

December U.S. Retail Sales

Overview

- 1 Consumers spent more in December compared to the prior year, with sales up 3.9%.
- 2 December retail sales grew a slower than expected 0.4%, compared to November which was revised higher to 0.8%, brought down by building material stores.
- 3 December economic data suggests a pause in further Fed rate cuts.

Breaking Down U.S. Retail Sales

U.S. retail sales growth slowed to 0.4% in December, below estimates, while November retail sales were revised up 10 bps to 0.8%. Stripping out auto and gas, sales rose 0.3%, below estimates of a 0.4% increase. Shoppers spent more in December compared with the year before, as sales rose 3.9%, or 3.3% excluding auto and gas. Most categories saw gains in the monthly and annual data. However, building materials saw the steepest drops for the month and year, falling 2% and 1.8%, respectively. Core retail sales, which excludes building materials, as well as auto, gas and food services, rose a stronger than expected 0.7% on the month and 4.1% for the year.

Notably, the long languishing furniture & home furnishings and sporting goods group saw solid rebounds for the month and year. The former's sales grew 8.4% and the latter was up 1.8%, YOY. Department stores eked out a 0.1% increase for the month but were still down 1.8% YOY. Sales at electronic & appliance stores were also higher, up 0.4% for the month and 5.8% for the year.

Some economists suggested that retail sales for the past two months were impacted by the storm activity in the Southeast and the pull forward in demand ahead of the threat of tariffs. In other economic reports for December, job numbers came in stronger-than-expected and while inflation has cooled, it remains higher than the Fed's 2% target; CPI was up 0.4% for the month and 3.2% YOY. Combined, the data suggests the Fed is not likely to cut interest rates at least until its June meeting. The central bank is also likely to wait for more signals from the incoming administration's plans around tariffs, tax cuts and a crackdown on immigration, and its impact on economic activity and inflation.

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Seasonally Adjusted Retail Sales				
Source: U.S. Census, Bloomberg				
	December 2024			
	Dec 2024	Dec 2024 (Est.**)	Nov 2024	Dec 2024
	m/o/m	m/o/m	m/o/m	y/o/y
Total Retail Sales	0.4%	0.6%	0.8%	3.9%
Retail Sales Ex Auto	0.4%	0.5%	0.2%	2.9%
Retail Sales Ex Auto and Gas	0.3%	0.4%	0.2%	3.3%
Core Retail Sales*	0.7%	0.4%	0.4%	4.1%
By Category:				
Furniture & home furnishings	2.3%		1.3%	8.4%
Electronics & appliance	0.4%		0.9%	5.8%
Building materials & garden	-2.0%		-0.8%	-1.8%
Food & beverage stores	0.8%		-0.2%	3.1%
Grocery	0.9%		-0.3%	3.3%
Health & personal care	-0.2%		0.3%	3.4%
Gasoline stations	1.5%		0.2%	-1.2%
Clothing & clothing accessories	1.5%		-0.8%	2.4%
Sporting goods, hobby, musical instrument & book stores	2.6%		-0.3%	1.8%
General merchandise	0.3%		0.0%	2.6%
Department stores	0.1%		-0.4%	-1.8%
Nonstore retailers	0.2%		1.7%	6.0%
Food services & drinking places	-0.3%		0.1%	2.4%
Miscellaneous store retailers	4.3%		-3.9%	3.7%

* 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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