

# January U.S. Retail Sales

## Overview

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After a busy holiday season, consumers pulled back spending in January as retail sales fell 0.9%.

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Grocery, foodservice and general merchandise, including department stores, sales showed gains for the month.

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Inflation ticked up to 3% in January, but YoY retail sales still showed stronger growth, up 4.2%.

## Breaking Down U.S. Retail Sales


After a strong holiday season, consumers pulled back on their spending last month for the first time since June and posting the largest drop in sales since January 2024. The Commerce Department reported retail sales plunged 0.9% in January from the prior month, the first monthly drop since June and the largest decline since January 2024. Retail sales are adjusted for seasonal swings but not inflation. Excluding auto and gasoline sales, retail sales fell 0.5%. January's results came in well below economists' expectations of a 0.2% decline, while December's sales were upwardly revised to a 0.7% gain, from a prior reading of 0.4% growth. Gasoline sales were also higher, rising 0.9%, and reflected higher prices at the pump.

Retailers and consumers had to contend with a number of issues in January, including harsher winter weather throughout most of the country, wildfires, and increasing uncertainty around tariffs and potential increased inflation going forward. Recent surveys have also shown a decline in consumer confidence.

The monthly decline in sales was broad-based; general merchandise, including department stores, grocery, food service and miscellaneous stores were the only categories to show growth.

Today's retail sales numbers followed the release of inflation data this week, which showed prices increased more than expected. CPI and Core CPI (excluding food and energy) rose 3% and 3.3% in January. Meanwhile, YoY retail sales outpaced these inflation numbers, rising 4.2% in January, with all categories showing growth except department stores and sporting goods, hobby, musical instruments & book stores, which were down 1.4% and 4.1%, respectively, while electronics and appliance store sales were flat.

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Seasonally Adjusted Retail Sales				
Source: U.S. Census, Bloomberg				
January 2025				
	Jan 2025	Jan 2025 (Est.**)	Dec 2024	Jan 2025
	m/o/m	m/o/m	m/o/m	y/o/y
Total Retail Sales	-0.9%	-0.2%	0.7%	4.2%
Retail Sales Ex Auto	-0.4%	0.3%	0.7%	3.7%
Retail Sales Ex Auto and Gas	-0.5%	N/A	0.5%	3.9%
Core Retail Sales*	-0.8%	0.3%	0.8%	3.7%
<b>By Category:</b>				
Furniture & home furnishings	-1.7%		1.9%	3.7%
Electronics & appliance	-0.7%		0.1%	0.0%
Building materials & garden	-1.3%		-1.6%	0.7%
Food & beverage stores	-0.1%		1.0%	3.8%
Grocery	0.2%		1.1%	3.9%
Health & personal care	-0.3%		0.2%	4.9%
Gasoline stations	0.9%		2.1%	2.0%
Clothing & clothing accessories	-1.2%		1.1%	1.4%
Sporting goods, hobby, musical instrument & book stores	-4.6%		3.2%	-4.1%
General merchandise	0.5%		0.3%	3.7%
Department stores	0.8%		0.2%	-1.4%
Nonstore retailers	-1.9%		0.6%	4.7%
Food services & drinking places	0.9%		0.1%	5.4%
Miscellaneous store retailers	0.2%		4.2%	5.8%

\* 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
3Q24	1,849,906	300,053	16.2%	2.1%	7.4%
2Q24	1,826,454	292,567	16.0%	2.1%	7.0%
1Q24	1,818,701	287,855	15.8%	1.5%	8.1%
4Q23	1,820,433	283,293	15.6%	3.1%	10.0%
3Q23	1,812,587	279,508	15.4%	2.5%	9.4%

\* Retail sales excluding foodservice

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