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2023. The 2024 forecast is in line with the 10-year pre-pandemic average annual sales growth of 3.6%.

Isaac M. O'Bannon • Mar. 20, 2024



The National Retail Federation has released a forecast that retail sales will increase in 2024 between 2.5% and 3.5% to between \$5.23 trillion and \$5.28 trillion. The announcement was made during NRF's fourth annual [State of Retail & the Consumer](#) virtual discussion on the health of the American consumers and the retail industry.

“The resiliency of consumers continues to power the American economy, and we are confident there will be moderate but steady growth through the end of the year,” NRF President and CEO Matthew Shay said. “Successful retailers offer consumers

products and services when, where and how they want to shop with prices they

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That compares with non-store and online sales of \$1.38 trillion in 2023.

NRF projects full-year GDP growth of around 2.3%, a slower speed than the 2.5% in 2023 but strong enough to sustain job growth. Inflation prices are also expected to moderate to 2.2% on a year-over-year basis, due to a cooling economy, the labor and product market coming into better balance and retreating housing costs.

“The economy is primarily supported by consumers who have shown much greater resilience than expected, and it’s hard to be bearish on the consumer,” NRF Chief Economist Jack Kleinhenz said. “The question for 2024 ultimately is, will consumer spending maintain its resilience?”

A tight labor market, with its robust job growth and wage gains fueling consumer spending, is expected to cool in 2024. With the pace of the economy slowing in 2024, NRF expects about 100,000 fewer jobs on average per month compared with 2023 and the unemployment rate to average 4% for the full year.

Kleinhenz also noted that consumer balance sheets and debt servicing levels remain in good condition. Rising home and stock prices in 2023 likely stimulated greater consumer spending via the so-called wealth effect and this should continue in 2024. Several surveys reveal that consumers appear to have a favorable outlook which should also support their willingness to spend. Yet, many consumers are feeling a pinch from tighter credit and inflation.

As the leading authority and voice for the retail industry, NRF provides data on retail sales each month and also forecasts annual retail sales and spending for key periods such as the holiday season.

NRF’s calculation of retail sales excludes automobile dealers, gasoline stations and restaurants to focus on core retail. The 2024 retail sales forecast is based on economic modeling that considers a variety of indicators including employment, wages,

consumer confidence, disposable income, consumer credit, previous retail sales and

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