

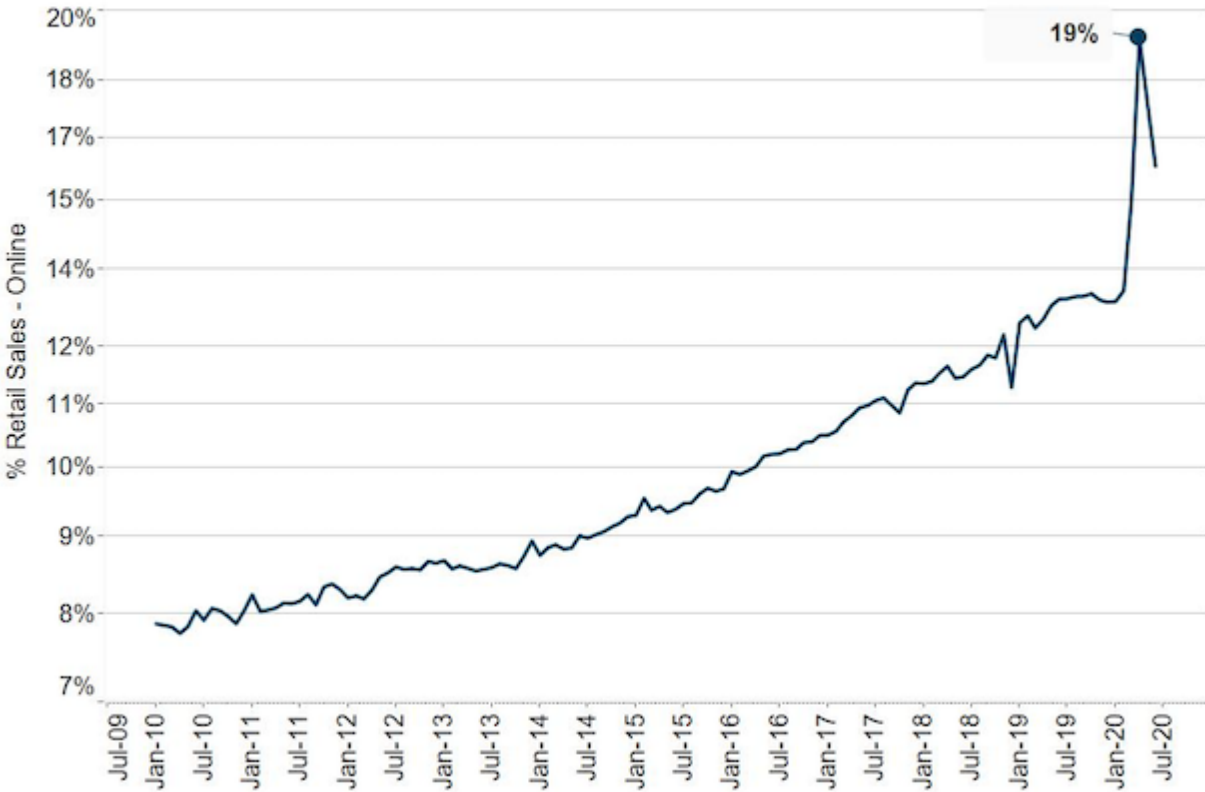
How Will Online Sales Do After the Pandemic?

Last week, the [Census Bureau reported](#) that retail sales increased a robust 7.5% in June. It also noted the amount of online sales. Online sales have been growing as a share of total retail sales for years, but in response to the COVID-19 pandemic, they have spiked.

The long-term trend has seen a move from sales in-store to online, but the shift has been slow. In 2010, online sales were about 8% of all sales. By early 2020, before the pandemic struck, that share had grown 5 percentage points to 13% of all sales.

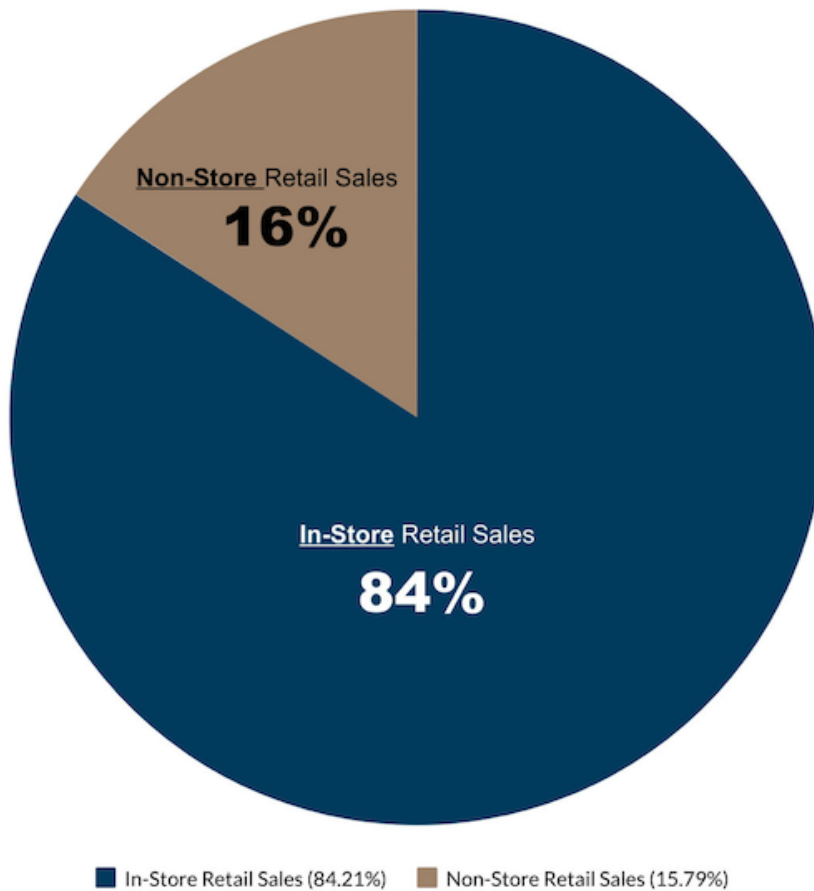
By April, in response to lockdowns, that share had grown 6 percentage points to over 19% of all sales. In other words, the share of online sales grew by more in a few months than it did the previous 10 years as people shopped online because they could not go to stores.

Online Sales' Share of Total Retail Spiked During the Pandemic



(mostly online sellers).

In-Store Retail Stores Still Make Up Vast Majority of Retail Sales - June 2020



The question going forward is how much will online sales return to trend? It is likely that the pandemic will permanently shift at least some sales online. The online shopping trend is going to continue, but at a higher level than before. The permanent move caused by the pandemic, no matter its size, is an acceleration of the trend.

However, the size of the acceleration will matter a great deal for the retailers, their financial backers, and the lenders that finance their stores, warehouses, and other capital investments. This will be a key issue to watch as the recovery unfolds.

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