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PAGE ONE**EXTENDING THE BRAND****Planned Parenthood Hits Suburbia****Abortion Provider Goes Upscale; Aid For Poor Questioned**By **STEPHANIE SIMON**

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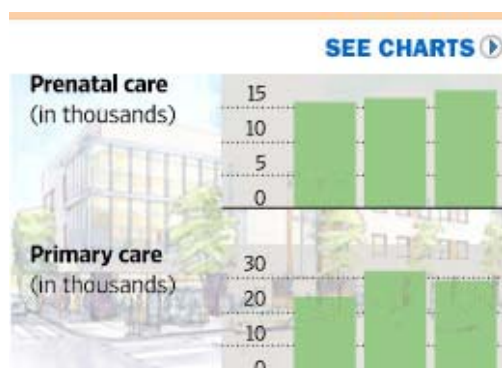
Flush with cash, Planned Parenthood affiliates nationwide are aggressively expanding their reach, seeking to woo more affluent patients with a network of suburban clinics and huge new health centers that project a decidedly upscale image.

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The nonprofit, which traces its roots to 1916, has long focused on providing birth control, sexual-health care and abortions to teens and low-income women. While those groups still make up the majority of Planned Parenthood's patients, executives say they are "rebranding" their clinics to appeal to women of means -- a move that opens new avenues for boosting revenue and, they hope, political clout.

Two elegant new health centers have been built, and at least five more are on the way; the largest, in Houston, will be 75,000 square feet. They feature touches such as muted lighting, hardwood floors and airy waiting rooms in colors selected by marketing experts -- as well as walls designed to withstand a car's impact should an antiabortion protest turn violent.

Planned Parenthood has also opened more than two dozen quick-service "express centers," many in suburban shopping malls. Some sell jewelry, candles, books and T-shirts, along with contraception.

"It is indeed a new look...a new branding, if you will," said Leslie Durgin, a senior vice president at Planned Parenthood of the Rocky Mountains.

While Planned Parenthood executives describe the tactics as a natural extension of their mission, the moves have opened the organization up to criticism from foes and friends alike.

Antiabortion groups point out that Planned Parenthood, the nation's largest abortion provider, reported a record \$1 billion in annual revenue in its most recent financial report -- about a third of that coming from federal and state grants to care for low-income women. The nonprofit ended the year with a surplus of \$115 million, or about 11% of its revenue, and net assets of \$952 million.



"Why are we giving them so much money?" asked Jim Sedlak, vice president of the antiabortion American Life League. "As they reach out to more and more affluent customers," he added, "that will bolster our argument that we shouldn't be giving them any government funds."



Leslie Durgin

Experts in nonprofit management said it's fiscally responsible to end the year with a surplus, and Planned Parenthood's numbers are within a reasonable range.

"There is no excess," Cecile Richards, the organization's president, said. "Any money we have, we put back into services."

Yet some of Planned Parenthood's political allies question the allocation of those resources.

Last spring, the nonprofit -- which has 882 clinics nationwide -- dropped its crusading mission statement setting out the rights of all individuals, no matter their income, to "reproductive self-determination." In its place, Planned Parenthood adopted a crisp pledge to "leverage strength through our affiliated structure to be the nation's most trusted provider of sexual and reproductive health care." Ms. Richards says the new statement implies expanded services for all -- she's especially eager to draw more male patients -- but some outsiders wonder why it no longer mentions affordability or access.



Cecile Richards

"This is not the Planned Parenthood we all grew up with... they now have more of a business approach, much more aggressive," said Amy Hagstrom Miller, who runs abortion clinics in Texas and Maryland.

Ms. Hagstrom Miller competes with Planned Parenthood for abortion patients -- and finds it deeply frustrating. She does not receive the government grants or tax-deductible donations that bolster Planned Parenthood, and says she can't match the nonprofit's budget for advertising or clinic upgrades. She has carved her own niche by touting her care as more holistic -- and by charging \$425 for a first-trimester surgery at her Austin clinic, compared with \$475 at the local Planned Parenthood. (Both Ms. Hagstrom Miller and Planned Parenthood say they work out discounts and payment plans for the needy.)

"They're not unlike other big national chains," Ms. Hagstrom Miller said. "They put local independent businesses in a tough situation."

'We Can Do Both'

Even as the total number of abortions in the U.S. has dropped, the number performed by Planned Parenthood has grown steadily, to nearly 290,000 a year. In 2005, the most recent year that national statistics are available, Planned Parenthood accounted for about one in every five abortions. In part, that's because independent providers have quit the field, tired of battling antiabortion protesters. Ms. Richards also said that she has encouraged more Planned Parenthood clinics to offer abortions.

FUNDING PLANNED PARENTHOOD

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[Read more](#)³ about Planned Parenthood's strategy for growth and public funding for the nonprofit, on WSJ.com's [Front Lines](#)⁴.



Independent providers often consider Planned Parenthood a partner in the fight to preserve abortion rights, but they'd like to see the nonprofit focus more on expanding access for the destitute or for isolated rural residents.

"They've made a decision to go after the young and the hip and the affluent, and they're leaving poor women behind," said

Claire Keyes, an independent abortion provider in Pittsburgh.

Ms. Richards fiercely disputes that. "We can do both," she said. "...There are 47 million Americans without insurance, and 17 million low-income women who need help paying for family-planning services like birth control. They remain our top priority."

Planned Parenthood grew out of activist Margaret Sanger's efforts to promote and legalize contraception throughout the U.S., beginning with the opening of the nation's first birth-control clinic in 1916. Sanger's organization became the Planned Parenthood Federation of America in 1942.

The group has always operated some suburban clinics, but some of its local affiliates, which have a great deal of autonomy, have made a determined effort in the past few years to "be the provider of first choice...for people who do have other options," said David Greenberg, Oregon's top Planned Parenthood executive. Officials note that health insurance doesn't always cover contraception and even women with access to private doctors may prefer the confidentiality of buying birth control or getting a herpes test at a Planned Parenthood clinic.



Steve Trombley

"It is high time we follow the population," said Sarah Stoesz, who heads Planned Parenthood operations in three Midwest states. She recently opened three express centers in wealthy Minnesota suburbs, "in shopping centers and malls, places where women are already doing their grocery shopping, picking up their Starbucks, living their daily lives," Ms. Stoesz said.

The mall sites promise walk-in convenience and "clothes-on" care, with services limited to birth-control counseling and tests for pregnancy or sexually transmitted infections. Most patients are in and out in less than half an hour.

"I like to think of it as the LensCrafters of family planning," Steve Trombley, the top executive in Illinois, said as he toured an express center a few doors down from a hair salon and a Japanese restaurant in the well-to-do suburb of Schaumburg, Ill.

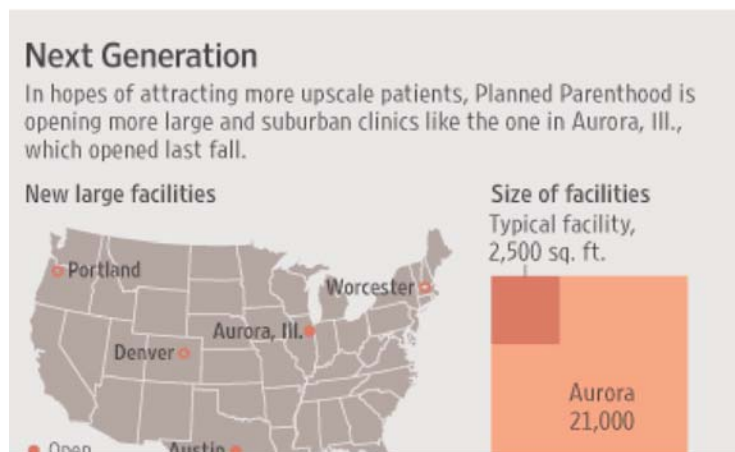
New Patients

The strategy draws new patients -- and revenue. In Illinois, for instance, Planned Parenthood officials say they take a loss of nearly \$1 on each packet of birth-control pills distributed to poor women under the federal Title X program, which funds reproductive care. But the group makes a profit of nearly \$22 on each month of pills sold to an adult who can afford to pay full price out of pocket. The majority of women who stop by the Schaumburg express center are in that group, according to Planned Parenthood statistics.

Their payments can then be used to subsidize other operations -- health care for the poor, sex education for teens, or political activism.

In Massachusetts, for instance, profits from an express center in a trendy retail plaza popular with college students will be used to open a similar clinic in a low-income, largely Latino community.

The new strategy is also designed to protect Planned Parenthood from any



cutbacks in government funding while strengthening its ability to pursue its political agenda. Ms. Durgin, the Rocky



Mountain executive, said attracting more patients who can pay full fees helps the affiliate "weather political shifts even as we try to influence them."

Nationally, Planned Parenthood's political-action arm plans to raise \$10 million to influence the fall campaign. Under federal tax law, the health-care wing of Planned Parenthood cannot support political candidates but can mobilize voters and advocate on issues such as abortion rights and sex education in schools.

To encourage the new wave of patients to join the cause, an express center in Parker, Colo., sells political buttons next to the condoms and sets out invitations to activism by the magazine rack. A 52,000-square-foot center opening this summer in Denver uses about 20% of its space for health care; roughly 40% is for meetings, including political work.

In Portland, Ore., a planned 40,000-square-foot headquarters will include space for candidate forums and phone banks, as well as a clinic. Mr. Greenberg said donors were initially skeptical about the size and \$16.5 million cost, but eventually came around: "The building becomes a symbol for our outreach and community activism."

Upbeat Marketing

Officials also aim to rally support with upbeat marketing: TV ads with perky voice-overs about love; a crass-and-sassy Web campaign aimed at teens. Earlier this year, Planned Parenthood began selling a \$2 branded condom -- promoted as a "must-have fashion accessory" -- in luxury boutiques and W hotels.

Though they want to raise their organization's profile, officials remain acutely aware that Planned Parenthood is often a target.

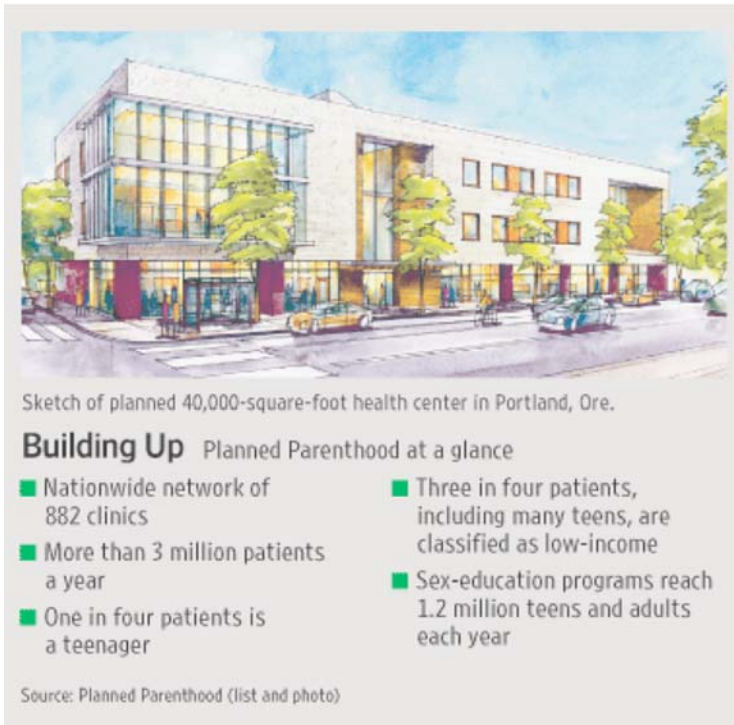
Antiabortion activists have picketed the homes of contractors building the Denver center. When Planned Parenthood tried to open a clinic in McMinnville, Ore., a lower-income rural community, two dozen landlords said no. The affiliate eventually bought its own building.

To protect patients and staff from hostility -- and the possibility of violence -- executives have designed the new health centers with fortresslike security.

They've maximized the distance between patients and the protesters, with long driveways and heavily landscaped buffer zones. A new 21,000-square-foot clinic in Aurora, Ill., a fast-growing suburb west of Chicago, has a bulletproof vestibule and walls of 9-inch-thick precast concrete -- an upgrade that added nearly \$1 million to the cost -- so no one can plow a car into the clinic.

The Aurora facility typifies Planned Parenthood's balancing act in reaching out to clients. It's located on the wealthy side of town amid cul-de-sac subdivisions, across from a bank. But it's also convenient to Aurora's significant population of poor and uninsured families. Some used to drive an hour or more to reach a full-service Planned Parenthood clinic in downtown Chicago.

Similar dynamics are at work in Denver. The new \$6.3 million health center sits in a poor neighborhood of modest bungalows with iron bars on the windows. But it's also just a few blocks from the booming planned community of Stapleton, where custom estates sell for \$1.2 million. Planned Parenthood has already begun to market its services to young professionals there through mailings and fliers in local shops.



The regional affiliate in Colorado, which also covers four other states, shifted to "a more businesslike approach" three years ago "to protect and strengthen our dual bottom line of margin and mission," according to its most recent financial report. The number of cervical-cancer screenings dropped, but sexual-disease testing, contraception and abortion rose sharply. So did income: Last year, the affiliate reported clinic revenues of more than \$19 million, on direct patient-care costs of \$17 million. The surplus helped cover administration, political work, fund raising and other expenses, according to Ms. Durgin.

Other regions also report promising results. At the Massachusetts express center, one in three patients pays with private insurance. In Minnesota, the suburban clinics have

drawn more than 12,000 patients, most of them new to Planned Parenthood and 30% of them using private insurance.

Planned Parenthood officials say the poor are also using their clinics in ever-greater numbers; a recent pitch to donors stressed the group's role in caring for women who "literally have nowhere else to go." Nearly 75% of Planned Parenthood's three million annual clients are considered low-income, with earnings of less than \$15,600 a year for an individual, or less than \$31,800 for a family of four. That category includes a sizable number of teenagers, who make up a quarter of Planned Parenthood's clientele. Unless they come in with a parent, teens are classified based on their personal earnings.

Sliding-Scale Fees

To accommodate poor patients, Planned Parenthood uses sliding-scale fees. In some markets, though, public clinics are cheaper, though often more crowded. In Denver, an uninsured woman can get sexual-disease tests for free and birth-control pills for \$8 a month at a public clinic. Planned Parenthood charges a minimum of \$30 for the tests and \$25 a month for the pills.

Administrators across the country say they need to do more to inspire confidence in Planned Parenthood among poor and wealthy patients alike. So part of the rebranding involves rehabbing shabby clinics.

In Oregon, clinics are updating to a "contemporary, fun and lively look" with a new color palette that includes pink, orange and teal, said Mr. Greenberg, the regional executive. In Texas, a dingy downtown Austin clinic got a \$40,000 upgrade that struck patient Hannah Powell, a 21-year-old college student, as long overdue. "It wasn't necessarily that you hesitated to go there, but you could definitely tell they needed help," she said. "Now it looks a lot cleaner and safer."

In Massachusetts, Dianne Luby, the affiliate's president, also talks up a new "green" clinic, to be built with recycled and eco-friendly material.

Most people associate Planned Parenthood with abortion, Ms. Luby said, so "we're trying to reposition ourselves as caring about their health, about prevention, about a sustainable planet." Or, as she later put it: "So much more mainstream."

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