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US retail sales to see only modest gains this holiday season: Deloitte

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High inflation will temper U.S. holiday retail sales, per new research from Deloitte. Image credit: Deloitte

By LUXURY DAILY NEWS SERVICE

U.S. retail sales will likely increase between 4 and 6 percent from November through January, a lower figure than the previous holiday season.

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The prediction from business advisory firm Deloitte acknowledges the effects of high inflation on consumer spending.

"The lower projected growth for the 2022 holiday season reflects the slowdown in the economy this year," said Daniel Bachman, U.S. economic forecaster at Deloitte, in a statement.

"Retail sales are likely to be further affected by declining demand for durable consumer goods, which had been the centerpiece of pandemic spending," he said.

Food for thought

Per [Deloitte](#), the increase during the holiday period this year will be modest compared to last year's gains of 15.1 percent, totaling \$1.39 trillion.

Deloitte's retail and consumer products practice estimates retail sales will reach between \$1.45 and \$1.47 trillion this year.

Inflation and higher prices are weighing down on consumers' purchasing ability, and shoppers are likely to change what they spend on as a result.

Further, spending is predicted to increase on services such as restaurant meals, while allocations for consumer goods will decline after the pandemic boom in purchases.

U.S. ecommerce sales should see larger increases, however.

Deloitte predicts 12.8 to 14.3 percent growth for ecommerce, totaling \$260 to \$264 billion, compared to 8.4 percent growth during the 2021-22 holiday season.

"As inflation weighs on consumer demand, we can expect consumers to continue to shift how they spend their holiday budget this upcoming season," said Nick Handrinos, vice chair of Deloitte LLP and U.S. retail, wholesale and distribution and consumer products leader, in a statement.

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