped-off corridor down the middle of the room. Dole, in his resignation announcement, had said he would be "a private citizen ... just a man."

Rep. John Boehner of Ohio, introduced Dole as "Mr. President." House freshman J.C. Watts of Oklahoma gave Dole a football signed by all members and New York's Susan Molinari gave him joke gifts, including a form to register his change of address from his Senate office to 1600 Pennsylvania Avenue — the White House.

Later Monday, speaker after speaker at a Republican fund-raising dinner referred to Dole as the next president, and Dole introduced his wife as the next first lady.

In his speech to the national Republican Congressional Committee's House-Senate Dinner, Dole said his biggest regret on leaving Congress was failing to get a constitutional amendment to balance the budget on the books.

In what was part stump speech, Dole also accused President Clinton of stealing Republican ideas in the presidential election campaign and took a swipe at the White House for obtaining FBI files on prominent Republicans.

"It's good to see the faces who match the names (on the FBI list)," Dole said.

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