



EXAMINER/FRAN ORTIZ

Rick Ferrera owns the *Excelsior District* store with his mother. His grandfather founded the store in 1914.

After 78 years, nuts-and-bolts neighbor goes out of business

Ferrera Hardware calls it quits

By **Louis Trager**
OF THE EXAMINER STAFF

THE OLD sign jutting out over the sidewalk says "Ferrera Hardware — Since 1914" and shows a can of Fuller paint with the slogan, "They Last."

A steady stream of customers wanders into the store from Mission Street, the main drag in The City's Excelsior District. Daily re-

ceipts are running four or five times what they had been the past few years.

But covering over the store's windows are hot-pink paper sheets printed with newer signs: "QUITTING BUSINESS — Fixtures for Sale."

The customers are wandering in to reminisce and commiserate, to pick over the bolts and paints and kitchenwares at 20 to 75 percent off. After more than three-quarters of a century, the hardware store in one of The City's most down-to-earth, hardware-store kind of neighborhoods is going under.

The average transaction is about \$5. The impulse items near the cash register are \$1.99 hide-a-key holders. This is not the failure of some big-ticket jewelry store or overleveraged fashion palace.

"It's been here so many years," says Eleanore Schultz, a 30-year resident of the neighborhood. "I hate to see them go."

Rick Ferrera is the founder's grandson, who owns the store with his mother.

"My dad told me hardware stores will always be OK because

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Ferrera Hardware out of business

people will always fix things, and they're going to have to buy a hammer to fix what's broken at home," he says.

What it took to prove his father wrong, Ferrera says, was a combination of problems that would warm the cockles of any reporter looking for a trend story: The recession, mass-merchant competition, two-income couples who don't spend much time at home and a changing neighborhood.

Ferrera, 38, is between emotional jolts: last year's decision to close down and the last turn of the key. He talks standing up in the balcony office overlooking the sales floor because they've sold one of the chairs.

Whenever the shelves are bare — and sold — probably about April 1, Ferrera will give up the business where he started bagging

screws before school as a first-grader.

Like the Excelsior of old, Ferrera is part Italian and part Irish. Grandfather Alphonso Ferrera came over from Italy and worked as a busboy and waiter.

With a loan from the Bank of Italy — you probably know it as Bank of America — he had a building, with 6,500 square feet of floor space, built for \$65,000. That loan was paid back long ago. If the store still had rent to pay, Ferrera says, it would have gone out of business before he came to work full time in 1971.

The peak years came in the mid-1980s, with annual sales around \$400,000. (The phone interrupts: "Right. I have all of them. . . . The biggest one? Four-by-11.")

Before Ferrera's father, Frank, died three years ago, the two discussed the slide in sales and how the store might go out of business. But the young Ferrera held on.

The neighborhood was changing. Italian was heard less often

than Spanish, Asian and Pacific island languages. More pertinently, the population of homeowners had changed to one of renters. Neither tenants nor landlords wanted to invest the time or money in rentals the way homeowners do.

Besides, in many households both adults were working. They had less time to work around the house than the old Italian families with their vegetable gardens, Ferrera says.

Down the road in Colma, the huge Home Depot with its low prices and a lot more items, also hurt the business badly.

"There's no way I could compete with a mass merchandiser" on price, Ferrera says. "I might be buying one or two of something. They're buying a freight car."

The bills got harder to pay. The payroll slipped to one full-time employee from three, plus part-time help from City College. Then the recession hit.

The sales reps tell him they've never seen the business so bad. Customers "are even putting off fixing things," he says, and shopping strictly on price.

Industry experts say the number of independent hardware stores

has held steady during the past decade. The species has a better chance than the mom-and-pop grocery and the corner drugstore, they say, because do-it-yourselfers value the expertise small hardware retailers can provide.

But survival takes computerization, sharp service at every turn, long store hours seven days a week and competitive tags on the items whose prices customers know, says Rick Karp, owner of the two Cole

Hardware stores.

Ferrera Hardware seems never to have gotten far beyond starting to remodel its down at the heels store in changing the way it had done business.

The business lost a little money last year on sales just over \$300,000. There was no end to the slide in sight.

"We're sorry we're going to leave the neighborhood," Ferrera says. "There's a lot of people we're

going to miss."

He must decide what to do with the building and find some new kind of work, perhaps move his family to Fresno from San Mateo. But Ferrera is set on one point.

"One of the things I learned from my father and my grandfather," he says, was "you always pay your bills."

Inside Retailing appears on Tuesdays. Louis Trager reports on retailing for The Examiner.