

Research Note

V1N6

East Boston Economics

May 19, 2017

U.S. Census: Retail Sales for April 2017

Headline: \$474.9 billion; 0.4% MoM

OVERVIEW

- Advance estimates of U.S. retail and food services sales for April 2017, adjusted for seasonal variation and holiday and trading-day differences, but not for price changes, were \$474.9 billion, an increase of 0.4 percent (± 0.5 percent) from the previous month.
- The findings were based on a survey to 4,700 employer firms selected by the U.S. Census.
- Non-store retailers, i.e. online vendors, grew by 1.4 percent over the previous month.
- Electronics and appliance stores grew by 1.3 percent.
- Building and garden suppliers grew by 1.2 percent.
- Health and personal care stores increased by 0.8 percent.
- However, general merchandise stores declined by 0.5 percent.
- Gasoline increased by 0.2 in April. However, the sector grew by 12.3 percent since April 2016.
- Clothing declined by 0.5 percent.
- Food and beverage declined by 0.3 percent.

ANALYSIS

The May 12 Advance Monthly Sales for retail and food services was greeted with mixed enthusiasm in the business press. [Consumer Affairs](#) played up with “Retail sales post second monthly gain in a row.” [Investing.com](#) reported “U.S. retail sales bounce back less than expected in April.” “Retail Sales Rebound in April, Strengthening Case for June Hike,” declared the [TD Bank Financial Group](#). [The Financial Times](#) shaded its take with a bit of gray, “Cost to insure US department stores’ debt climbs after sales misses.” But the most revealing headline from the day’s coverage of retail sales came from the Associated Press, “[Losses at JC Penney double, sales slide, as do shares.](#)” Clearly, the bricks and mortar stores are hurting particularly when consumer spending and sentiment are high. General merchandise stores fell 3.0 percent in 2016. Non-store retailers — think Amazon and Overstock — grew by 11.9 percent since last April. The March Preliminary report printed a 12.7 increase since April 2016. “Retail is in a state of flux and is facing many challenges, but the source of these difficulties is not, primarily, a function of consumers spending less.” Andrew Hunter, U.S. economist at Capital Economics told the [Associated Press](#). If bricks and retail stores fade away what will happen in the commercial real estate market?

Sector	Sales (000s) YTD 2017	% change 2016	Share of Sector 4/2017
Motor vehicle & parts dealers	376,776	3.0%	21.0%
Food & beverage stores	229,082	1.5%	12.8%
Food services & drinking places	221,760	3.2%	12.4%
General merchandise stores	209,026	-3.0%	11.6%
Non-store retailers	190,614	10.7%	10.6%
Gasoline stations	142,073	14.3%	7.9%
Building material & garden equip.	113,651	5.9%	6.3%
Health & personal care stores	107,491	-9.0%	6.0%
Clothing & clothing accessories	75,250	-11.0%	4.2%
Miscellaneous store retailers	39,070	34.0%	2.2%
Furniture & home furnishing stores	35,163	2.2%	2.0%
Electronics & appliance stores	29,087	-3.0%	1.6%
Sporting goods, hobby, book & music	25,298	-0.41%	1.4%