

## **Retail Trends**

### **August 18, 2023**

#### **As Recession Fears Fade, We May be Experiencing a ‘Richcession’**

Despite persistent predictions that a recession is imminent, the U.S. economy has fared surprisingly well. The first half of 2023 notched two quarters of positive growth, while a strong labor market and resilient consumer spending bodes well for the months to come. Some experts have backed off those earlier predictions and embraced the idea of soft landing or even a “rolling recession,” when parts of the economy take turns contracting rather than simultaneously. Yet a “richcession” may better describe the current climate since the job losses to date have disproportionately affected white-collar workers. [Read More](#)

#### **Retail Sales Rose Solidly in July**

Americans increased their purchases at retailers last month – for clothing, dining out, online goods and other areas – in a sign that solid consumer spending is still powering a resilient U.S. economy. Retail sales rose a better-than-expected 0.7% in July from June, according to the Commerce Department’s report. The gain was higher than a revised 0.3% increase the previous month and marked four straight months of increases. [Read More](#)

#### **Homebuilder Sentiment Drops Sharply as Mortgage Rates Surge Over 7%**

Builder sentiment dropped 6 points to 50 in August, according to the National Association of Home Builders/Wells Fargo Housing Market Index. Anything over 50 is considered positive. With mortgage rates now holding solidly over 7%, according to Mortgage News Daily, rising mortgage rates are hitting potential homebuyers hard and is taking steam out of the homebuilding market. [Read More](#)

#### **Store Closing Announcements Up**

In the first six months of calendar 2023, significant U.S. retailers announced plans to open about 3,420 new stores, down sharply from about 5,080 announced openings in last year’s first half, according to analytical work by The Daily on Retail. Retailers announced plans to close about 3,365 stores, nearly four times higher than the approximately 895 store closings announced in the first and second quarters of 2022. [Read More](#)

#### **Online Prices Fall for Eleventh Consecutive Month**

Adobe's Digital Price Index recently reported that online prices in July 2023 fell 1.6% year-over-year, marking the eleventh consecutive month of price decreases, with the majority of categories tracked by Adobe seeing falling prices on an annual basis. July’s price decline was driven by notable drops in categories such as appliances which fell 8%, and steeper declines in electronics which fell 11.7% and computers which fell 15.4%. [Read More](#)