

# Bulletin

U.S. Data

Advance December 2008 Retail Sales • Released January 14, 2009

## DECEMBER SALES REFLECT A CHALLENGING YEAR

December's consumer confidence fell significantly from last month, which set an all-time low of 38 points. This represented a drop close to seven points from November's confidence and is suggestive of consumer concern during a challenging economic month.

All Stores sales were down -7.9% for the month, however excluding sales from Motor Vehicles and Parts Dealers and Gasoline Stations, the overall decline is a notably softer landing at -2.0%. Gasoline Stations were hardest hit with a drop of -35.1% for the month.

Consumer staples remained a purchasing priority, with small but positive sales growth for Food and Beverage Stores (0.7%) and Grocery Stores (0.4%).

Health and Personal Care Stores did particularly well, with an increase of 7.6% for the month. They are, however, not exempt from economic pressures, which is evidenced by Walgreens' recent layoff announcement.

While holiday sales provided a much needed boost to retailers, winter storms, power outages, and economic uncertainty had a negative impact on retail. Big-ticket categories suffered

with Furniture and Home Furnishing Stores falling -11.9% and Electronics and Appliance Stores down -3.2%. Building Material and Garden Equipment Stores were also down, dropping -5.5% from last year.

Clothing and Accessories also fared poorly with a drop of -9.4%. Meager sales performance will likely result in diminished December profits for a number of retailers.

Department stores declined by -7.8% in the month of December. Sales for General Merchandise stores were reduced by -2.5% compared to last year. Target reported same store sales were down -4.1%, while Wal-Mart's growth fell slightly short of expectations with only a 1.9% rise in same store sales.

Sporting Goods, Hobby, Book and Music Stores saw a sales boost of 0.7% for the month, raising their year-to-date sales to 1.1% over last year.

Many retailers are experiencing a variation in expenditure results between their offline and online stores. Overall consumer spending is taking a hit, however many categories online, like sports and fitness, are outperforming their Brick and Mortar counterparts.

While there is certainly an air of pessimism about the current state of affairs, overall consumer sentiment toward the short-term future economic situation is more optimistic.

**RELEASE DATE OF THE NEXT NATIONAL RETAIL BULLETIN:**  
February 12, 2009

### 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).

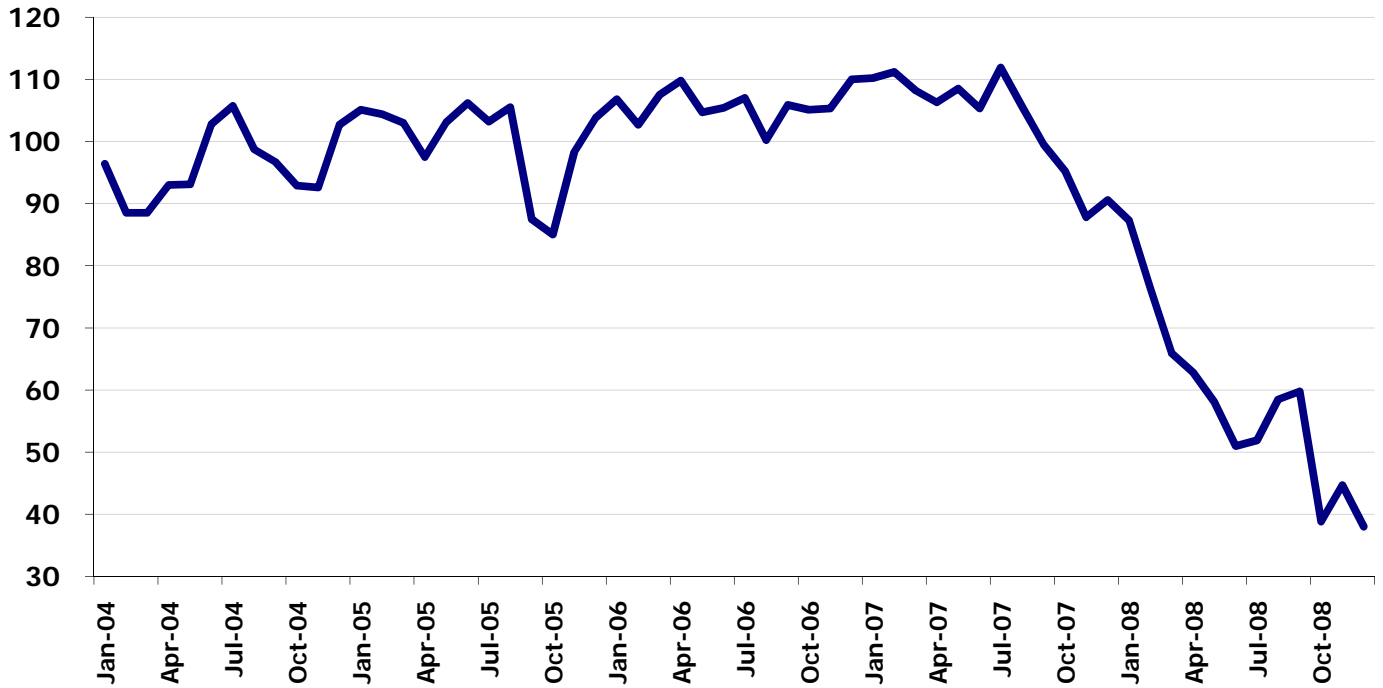
## Retail Sales by Store Category

Sales for the Month of December	2008	2007	2008/2007
<b>All Stores</b>	<b>396,150</b>	<b>429,953</b>	<b>-7.9%</b>
<b>Motor Vehicle and Parts Dealers</b>	<b>56,105</b>	<b>69,864</b>	<b>-19.7%</b>
<b>Gasoline Stations</b>	<b>24,878</b>	<b>38,358</b>	<b>-35.1%</b>
<b>Food and Beverage Stores</b>	<b>52,819</b>	<b>52,470</b>	<b>0.7%</b>
Grocery Stores	45,653	45,463	0.4%
<b>Health and Personal Care Stores</b>	<b>23,498</b>	<b>21,839</b>	<b>7.6%</b>
<b>Building Material and Garden Equipment Stores</b>	<b>22,147</b>	<b>23,429</b>	<b>-5.5%</b>
<b>General Merchandise Stores</b>	<b>69,593</b>	<b>71,346</b>	<b>-2.5%</b>
Department Stores (excluding leased departments)	27,380	29,700	-7.8%
<b>Clothing and Accessories Stores</b>	<b>28,296</b>	<b>31,235</b>	<b>-9.4%</b>
<b>Furniture, Home Furnishings, Electronics and Appliance Stores</b>	<b>24,642</b>	<b>26,464</b>	<b>-6.9%</b>
Furniture and Home Furnishing Stores	9,839	11,172	-11.9%
Electronics and Appliance Stores	14,803	15,292	-3.2%
<b>Sporting Goods, Hobby, Book and Music Stores</b>	<b>12,159</b>	<b>12,072</b>	<b>0.7%</b>
<b>Miscellaneous Store Retailers</b>	<b>11,812</b>	<b>11,687</b>	<b>1.1%</b>
<b>Nonstore Retailers</b>	<b>32,356</b>	<b>32,693</b>	<b>-1.0%</b>
<b>Food Services and Drinking Places</b>	<b>37,845</b>	<b>38,496</b>	<b>-1.7%</b>

Year to Date Sales Ending December	2008	2007	2008/2007
<b>All Stores</b>	<b>4,478,360</b>	<b>4,482,668</b>	<b>-0.1%</b>
<b>Motor Vehicle and Parts Dealers</b>	<b>809,736</b>	<b>919,252</b>	<b>-11.9%</b>
<b>Gasoline Stations</b>	<b>489,252</b>	<b>445,212</b>	<b>9.9%</b>
<b>Food and Beverage Stores</b>	<b>589,512</b>	<b>560,649</b>	<b>5.1%</b>
Grocery Stores	527,395	501,077	5.3%
<b>Health and Personal Care Stores</b>	<b>247,022</b>	<b>237,437</b>	<b>4.0%</b>
<b>Building Material and Garden Equipment Stores</b>	<b>325,181</b>	<b>337,173</b>	<b>-3.6%</b>
<b>General Merchandise Stores</b>	<b>595,536</b>	<b>576,426</b>	<b>3.3%</b>
Department Stores (excluding leased departments)	200,437	209,892	-4.5%
<b>Clothing and Accessories Stores</b>	<b>220,795</b>	<b>224,651</b>	<b>-1.7%</b>
<b>Furniture, Home Furnishings, Electronics and Appliance Stores</b>	<b>220,692</b>	<b>230,016</b>	<b>-4.1%</b>
Furniture and Home Furnishing Stores	109,180	118,657	-8.0%
Electronics and Appliance Stores	111,512	111,359	0.1%
<b>Sporting Goods, Hobby, Book and Music Stores</b>	<b>88,327</b>	<b>87,324</b>	<b>1.1%</b>
<b>Miscellaneous Store Retailers</b>	<b>119,120</b>	<b>118,848</b>	<b>0.2%</b>
<b>Nonstore Retailers</b>	<b>314,384</b>	<b>303,423</b>	<b>3.6%</b>
<b>Food Services and Drinking Places</b>	<b>458,803</b>	<b>442,257</b>	<b>3.7%</b>

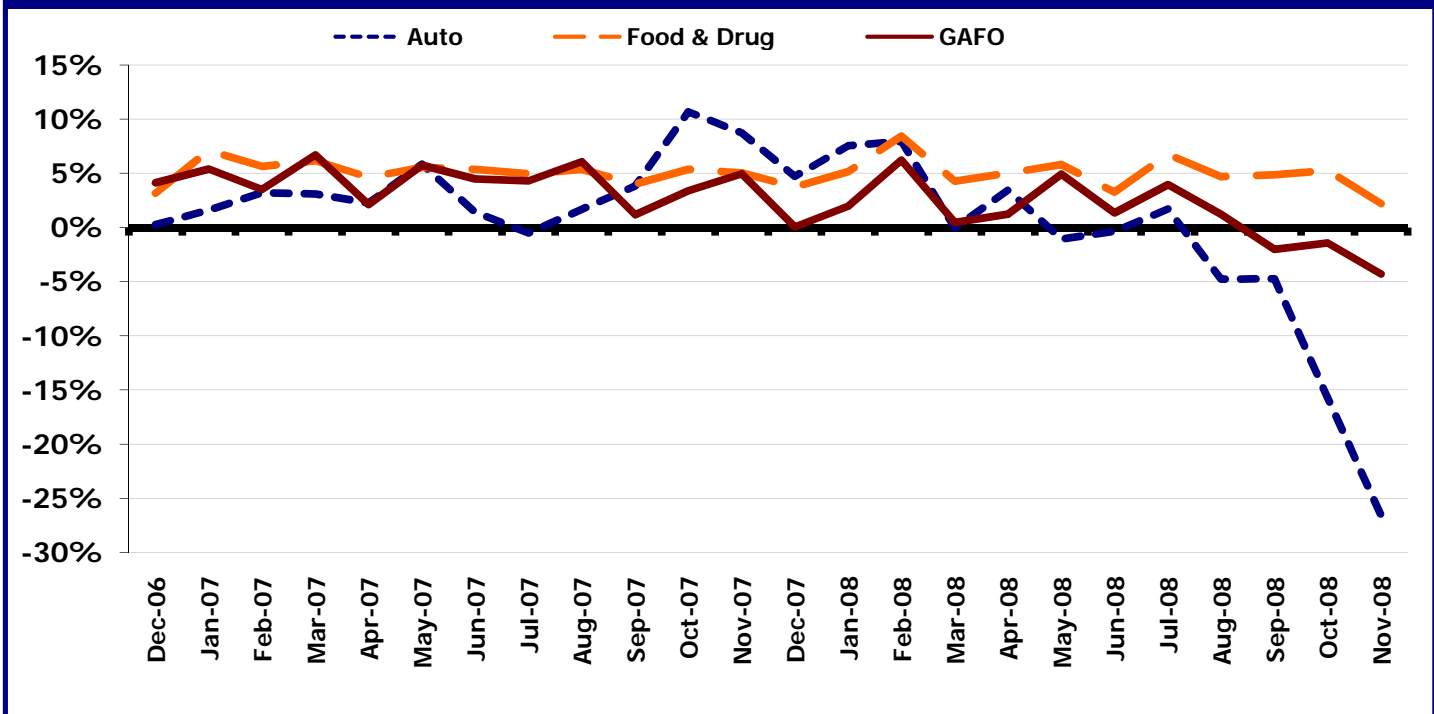
Source: US Census Bureau. All Values are expressed in millions of US dollars and are not seasonally adjusted

### U.S. Consumer Confidence Index



Source: U.S. Conference Board

### U.S. Monthly Retail Sales by Major Category Percentage Change from Same Month, Previous Year



Source: U.S. Census Bureau