

Americans are expected to spend \$6.9 billion on Halloween this year

By James F. Peltz, Los Angeles Times on 10.29.15

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Guests wait along Main Street USA for Mickey Mouse's "Boo-To-You" Halloween Parade at Walt Disney World's Magic Kingdom in Bay Lake, Florida, Sept. 18, 2015. Ricardo Ramirez Buxeda/Orlando Sentinel/TNS

LOS ANGELES — A Batman bib-and-booties costume for \$14.99 caught the eye of Joanna Robles as she searched for something for her months-old son to wear while she holds him as she hands out candy on Halloween.

"His dad is really obsessed with superheroes," Robles said while strolling through a Spirit Halloween store outside Los Angeles.

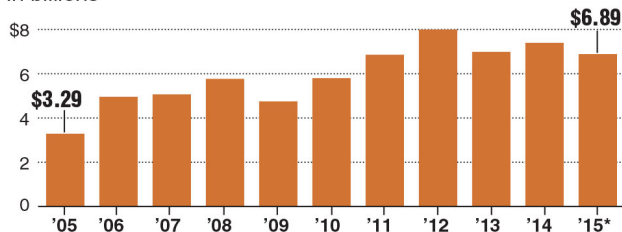
In the next aisle, 35-year-old Joe Lige said he was browsing for an outfit "on the darker, spookier side" for a Halloween party. "My wife gives me a budget for Halloween and I always exceed it," he quipped.

Halloween spending unmasked

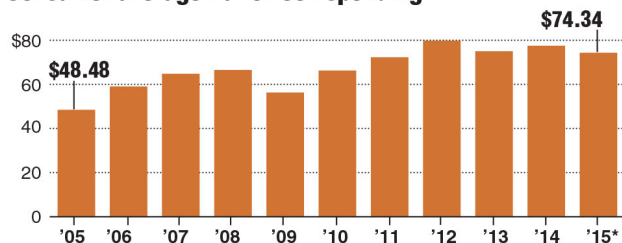
An estimated 157 million Americans will celebrate Halloween this year.

Overall Halloween spending

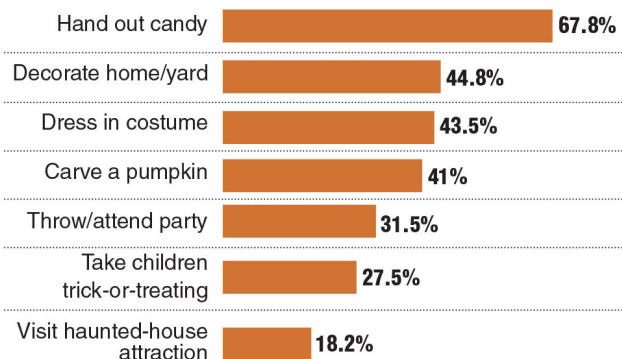
In billions



Consumer average Halloween spending

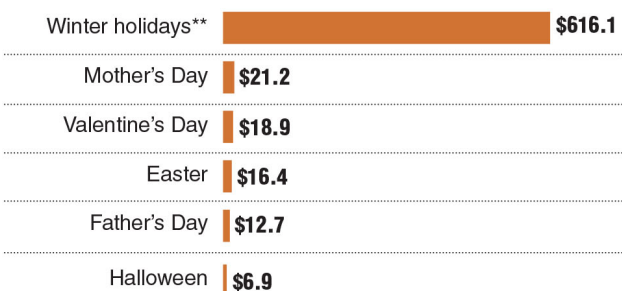


Top ways consumers will celebrate this year:



Halloween's rank among U.S. holiday spending

In billions



*Estimate
 **Includes Christmas and Thanksgiving
 Sources: National Retail Federation, Prosper Insights & Analytics
 Graphic: James Peltz, Angelica Quintero, Los Angeles Times/TNS

They're among the 157 million Americans expected to celebrate Halloween this year, whether it's by walking their kids around the block for free candy, carving a pumpkin for the front window or donning a costume for a neighborhood party.

Once mostly the purview of children, Halloween has grown into a major consumer holiday that now includes 18- to 34-year-old millennials and older adults who seize the opportunity for a night of escapism.

“It’s not just for kids trick-or-treating anymore,” said Trisha Lombardo, a spokeswoman for Spirit Halloween, which has 1,150 temporary stores that operate just for the Halloween season.

Consumers altogether will spend \$6.9 billion on Halloween this year, or an average of \$74.34 each, the National Retail Federation estimates based on an annual survey conducted by the research firm Prosper Insights & Analytics.

That’s down from a peak of \$8 billion, or \$79.82 a consumer in 2012, but still more than double the Halloween spending of a decade ago.

That spending cuts a huge swath across the retail and entertainment economies, and to some extent the farming industry.

That’s especially true in California, where amusement parks such as Knott’s Berry Farm transform into haunted venues in the weeks leading up to Oct. 31 and where more pumpkins are grown for Halloween than in any other state.

Businesses can’t point to a single reason why consumer interest in Halloween has surged over the last decade but they do cite factors driving its popularity today.

For instance, “the millennials are really into group costumes and activities,” Lombardo said. “They love to do things in groups, whether they’re going as characters in ‘The Walking Dead’ or ‘Orange Is the New Black,’” and that drives added costume sales and theme-park attendance, she said.

Social media also has fueled the rise in Halloween’s appeal because consumers love sharing information, photos and videos of their Halloween costumes, decorations and night-on-the-town escapades, analysts said.

When people were asked where they look for inspiration for costumes, the websites Facebook and Pinterest each drew 13 percent of the responses, the National Retail Federation said. Nearly one-third of consumers said they looked online overall for Halloween costumes.

“I post stuff after I pick out my outfit,” especially on Facebook and Instagram, said Jessica Medina, 33, as she shopped at the Spirit Halloween store. “I also search online to see what’s out there and my friends post things.”

The impact of social media “has been exponential,” said Jeff Green, a Phoenix-based retail consultant. “The growth that’s occurred in Halloween spending over the last 10 years has almost mirrored that of the growth in social media.

“It’s more of a social holiday now, with ‘social’ meaning that people not only are enjoying Halloween with one another but sending it out to the world.”

Consumer spending on Halloween still pales next to the winter holiday season, which includes Thanksgiving and Christmas and generates about \$616 billion in sales. Halloween spending also trails spending on Mother's Day, Valentine's Day and Father's Day.

That's mainly because "Halloween is not a gift-giving holiday" much beyond candy for the kids, said National Retail Federation spokeswoman Kathy Grannis Allen.

Nonetheless, "it's still a huge business for a retailer," she said, although Halloween retail sales are expected to dip this year compared with 2014, in part because many consumers are re-using Halloween props and decorations they bought in recent years.

"We really think it comes down to several years of stocking up on Halloween goods and this year using more of what they already have," Allen said. Spending on decorations is expected to total \$1.9 billion this year, down 7 percent from last year.

"We're not disappointed with what we're seeing with Halloween this year in any fashion," she said.

Other items are perishable, of course, such as candy and pumpkins. Nine out of 10 Americans are forecast to buy candy this year, spending \$2.1 billion, slightly less than the \$2.2 billion spent last year.

About 41 percent of Americans also will carve a fresh pumpkin. Most pumpkins grown in California are for Halloween sales, which last year totaled \$31 million in the state, according to the U.S. Department of Agriculture.

California produces the most pumpkins for the fresh market (192 million pounds last year) of any state, and nearly three-quarters of California's pumpkins are grown in the San Joaquin Valley, according to the University of California.

Another trend is the continued growth of temporary, or "pop-up," Halloween stores that lease space in vacant stores or other buildings for the six weeks leading to Halloween.

Spirit Halloween, a privately held affiliate of the Spencer's retail chain, claims to be the largest operator of such stores.

Another big player is Party City, which sells Halloween items in its conventional stores and in 300 temporary Halloween City stores. Halloween is crucial to the company, accounting for 25 percent of Party City's \$1.6 billion in annual retail sales.

Then there are the haunted theme-park attractions, such as Knott's "Scary Farm" and "Fright Fest" at Six Flags Entertainment Corp.'s Magic Mountain, both in the Los Angeles area.

Knott's doesn't break out its Halloween-related revenue, nor does its parent company, publicly held Cedar Fair LP, but Knott's has said the Scary Farm generates about 15 percent of its annual attendance.

The Scary Farm, which runs 24 nights from late September through Oct. 31, also generates added revenue because it requires a separate admission (starting at \$39.99) from Knott's Berry Farm in the daytime.

"It's a very profitable and valuable part of our fiscal year," Knott's spokesman Jason Soyster said. "Parks like Knott's have capitalized on this overwhelming consumer interest in the Halloween season."

Others prefer to stay near home, handing out candy or joining parties. They include Medina, who said she and her husband try to keep their family's Halloween spending under \$200 but find it tough.

"I try to," Medina said as she prepared to try on a \$60 pirate costume. "But it never happens because my husband and I are huge Halloween fans."

Quiz

- 1 According to the article, which of the following is contributing MOST to the popularity of Halloween in 2015?
- (A) people's social habits
 - (B) current economic conditions
 - (C) the entertainment industry including movies and TV
 - (D) new activities such as haunted amusement parks
- 2 Which answer choice BEST represents retailers' reaction to Halloween sales this year?
- (A) In the last decade, Halloween has become a significant holiday for retailers. They are pleased that this year's sales are expected to be double that of a decade ago.
 - (B) In the last decade, Halloween has become a significant holiday for retailers. However, sales peaked in 2012 and retailers worry that Halloween's popularity is declining.
 - (C) Spending on Halloween decorations and candy sales is down from last year. Retailers are concerned that this is a bad sign for the future of Halloween spending.
 - (D) Spending on Halloween over recent decades has exploded. Yet retailers view Halloween sales as insignificant when compared to winter holiday sales.

- 3 Look at the charts "Consumer average Halloween spending" and "Top ways consumers will celebrate this year." Then read this excerpt below.

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If Medina's family includes at least two consumers (Medina and her husband) would she be considered a typical consumer? Use the chart to answer the question.

- (A) Yes; she is participating in common Halloween activities and she has a budget for Halloween spending for her family.
- (B) Yes; she is participating in common Halloween activities, but she is probably spending more than the average amount of money on her family.
- (C) No; she is participating in common Halloween activities, but she is probably spending much less on her family than average.
- (D) No; she is probably spending close to an average amount of money on her family, but she's participating in less typical Halloween activities.

- 4 Read the excerpt below and refer to the chart "Top ways consumers will celebrate this year."

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Which statement accurately describes the relationship between the excerpt above and information in the chart?

- (A) Even though a relatively small portion of consumers will visit a haunted-house attraction this year, amusement parks are hoping that the popularity of Halloween will encourage visitors in future years.
- (B) Only a relatively small portion of consumers will visit a haunted-house attraction this year, but these attractions consider Halloween a opportunity to earn a significant amount of money.
- (C) A majority of consumers will visit a haunted house this year, thus making haunted-house attractions a major component of amusement parks' yearly profits.
- (D) Amusement parks are hoping to generate significant profits at Halloween, despite consumers' apparent disinterest in visiting haunted-house attractions.