

December U.S. Retail Sales

Overview

- 1 December retail sales came in flat and weaker than expected following the 0.6% increase in November.
- 2 December YOY sales rose 2.4%, below the 2.7% increase in CPI.
- 3 While sales were solid for the full year, consumer spending slowed during the holidays in the face of higher prices, softening labor markets, and increased economic and geopolitical uncertainty.

Breaking Down U.S. Retail Sales

After months of stronger than expected results, monthly retail sales slowed for the December holiday shopping season. Consumers dealt with inclement weather in many markets, while also contending with persistent inflation and increased economic and political uncertainty.

December retail sales were flat in the month following a 0.6% increase in November. The data is adjusted for seasonality but not for inflation. Most categories were negative or flattish, except for building materials, up 1.2%, which may have gotten a boost from the weather.

On an annual basis, spending failed to keep pace with inflation, increasing 2.4%, which was below the 2.7% increase in December CPI. The decline included a 1.1% decline in auto and parts; excluding this, YOY sales managed 3.3% growth including many categories in the black. Health & personal care stores saw the strongest gain, up 6.4% followed by a 6% increase in sporting goods, hobby, musical instruments & book stores, a category that had been a relative laggard in prior periods. Furniture & home furnishing stores saw the sharpest annual drop, down 5.6%, while all other categories saw at least some annual growth except for department stores, down 0.3%.

Retail sales still grew a solid 3.8% in 4Q and 4.2% for all of 2025 (excluding auto and gas), both well ahead of inflation and fueling overall (GDP) growth. The strong annual retail sales show that despite a cooling labor market and rising economic and political volatility, consumers continue to increase spending. However, the data suggests the overall economy is becoming increasingly K-shaped, with spending supported by higher income consumers as lower income consumers budget more of their spending towards essentials.

The December report was delayed due to the federal government shutdown. The Atlanta Federal Reserve had expected a 4.2% increase in 4Q GDP, driven by strong consumer spending and increased investment in AI. However, that number could be revised lower due to the lower December sales.

Looking ahead, 2026 could see an additional boost from larger tax refunds and the new tax law (OBBA) passed last year.

For questions or analytical support, please call:

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Seasonally Adjusted Retail Sales

Source: U.S. Census, Bloomberg

	Dec 2025	Dec 2025 (Est. **)	Nov 2025	Dec 2025
	m/o/m	m/o/m	m/o/m	y/o/y
Total Retail Sales	0.0%	0.4%	0.6%	2.4%
Retail Sales Ex Auto	0.0%	0.3%	0.4%	3.3%
Retail Sales Ex Auto and Gas	0.0%	N/A	0.3%	3.5%
Core Retail Sales*	-0.1%	0.4%	0.2%	3.4%
By Category:				
Furniture & home furnishings	-0.9%		-0.1%	-5.6%
Electronics & appliance	-0.4%		0.2%	2.1%
Building materials & garden	1.2%		1.2%	0.5%
Food & beverage stores	0.2%		-0.1%	1.1%
Grocery	0.1%		-0.1%	1.5%
Health & personal care	-0.2%		0.3%	6.4%
Gasoline stations	0.3%		1.7%	1.6%
Clothing & clothing accessories	-0.7%		0.5%	5.1%
Sporting goods, hobby, musical instrument & book stores	0.4%		0.9%	6.0%
General merchandise	-0.1%		-0.1%	1.2%
Department stores	-0.7%		-3.1%	-0.3%
Nonstore retailers	0.1%		0.0%	5.3%
Food services & drinking places	-0.1%		0.7%	4.7%
Miscellaneous store retailers	-0.9%		1.3%	9.4%

Excludes sales from auto & motor vehicle dealers, gasoline stations, building materials, food services & drinking places

** Represents Bloomberg monthly sales estimates

Quarterly E-commerce Sales

Quarterly U.S. Retail Sales; Total and E-commerce

Source: U.S. Census

Quarter	Retail Sales (\$ millions)		E-commerce	% Change from Same Quarter a Year Ago	
	Total	E-comm	% of Total	Total	E-comm
3Q25	1,893,560	310,274	16.4%	4.1%	5.1%
2Q25	1,865,704	304,464	16.3%	3.9%	5.4%
1Q25	1,857,808	299,909	16.1%	4.5%	6.0%
4Q24	1,851,781	300,357	16.2%	3.8%	8.5%
3Q24	1,818,189	295,249	16.2%	2.0%	7.3%

*Retail sales excluding foodservice

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