

# The Kool-Aid Story

Edwin E. Perkins

Original Perkins Building

Kool-Aid-a name simple but catchy, a product unprepossessing but salable. Today, a household word for millions. The Kool-Aid story is the American dream come true, the classic tale of a young man with brains, imagination, a strong work ethic and merchandising ability who was able to parlay a few simple chemicals into a multi-million dollar business--rising from sodhouse to mansion in one lifetime.

Kool-Aid itself was born in Hastings and reached maturity in Chicago. The Kool-Aid story is also the story of Edwin E.

Perkins and his family. Born in Lewis, Iowa, on January 8, 1889, Edwin was the oldest son of David and Kizandra Perkins, whose families had migrated from eastern states in an earlier day. Kizzie's father had once been a station agent at the Julesburg stage station on the Oregon Trail, and in 1893, the Perkins family sold their general store in Iowa and moved to a farm in Furnas County, Nebraska. There they lived in a three-room sodhouse which was distinguished from others because it had wooden floors and calcimined walls. They hauled their water from the well a mile away. When it was time for the children to go to school, they walked three miles across the prairie to a one-room schoolhouse.

The 1890's in Nebraska were grim years of drought, unrelenting heat and grasshopper invasions. Many destitute families survived only because food and clothing were shipped from Aid Societies in the East. But although the Perkins family lived on the farm for seven years, its members were able to survive without charity. Part of the reason was undoubtedly that they had some savings to fall back on, but most of it was that the family was hard-working. The father labored long hours in the fields, tending the crops, the garden, caring for the milk cows and building up a herd of pedigreed Poland China hogs. The mother raised poultry, made butter and cheese, and every Saturday would load the children and the produce into the buggy, harness up old Nellie, and drive ten miles to Beaver City to make her rounds selling butter and eggs to cash customers. There was little time for leisure.

By the end of the decade, the family traded the farm for a general store in the village of Hendley, and on January 1, 1900, they moved there so the children would be closer to schools. There were eventually ten children, eight of whom survived to adulthood. After five years in the general store, David Perkins was able to build a new store building, a frame one with a sign on it: "D.M. Perkins-General Merchandise."

In his after-school hours, 11-year-old Edwin began clerking in the store, sometimes turning the revolving candy case so fast that the customers would have to call out, "Slow Down! Slow down!" so that they could make their selections of penny candy. A family friend brought home packages of a newfangled dessert from a shopping trip to Hastings. It was called Jell-O, and it came in "Six Delicious Flavors." Edwin was entranced with it and persuaded his father to carry it in the store. For the rest of his life, he recounted how the Six Delicious Flavors influenced his decision to get into the pre-packaged food business.

In a magazine sold in the general store, Edwin saw an advertisement, "Be a manufacturer -- Mixer's Guide tells how -- write today," and sent off to Ft. Madison, Iowa, to get some formulas and labels with his name printed on them. The labels read "Manufactured by Perkins Products Co., Hendley, Nebr." The youngster, by now 12 or 13 years old, made a nuisance of himself in his mother's kitchen, making pungent extracts, medicines and other concoctions suggested in the packet.

Edwin also noticed sales opportunities in which people could buy merchandise from wholesalers and manufacturers and sell it door-to-door for what were advertised as "great profits." Before long, he bought a small hand printing press and rubber-stamp making equipment so he could do his own printing. For the four years after he finished high school, he published the local weekly newspaper, the Hendley Delphic, and turned out job-printing orders, including his own Perkins Products Co. labels.

During those years Edwin was also the village postmaster, and in the back of the Hendley post office, he put his printing equipment and set up a mail order business for his products. Business was so brisk that it increased the rating of the post office from a "cancellation" basis to a respectable salaried classification. Perkins made and sold bluing, perfume, and other preparations coming out of the chemical set. These were sold through sales agents by what was known as "trust scheme" methods, the agent being trusted with the merchandise and rewarded with a premium when he sold the goods and sent in the money. It was the same kind of business procedure he had seen advertised in magazines.

In 1918 Edwin put together a remedy for the tobacco habit, packaged under the name "Nix-O-Tine Tobacco Remedy" and sold it through direct mail to users and such of them as wanted to become agents. The first advertisement for this remedy, published in the Police Gazette, cost \$35, all the capital the promoter dared to risk.

For Edwin Perkins was a new bridegroom, having married Kathryn M. Shoemaker, his childhood sweetheart and the daughter of Hendley's only doctor, in September, 1918. After that, Edwin and "Kitty," as she preferred to be called, were inseparable. Mrs. Perkins remained in the background in business matters, but she was matched perfectly with the young businessman and remained devoted to him for the rest of her life.

When veterans returned home from World War I, many with the cigarette habit picked up in the army, the tobacco

remedy business prospered. Nix-O-Tine tackled nicotine dependency from several angles: it was composed of herbs to be chewed, large flat herbal tablets to be swallowed, a hideous-tasting mouth-wash with silver nitrate in it and a powerful herbal laxative. The combined effort was guaranteed to cure anyone, and for those who stuck to the program, it probably did.

Business was good, so much that on Valentine' Day, 1920, Edwin and Kitty moved to Hastings, eighty miles east of Hendley. Its location on several railroads and highways made it a better distribution point than the small village. But Hastings was not the couple's first choice for their new home. The Perkinses planned to move to southern California, and in fact were packed to go, when Edwin suffered an attack of bleeding ulcers. After his release from the hospital, he decided to stay in Nebraska to be near family and to maintain a central location for his mail order business. The ulcer problem persisted, producing an ironic situation: the patent medicine man suffered frequent spells of illness throughout his life.

In Hastings Edwin and Kitty rented quarters, 22 x 60 feet in size, on the second floor of the Odd Fellows building at 218 1/2 North Lincoln Avenue. For six months they lived in the back room and turned out their products in the front. Their heat was a cookstove, fueled by coal hoisted up from the alley with bucket and rope, stored in a closet. They then purchased a small bungalow at 735 North Washington Avenue. By August, 1920, the rest of the family, including Momma and Papa Perkins, also moved from Hendley, buying houses first at 2004 West 4th Street, then 412 North Colorado.

Despite the family's limited resources, Edwin went to St. Louis for a month in the summer of 1921 to learn more about the household products business. He worked with a small firm which contracted to make bulk orders of lotions, creams, medicines, etc. and studied their production and distribution techniques. Returning to Hastings, he spent a year preparing to introduce his own "Onor-Maid" line of products. During this time he and the rest of the Perkinses were supported by tobacco remedy sales.

In April, 1922, the company moved again, this time to "an unpretentious home" (in the words of a March 22, 1923, article in the Hastings Tribune) on the second floor of A.H. Mansfield's building at 510 West First Street. During this period, Edwin Perkins hired his first chemist, Orval Adcock, a local man with a 7th grade education but natural abilities.

To sell the household products, Edwin set up a nationwide system of representatives who sold door-to-door from sample cases, using the same procedures as salesmen for Watkins, Jewel Tea and other companies. Nix-O-Tine and the company's gasoline additive, "Motor-Vigor" continued to be sold by direct mail through the "Perkins Chemical Company," using purchased mailing lists.

In September, 1922, the first Onor-Maid order was received. Before long Perkins Products was manufacturing and selling more than a hundred and twenty-five different items, ranging from face creams and lotions, medicines and salves, soaps and toilet waters to food flavorings, jelly making products and fruit drink concentrates.

In its first year of operation so many boxes of "Ironux" tonic tablets, tins of carbohc salve and cartoons of "E-Z-wash" detergent were being made and sold that Perkins Products outgrew its quarters. Edwin moved the company one door east to the building at 506-508 West First Street, having purchased his first factory in March, 1923, at a sheriff's sale.

Perkins Products became a true family operation -- everyone but sister Faye Morrow (who was married to a Ft. Calhoun doctor) -- worked in the business. While his wife, sisters and brothers and parents filled bottles and jars, Edwin himself was often busy at the printing press, turning out copies of "The Onor-Maid Herald," a house organ started in May, 1922, and published monthly to encourage Perkins representatives in their sales. He also printed broadsides which said "I Want You to Be My District Manager," post cards soliciting product representatives who could "Earn \$10 a Day," and booklets telling managers how to secure Perkins agents. "Our District Managers are now permitted to appoint both men and women agents," one brochure said, "but we do not accept young boys and girls under any circumstances, as they cannot be depended upon to stay with the work." Another advertisement offered new Ford or Hudson automobiles to the most enterprising managers. With his characteristic flair as a marketer, Edwin made a "Personal Guarantee" that any hard worker with a \$3.50 sample kit could succeed as a Perkins agent.

One of the most popular items in the sample kit turned out to be the summer soft drink "Fruit-Smack," a liquid put up in four-ounce corked bottles. It came in six flavors and appeared about the same time that Coca Cola was gaining national acceptance. It was concentrated so that a family could make a pitcher full of the beverage for only pennies. But shipping

it presented problems: breakage, leaking, and the weight of the glass when it was transported.

Perkins -- who still admired Jell-O and had already perfected fruit pectin powders to make jelly at home -- knew that it should be reduced to a dry, concentrated, easily-soluble form capable of being packaged in an envelope. He also had another motive; if he could come up with a national product which was attractive to food brokers, he could get out of the trust agent and mail order business. The concept was somewhat audacious for a product yet to be developed, but Edwin Perkins was the kind of man who didn't let go of an idea once it entered his mind.

Despite later protestations that he "was not a chemist," E.E. Perkins the "mixer" went to work with his assistants. Edwin's objective was to dehydrate Fruit-Smack by tinkering with the recipe, focusing on the right mixture of dextrose, citric acid, tartaric acid, flavoring and food coloring. By 1927, he had Kool-Aid. In six delicious flavors--raspberry (Mr. Perkins' favorite), cherry, grape, lemon, orange and root-beer. Strawberry was added later.

Perkins then turned to marketing the product. The name itself was clever and continued Edwin's penchant for hyphenated spellings (another result of the boy chemist's infatuation with Jell-O?). Perkins Products already sold Onor-Maid, Nix-O-Tine, Motor-Vigor, Glos-Comb and Jel-Aid. But the spelling was originally "Kool-Ade" (which was trademarked by Perkins in 1928). Family lore includes two versions of the story behind the name change. One says that government regulators complained that "Ade" was reserved for fruit juice products, so the name became "Aid." The other states that "someone threatened to sue Edwin if he used the original name." The "Kool-Aid" name was trademarked in 1934, again by Perkins Products.

There were other setbacks. Packaging took longer to perfect than expected, and the company missed the 1927 summer season. After experimenting with "asphaltum-laminate paper" (which leaked black, tarry material into the product) and hard waxed bread wrapping paper (resulting in envelopes which wouldn't stay glued shut), Edwin settled on a soft waxed paper inner liner and a lithographed outer envelope in bright colors.

Finances were a problem too. Back in 1923, banks in Hastings would not lend the family capital to expand Perkins Products, so Edwin turned to private individuals for loans. That same year, Hastings College lent his parents \$3,500 and took a mortgage on David and Kizzie's home. When it came time to develop the powdered soft-drink business, Edwin again borrowed from a private source and mortgaged the factory building on First Street for \$10,000 to loan broker Ernest Hoepfner.

And the family was nearly worn out trying to keep pace with Edwin's production schedule for "launching Kool-Aid in the trade," as he was fond of saying. Kitty and other family members worked long hours at the factory, often until after midnight, in part because of Edwin's life-long pattern of starting work late in the morning and finishing late in the evening. Edwin himself labored two days and nights straight to print a four-color brochure for distribution to 250 wholesalers in June, 1928.

Edwin also had trouble with the food brokers. In addition to knowing little about the wholesale food business, he had difficulty convincing even local distributors like Cushing Grocery Company of Hastings to promote the product. But after David Perkins--whose general store in Hendley was a Cushing customer for over twenty years--was allowed to place a few Kool-Aid cartons on the shelves of the firm's local retail outlet and Edwin devised a "Cash Bonus Plan" to reward brokers for each carton sold, sales were encouraging. In mid-June, 1928, thirty-five cartons of the beverage mix were sold in Hastings.

Pessimism crept in. In August, 1928, David Perkins wrote Edwin's sister Vesta, an Iowa school teacher who had worked in the Hastings plant much of that summer: "The Kool-Ade biz is not very good. Think we will have to lay off three of the Kool-Ade Girls [young factory workers] very soon."

Yet the genius of the inventor was that he succeeded at every level. Creating the first powdered soft drink mix to be sold nationally in stores through wholesalers, it was packaged in envelopes printed by Edwin himself and hit the markets in 1928, first locally and then beyond. Nearly thirty years later Edwin Perkins recalled that busy time: "The product sold and repeated and they paid us for it. And we hardly slept the rest of the summer .... We were swamped with orders."

Some question whether Kool-Aid was actually "invented" in Hastings. People around Lewis, Iowa (the same southwestern Iowa village where Edwin was born) believe that a liquid fruit drink with a similar name was created by a

local pharmacist about 1914. Another story maintains that Edwin was producing Kool-Aid in Hendley before 1920. Although the product may have evolved over a period of time, Kool-Aid can be traced directly to the Fruit-Smack advertised in Perkins' 1922 catalog, minus the water and the bottle.

Eighty-nine year old Jeanette Vollweiler, a Perkins neighbor who was packaging Onor-Maid products in the Hastings factory after graduating from high school in 1927, recalls the day Edwin announced his new creation. She had been on the job about four months when he came into the room carrying small glasses of a cherry-flavored drink, which he asked the employees -- including his sisters Beatrice and Alberta -- to taste. Edwin then told them he was going to call the product "Kool-Ade."

Mr. Perkins' own words are the best evidence of where Kool-Aid began. A 1950 company brochure identifies the First Street building in Hastings as the "Birthplace of Kool-Aid." In his own typewritten histories of the beverage, Perkins stated that Kool-Aid was "developed and sold experimentally in 1927 and launched with the trade in 1928 ...," which coincides with his time in Hastings. In his farewell address to company brokers in 1953 the founder also referred to Hastings as "the place where Kool-Aid started."

Since Kool-Aid was a seasonal product, and an often-renewable one, it didn't fit into the regular merchandising pattern of the other Perkins Products. This challenge produced another of Mr. Perkins' successful marketing concepts. The crystals were packaged in one-ounce envelopes, forty envelopes of six assorted flavors in one colorful lithographed counter display carton which showed the range of flavors. This "Self-Selling Silent Salesman" was an innovation in display techniques at the time and helped promote Kool-Aid even as it sat on the grocery shelf. Edwin later wrote that the "Silent Salesman" was "a potent factor in the successful launching of Kool-Aid without much capital."

In April, 1929, Perkins started his second year of promoting the product to distributors. He sent 500 brokers a package of orange Kool-Aid and his Cash Bonus literature. By the end of the year, sixty-five of them had signed on to earn five percent for distributing it to grocery stores. The number eventually increased to ninety-three distributors, to whom Edwin was fiercely loyal. When Perkins Products Company was sold to General Foods Corporation, many of the original firms were still handling the product.

At ten cents a package, Kool-Aid made enough glassfuls that families could have whole pitchers full on hot summer afternoons. Young pint-sized entrepreneurs learned early how to set up Kool-Aid stands on card-tables in their front yards on tiresome August afternoons, drinking up most of their stocks while they chatted with passers-by. From Hastings to the big wide world beyond, the market spread. From that day onward, Kool-Aid became a summertime staple in most households with youngsters, the brightly-colored envelopes a standard item in summer time grocery sacks.

The Depression had started. Although banks all over the country were closing their doors and men were losing their jobs, the demand for Kool-Aid escalated. By 1931 the volume of business was so large that the quarters on West First Street were jammed beyond capacity. By this time, Kool-Aid production far overshadowed that of all other Perkins Products, although the manufacturing process was primitive by later standards. Workers dipped ice cream scoops into small barrels of the powder, poured an ounce or so into individual envelopes, sealed them by hand, then pounded them flat with wooden mallets or paddles so they would fit into packing boxes.

On January 1, 1931, Edwin Perkins incorporated the business with a new partner, Perkins Products sales manager Fred Schmitt of Milwaukee. They relocated the company to Chicago, a better distribution point and closer to sources of supply. Edwin and Kitty and a few of the employees also moved there, including Ruth Zwink (later Boles), Jeanette Vollweiler, and chemist Howard Lessard, who remained with the company until the 1953 sale to General Foods. Edwin also took along the printing press and eight rail cars of Perkins Products equipment and supplies.

The rest of the family stayed in Hastings, some involved with the Nix-O-Tine and Motor-Vigor business. Left behind too were the home remedies and cosmetics, as with the decision to move also came the decision to concentrate only on manufacturing Kool-Aid and other food products.

In Chicago, Perkins Products Company leased a small plant of about 13,000 square feet near the Wrigley gum factory in the Clearing industrial district. Perkins expanded it three years later to 33,000 square feet and doubled that five years later. This time, all of the space was for manufacturing, for in 1937, Edwin had started the Packit Envelope and Bag Company at another location, whose sole purpose was to provide a dependable supply of containers for Kool-Aid. Until

then, he had been running them out of the old printing press he bought so many years before in Hendley.

Net sales increased from \$383,286 in 1931, to \$1,564,292 five years later. Even in those hard times, Edwin was doing well enough to repurchase Schmitt's interest in the company for \$50,000 and to repay the mortgages back in Hastings. In the 1930s Edwin's brother Ivan and sister Wilma and her husband, Orval Adcock, rejoined the staff in Chicago.

Although in 1933 the price of Kool-Aid had been cut in half, to five cents a package, sales continued to increase. The country was in a depression, but almost everybody seemed to have a nickel to spend for a pitcher of the sweet, cooling drink. According to a 1956 article in *Advertising Age* the price cut was "a daring gamble that made the company."

Occasionally Edwin and company chemists would work on new ideas, looking for products that would be less seasonal than Kool-Aid. In 1934 the Perkins introduced four pie fillings, and after test-marketing them, concentrated on "Lemix," lemon-flavored granules packaged in a four-ounce carton. Other products were Kool-Aid ice cream powder mix, Korlix pudding mix and Kool-Aid bubble gum, a favorite of family members who remained in Hastings in the 1940s and 1950s. But since sales of these related items never amounted to more than a few hundred thousand dollars a year and wartime rationing in the 1940s limited sugar-based manufacturing, they too were dropped from the Perkins Products line. Kool-Aid soda pop (bottled in franchised plants around the county) was produced until the late 1950s.

In June, 1949, the plant moved into still newer facilities containing 135,000 square feet, and added a night shift of workers. By 1950, 300 production workers, eighty percent of them women, produced 323,000,000 packets of Kool-Aid annually, for net sales of ten and a half million dollars. An additional fifty people were employed in the offices.

To achieve these sales, Kool-Aid had been advertised widely, starting as early as 1931 on a 15-minute network radio show. Famous entertainers like Sonja Henie were hired to promote the product. Children's "Aviator Clubs" connected with Trans World Airlines were started. Comic strip characters--named Nancy and Don, after Edwin's daughter and nephew--were introduced to advertise the soft drink. The "Kool-Aid Kid", wearing an alpine hat and lederhosen, appeared. By 1950 there were four-color advertisements in thirty-four national magazines and small ads in three thousand daily and weekly newspapers, as well as billboards in fifty-five cities. Everybody knew about Kool-Aid, and bought it. By the early Fifties, Kool-Aid was one of the most recognized products in the country. The trademark was also registered in Canada in 1938 and Mexico and Cuba in 1951.

On February 16, 1953, Edwin Perkins called all his employees together to tell them that on May 15, ownership of Perkins Products would be taken over by General Foods. In a chatty informal way, he traced the history of the company, and its six delicious flavors, and how fitting it was now that Kool-Aid would join Jell-O in the General Foods family. He further pointed out that Perkins Products was a closely-held family business and that inheritance taxes were such that his estate would be charged half or two-thirds of the value of the business when he died, and that forced sale of the company could mean the end of it, and of their jobs. By selling now, to a company he knew and was proud of, he could assure his workers that their jobs would continue and the product would remain the same.

With that speech, at the age of 64 years, and after more than fifty years in the business of manufacturing, Edwin E. Perkins stepped away from work. The Perkins Products Company and Packit Envelope and Bag Company were exchanged for nearly 250,000 shares of General Foods stock.

After the General Foods sale, Edwin and Kitty Perkins established foundations for philanthropic purposes. They began to divide their time between their homes in River Forest, a Chicago suburb, and Miami Beach. And they planned how to make the best use of their money.

Although they had been in Chicago for twenty-two years, their roots were in Nebraska and they still considered Hastings their home. They had kept their membership in the First Christian Church in Hastings, where both of them had been active. Members of their families still lived in Hastings, as did friends who had helped them establish the business here.

On September 23, 1956, Perkins Hall in the new Fuhr fine arts building on the Hastings College campus was dedicated, a recital hall donated by several Perkins families to commemorate the lives of David and Kizandra Perkins. In succeeding years, the Perkins foundations made substantial other gifts to Hastings College, including Perkins Library, which opened in May, 1963, an endowment fund to underwrite the operation and expansion of the library program and other gifts. Between 1969 and 1977 Hastings College was the beneficiary of \$1,283,000 from the foundation. Mrs. Perkins herself served on the college board of trustees from 1966 until her death in 1977. She also received an honorary doctoral

degree from the college in 1961.

In 1971, the foundations gave \$400,000 to Mary Lanning Memorial Hospital, the major portion going toward the original building fund and a substantial amount to the redevelopment of the radiology department. In four separate grants totaling \$167,500 they contributed to Perkins Pavilion at Good Samaritan Village in Hastings, \$100,000 for an addition to Villa Grace, and other gifts amounting to another \$50,000. The Perkinses also made substantial contributions to the First Christian Church in Hastings. Since Kitty's death, another \$550,000 of Perkins grants have been made in Hastings.

Edwin Perkins died in 1961 in Rochester, Minnesota, following a long illness. After his death, the family suffered through a challenge to the probate of his estate--estimated by Chicago newspapers at \$45 million--from one of his brothers. But this unpleasantness was settled out of court by the family, and Mrs. Perkins took over the reins of the philanthropies. Kitty lived another sixteen years, dying on March 27, 1977 in Chicago. Both she and Edwin are buried in Parkview Cemetery in Hastings.

It seems clear from the records and recollections of those involved that the small town of Hendley, Nebraska, had a major influence on the growth of Edwin Perkins from a small boy into an enterprising young man. It seems equally clear that Hastings had a large part in his rise from a budding entrepreneur into a business genius. Both communities can take pride in their contributions to the success of Mr. Perkins and the Kool-Aid story.

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