

CRAIN'S

NEW YORK BUSINESS

The breakdown
on a big
b'day

—Alair
Townsend
fends off
sales pitches
Page 11



VOL. XXIII, NO. 9 WWW.NEWYORKBUSINESS.COM

FEBRUARY 26-MARCH 4, 2007 PRICE: \$3.00



NEVER TOO EARLY:
Catch Seen
Tackles balls
swarms through
field goals at
Super Soccer Stars.

Apple Seed, a one-stop center in the Kidville mold, will open soon in the Gramercy Park-Flatiron area. The four founders all have young children and live in the neighborhood. Witnessing the explosion of families in the formerly commercial district, they seized on the opportunity to create the business, which will launch with a 15,000-square-foot facility.

Lower education

Enrichment centers for under-5 set are booming

BY TOM FREDRICKSON

AT AGE 3, Brooke Johannsen has already studied art and has moved on to soccer, gymnastics and all-around gym.

Her mother, Margaret, has enrolled Brooke in three 17-week classes at Kidville NY's East 84th Street location.

"It's well worth it," says Mrs. Johannsen, a stay-at-home mom who's married to an investment banker and pays \$2,085 for her daughter's courses. The benefit: Brooke gets out of the apartment, burns energy and makes playdates with other children on the Upper East Side.

The large number of affluent young families who have opted for city over suburban life have spurred businesses to offer children—including toddlers—lessons in everything from Chinese to yoga.

Given New York's surge of young children, the betterment trend is not surprising.

See CHINESE on Page 8

Chinese, yoga for preschoolers

Continued from Page 2

Manhattan had 31% more kids under 5 in 2005 than in 2000, according to the Census Bureau; Brooklyn and the Bronx had 7% increases in that age bracket. The jump in Manhattan has produced a record number of kid-oriented centers, including about 50 in TriBeCa alone, according to Maria Farita, publisher of *Time Out New York*.

Saturation possible

THE MARKET'S extraordinary expansion could result in its quickly reaching a saturation point. As happens in any high-performing industry, many businesses are entering this one, following the lead of outfits like Kidville. Its two Manhattan locations had more than \$10 million in revenues in 2006, its second year in operation. The company is also about to announce the launch of a

smaller outpost in Park Slope, Brooklyn.

"The growth feeds on itself," says Drew Kristof, managing editor of *GoCityKids.com*. "As more opportunities arise, more businesses take advantage of it, and other businesses see their success and jump in."

Evidence of the boom abounds. Six-year-old *GoCityKids.com*'s growth in New York has outpaced that in its 19 other urban markets. Two-thirds of the site's listings are educational offerings.

Noting the trend, the 92nd Street Y last fall put all its programs for small kids under a single umbrella; enrollment spiked 34%.

More than a third of the listings in *Time Out New York Kids* are for extracurricular educational activities. "When we launched, we couldn't have filled our issues with classes," says Editor Noelle Howey. "Now,

we could if we wanted to." The magazine has converted from a quarterly to a monthly, and circulation is up 74%.

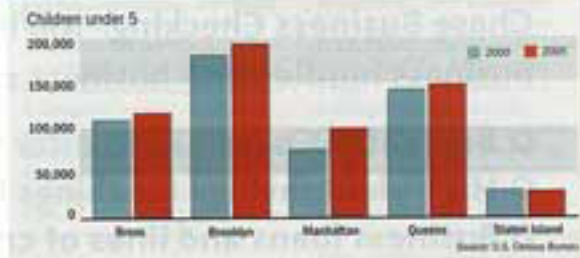
Employment booms

CITYWIDE, the expansion of programs has contributed to the dramatic increase in a broad employment category that includes extracurricular education and private vocational training. Such jobs stood at 35,000 last year—up 50% since 2000.

Those numbers don't cover the many retail businesses offering educational programs. Habana Outpost, an "eco-eatery" in Fort Greene, Brooklyn, offers kids free classes, including ones on the environment. Attractions at Locks 'n' Lads, a kids' hair salon in the East Village, include yoga instruction.

"We hear about these things all

CITY KIDS



the time," Ms. Howey says.

Apple Seed, a one-stop center in the Kidville mold, will open soon in the Gramercy Park-Flatiron area. The four founders all have young children and live in the neighborhood. Witnessing the explosion of families in the formerly commercial district, they seized on the opportunity to create the business, which will launch with a 15,000-square-foot facility.

Super Soccer Stars instructs 3,500 kids a week, some as young as 2. Launched in 2000, the \$3.4 million business has expanded to more than 60 New York locations and is starting to franchise nationally.

"When I founded this company, I had no idea it would grow this fast," says owner Gustavo Sculansky. "I want to keep this pace."

COMMENTS? 77frabrizio@crain.com