



Nationally, December 2009 retail sales up 5.4 percent year-over-year

Economists and retail associations nationwide had widely predicted gains of 1 to 2 percent in terms of overall holiday sales compared to the previous year, and it turns out these predictions were accurate. The U.S. Department of Commerce announced yesterday that advance estimates of U.S. retail and food service sales for December, adjusted for seasonal variation and holiday and trading-day differences, but not for price changes, were \$353.0 billion, up 5.4 percent compared to December 2008's total of \$335 billion. Looking at the broader "holiday season" results, sales for the October through December 2009 time period were up 1.9 percent compared to the same three-month period in 2008.

While the year-over-year comparison for the month of December is positive, year-to-date numbers are less encouraging: total sales for 2009 are down 6.2 percent compared to the previous year's 12-month total.

Additionally, in the near-term, many are focused on the fact that seasonally adjusted sales slipped by 0.3 percent for the month of December 2009 compared to the previous month, November 2009. These results run contrary to holiday Gallup poll spending surveys, which indicated consumers planned to spend \$743 on Christmas gifts when polled in December, compared to the \$638 reported in November.

Noted Jeremy Aguero of Applied Analysis, "Some attribute the month-over-month drop to inclement weather that affected parts of the central and eastern regions of the country throughout the month. Additionally, higher-than-expected initial jobless claims for the week ending January 9, 2010, which were up 11,000 compared to the previous week's initial claims total of 433,000, suggests persisting job insecurity may have contributed to the decline in retail sales."

Mary Lau, President of the Retail Association of Nevada, added, "The year 2009 ended much better than it started, considering the



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5.4-percent year-over-year growth rate in December and month-over-month growth reported in three of the past four months. Should these trends continue, they may very well point to much-needed employment growth.”

Motor vehicle and parts dealers performed particularly well in December, likely due to the expiration of the federal government’s sales tax deduction incentive on December 31, 2009. Perhaps as a sign of the times, non-store retailers also turned in strong performances, both year-over-year and month-over-month. Please see below for details regarding performance by type of retail business.

Taxable retail sales results for December for Nevada and Nevada counties will not be available until February.

National December 2009 Retail Sales by Type
Compared to previous month and same month previous year

	<u>December 2009 compared to:</u>	
	Nov-09	Dec-08
Retail and food services, total	-0.3%	5.4%
Motor vehicle & parts dealers	-0.8%	6.0%
Furniture & home furnishing stores	0.3%	-3.8%
Electronics & appliance stores	-2.6%	-0.7%
Building materials, garden and supplies	-0.4%	-5.8%
Food & beverage stores	-0.8%	2.7%
Grocery stores	-0.7%	2.6%
Health & personal care stores	0.8%	5.1%
Gasoline stations	1.0%	33.6%
Clothing and clothing accessories	0.6%	5.0%
Sporting goods, hobby, book & music stores	1.6%	4.6%
General merchandise stores	-0.8%	2.1%
Department stores	0.0%	-1.2%
Miscellaneous store retailers	-1.0%	4.1%
Non-store retailers	1.4%	10.3%
Food services & drinking places	-0.6%	1.0%

Source: U.S. Department of Commerce, advance monthly sales estimates for December 2009

About The Author

Applied Analysis, founded in 1997, is a Nevada-based advisory services firm providing information and analyses for both the public and private sectors.



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