

The New York Times

When Economy Sours, Tootsie Rolls Soothe Souls

Christine Haughney, March 23, 2009

The recession seems to have a sweet tooth. As unemployment has risen and 401(k)'s have shrunk, Americans, particularly adults, have been consuming growing volumes of candy, from Mary Janes and Tootsie Rolls to Gummy Bears and cheap chocolates, say candy makers, store owners and industry experts.

Theories vary on exactly why. For many, sugar lifts spirits dragged low by the languishing economy. For others, candy also provides a nostalgic reminder of better times. And not insignificantly, it is relatively cheap.

At Candyality, a store in the Lakeview neighborhood of Chicago, business has jumped by nearly 80 percent compared with this time last year, and the owner, Terese McDonald, said she was struggling to keep up with the demand for Bit-O-Honeys, Swedish Fish and Sour Balls.

At the Candy Store in San Francisco, the owner, Diane Campbell, has tripled her orders for nostalgic candies like Necco Wafers and Mallo Cups in recent months. Many of her customers tell her that even though they are living on less, they're setting aside cash for candy.

Many big candy makers are reporting rising sales and surprising profits even as manufacturers of other products are struggling to stay afloat. Cadbury reported a 30 percent rise in profits for 2008 while Nestle's profits grew by 10.9 percent, according to public filings. Hershey, which struggled for much of 2008, saw profits jump by 8.5 percent in the fourth quarter.

Lindt & Sprüngli, which specializes in more expensive products like Lindt and Ghirardelli chocolate, announced that even though it expects to close some of its luxury retail stores this year, it also expects chocolate sales to remain strong through mainstream retailers like Wal-Mart and Target.

In Manhattan, at the sweet-smelling confines of Economy Candy on the Lower East Side, the owner, Jerry Cohen, said he increased his orders by 10 percent in January and February to keep up with demand for candies like Sugar Daddies and Sour Razzles. On a recent Sunday, Mr. Cohen had about a dozen workers in the narrow store trying to keep the candy tables and penny candy bins restocked as shoppers —

the vast majority of them adults — grabbed candy bars and dug their hands into bins of Tootsie Rolls and Bit-O-Honeys.