

Retail Trends

May 8, 2025

Monthly Retail Sales from the US Commerce Department



In March 2025, U.S. core retail sales (excluding food, auto, and fuel) increased by 3.6% year-over-year, indicating a robust consumer response amid tariff concerns. Non-store sales, encompassing e-commerce and other non-traditional channels, rose by 2%, while furniture and home goods experienced a 2% uptick. General merchandise sales remained flat, clothing and accessories declined by 3%, sporting goods and hobbies fell by 6%, and electronics and appliances saw a 9% decrease, reflecting varied consumer spending patterns across sectors.

NRF Forecasts 2025 Retail Sales to Hit \$5.42 Trillion, Despite Economic Uncertainty



The National Retail Federation (NRF) forecasts that retail sales in 2025 will grow between 2.7% and 3.7%, reaching up to \$5.48 trillion. This growth is supported by low unemployment and real wage gains, despite economic uncertainties and policy concerns. The NRF also expects non-store and online sales to increase significantly, highlighting the ongoing shift towards e-commerce.

Powell Rules Out Preemptive Rate Cut to Blunt Tariff Impact



The Federal Reserve decided to keep interest rates steady at 4.25% to 4.5%, citing increased risks of higher unemployment and inflation due to President Trump's tariffs. Fed Chair Jerome Powell emphasized the need to wait for more data before considering any rate cuts, rejecting the idea of preemptive action. Powell also noted that the tariffs could delay the Fed's progress toward its goals for at least the next year.

Brick and Mortar

Full List of April Store Closures

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Several major retailers, including Walgreens, JCPenney, Dollar General, and Kohl's, are closing numerous stores nationwide in April due to declining brick-and-mortar sales. This trend underscores the ongoing struggle of traditional retail to adapt to the rise of e-commerce and the decline of shopping malls. The closures highlight significant shifts in consumer behavior and the retail industry's efforts to redefine business models for long-term sustainability.

Joann Fabrics Stores in 22 States Soon to be Taken Over by Burlington Coat Factory



The closures of Joann stores, driven by inflation and changing consumer habits, present a strategic opportunity for Burlington Coat Factory to grow amidst the retail industry's shifting landscape. Burlington Stores is moving to acquire leases for 45 of Joann's locations across 22 states. This move allows Burlington to expand its footprint significantly, with plans to open 100 new stores this year.

As Warehouse Clubs Boom, Sam's Club Plans to Open 15 Stores per year



Sam's Club plans to open 15 new stores per year and remodel all 600 U.S. locations, aiming to double its membership over the next eight to ten years. This expansion comes amid economic uncertainty due to tariffs, highlighting the warehouse club's strategy to attract value-seeking consumers. The move is significant as it reflects the broader trend of warehouse clubs like Costco and BJ's Wholesale gaining traction by offering larger quantities and savings during challenging economic times.

Walmart Pulls Q1 Guidance Due to Tariffs



Walmart announced that tariffs could negatively impact its first-quarter profits, despite stable sales projections. The company emphasized the need for flexibility to manage costs and keep prices low amidst economic uncertainty. Walmart's leaders highlighted the challenges posed by tariffs and inflation but expressed confidence in their long-term strategy to maintain market share and business strength.

Off-price Chains Poised to Win as Tariffs Play to Strengths in Sourcing, Inventory



Off-price chains like TJ Maxx, Ross, and Burlington are poised to benefit from aggressive tariffs on China-made goods due to their expansive sourcing strategies and inventory management. These retailers often acquire merchandise from U.S. middlemen, allowing them to sidestep direct tariff impacts and capitalize on market dislocations. The tariffs and changing consumer habits are

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expected to drive more shoppers to off-price stores seeking bargains, reinforcing their business model's resilience and adaptability.

Mother's Day Spending to Reach \$34.1 Billion



Mother's Day spending is projected to reach \$34.1 billion this year, slightly up from last year's \$33.5 billion but below the record \$35.7 billion in 2023. The average spending per person is expected to be \$259.04, with popular gifts including flowers, greeting cards, and special outings like dinner or brunch. This increase in spending highlights the importance of Mother's Day as a major consumer holiday, second only to the winter holidays in terms of average spending.

Skechers Sold for \$9 Billion to Become Private Company



Skechers is being acquired by 3G Capital for over \$9 billion, taking the company private amid concerns about U.S. tariffs on foreign goods, particularly from China. Despite these uncertainties, Skechers reported record revenue in 2024 and plans to maintain its leadership and headquarters in Manhattan Beach, California. The acquisition, approved by Skechers' board, represents a strategic move to navigate the challenging economic landscape and optimize global production costs.

Ford Pulls Guidance, Warns it Will Take \$1.5 Billion Hit from Tariffs



Ford Motor Company suspended its annual guidance due to uncertainty around President Trump's tariffs, which are expected to cost the company about \$1.5 billion in adjusted earnings before interest and taxes this year. The tariffs are projected to add \$2.5 billion in overall costs, mainly from importing vehicles from Mexico and China, although Ford has managed to reduce about \$1 billion of these costs through various actions. Despite these challenges, Ford's first-quarter earnings per share fell to 14 cents, surpassing expectations, but net income dropped sharply to \$471 million from \$1.3 billion a year earlier.

Used Vehicle Pricing Barometer Jumps to Highest Level Since 2023



The Manheim Used Vehicle Value Index, which tracks prices of used vehicles sold at U.S. wholesale auctions, increased by 4.9% from a year ago, reaching its highest level since October 2023. This surge is attributed to consumers rushing to purchase used cars amid fears of price hikes due to new auto tariffs. Despite the tariffs not directly impacting used car sales, changes in new vehicle prices and production significantly affect the used car market, driving up prices and demand.

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Ecommerce

Etsy Touts 'Shopping Domestically' as Tariffs Threaten Price Increases for Imports



Online retailer Etsy is promoting domestic shopping to mitigate the impact of tariffs on imports. The company is highlighting local sellers on its website and app, aiming to reduce disruptions for its 5.6 million sellers. This strategy is intended to help Etsy compete with rivals like Shein and Temu, who plan to raise prices due to the tariffs.

Trade

Tariffs Will Cost Each Household Nearly \$5,000 per Year



President Trump announced 25% tariffs on all imported passenger vehicles and key parts, effective April 2, 2025, which are expected to significantly increase car prices for U.S. consumers. The tariffs will impact vehicles and parts from Canada and Mexico, potentially raising manufacturing costs by \$4,000 to \$12,000 and disrupting the automotive supply chain. Automakers may pass these increased costs onto consumers, leading to higher sticker prices and affecting both foreign and domestic car manufacturers.

Trade Tariff Slump Widens to 'Nearly All U.S. Exports,' Supply Chain Data Shows



The U.S. export slump, which began in early 2025, has now extended to nearly all export market products and most ports, with agriculture being the hardest hit. This decline is significant as it reflects the worsening impact of President Trump's tariffs, leading to a 43% week-over-week drop in container shipments and causing major disruptions in the supply chain. The situation is reminiscent of the disruptions seen in 2020, highlighting the severe economic challenges and the need for strategic adjustments in trade policies and logistics.

Trump Signs Executive Order to Encourage US Drug Manufacturing



President Trump signed an executive order to encourage U.S. drug manufacturing by streamlining FDA reviews and improving enforcement of active-ingredient source reporting. The order aims to reduce approval times for pharmaceutical plants and includes surprise inspections of overseas facilities. This initiative is part of broader efforts to shift drug production to the U.S., addressing national security concerns and reducing reliance on foreign imports.

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Mattel CEO Says Toy Manufacturing Won't Come to America, but Price Hikes Will