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What's Ahead?

Ellen C. Wells

Are you hearing rumblings that a recession is on the horizon? I am. The economy doesn't look as rosy as it had a year or so ago, and several indicators point to slowing sales and decreasing consumer confidence. For a good synopsis, check out what Pam Danziger of Unity Marketing wrote on her blog in the item titled "Retailers Need to Get Ready for the Challenges 2019 Will Bring." It can be found on her website UnityMarketingOnline.com.

The question is, is it a self-correction to a booming market? Or is this more of a longer-term issue that could lead to a recession? According to Pam's post and her years of studying affluent consumers, she believes that those with incomes over \$100,000 are the bellwether for consumer trends. And in that regard, Pam points to a survey of folks with \$125,000-plus incomes conducted by Ipsos at the end of 2018 that found they are far less optimistic about the U.S. economy than they were the year before. But, as Pam points out, affluent consumers have set themselves up to weather through any economic dip or downturn by pulling back on spending.

While Pam falls short of predicting a recession, she calls for retailers to prepare and shares ideas of her own and from organizations such as Deloitte for weathering through what might be coming.

She ends with this: "In 2019, weakened retailers are facing a weak middle-class consumer base and the potential for a rapid withdrawal of the affluent heavy-spenders if they feel the least threatened in their economic status. It could add up to the perfect storm at retail this year."

Have you heard similar rumblings? Are you more or less prepared to weather uncertain economic times? Drop me a note about it at ewells@ballpublishing.com. **GP**