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## Small luxuries make big difference

Posted 2 days ago

Since Marty O'Rourke lost his job making furniture late last year, the 39-year-old gave up driving to save money.

He gave up take-out dinners. But there's one thing he won't give up, he says, sitting with a friend in a coffee shop: "my mochas, which I love. I go every day. I just feel really relaxed."

Despite the sinking economy, it seems most everyone has a favourite little luxury they'd be hard-pressed to jettison, whether it's that daily latte, a night at the movies, a bar of good chocolate or some other pick-me-up.

And consumer psychologist Kit Yarrow says that's healthy, especially given the stomach-churning financial reports.

Small indulgences, she says, are "like life's punctuations."

"They take a normal progression and they give it a little zest here and there," says Yarrow, a professor of business and psychology at Golden Gate University in San Francisco. "Even in a down economy, when people are getting smaller luxuries, they're even more important. We need to feel bolstered. We need to feel delighted."

Some have even dubbed it the "lipstick factor" -- the theory that when times get tough, the tough seek comfort in small purchases.

Leonard Lauder, chairman of Estee Lauder Cos., coined the "Leading Lipstick Indicator" in the weeks after 9/11, but even lipstick sales aren't immune to this latest economic crisis. The latest sales figures for lipstick are down more than nine per cent from last year, according to Information Resources, Inc., a Chicago-based market-research firm.

Others who peddle small frills report brisk business.

"We're in the middle of a \$200,000 expansion to double what we produce," says Don Poffenroth, co-owner of Dry Fly Distilling in Spokane, Wash., a small-batch producer of vodka, gin and whiskey, where an average bottle is \$32. "In stressful times, people look for stress relief. Obviously alcohol falls into that category. People just seek out comfort."

In fact, Dry Fly has a "whiskey waiting list" 1,000 customers long of people ready to buy the first batch, Poffenroth says.

Chocolate-lovers have remained loyal to the ChocolateSmith in Santa Fe, N. M., despite recent price increases sparked by rising fuel and ingredient costs, says owner Kari Keenan.

"People are still willing to come out and consume chocolate," says Keenan, who charges \$27.50 for 454 grams of the candy. "It's almost considered a food group."

Mari McNeil, a 47-year-old graphic designer in Buffalo, N. Y., now drives a used car, buys food at a discount grocer and shops dollar stores as she watches the sinking value of her investments. She's frugal with new clothes and buys drug-store makeup.

But there's one thing she won't cross off her budget -- having her hair professionally cut and highlighted every few months at \$96 a session.

"I have blond hair but it looks kind of mousy and dishwater brown if I don't brighten it up with highlights," McNeil says. "I'm just not giving that up ... I have to look presentable and have to be happy with the package."

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For Jennifer Van Every of San Jose, Calif., getting her house cleaned every other week for \$110 is worth it to spend more time with her husband and preschool-aged son.

Van Every, 38, works for a non-profit homeless shelter provider and knows that small extravagances are all relative.

"At the end of the day, I'm keenly aware that the only luxury that matters are the necessities of life, shelter, food and good health," she says.

Yarrow encourages everyone, if they are able, to set aside even a tiny amount of cash for treats now and then.

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