

RETAIL

NRF shares concerns over economic recovery as COVID spreads

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The NRF has encouraged retailers to require masks to curb the spread of coronavirus. Image credit: National Retail Federation

By LUXURY DAILY NEWS SERVICE

The National Retail Federation is warning that the economic recovery in the United States remains fragile because of rising coronavirus cases across the country.

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Retail spending which excludes car dealerships, gas stations and restaurants was up almost 5 percent in June, but there are other indications that this has worsened in July. Now, economists believe that the recovery will be more unsteady than initially expected.

"Optimism about the economy and retail spending is being tested daily with the spread of the coronavirus," said Jack Kleinhenz, chief economist at NRF, in a statement. "Big questions are looming, and we are all grappling to discern what incoming data is telling us about the health of the economy and consumers.

"Based on quarterly and monthly data, the U.S. economic recovery continues despite elevated COVID-19 cases," he said. "But in examining weekly data, the pace of improvement appears to be slowing."

Recovery concerns

Retail spending numbers are not yet available for July. However, the Federal Reserve Bank of New York has cited a decrease in retail sales at the end of July.

Also concerning is an increase in weekly unemployment claims the last two weeks of July, ending a weeks-long streak of declining claims. Initial unemployment claims peaked the last week of March at a staggering 6.9 million.

According to the NRF, economists believe that recovery timeline hinges on continued efforts to control the coronavirus.

To that end, NRF has asked all retailers in the United States to adopt a nationwide policy that requires customers to wear face coverings or masks to protect the health and well-being of shoppers, store employees and partner vendors ([see story](#)).

"The bottom line is that the economy is far from being out of the woods," Mr. Kleinhenz said. "The question is

whether it is re-entering the woods."

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