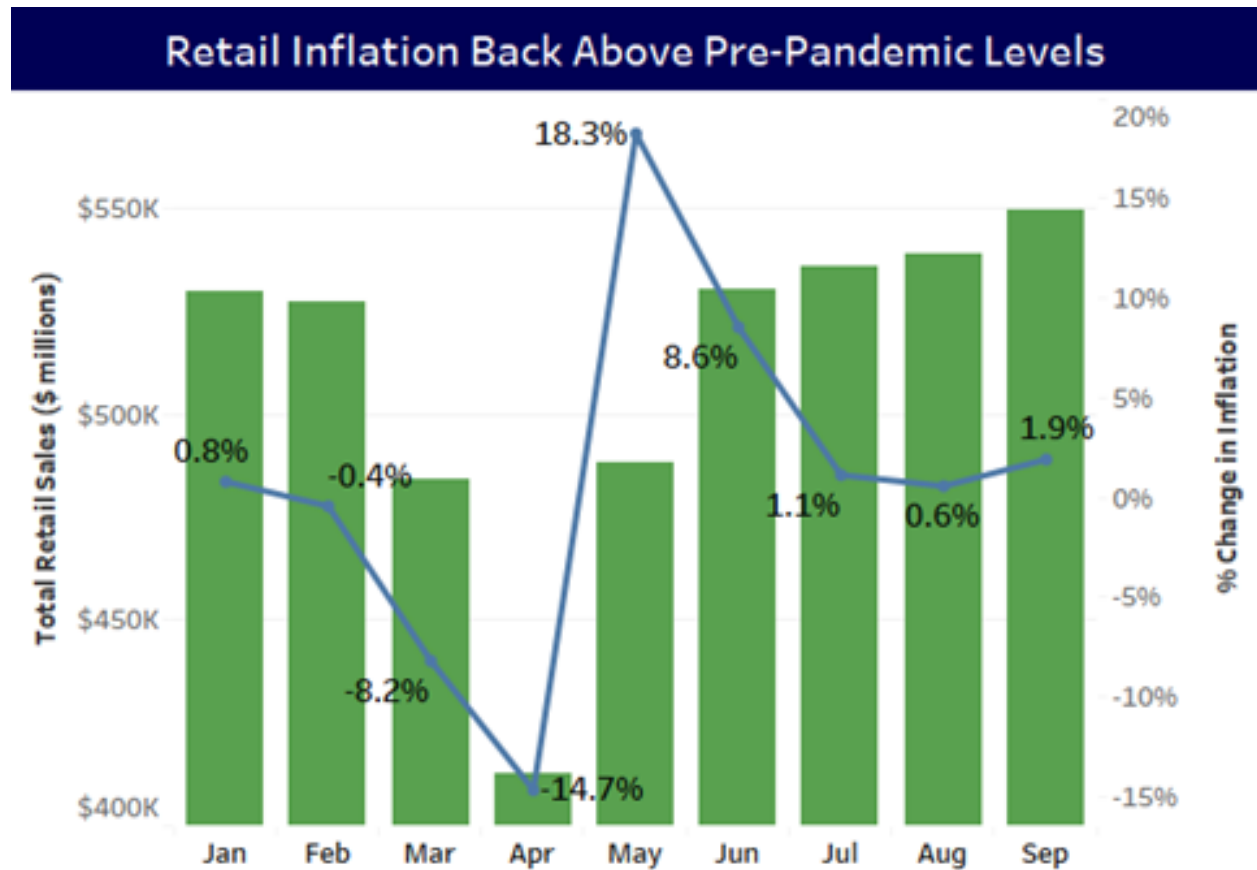


Retail Sales Have Risen Five Months in a Row

Last week, the Census Bureau reported [retail sales grew 1.9% in September](#), continuing their strong performance in recent months. Retail sales have been the brightest economic data point since the economy began turning around in May after the COVID-19 Great Pause.



Overall, retail sales have experienced a “V-shaped” recovery from the pandemic. They plummeted in March by more than 8% and in April by another almost 15%. But since then they have grown for five consecutive months. By June they had matched their pre-pandemic level, and in each month since have reached a new monthly high.

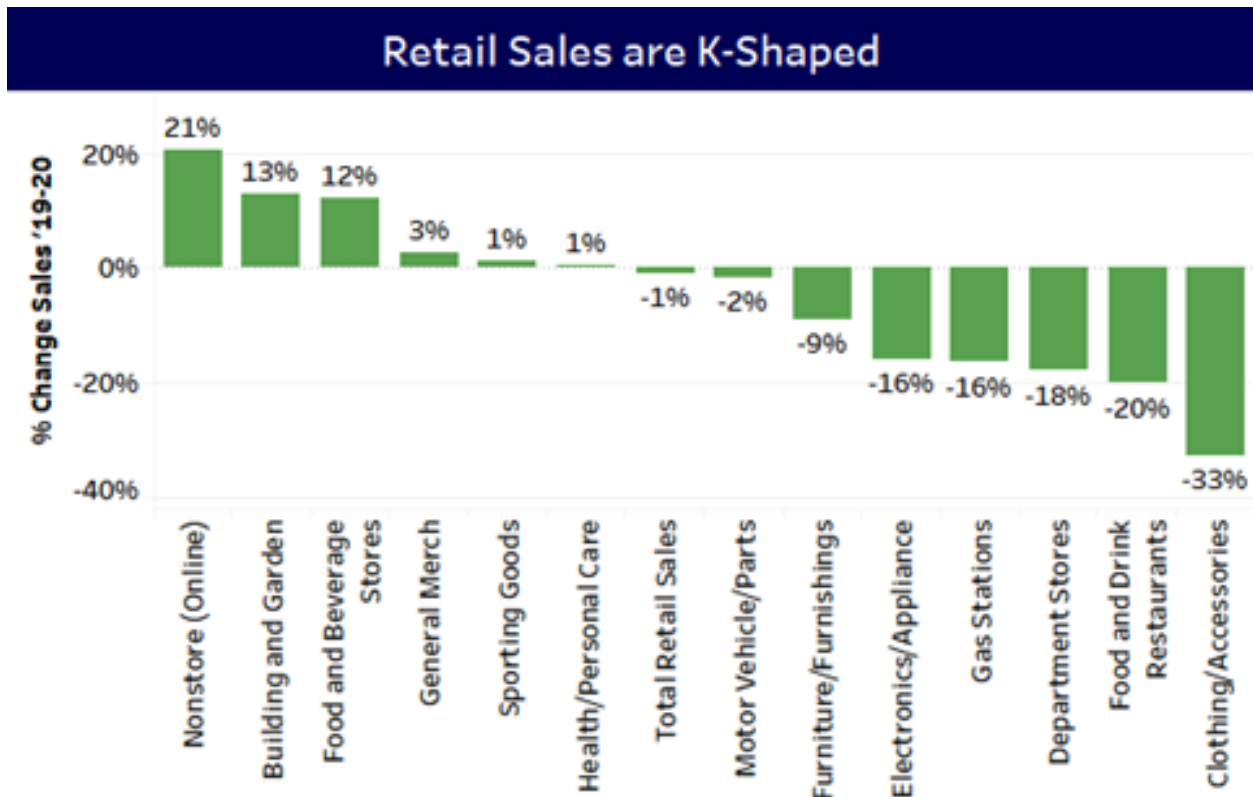
That's thanks to the incredible resiliency and adaptability of the U.S. economy, federal pandemic relief payments to families, the extra \$600 per week of unemployment benefits, and the millions of workers regaining their jobs in the last five months. All have contributed to retail spending.

However: Year-to-date retail spending is still below 2019 levels by about 1%. The hole dug with the drop off in March and April was so large that we are still working off the lost sales. And the

composition of retail sales has shifted, creating an uneven recovery (like almost all economic data) by store-type.

For instance, online sellers have seen a 21% increase year-over-year. Building and garden stores are up 13%, and grocery and beverage stores are up 12%. These and a few others are doing well.

In contrast, clothing and accessory stores have seen sales fall 33%, restaurants and bars sales have fallen 20%, and gas stations are down 18%.



Total spending on food and beverage is also down year-to-date — the combined spending in grocery stores, liquor stores, restaurants and bars is nearly \$47 billion less than in 2019.

As the pandemic continues, it is clear that some industries, like restaurants and bars, will require additional targeted assistance from Congress.

—Curtis Dubay, Senior Economist, U.S. Chamber of Commerce