

## Starbucks serves needed benefits

A Starbucks in a strip mall at a busy intersection in Elmhurst will close this month, part of a rolling series of closings through early next year.

I joined a handful of customers there one night, straggling in to escape the heat and sample a smoothie. The woman who served us helped open the store in 2006, and she knows the regulars by name.

She will transfer to a job at a nearby outlet, but I couldn't help wondering what it's like these days to work behind a Starbucks counter, knowing that your store is on a list of 600 nationwide targeted for closing, knowing that every month you could get your



Barbara Rose

30-day notice. Better to be at the front of the store-shutdown line. How likely is it that Starbucks will find jobs for everybody when it's closing the last of stores?

Millions go to work every day knowing they could lose their jobs, but workers at companies where layoffs are pending (that includes those of us at the Chicago Tribune) live with a much sharper



2005 Tribune file photo

William Spolec worked at a Starbucks in Chicago after being laid off from a bank.

sense of insecurity.

Starbucks is interesting because it occupies a special niche in the employer universe as one of a handful of

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## Cafe closings hit minority areas

Starbucks lists 18 shops in, near city

By Barbara Rose and Wailin Wong  
TRIBUNE REPORTERS

Starbucks has identified 18 stores in the Chicago area among the 600 nationwide targeted to close through March 2009, including several in minority neighborhoods that had counted on the green-and-white medallion to signal rebirth.

The Seattle-based coffee giant released Wednesday a full list of the 600 stores anticipated to be shut down resulting in the loss of about 12,000 jobs. Employees at those locations have been notified that their outlet will be closing, though specific dates aren't yet known for all of the stores. Starbucks is expecting to close 25 total cafes in Illinois.

The company had already announced it will shut down shops in Country Club Hills and Elmhurst by the end of July.

The closings include stores

in largely minority areas in the south suburbs as well as neighborhoods on Chicago's South and West Sides. "Starbucks became symbolic of a community that was changing and in transition," said Earnest Gates, executive director of the Near West Side Community Development Corp. "To take that away, it's a blow to a community."

Word began spreading in North Lawndale about a week ago that the Starbucks at Roosevelt Road and Homan

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Tribune photo by Charles Osgood

Jon Goldman, franchisee of the Dairy Queen-Orange Julius at 1649 N. Damen Ave., visits the new shop Wednesday with his daughter, Piper, and wife, Erica.

## DQ aiming for an urban twist

Dairy Queen-Orange Julius outlets are part of chain's effort to bolster presence in cities

By Mike Hughlett  
TRIBUNE REPORTER

Dairy Queen has long been a brand associated with small towns and suburbs, while Orange Julius joints have rarely ventured outside shopping malls.

So what's up with that new Dairy Queen-Orange Julius

outlet in the heart of trendy and urbane Bucktown, housed in a two-story brick building no less?

It's part of Dairy Queen's effort to bolster its weak presence in urban areas, and Chicago is serving as its main testing ground, with six stores opened relatively recently or in the offing.

The interior of the new Damen Avenue store, which opened Thursday, is also a model of what Dairy Queen hopes many of its outlets nationwide—be they in suburbs or towns—will look like in the future.

The suburban Minneapolis-based company, long known for a lack of standardization, wants its 4,600-plus U.S. outlets to eventually become Dairy Queen-Orange Julius "treat centers," which

also sell smoothies, or DQ Grill & Chills, an updated version of its old concept.

Restaurant analysts hail the idea as a way to give consumers a clearer picture of what to expect at a Dairy Queen, though some existing franchisees have balked at the new concepts because of the remodeling costs.

Dairy Queen, which began 60 years ago as a single outlet

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### PROFILE

#### Dairy Queen

The frozen treat company, which operates in more than 20 countries, has been a subsidiary of Berkshire Hathaway since 1998.

**Origin:** 1938, in Kankakee

**Headquarters:** Minneapolis

**Employees:** 2,055

**Stores:** More than 5,700, mostly franchisee-owned

SOURCES: International Dairy Queen, Hoover's

TRIBUNE GRAPHIC

## Wall Street continues its surge

ASSOCIATED PRESS

NEW YORK — Stocks shot higher Thursday, extending its rally into a second session following some better-than-expected quarterly corporate reports and comments from three components of the Dow Jones industrial average—JPMorgan Chase & Co., United Technologies Corp. and Coca-Cola Co.—that generally indicated their businesses are holding up despite sometimes difficult economic conditions.

The Dow, also getting a boost from tumbling energy prices, rose 207.38 points, or 1.9 percent, to 11,446.66, bringing its two-day advance to more than 480 points.

The corporate reports let

### THURSDAY'S MARKETS

▲ Dow Jones	+207.38 to 11,446.66
▲ Nasdaq	+27.45 to 2312.30
▲ S&P 500	+14.96 to 1260.32
▲ 10-year T-note	+0.06 to 4.00%

investors put aside some of their worst fears about the economy. Still, Wall Street has had some up periods in the past few months as optimism grew—only to fall back into a downturn as worries about the financial sector and the economy have welled back up.

"The sentiment has just been so negative that even a whiff of positive news is driving the markets," said Kevin Dorwin, principal at wealth management firm Bingham, Osborn & Scarborough in San Francisco.

The 4.4 percent advance over two days was the Dow's best two-day percentage

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## Oil loses steam amid slowdown

Gasoline use falls, but price still at peak

By Joshua Boak  
TRIBUNE REPORTER

Oil prices have retreated for the past three days, falling \$18 from a record \$147.27 a barrel reached last week as a stream of troubling economic data appears to have corralled oil's bull run.

Inflation is up while growth is weak, the Federal Reserve warned Congress. And the petroleum inventories tracked by the government reflect a drop in demand that caught the market off guard, as a continued slowdown undercuts the need for oil.

"Four-dollars-a-gallon gasoline may be terrible, but a larger percentage of the population being unemployed is worse than that," said Lester Lave, an economist at Carnegie Mellon University in Pittsburgh. "Right

### Pumped up

Despite the recent dip in crude oil prices it will likely take a while before consumers see any drop in the price of gasoline, which is up significantly since last year.

### REGULAR GASOLINE



now, we don't know if the U.S. is teetering on the edge of a recession."

That possibility sends mixed signals to Wall Street and Main Street about what lies ahead. August futures in light sweet crude closed down Thursday at \$129.29 a

barrel. Natural gas futures also fell more than 8 percent.

The discount was enough to boost the stock market, with the Dow Jones Industrial Average jumping 207 points because lower oil prices could ease inflationary pressures.

Yet gasoline remained at an all-time high of \$4.11 a gallon nationwide, according to AAA. One reason that gasoline prices have not fallen so far is the lag time between buying the oil, refining it into gasoline and shipping it to filling stations.

"It takes awhile for that to get through to the pump," said Mark Cooper, research director for the Consumer Federation of America. "That won't show up, if it ever shows up, for a month or two months."

A three-day drop in oil futures is no guarantee that the recent streak has permanently ended, particularly

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### INSIDE FINANCIAL SERVICES

BY BECKY YERAK

## Huron's loan a big deal today

Number of involved banks doubled to 10

When **Huron Consulting Group Inc.** bought **Stockamp & Associates Inc.** this month for \$219 million, the Chicago-based consulting firm had more than enough financing in its tool kit.

But it wasn't easy. To ensure that it had enough money to make the acquisition and to ramp up for future financial needs, Huron found itself doubling the number of banks on its lending team, from five to 10, as well as nearly doubling its financing.

The \$460 million arrangement is a relatively big bank deal in today's difficult market, Huron Chief Financial Officer **Gary Burge** told the Tribune.

The steps Huron took to secure its financing illustrate how nimble companies have to be these days in a lending environment where banks are being more circumspect about loans and taking a tougher look at deals.

"Banks in this market, like a lot of businesses, need capital available for as many customers as possible, and so they try to spread their capital around," Burge said. "It's a tough credit market now. No doubt about that."

Banks are looking "at the pricing, the relationship and the opportunity to work with you on a go-forward basis because capital is so pre-

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### As NBC idles, Leno revs up speculation

"The Tonight Show" host is set to be replaced next year but makes it clear he's not ready to be jobless.

PHIL ROSENTHAL, PAGE 3

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