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Discounters gain during recession as retail spending falters

Through the first nine months of 2009, total retail sales in the U.S. (adjusted for inflation) were 6.4 percent lower than the same period last year and 8.7 percent below the 2007 peak. Retail sales have fallen only one other time since 1992 during the first nine months of the year; a modest 0.8 percent decline in 2001.

Some retail sectors have been devastated by the economic slowdown while others appear to have held their own. Auto and other motor vehicle dealer sales have fallen almost 30 percent nationally since 2007. General merchandise stores (traditional department stores, discount department stores, supercenters and warehouse clubs) seem to have escaped the economic slowdown with less than a 1 percent decline in inflation-adjusted sales. However, looking a little deeper tells a different story.

Removing traditional department stores from the other general merchandise stores category reveals that sales at discount department stores, supercenters and warehouse clubs have actually increased through the first nine months of 2008 and 2009 as consumers looked to stretch their shopping dollars. Excluding traditional department stores, sales at general merchandise stores are up 7 percent (\$20 billion) over 2007. Unfor-

Retail sales

Week 1:
Discounters find
gains in downturn

Percentage change in retail sales

	2008	2009
Retail sales, total (excl. motor vehicle and parts dealers)	0.94%	-6.47%
Automobile and other motor vehicle dealers	-13.81%	-29.41%
Grocery stores	1.86%	1.44%
Clothing and clothing accessories stores	-3.52%	-9.52%
General merchandise stores except department stores	4.75%	7.04%
Department stores (excl. L.D.)	-7.43%	-14.12%
Food services and drinking places	-0.12%	1.12%

Source: U.S. Census

tunately, these increases were more than offset by a \$23 billion decline in sales at traditional department stores.

The following chart provides data for several major retail categories. Similar data for other retail sectors is available free online at: <http://www.census.gov/retail/marts/www/timeseries.html>.