

US Retail Sales Bounce Back as Inflation Eases



US retail sales rebounded in January amid a dip in inflation and strong employment figures.

Revenue rose 3% from the month before to \$697 million — adjusted for seasonal variation — compared with a decline of 1.1% in December, according to data the US Census Bureau released Wednesday. The increase also reflected good weather that drove people to go out and shop.

“Consumer spending clearly picked up after the holidays,” said National Retail Federation (NRF) chief economist Jack Kleinhenz. “Sales were helped along by job and wage growth, slightly lower inflation and unusually warm and dry weather that preceded February’s record cold. A large cost-of-living adjustment gave social-security beneficiaries more money to spend, and many consumers were still drawing on savings built up during the pandemic.”

Sales climbed 6.4% from a year earlier, up from December's 5.9% year-on-year increase, the NRF noted.

“January made up for the softer pattern of spending in December that came after early shopping pulled holiday spending forward this past fall,” Kleinhenz explained.

In January, sales advanced year on year in eight of the nine categories the US Census Bureau monitors. The clothing and accessories segment — which includes jewelry — rose 6.6% and was up 2.5% from December. Online sales across all products grew 5.7% from a year ago and gained 1.3% compared with the previous month.

Image: A crowded shopping mall. (Shutterstock)