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The Business of Halloween

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Name: Period: Date:

The Business of Halloween

The Rise of a Commercial Holiday

Halloween began as an ancient festival rooted in harvest cycles and beliefs about spirits, but in the United States it transformed into a highly commercial holiday. By the 20th century, the traditions of costumes, trick-or-treating, and parties became opportunities for businesses to sell products. Today, Halloween is second only to Christmas in terms of retail spending, with billions of dollars flowing into candy, decorations, and themed events. The modern version of Halloween took shape in the early 1900s, when candy companies began marketing small, individually wrapped sweets as the ideal treat for trick-or-treaters. Costume companies followed, shifting from homemade outfits to mass-produced costumes. By the late 20th century, Hollywood horror films and television specials added fuel to the holiday's popularity, making it both a cultural and commercial juggernaut. This shift reflects how traditions can be reshaped by consumer culture and how businesses capitalize on cultural events.

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Spending Habits and Economic Impact

Halloween has grown into a multibillion-dollar industry. According to recent surveys, Americans spend more than $10 billion annually on the holiday. Candy alone accounts for nearly $3 billion, while costumes (ranging from children's characters to elaborate adult designs) bring in even more. Decorations, haunted house admissions, and themed events also contribute to the spending frenzy. This consumer activity has broader economic effects. Retail stores rely on Halloween sales to boost profits in the fall, bridging the gap before the holiday shopping season. Pumpkin farmers, costume designers, candy manufacturers, and even local governments (through haunted attractions and festivals) benefit from the holiday. Halloween demonstrates how culture and economy are deeply intertwined, with traditions reshaped by what people are willing to buy.

Culture, Consumption, and Identity

Halloween highlights how economic forces influence culture. Some critics argue that the holiday has become overly commercialized, focusing more on profit than tradition. Yet for many, the spending is part of the fun—choosing costumes, buying candy, and decorating homes are ways to participate in a shared cultural event. In this way, Halloween demonstrates how consumption can also foster identity, belonging, and creativity. The holiday continues to evolve, reflecting both business strategies and the public's willingness to embrace new traditions.

Key Information: Table: U.S. Halloween Spending Breakdown

Category	Spending (approx.)
Candy	$3 billion
Costumes	$3.6 billion
Decorations	$3.4 billion
Haunted attractions/events	$600 million
Total	$10+ billion

Case Study: Halloween's Rise to a $10 Billion Holiday

The transformation of Halloween into a commercial powerhouse is rooted in 20th-century consumer trends. In the 1920s and 1930s, candy companies like Hershey's and Mars began producing individually wrapped chocolates, which became ideal for trick-or-treating. By the 1950s, television shows and advertisements promoted store-bought candy as safer and more convenient than homemade treats. This marketing strategy shifted Halloween from a local, homemade tradition to a mass-market event. Costume sales followed a similar path. Initially, children wore homemade outfits made from sheets, masks, or everyday clothing. But by the mid-20th century, companies like Ben Cooper, Inc. mass-produced affordable costumes featuring popular characters from comic books, movies, and television. Adults soon joined the trend, and by the late 20th century, Halloween had become a holiday for all ages, with costumes ranging from humorous to terrifying. Hollywood further boosted spending by releasing blockbuster horror movies in October, ensuring that Halloween stayed linked to entertainment and consumption. This commercial rise shows how businesses shape cultural traditions. While Halloween retains echoes of ancient rituals, its modern form is largely defined by consumer spending. The success of candy companies, costume manufacturers, and entertainment industries reveals how cultural practices can be transformed into lucrative industries when paired with clever marketing and evolving consumer habits.

1. How did candy companies shape the modern tradition of trick-or-treating?

2. Why do historians argue that Halloween is as much about consumerism as tradition?

Multiple Choice

1. Which industry first mass-marketed Halloween products in the early 20th century?

    a) Candy companies

    b) Movie studios

    c) Farmers

    d) Costume companies

2. About how much do Americans spend annually on Halloween overall?

    a) $20 billion

    b) $10 billion+

    c) $5 billion spent each year

    d) $1 billion

3. Which company became famous for mass-producing affordable Halloween costumes?

    a) Nestlé, the chocolate company

    b) Mars, Inc.

    c) Ben Cooper, Inc.

    d) Hershey's

Matching

Write the letter of the correct definition on the line next to each term.

Term	Definition
1. ___ Candy	A) Mass-produced costumes featuring popular characters
2. ___ Costumes	B) Spending nearly $3 billion annually
3. ___ Decorations	C) Horror films that shaped Halloween culture
4. ___ Retail stores	D) Household displays and themed yard items
5. ___ Hollywood	E) Boost profits for stores in the fall

Fill-in-the-Blank

1. Halloween is second only to _____ in retail spending.

2. Television ads in the 1950s promoted _____ candy as safer than homemade treats.

3. Adults expanded Halloween participation through _____ parties and elaborate costumes.

Short Answer

Answer each question in 2-4 complete sentences.

1. Why do businesses benefit from Halloween even though it is not a federal holiday?

_____

_____

_____

2. How do costumes and candy reflect the link between tradition and consumerism?

_____

_____

_____

3. Do you think commercialization has improved or harmed Halloween traditions? Explain.

_____

_____

_____