

## NRF Predicts Retail Sales Will Grow 4% This Year

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Source: National Jeweler

Washington--The National Retail Federation has predicted that retail sales will increase between 3.7 percent and 4.2 percent in 2017.

Online sales and non-store/online sales are expected to increase between 8 and 12 percent, a figure that is included in the overall 3.7-4.2 percent prediction.

“The economy is on firm ground as we head into 2017 and is expected to build on the momentum we saw late last year,” said NRF President and CEO Matthew Shay. “With jobs and income growing and debt relatively low, the fundamentals are in place and the consumer is in the driver’s seat.”

NRF’s Chief Economist Jack Kleinhenz said: “It is clear that online sales will continue to expand in 2017 and provide growth for the retail industry. But it is important to realize that virtually every major retailer sells online and many of those sales will be made by discount stores, department stores and other traditional retailers. Retailers sell to consumers however they want to buy, whether it’s in store, online or mobile.”

NRF stated that the economy should provide 160,000 new jobs a month in 2017, which is slightly down from last year, and unemployment should drop to 4.6 percent by the end of the year.

The retail trade association expects overall economic growth to be at about 1.9 to 2.4 percent for the year.

Shay and Kleinhenz also spoke on the economic ramifications of having a new administration in the White House.

“This year is unlike any other,” said Shay. “While consumers have strength they haven’t had in the past, they will remain hesitant to spend until they have more certainty about policy changes on taxes, trade and other issues being debated in Congress.

“Lawmakers should take note and stand firm against any policies, rules or regulations that would increase the cost of everyday goods for American consumers.”

Kleinhenz added, “Prospects for consumer spending are straightforward--more jobs and more income will result in more spending. Regardless of sentiment, the pace of wage growth and job creation dictate spending.

“Our forecast represents a baseline for the year, but potential fiscal policy changes could impact consumers and the economy. It seems unlikely that businesses will notably increase investment until tax reform and trade policies are well-defined.”

The NRF represents most traditional retail industries, including non-store sales, discounters, department stores, grocery stores, specialty stores and auto parts and accessories stores.

However, the NRF does not take sales into account from auto dealers, gas stations or restaurants, and these industries are not represented in the above predictions.