

RETAIL

Additional stimulus could safeguard retail growth: NRF

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Another federal stimulus package could encourage retail spending this holiday season. Image credit: National Retail Federation

By LUXURY DAILY NEWS SERVICE

The National Retail Federation is renewing calls for an additional federal stimulus, as the growing number of coronavirus cases threatens strong retail growth.

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According to NRF's monthly economic review, retail sales in the United States have been up month-over-month and year-over-year each month since June. The most recent available data shows that consumer confidence is growing, but remains below pre-pandemic levels.

"Strong growth in retail sales during the last few months points to the resiliency of consumers even in this disruptive pandemic environment," said Jack Kleinhenz, chief economist at the NRF, in a statement. "Taking in all the evidence available, the U.S. economic recovery has progressed more quickly than generally expected.

"While there might be sufficient momentum and resiliency to propel the economy in the months ahead, additional fiscal policy support is critical to ensure that the recovery doesn't stall," he said.

Consumer confidence

According to the U.S. Commerce Department, household spending on retail goods, which typically exclude expenses such as dining, has helped boost overall consumer spending. As of August, overall consumer is down 1.9 percent year-over-year after being down 16.1 percent year-over-year in April.

NRF also attributes the recovery in retail spending to increased disposable personal income, as well as six consecutive months of double-digit savings rates.



Retail sales have completed a V-shaped recovery and are up 8.6 percent since January. Image credit: National Retail Federation

Looking ahead to the holiday season, NRF expects consumers to spend an average of \$997.79 as they focus on purchases for loved ones rather than experiential gifts and self-gifting.

Deloitte's 2020 Holiday Retail Forecast projects modest growth based on two distinct economic possibilities dependent on consumer confidence amid the coronavirus recovery.

Factors such as falling unemployment or passage of an effective federal pandemic relief bill, as NRF is encouraging, could inspire consumer confidence. This, along with consumers redirecting funds originally reserved for travel or other experiences, could lead to strong sales growth over the holidays ([see story](#)).

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