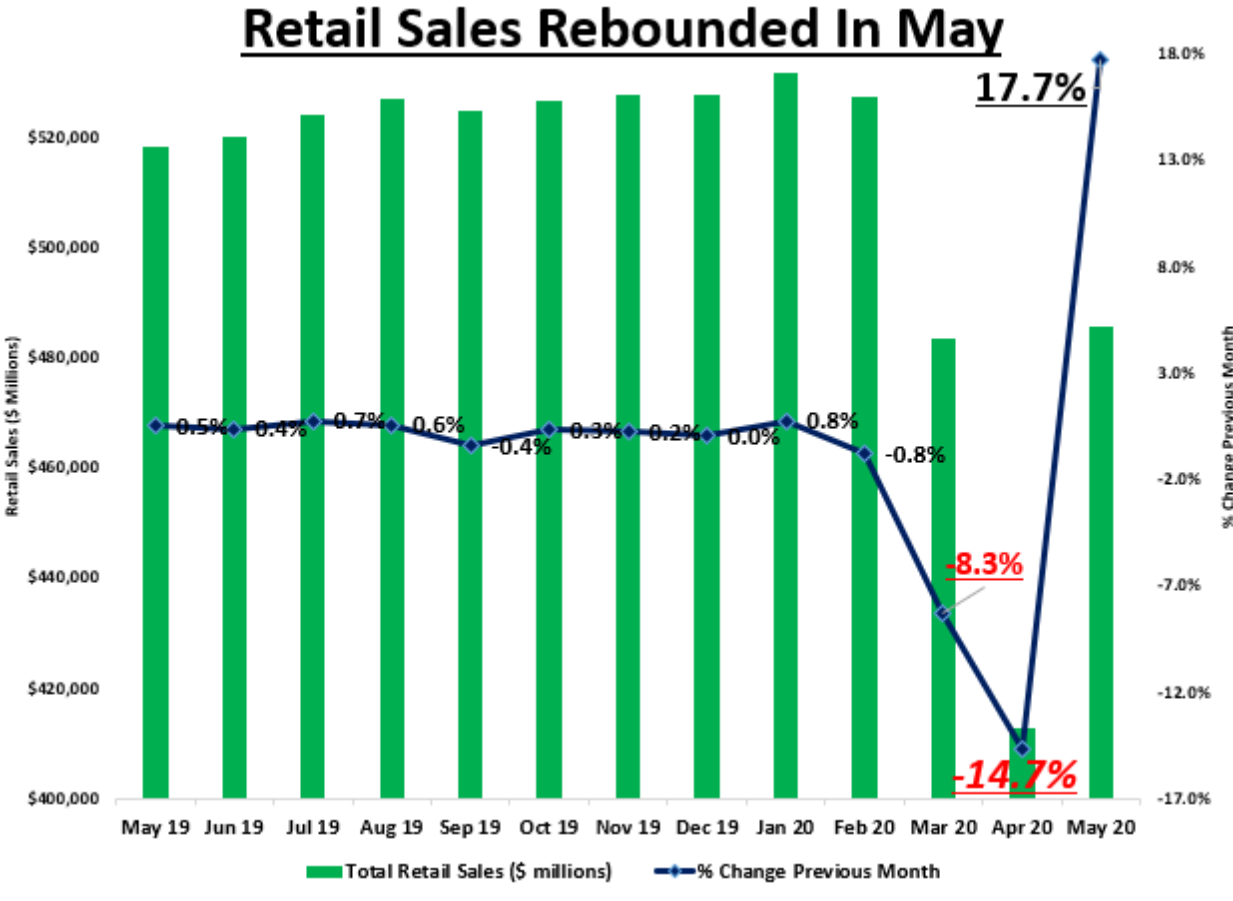


# Retail Sales Rise by Record Amount in May

At the risk of sounding like a broken record, consumer spending will be the driver of economic recovery. To really get the economy going again, consumers need to get back to spending.

Today's strong [retail sales report](#) for May is therefore good news. It may be an indicator we are starting a strong recovery.

Retail sales rebounded almost 18% in May. That is a record increase for one month. It beat the consensus estimates by a large margin, which were looking for growth of less than 10%.



As with all economic data right now, it is important to analyze both the rate of change (blue line) and the level of retail sales. Retail sales fell 8% in March and almost 15% in April. Both declines were record drops. The rebound in May brought retail sales back to March levels. They are still more than \$45 billion lower than they were in January, which was the recent peak. There is still a long way to go to repair the damage COVID-19 inflicted on consumers.

Because we have so far to go just to get back to where we were a few months ago, it is too soon to say what path the recovery will take. It is encouraging that we are talking about economic recovery, instead of the depth and severity of the contraction. More strong data points like this month's retail numbers will instill confidence that the recovery will be stronger than expected.

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

