

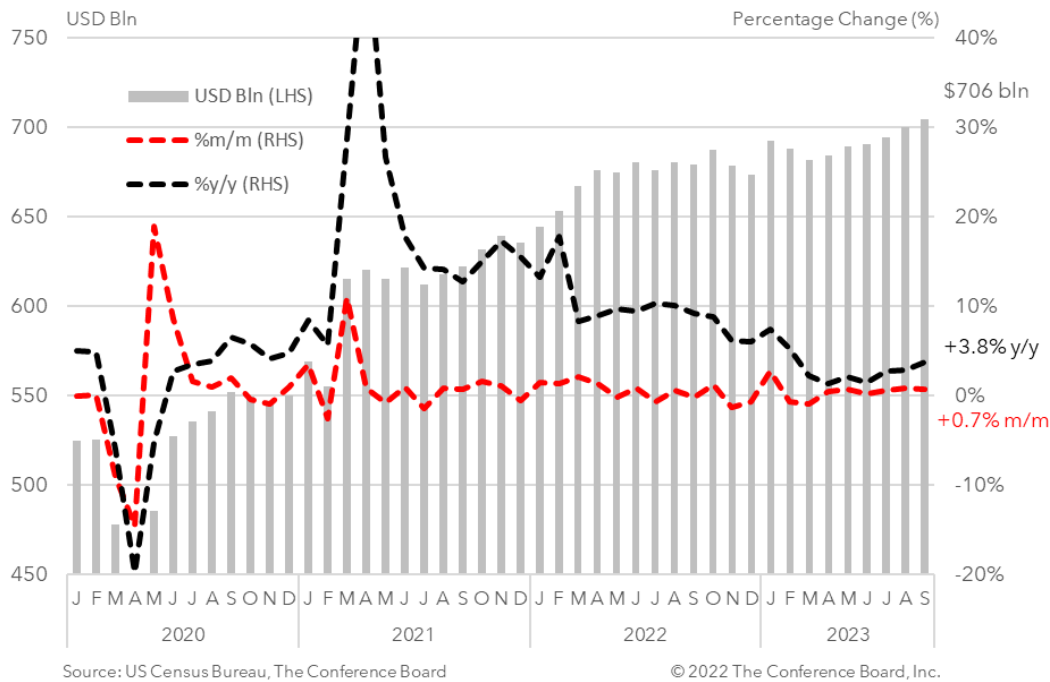


## Q3 retail sales stronger than previously believed

*Updated 17 October 2023*

September retail sales surprised to the upside as did unexpected upward revisions to July and August data. Consumer spending rose by 0.7 percent in September, 0.8 percent in August (revised up 0.2 percentage points), and 0.6 percent in July (revised up 0.1 percentage points). After adjusting for inflation using CPI data the real September spending figure rose 0.3 percent from August\*. Real growth rates for August and July rose as well. Collectively, these data indicate that the US consumer is stronger than previously believed.

### September Retail & Food Services Sales



**Last month’s retail sales data painted a different picture**—one that showed a softening spending trend. However, revisions to those data along with the new September numbers show greater momentum. The robustness of the US consumer has continually exceeded expectations and we are now likely to see an even stronger Q3 2023 GDP than the [3.6 percent we forecasted](#) earlier this month. Given these data and the recent strength in the jobs report we believe that the Federal Reserve will hike an additional 25 basis points in November. High interest rates, rising debt levels, dwindling savings, and other factors are like to weigh on the economy considerable early next year and may spark a short and shallow recession before a more stable growth environment emerges in late 2024.

**Regarding the drivers of retail sales this month:** Consumer demand for goods rose 0.7 percent from the month prior in nominal terms. Spending on motor vehicles and parts rose by 1.0 percent in September from August, while retail sales excluding motor vehicles rose by 0.6 percent. Spending at gasoline stations rose 0.9 percent from the month prior due to continued increases in oil prices. Retail sales less motor vehicles, gasoline, and building supplies (known as “Retail Control”) rose by 0.6 percent from the previous month. Nonstore retail sales rose 1.1 percent from the month prior. When adjusting goods spending for CPI inflation, the real growth rate was about 0.6 percent.\*

Meanwhile, spending at food services and drinking places rose by 0.9 percent month-over-month in September. After adjusting for CPI inflation the real growth rate was about 0.3 percent.\*

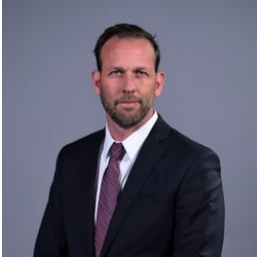
		Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23
Nominal Retail Sales	%m/m	1.2	-1.3	-0.7	2.8	-0.7	-0.9	0.4	0.7	0.2	0.6	0.8	0.7
	%y/y	8.8	6.1	6.0	7.4	5.3	2.2	1.3	2.1	1.5	2.8	2.9	3.8
Real Retail Sales*	%m/m	0.6	-1.5	-0.9	2.3	-1.0	-1.0	0.1	0.5	0.0	0.4	0.2	0.3
	%y/y	0.9	-0.9	-0.4	1.0	-0.7	-2.7	-3.5	-1.9	-1.6	-0.6	-0.8	0.1
Nominal Retail Sales - Goods	%m/m	1.0	-1.5	-0.8	2.5	-0.4	-1.1	0.4	0.5	0.1	0.5	0.8	0.7
	%y/y	8.0	5.3	4.9	5.4	3.9	0.9	0.2	1.1	0.4	1.6	2.1	3.0
Real Retail Sales - Goods*	%m/m	0.4	-1.3	-0.1	2.1	-0.6	-0.8	-0.2	0.7	0.0	0.6	-0.2	0.6
	%y/y	-0.5	-1.6	0.1	0.9	0.3	-0.7	-1.9	0.5	1.6	2.2	1.1	1.6
Nominal Retail Sales - Food Services & Drinking Places	%m/m	1.5	-0.1	-0.4	5.0	-2.3	0.1	0.5	1.6	0.7	0.9	0.4	0.9
	%y/y	14.2	12.6	13.9	23.4	15.4	12.3	9.1	9.9	9.3	11.1	8.8	9.2
Real Retail Sales - Food Services & Drinking Places*	%m/m	0.4	-0.5	-0.9	4.3	-2.4	-0.3	-0.2	1.0	0.2	0.7	0.2	0.3
	%y/y	6.4	4.8	6.3	15.9	8.1	5.0	1.6	2.6	2.2	4.3	2.5	3.0

Source: Census Bureau, BLS, Haver Analytics, The Conference Board  
\* Real growth rates are The Conference Board estimates based on Census Retail Sales data and BLS CPI data

\* Real growth rates are The Conference Board estimates based on Census Retail Sales data and BLS CPI data.

## AUTHORS

---



Erik Lundh

**Senior Economist, Global**  
The Conference Board

---

The Conference Board is the Member-driven think tank that delivers *Trusted Insights for What's Ahead*<sup>®</sup>. Founded in 1916, we are a nonpartisan, not-for-profit entity holding 501(c)(3) tax-exempt status in the United States.

© 2026 The Conference Board, Inc.