Retail sales kept up a long streak of year-over-year gains in October even though the rate of growth continued to slow, according to a statement from National Retail Federation Chief Economist Jack Kleinhenz. His remarks were in response to the U.S. Census Bureau’s most recent release of monthly retail sales data.
“Fourth-quarter consumer spending stepped off on a more moderate pace, as expected,” Kleinhenz said. “The staying power of the American consumer has been the story of 2023, but financial conditions have tightened appreciably in recent months, curbing the purchasing power fueled by job and wage gains. Nonetheless, continued consumer resilience is still expected for the holiday season.”

The Census Bureau said overall retail sales in October were down 0.1% from September but up 2.5% year over year. That compared with increases of 0.9% month over month and 4.1% year over year in September.

Core retail sales as defined by NRF – excluding automobile dealers, gasoline stations and restaurants – were up 3.1% unadjusted year over year on a three-month moving average as of October and up 3.7% for the first 10 months of the year. Those numbers are in line with NRF’s expectation that 2023 annual retail sales will grow about 4% over 2022.

Sales were expected to cool in October and today’s Census numbers are in line with the new CNBC/NRF Retail Monitor, powered by Affinity Solutions, that was released on Monday. The Retail Monitor reported that core October retail sales were down 0.03% seasonally adjusted from September but up 2.63% unadjusted year over year. That compared with increases of 0.09% month over month and 4.39% in September.

The NRF provides data on retail sales each month and also forecasts annual retail sales and spending for key periods such as the holiday season each year.

Small Business • economy • retailers

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