

## RETAIL SALES – NOVEMBER 2016

The advance monthly sales for retail and food services in November came in at \$465.5 billion – \$400 million higher than in October, according to the U.S. Census Bureau’s latest estimates. Retail sales increased 0.1% in November following a 0.6% increase in October. From a year ago, retail sales increased 3.8%.

On a monthly basis, food service and drinking places led retail sales increased by 0.8% followed by furniture and home furnishings stores (0.7%) and food and beverage stores (0.4%). Building materials and supplies stores gained a 0.3% increase in sales. Motor vehicles and parts dealers’ sales fell 0.5%.

Year-on-year, nonstore retailers’ sales grew the fastest followed by health and personal care store sales increasing 11.9% and 6.2%, respectively. Building materials and supplies sales increased 4.3% and sales at motor vehicle and parts dealers rose 3.3%, according to the U.S. Census report.

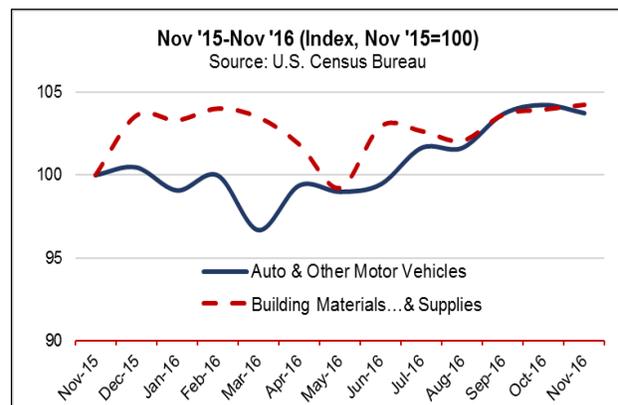
### Credit Union Impact Meter: **Medium**

Retail sales gain continued for the third consecutive month following flat June to August retail numbers. The increase in restaurant and food and beverage sales were mainly due to the Thanksgiving holiday. The nonstore retailers’ sales increase of 0.1% and department store sales decrease of 0.2% suggest stronger consumer preference for online shopping than traditional brick-and-mortar stores. Gains in home and furnishing sales and dining out should have a positive effect on credit union credit card loans.

The increase in building materials and supplies sales in November and over the past 12 months remains consistent with healthy housing market. Although auto and other motor vehicle sales fell marginally in November, from a year ago it rose 3.8% in line with continued upward trending auto sales. Given stable housing and automobile demand, expect credit union mortgage and auto lending to finish strong in 2016 and stay positive next year.

As expected, Fed funds interest rate went up 25 basis points on December 14th taking the upper limit to 0.75%. While interest rates are beginning to move away from historical lows, the U.S. economy continues to expand at a moderate pace, hence lending and borrowing cost will stay low for some time and further Fed funds rate hikes will continue to be moderate.

### Data Snapshot: Retail Sales – 12-Month and Monthly Periodic Change (%)



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