

# Bulletin

## U.S. Data

Advance September 2005 Retail Sales • Released October 14, 2005

### STANDING UP TO THE STORMS

Despite the double punch of two major hurricanes hitting the Gulf Coast, retail sales prevailed the storm. For the most part, retail sales were on track with their year-to-date average growth rates.

By the admission of the U.S. Census Bureau for Retail Trade, it is extremely difficult to pinpoint the exact effects of the hurricanes due to sample sizes and reporting issues. In addition, for the overall national economy, the affected Gulf Coast region is a relatively small segment (approximately 1.2% of the total population). In addition, while some businesses experienced lower sales, others gained sales as a result of the vigilance residents did to prepare for the hurricanes (e.g., building supply, grocery stores).

Overall, the national retail economy gained 7.1% in September bringing the year-to-date growth to 7.6%. Removing the effects of slower automotive sales and ratcheted up gas prices as well as food and drug stores, the retail economy gained 7.7%.

The 36% sales increase for Gasoline Stations is completely off-the-charts. Many were beginning to question if this is the new reality. Thankfully prices have re-adjusted downwards

but the continued effect on everything from transportation costs, plastic packaging, and plastic components themselves have manifest in higher inflationary figures for other retail categories. However, for the moment inflation appears to be relatively tame.

While Department Stores continued to suffer as a category overall (-2.9%), many retail categories enjoyed a rather robust September. Building Material and Garden Equipment Stores and Furniture and Home Furnishings Stores clocked in at just under 10%. While this was on par with the Building Material and Garden Equipment Stores growth rate, it was almost twice the growth rate experienced year-to-date for Furniture and Home Furnishings Stores.

Electronics and Appliance Stores experienced a relatively good month (6.3%) thanks to good sales at Best Buy and Circuit City.

Clothing and Accessories Stores continued to be on track gaining 5.8%. While there are mumbblings throughout the industry that the category is decelerating, the rapidly changing weather patterns from L.A. to Boston are going to affect sales.

E-tailers are feeling rather bullish with strong sales continuing. Many forecasters are indicating that higher gas prices may actually be a boost to online sales. For more please check out Jim Okamura's Webinar at [www.multichannelmerchant.com](http://www.multichannelmerchant.com)

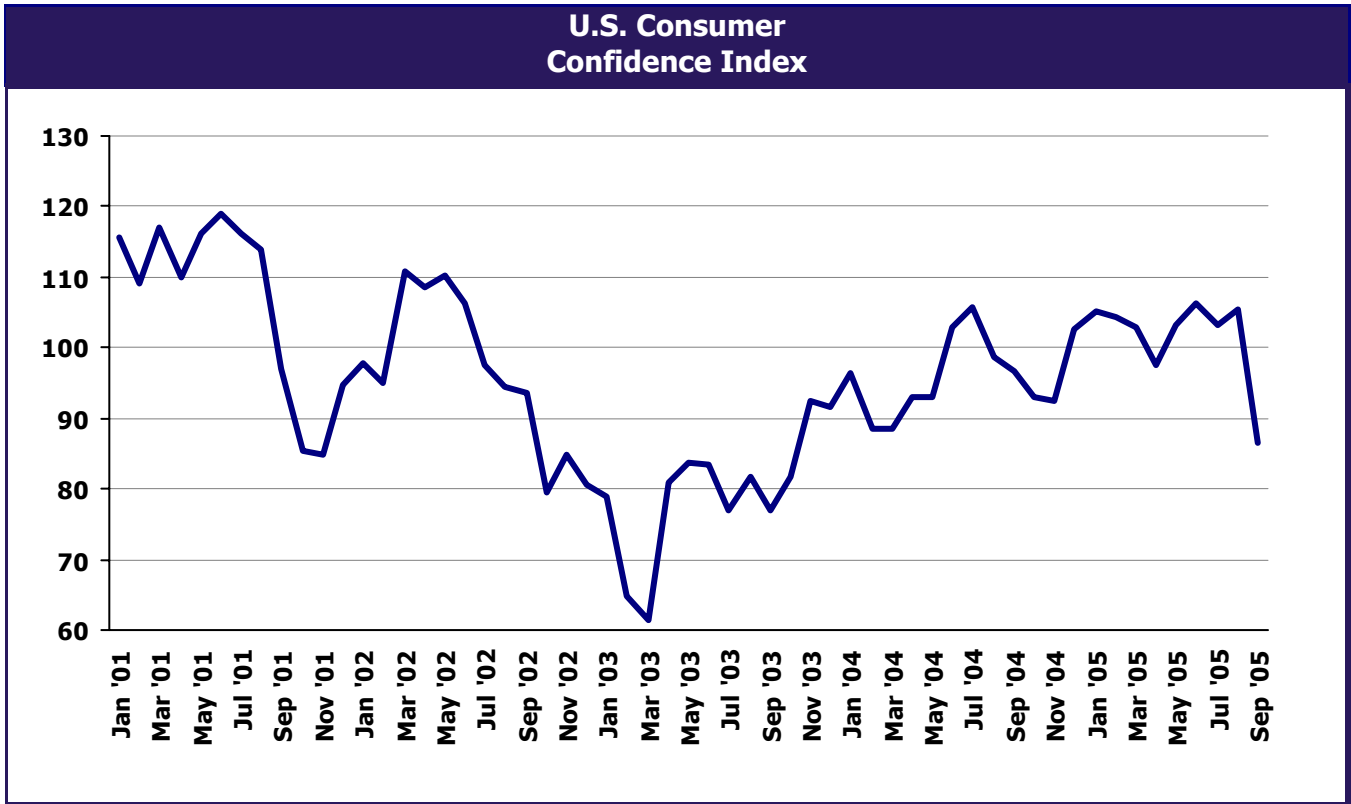
**RELEASE DATE OF THE NEXT NATIONAL RETAIL BULLETIN:**  
November 15, 2005

#### Please note:

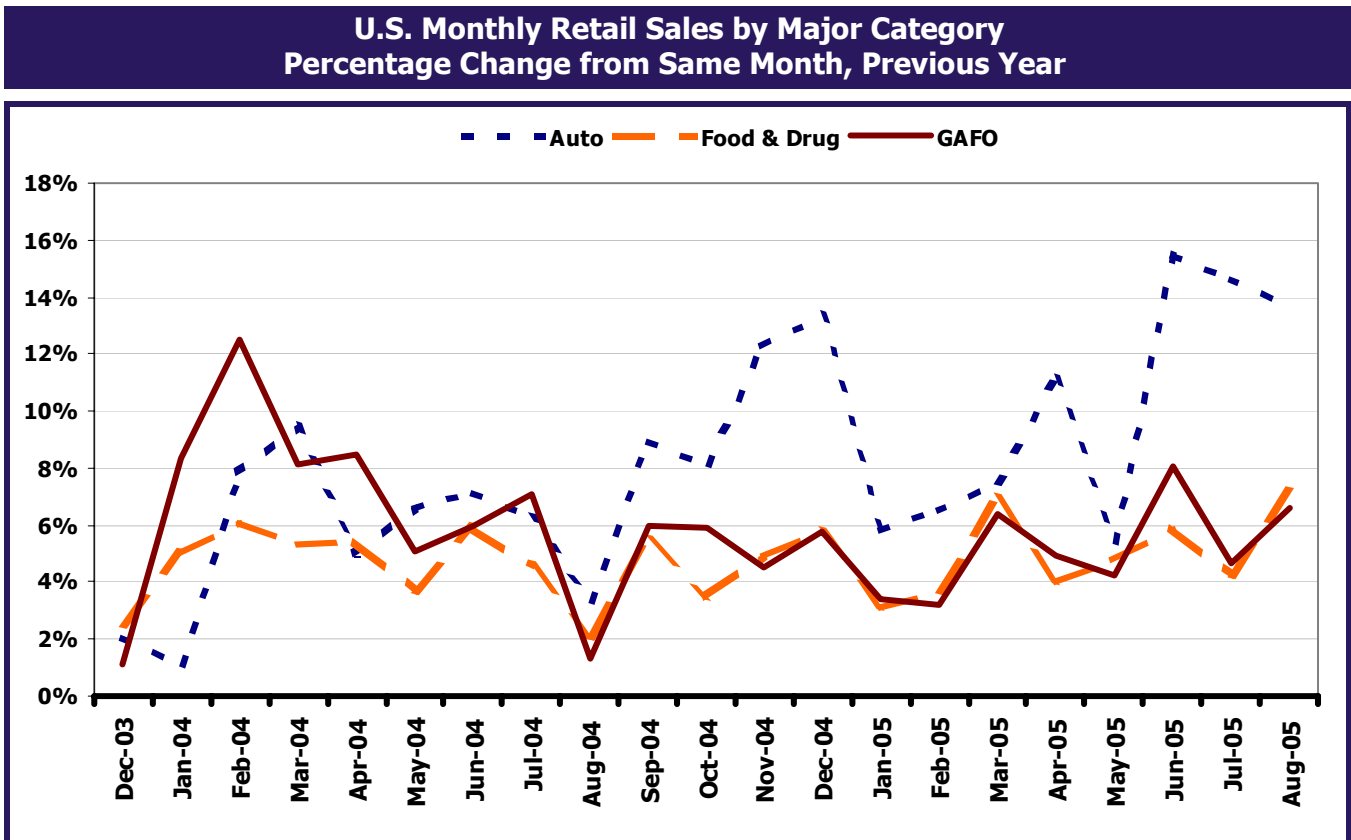
The J.C. Williams Group National Retail Bulletin compares the latest monthly release of "raw" (i.e., unadjusted for seasonality, holiday, and trading day) retail sales figures to those in the *same calendar month of the previous year*. The U.S. Census Bureau also reports seasonally adjusted sales that are compared to the *previous month within the current calendar year* to measure change in Gross Domestic Product (GDP). Although other sources use seasonally adjusted figures, J.C. Williams Group believes that using raw figures and making comparisons to the previous year's performance more accurately reflects the seasonality of the retail industry, and therefore, are more useful in analysis. Definitions can be found on the U.S. Census Website: [www.census.gov](http://www.census.gov).

<b>Advance Sales for the Month of September</b>	<b>2005</b>	<b>2004</b>	<b>% Change</b>
All Stores	341,813	319,134	7.1%
Motor Vehicle and Parts Dealers	72,126	75,195	-4.1%
Gasoline Stations	36,890	27,083	36.2%
Food and Beverage Stores	43,506	41,016	6.1%
Grocery Stores	39,082	36,989	5.7%
Health and Personal Care Stores	17,790	16,537	7.6%
Building Material and Garden Equipment Stores	28,438	26,028	9.3%
General Merchandise Stores	40,764	38,074	7.1%
Department Stores (excluding leased departments)	15,547	16,006	-2.9%
Clothing and Accessories Stores	15,027	14,209	5.8%
Furniture, Home Furnishings, Electronics and Appliance Stores	16,955	15,706	8.0%
Furniture and Home Furnishing Stores	9,199	8,413	9.3%
Electronics and Appliance Stores	7,756	7,293	6.3%
Sporting Goods, Hobby, Book and Music Stores	6,339	6,246	1.5%
Miscellaneous Store Retailers	9,397	8,777	7.1%
Nonstore Retailers	21,361	19,082	11.9%
Food Services and Drinking Places	33,220	31,181	6.5%
<b>Year-to-Date Sales Ending September</b>	<b>2005</b>	<b>2004</b>	<b>% Change</b>
All Stores	3,069,382	2,852,301	7.6%
Motor Vehicle and Parts Dealers	710,276	670,808	5.9%
Gasoline Stations	285,805	236,273	21.0%
Food and Beverage Stores	385,381	367,756	4.8%
Grocery Stores	346,418	331,808	4.4%
Health and Personal Care Stores	160,790	151,580	6.1%
Building Material and Garden Equipment Stores	249,187	228,615	9.0%
General Merchandise Stores	370,727	348,792	6.3%
Department Stores (excluding leased departments)	145,269	145,856	-0.4%
Clothing and Accessories Stores	136,000	128,838	5.6%
Furniture, Home Furnishings, Electronics and Appliance Stores	147,379	140,073	5.2%
Furniture and Home Furnishing Stores	78,249	74,700	4.8%
Electronics and Appliance Stores	69,131	65,373	5.7%
Sporting Goods, Hobby, Book and Music Stores	55,667	54,779	1.6%
Miscellaneous Store Retailers	82,542	77,891	6.0%
Nonstore Retailers	183,335	163,732	12.0%
Food Services and Drinking Places	302,293	283,164	6.8%

Source: US Census Bureau. All values are expressed in millions of US dollars and are not seasonally adjusted.



Source: U.S. Conference Board



Source: U.S. Census Bureau