

Another Big Jump in Retail Sales in March as Consumers Remain in Good Shape

- **Retail sales rose 0.7% in March from February, with an upward revision to sales growth in February.**
- **Details were good, with core sales up 1.0% over the month.**
- **Consumer fundamentals are solid in the spring of 2024.**
- **Consumer spending growth will continue throughout the year, supporting overall economic expansion.**

Retail sales increased 0.7% in March from February. Retail sales excluding autos and parts were up 1.1%, and sales excluding autos and gasoline (core sales) were up 1.0%. Control retail sales—sales excluding food service, autos, gasoline, and building materials, and which go into nominal consumer spending in GDP—rose 1.1% in March. Overall retail sales increased 0.9% in February, revised higher from 0.6%. Core retail sales increased 0.5% in February, revised up from 0.3%.

For the first quarter as a whole retail sales rose 0.2%, with core retail sales up 1.3%. Control sales were up 3.1% annualized in the first quarter.

There was a big jump in retail sales in March from February, and February's gain was revised higher. The early Easter and high inflation accounted for some of the increase in March, but underlying consumer spending growth remains very solid. Consumer fundamentals are good in the spring of 2024: job growth is strong, wages are rising faster than inflation, household wealth is up with rising home values and stock prices, and balance sheets are good. Households need to increase their saving, but with strong income growth they can both save more and spend more. With consumer spending accounting for about two-thirds of the US economy, the current expansion should continue throughout 2024 and into 2025, albeit at a slower pace than last year.

Sales at gasoline stations jumped 2.1% in March with an increase in gas prices. Sales of motor vehicles and parts fell 0.7% over the month. There were big increases in sales in March for nonstore retailers (primarily online sales, up 2.7%), general merchandisers (up 1.1%), and building materials (up 0.7%). There was a solid increase in spending of 0.4% at restaurants and bars, suggesting that consumer discretionary spending growth remains solid. Sales fell for specialty stores (down 1.8%), clothing and accessories (down 1.6%), electronics and appliances (down 1.2%), and furniture and home furnishings (down 0.3%).

PNC Economics

economics@pnc.com

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Gus Faucher
Chief Economist

Stuart Hoffman
Senior Economic Advisor

Kurt Rankin
Senior Economist

Ershang Liang
Economist