

## Retail Trends

### July 20, 2023

#### **U.S. Retail Sales Rise Moderately, Economy Plodding Along**

U.S. retail sales rose less than expected in June as receipts at service stations and building material stores declined, but consumers boosted or maintained spending elsewhere, which likely kept the economy on a solid growth path in the second quarter. Overall, the mixed report from the Commerce Department painted a picture of consumer resilience, though slowing momentum in spending growth. [Read More](#)

#### **Consumers are Starting to Feel Better About the Economy**

There's still a long way to go — but U.S. consumers are starting to feel better about the economy. The University of Michigan's monthly Consumer Sentiment Index hit 72.6 for July — the highest reading since September 2021. By comparison, the index, which polls individuals about overall business conditions and how they're getting along financially, remains below the high of 101 it reached in February 2020, just prior to the start of the Covid-19 pandemic. [Read More](#)

#### **Back-To-School Shopping Expected to Reach Record Levels**

Consumers are expected to spend record amounts for both back-to-school and back-to-college shopping this year, according to the annual survey released today by the National Retail Federation and Prosper Insights & Analytics. Back-to-school spending is expected to reach an unparalleled \$41.5 billion, up from \$36.9 billion last year and the previous high of \$37.1 billion in 2021. Back-to-college spending is expected to hit \$94 billion, about \$20 billion more than last year's record. [Read More](#)

#### **Prime Day Helped Push E-Commerce More Than 6% to \$12.7B**

Several retailers jumped on Amazon's summer event, and inflation-weary shoppers took the opportunity to stock up on household essentials. It was a record event for U.S. e-commerce in general. Along with competing sales at other retailers, Prime Day this year helped push U.S. e-commerce up 6% year over year on July 11, and 6.4% on July 12, according to Adobe Analytics. Across both days, U.S. online sales rose 6.1% to \$12.7 billion, Adobe found. [Read More](#)

#### **U.S. Online Retail Sales to Reach \$1.14 Trillion in 2023**

FTI Consulting, Inc. projects U.S. online retail sales will reach \$1.14 trillion in 2023, an increase of 10% from the previous year. Consistent with its pre-pandemic rate, e-commerce is estimated to capture 42% of total retail sales growth in 2023. E-commerce sales growth (year-over-year) is expected to moderate to 10% or less in the coming years, and annual online sales growth through 2025 is expected to double the rate of store-based sales growth. [Read More](#)

#### **With Just 8% of New Vehicles Costing Under \$30,000, 'It's the Least Affordable Car Market in Modern History'**

By nearly every measure, buying a car has become extremely expensive. Not only are new vehicle prices near an all-time high, but the interest rate to finance a purchase has also jumped dramatically. Now, fewer affordable new cars even hit the market, according to recent reports. Today, new cars priced under \$30,000 make up just 8% of the market's supply, down from 38% pre-pandemic, car shopping app CoPilot found. [Read More](#)