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Slowing Down?

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Could those swipes be slowing down? And by swipes I mean consumer purchases. A recent Retail Brew article showed despite a very small (0.6%) sales increase from July to August of this year—according to the latest Census Bureau data—new data about the holiday season ahead is a “mixed bag.”

According to the NRF’s Chief Economist Jack Kleinhenz, “Households have the capacity to spend, but momentum is slowing, in part because savings built up during the pandemic are running lower and credit costs are rising.”

What other numbers from this Retail Brew piece can we munch on? Here’s one: Deloitte recently forecasted that holiday retail sales will grow 3.5% to 4.6% this year, which is down from last year’s 7.6% increase.

And here’s another: The Adobe Digital Price Index hit a 40-month year-over-year low in August. And another quote from the piece that I think speaks to this year’s outlook for holiday spending: “In the meantime, consumers continue to focus their spending on essentials and choose lower-cost options when they can, as evidenced by discount chain Dollarama beating its quarterly sales estimates and raising its annual profit forecast.” **GP**