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Holiday sales cheer?

In October of this year, the [National Retail Federation](#) (NRF) released its [2009 holiday forecast](#), projecting a 1% decline in holiday retail sales, to \$437.6 billion. The NRF said "While this number falls significantly below the ten-year average of 3.4 percent holiday season growth, the decline is not expected to be as dramatic as last year's 3.4 percent drop in holiday retail sales."

Similar sentiment was shared by retail associations and other retailers and experts in the region. For example, [Georgia Retail Association](#) president John Heavener said in a [November 15 article](#) in [Macon.com](#) that "We are hoping that if we can come in this year somewhere flat with last year, we will be thrilled."

The [Florida Retail Federation](#) (FRF) said that [holiday sales in 2009](#) are expected to be better than 2008. [Rick McAllister](#), president and CEO of the FRF, believes the retail industry will break even, which is better than 2008.

[Kerry Gatlin](#), dean of the [College of Business at the University of North Alabama](#), discussed the holiday shopping season in a [Times Daily article in late November](#). He said that "From all indications, it's going to be a pretty good shopping season. This won't be a record-setting Christmas shopping season, but there's no reason to think it will be gloom and doom, either."

At a recent meeting with mall managers, we learned that many expect an increase in holiday sales compared to last year. There seemed to be a feeling that shoppers will "do Christmas right" since they have been cutting back and saving since the recession began.

The Atlanta Fed's most recent retail survey revealed that retail conditions are continuing to strengthen throughout the region. The majority of retailers that participated in the District's retail survey reported that activity was at or above their expected levels. Sales, traffic, satisfaction with inventory levels and expectations for the upcoming months continued to improve. Click [here](#) to see the full report.

Taken as a whole, these reports suggest that this holiday shopping season may indeed be a bit more cheerful than last year. We will continue to track retail activity in the region throughout December and will share our findings in future SouthPoint postings as well as in our [Regional Economic Information Network](#) reports on consumer spending.

By [Michael Christz](#), an assistant vice president in the Atlanta Fed's research department

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