

Specialty Retail and Department Stores

February shows some improvement, aided by an extra day

Industry Overview

Clothing spending remains negative

Total US retail (excluding auto) spending increased 1.7% y/y in February, according to BAC aggregated credit and debit card data, compared to -1.8% y/y in January (Exhibit 1). The y/y improvement in February is due to the extra day from the Leap Year. Clothing spending declined 2.0% y/y in February, compared to -5.3% y/y in January. All categories accelerated from the prior month given the extra day. See [BofA on USA](#) report for methodology, limitations, and disclaimers related to BAC aggregated credit and debit card data and commentary on broader retail trends from BofA Global Research's US Economics team.

Softer spending from goods deflation, services inflation

Over the last few months, retail spending has slowed; this is in part due to broad-based goods deflation while services inflation has remained elevated. There is risk that services inflation will remain persistent and therefore shrink wallet share for retail spending, according to the BofA US Economics team.

Discount spending inflects back to positive

Discount apparel spending inflected back to positive, with spending +2.8% y/y in February compared to -0.1% in January, according to BAC aggregated card data. We remain positive on the off-price retailers, as the strong value proposition attracts customers across income demographics during times of inflationary and macroeconomic pressures. Department store spending declined 5.2% y/y in February, compared to -10.2% in January.

Blame it on Lorraine: winter storm curbs jewelry demand

Storm Lorraine hit the Northeast on February 13th, which likely curtailed last minute Valentine's Day jewelry spending. Spending declined 1.4% during the week ending February 18th, according to BAC aggregated card data. Still, jewelry spending grew 5.4% for the month, partly aided by the extra day.

Athletic spending improved in Feb vs the prior month

Athletic footwear and apparel spending inflected positive; spending in February increased 0.8% y/y vs -5.5% y/y in January. Specialty Running spending declined 12.7% y/y in February vs -14.1% in January.

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Exhibit 1: Monthly sales % change by category, according to BAC aggregated credit and debit card data

Clothing spending declined 2.0% y/y in February, compared to -5.3% y/y in January.

Month	Total Retail Ex	Jewelry	Clothing	Young Adult Clothing	Teen Clothing	Discount	Department Stores	Athletic Footwear and Apparel	Children's Clothing	Specialty Running
Y/Y Growth	Auto									
Jan-21	13.2%	18.1%	13.5%	-5.5%	15.4%	5.1%	-14.1%	14.6%	12.0%	13.1%
Feb-21	4.1%	14.3%	1.0%	-17.2%	-2.8%	-8.5%	-19.7%	-5.2%	-0.3%	-3.6%
Mar-21	22.8%	129.7%	111.7%	110.8%	114.2%	125.5%	69.6%	70.5%	57.5%	71.4%
Apr-21	30.5%	348.4%	188.9%	247.2%	165.9%	856.1%	154.6%	115.3%	39.5%	43.2%
May-21	18.1%	171.1%	89.9%	142.3%	62.8%	195.7%	91.6%	43.6%	22.2%	18.7%
Jun-21	13.0%	64.7%	33.3%	57.2%	23.4%	39.2%	28.5%	10.6%	0.9%	13.1%
Jul-21	10.7%	40.5%	27.8%	32.9%	25.9%	32.2%	24.8%	-0.8%	1.9%	21.2%
Aug-21	11.5%	35.8%	32.7%	30.6%	38.7%	22.3%	19.3%	17.0%	14.0%	25.1%
Sep-21	10.6%	30.2%	19.4%	18.9%	4.7%	13.0%	14.2%	-7.7%	8.8%	21.6%
Oct-21	11.6%	36.6%	21.7%	16.2%	5.3%	14.7%	18.3%	-6.7%	13.1%	17.6%
Nov-21	12.6%	42.1%	28.8%	21.9%	11.9%	21.3%	24.9%	4.1%	16.8%	22.2%
Dec-21	11.2%	24.8%	18.3%	14.5%	2.1%	16.7%	14.0%	-1.7%	-4.0%	13.2%
Jan-22	5.5%	14.7%	8.0%	2.9%	-4.9%	-4.0%	1.5%	1.0%	-0.8%	4.1%
Feb-22	11.2%	16.3%	14.8%	19.6%	6.7%	9.6%	14.1%	6.6%	3.2%	22.5%
Mar-22	2.9%	2.2%	-9.2%	5.3%	-14.4%	-10.9%	-2.0%	-5.8%	-8.6%	6.0%
Apr-22	5.6%	1.0%	-6.6%	7.6%	-9.3%	-4.7%	2.4%	-3.6%	-2.4%	8.6%
May-22	4.2%	-4.0%	-8.0%	0.2%	-14.2%	-7.4%	-4.8%	-7.9%	-4.6%	6.6%
Jun-22	4.8%	-3.8%	-10.1%	0.8%	-14.9%	-7.4%	-8.5%	-1.3%	-3.6%	6.2%
Jul-22	5.7%	-2.9%	-9.7%	-3.1%	-11.7%	-8.3%	-3.2%	-2.8%	-1.9%	3.3%
Aug-22	2.5%	-0.9%	-9.0%	-1.6%	-14.7%	-8.5%	-11.0%	4.9%	-3.0%	6.8%
Sep-22	2.7%	-4.0%	-9.3%	2.7%	-12.5%	-6.6%	-5.8%	0.3%	-1.4%	1.1%
Oct-22	1.8%	-6.1%	-10.6%	0.0%	-12.0%	-6.2%	-8.2%	0.5%	-3.8%	11.3%
Nov-22	0.2%	-9.1%	-9.6%	3.9%	-8.2%	-6.2%	-9.4%	3.8%	-0.4%	14.4%
Dec-22	1.0%	-5.5%	-9.0%	-2.8%	-13.1%	1.5%	-7.0%	7.0%	-1.3%	22.0%
Jan-23	1.5%	4.2%	-6.5%	3.3%	-12.5%	7.3%	-0.1%	2.0%	3.9%	27.8%
Feb-23	0.3%	-6.2%	-8.4%	-1.4%	-12.2%	1.7%	-7.4%	0.1%	-2.3%	22.2%
Mar-23	-1.7%	-3.4%	-5.6%	-5.9%	-13.3%	-1.0%	-10.9%	-11.2%	-4.0%	7.1%
Apr-23	-2.3%	-5.3%	-5.7%	-6.4%	-13.1%	-1.9%	-11.4%	-2.4%	-7.4%	10.9%
May-23	-2.9%	-1.1%	-4.8%	-7.6%	-11.1%	-1.4%	-10.0%	-3.5%	-5.2%	19.2%
Jun-23	-2.4%	0.7%	-4.0%	-5.4%	-8.5%	3.0%	-7.7%	17.1%	-2.3%	12.5%
Jul-23	-1.8%	-2.7%	-3.1%	-5.8%	-5.0%	3.6%	-9.1%	0.4%	-3.6%	7.2%
Aug-23	-0.9%	-0.9%	-3.0%	-5.0%	-5.3%	3.9%	-8.5%	4.7%	-3.2%	4.5%
Sep-23	-0.2%	0.4%	-4.1%	-2.1%	-0.4%	5.4%	-6.7%	0.7%	-8.2%	2.3%
Oct-23	-2.7%	-4.6%	-9.4%	-6.2%	-8.9%	-3.0%	-13.4%	-4.9%	-10.4%	-4.3%
Nov-23	-0.6%	1.4%	-2.7%	1.5%	-0.9%	1.3%	-5.5%	9.6%	-6.4%	9.3%
Dec-23	-0.7%	-1.9%	-4.6%	-5.0%	-0.8%	2.6%	-7.6%	-1.8%	-8.4%	-10.0%
Jan-24	-1.8%	0.7%	-5.3%	-3.1%	-1.4%	-0.1%	-10.2%	-5.5%	-9.9%	-14.1%
Feb-24	1.7%	5.4%	-2.0%	-1.7%	1.6%	2.8%	-5.2%	0.8%	-7.7%	-12.7%

Source: BAC internal data

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Exhibit 2: Weekly sales Y/Y % change by category, according to BAC aggregated credit and debit card dataClothing spending declined 6.4% y/y in the week ended March 2nd.

Week Ended:	Clothing	Clothing Ecomm*	Clothing B&M	Dept Stores	Dept Stores Ecomm*	Dept Stores B&M	Jewelry	Discount	Teen Retail	Young Adult	Beauty	Beauty Ecomm*	Beauty B&M	Specialty Children	Athletic Apparel	Specialty Running
7-Jan	2.1%	-5.1%	8.6%	6.2%	-8.9%	19.7%	13.7%	21.1%	-0.6%	11.4%	28.6%	17.7%	40.9%	7.9%	27.6%	34.4%
14-Jan	-6.4%	-4.9%	-7.5%	2.3%	-6.8%	9.8%	2.0%	7.9%	-11.2%	5.4%	15.4%	9.1%	21.4%	19.7%	7.8%	32.7%
21-Jan	-5.3%	-3.2%	-6.9%	1.1%	-9.2%	8.6%	3.4%	12.2%	-9.3%	4.7%	20.6%	13.4%	27.8%	-4.8%	0.2%	40.7%
28-Jan	-7.9%	-4.6%	-10.3%	-1.8%	-15.4%	8.3%	3.2%	5.9%	-17.1%	1.3%	12.4%	7.0%	17.8%	-5.1%	-14.0%	9.8%
4-Feb	-3.8%	0.0%	-6.7%	8.1%	-3.7%	16.1%	5.8%	7.3%	-3.9%	10.9%	14.8%	5.5%	25.6%	2.9%	6.5%	38.0%
11-Feb	-11.3%	-3.5%	-16.4%	-8.9%	-13.1%	-6.5%	-9.8%	0.4%	-13.3%	-3.2%	11.7%	11.8%	11.5%	1.1%	-0.6%	25.8%
18-Feb	-9.7%	-2.2%	-14.1%	-7.2%	-10.1%	-5.9%	-7.0%	2.5%	-11.8%	-1.5%	12.3%	11.3%	13.1%	-6.5%	0.2%	14.2%
25-Feb	-7.0%	-4.5%	-8.7%	-11.2%	-16.5%	-8.2%	-6.4%	1.7%	-13.6%	-2.8%	14.3%	15.7%	13.1%	-1.6%	1.9%	23.2%
4-Mar	-3.4%	-3.0%	-3.7%	-8.6%	-13.3%	-6.0%	-4.6%	1.6%	-11.2%	-3.3%	10.6%	15.2%	6.4%	-4.4%	-1.0%	9.8%
11-Mar	-4.0%	-3.3%	-4.5%	-11.7%	-16.3%	-9.2%	-1.3%	1.1%	-10.0%	-2.9%	10.1%	13.8%	7.1%	0.7%	-5.7%	4.9%
18-Mar	-5.0%	-5.0%	-5.0%	-9.5%	-15.4%	-6.4%	-2.5%	-1.6%	-13.6%	-7.1%	6.4%	7.8%	5.2%	-6.1%	-13.5%	8.3%
25-Mar	-10.5%	-9.9%	-10.9%	-12.5%	-10.9%	-13.3%	-8.2%	-5.7%	-19.2%	-8.0%	5.2%	8.1%	2.7%	-5.9%	-24.8%	3.5%
1-Apr	-6.5%	-7.0%	-6.2%	-13.8%	-17.5%	-11.4%	-3.9%	-2.6%	-14.4%	-6.7%	3.5%	2.4%	4.5%	-2.4%	-1.5%	13.6%
8-Apr	-0.8%	-5.4%	2.4%	-7.5%	-17.4%	-1.8%	-1.8%	4.3%	-1.6%	2.8%	-7.7%	-17.9%	3.3%	-7.7%	9.4%	14.0%
15-Apr	-12.2%	-6.1%	-16.0%	-21.5%	-19.0%	-22.7%	-7.1%	-17.6%	-23.5%	-13.0%	-8.5%	-11.5%	-5.5%	-14.1%	-19.5%	4.4%
22-Apr	-1.5%	-2.3%	-1.0%	-1.0%	-9.2%	3.5%	4.1%	11.1%	-14.6%	-5.4%	18.2%	18.7%	17.7%	4.6%	-0.4%	14.9%
29-Apr	-7.1%	-4.7%	-8.8%	-12.5%	-16.0%	-10.4%	-9.0%	-3.3%	-13.5%	-8.2%	16.3%	31.2%	2.8%	-8.9%	-0.6%	10.3%
6-May	-11.1%	-4.0%	-15.8%	-21.4%	-22.2%	-21.0%	-20.6%	-8.8%	-15.3%	-13.4%	5.4%	18.5%	-6.0%	-8.3%	-4.8%	7.6%
13-May	-0.7%	-1.7%	-0.1%	-3.0%	-8.6%	-0.7%	9.9%	6.5%	-7.6%	-6.0%	6.9%	7.5%	6.5%	-7.6%	3.6%	20.7%
20-May	-4.6%	-4.0%	-5.0%	-6.6%	-11.3%	-4.4%	6.8%	-0.8%	-14.6%	-9.4%	3.8%	2.9%	4.6%	-3.9%	-11.8%	11.1%
27-May	-4.1%	-4.0%	-4.1%	-5.6%	-8.1%	-4.4%	-0.6%	0.8%	-6.9%	-2.3%	3.7%	3.8%	3.6%	1.2%	-3.9%	20.6%
3-Jun	-5.6%	-4.3%	-6.4%	-9.4%	-13.7%	-7.2%	-4.0%	-0.7%	-10.2%	-5.1%	4.6%	6.3%	3.0%	-8.3%	22.3%	14.1%
10-Jun	-4.4%	-2.9%	-5.3%	-8.1%	-9.7%	-7.3%	-3.3%	0.8%	-7.9%	-4.7%	3.2%	0.0%	5.9%	-3.8%	59.4%	4.8%
17-Jun	-2.6%	-1.5%	-3.2%	-4.4%	-13.5%	-0.1%	1.4%	4.7%	-7.6%	-5.8%	7.7%	6.2%	8.9%	-1.7%	31.5%	23.0%
24-Jun	-7.4%	-7.8%	-7.1%	-14.1%	-17.0%	-12.9%	0.9%	-0.9%	-11.4%	-10.2%	3.4%	-0.2%	6.5%	3.1%	-22.9%	14.9%
1-Jul	-4.3%	-3.8%	-4.6%	-4.9%	-9.9%	-2.6%	1.5%	2.7%	-5.8%	-3.4%	10.1%	10.6%	9.6%	-5.1%	-6.1%	11.5%
8-Jul	-1.2%	-1.9%	-0.8%	-5.8%	-13.8%	-1.8%	-0.3%	6.6%	-3.8%	0.1%	9.9%	10.9%	9.1%	0.0%	3.5%	17.6%
15-Jul	-2.1%	-0.4%	-3.2%	-11.2%	-20.0%	-6.3%	0.2%	4.2%	-5.3%	-2.7%	5.6%	4.2%	6.7%	-0.3%	4.1%	9.8%
22-Jul	-1.3%	0.4%	-2.4%	-7.4%	-14.2%	-3.2%	2.8%	5.0%	0.4%	-4.4%	1.7%	-1.2%	4.1%	-6.5%	8.5%	-1.5%
29-Jul	-2.2%	0.1%	-3.6%	-7.8%	-15.0%	-3.7%	-1.0%	4.9%	-4.3%	-12.7%	2.7%	-0.1%	5.0%	-1.9%	-6.6%	10.1%
5-Aug	-1.8%	0.3%	-2.9%	-6.3%	-13.2%	-2.9%	-5.0%	5.2%	-4.6%	-4.5%	6.4%	7.5%	5.4%	2.1%	-9.5%	11.2%
12-Aug	-2.2%	0.2%	-3.6%	-8.7%	-11.8%	-7.3%	-2.9%	4.9%	-4.9%	-5.9%	0.3%	-4.3%	4.0%	-6.0%	-4.6%	7.4%
19-Aug	-2.9%	0.7%	-5.1%	-9.0%	-14.5%	-6.6%	-0.2%	3.9%	-1.9%	-5.1%	3.7%	4.0%	3.5%	-5.1%	18.5%	6.8%
26-Aug	-5.0%	-2.7%	-6.5%	-10.2%	-14.8%	-8.1%	-4.7%	3.1%	-8.1%	-6.6%	0.4%	-2.2%	2.6%	-4.0%	14.5%	-0.8%
2-Sep	-2.7%	-0.8%	-4.0%	-8.1%	-8.2%	-8.0%	1.0%	2.4%	-6.3%	-2.3%	3.9%	6.0%	2.0%	-5.5%	9.5%	-1.3%
9-Sep	-6.0%	-3.6%	-7.7%	-9.9%	-12.8%	-8.6%	-0.5%	2.3%	-9.0%	-3.5%	4.6%	6.5%	2.9%	-9.3%	-10.1%	2.1%
16-Sep	-6.3%	-6.4%	-6.2%	-8.1%	-12.8%	-5.9%	-3.7%	3.2%	-4.2%	-7.4%	0.4%	-0.7%	1.3%	-5.5%	4.5%	0.3%
23-Sep	-5.3%	-4.3%	-5.9%	-9.3%	-12.7%	-7.6%	1.4%	2.7%	-1.3%	-0.2%	1.6%	1.9%	1.2%	-9.0%	-0.1%	-2.0%
30-Sep	-4.7%	-3.8%	-5.4%	-4.7%	-7.6%	-3.0%	2.1%	6.1%	5.2%	-3.3%	6.1%	5.2%	6.9%	-8.9%	-1.1%	3.8%
7-Oct	-8.8%	-10.5%	-7.5%	-14.7%	-19.9%	-11.7%	0.9%	-3.0%	-8.5%	-5.0%	6.8%	12.6%	1.7%	-15.7%	-4.6%	3.5%
14-Oct	-8.0%	-8.6%	-7.6%	-13.7%	-21.2%	-9.9%	-6.3%	0.6%	-7.6%	-6.6%	1.9%	5.1%	-0.9%	-8.1%	-10.4%	-4.6%
21-Oct	-7.9%	-9.2%	-7.0%	-11.9%	-17.0%	-9.3%	-3.8%	-1.1%	-4.5%	-1.3%	1.0%	1.4%	0.7%	-9.2%	6.5%	-9.4%
28-Oct	-9.0%	-8.6%	-9.2%	-9.8%	-11.4%	-8.9%	-7.8%	-1.3%	-8.0%	-6.1%	3.1%	2.6%	3.5%	-9.8%	-4.4%	-7.3%
4-Nov	-3.2%	-5.1%	-1.8%	-3.7%	-9.1%	-0.6%	-1.0%	7.0%	0.5%	-1.1%	6.8%	10.5%	2.4%	-0.5%	11.4%	-3.9%
11-Nov	-4.5%	-6.0%	-3.3%	-9.8%	-12.6%	-8.2%	6.9%	1.7%	-5.5%	-2.2%	2.6%	3.8%	1.1%	-12.0%	4.0%	-2.4%
18-Nov	-6.5%	-5.4%	-7.4%	-9.6%	-14.1%	-6.7%	0.1%	-2.4%	-6.3%	-0.9%	4.8%	4.8%	4.8%	-11.2%	1.1%	-3.0%
25-Nov	5.5%	10.9%	1.0%	0.0%	4.4%	-2.4%	5.5%	1.0%	8.7%	8.5%	16.9%	26.4%	4.9%	8.1%	17.5%	24.6%
2-Dec	-7.7%	-6.8%	-9.0%	-9.3%	-13.4%	-4.0%	-1.7%	4.9%	-5.6%	-2.5%	3.9%	5.9%	-0.9%	-12.0%	8.3%	11.5%
9-Dec	-3.1%	-4.8%	-1.3%	-7.8%	-18.7%	0.9%	2.4%	1.8%	5.6%	-5.0%	-2.6%	-7.8%	3.7%	-6.9%	-5.6%	-4.7%
16-Dec	-5.5%	-5.4%	-5.6%	-7.3%	-14.4%	-3.5%	-1.0%	1.1%	-2.7%	-7.0%	5.9%	9.0%	3.5%	-6.6%	-6.2%	-18.0%
23-Dec	-5.1%	-2.0%	-6.1%	-6.6%	-11.8%	-5.3%	1.2%	2.7%	-4.6%	-5.2%	5.2%	7.0%	4.5%	-8.5%	0.5%	-6.1%
30-Dec	-5.3%	-5.1%	-5.5%	-8.6%	-16.3%	-5.7%	-4.1%	1.4%	-2.0%	-1.5%	1.7%	4.6%	-0.3%	-13.5%	5.2%	-1.7%
6-Jan	-2.4%	-5.6%	0.2%	-8.7%	-19.0%	-2.0%	9.0%	4.2%	3.7%	-0.2%	6.7%	11.1%	2.4%	-7.7%	-2.6%	1.5%
13-Jan	-4.0%	-2.2%	-5.5%	-9.1%	-17.0%	-3.5%	-0.4%	2.1%	7.2%	-1.3%	-0.7%	4.3%	-5.0%	-15.6%	-7.3%	-19.9%
20-Jan	-8.0%	-4.0%	-11.2%	-10.7%	-13.3%	-9.2%	-2.5%	-3.1%	-5.7%	-4.5%	-6.4%	-2.7%	-9.6%	-5.0%	-9.3%	-17.9%
27-Jan	-3.4%	-1.0%	-5.3%	-3.6%	-4.9%	-2.9%	1.7%	4.1%	0.1%	-3.1%	4.7%	9.5%	0.3%	-10.7%	2.6%	-16.4%
3-Feb	-7.5%	-7.3%	-7.7%	-18.5%	-23.0%	-16.0%	-1.4%	0.7%	-1.3%	-9.4%	4.0%	11.7%	-3.6%	-9.8%	-7.0%	-13.6%
10-Feb	-4.7%	-3.2%	-5.9%	-13.1%	-20.3%	-9.1%	2.1%	-1.6%	-1.6%	-6.7%	-2.4%	0.9%	-5.2%	-9.2%	-2.6%	-18.8%
17-Feb	-4.9%	-2.9%	-6.1%	-5.9%	-8.2%	-4.9%	-1.4%	-1.1%	2.5%	-3.8%	1.2%	3.4%	-0.7%	-7.7%	3.7%	-16.8%
24-Feb	-5.1%	-5.2%	-5.0%	-2.1%	-4.4%	-0.9%	6.2%	2.1%	-1.4%	-6.4%	1.4%	3.3%	-0.3%	-10.7%	-4.3%	-16.2%

Exhibit 2: Weekly sales Y/Y % change by category, according to BAC aggregated credit and debit card dataClothing spending declined 6.4% y/y in the week ended March 2nd.

Week Ended:	Clothing		Clothing	Dept	Dept			Teen	Young	Beauty		Beauty	Specialty	Athletic	Specialty	
	Clothing	Ecomm*	B&M	Stores	Stores	Jewelry	Discount	Retail	Adult	Beauty	Ecomm*	B&M	Children	Apparel	Running	
2-Mar	-6.4%	-6.7%	-6.1%	-6.4%	-5.3%	-6.9%	4.3%	-3.6%	-1.6%	-8.5%	1.2%	7.0%	-4.7%	-12.5%	-2.0%	-9.7%

Source: BAC internal data

*Ecomm is card not present. Card not present is largely online, but could include purchases made over the phone.

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Methodology explained

Readers should be aware that although the BAC datasets utilized in our analysis represent a significant number of data points, they nevertheless present a degree of selection bias, including but not limited to income levels and geographies. In addition, the data is limited to debit and credit cards and does not include other payment methods such as cash or checks.

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BAC data used in this report include spending from active US households (HHs) only. Spending from corporate cards are excluded.

Our methodology for calculating the growth rates for daily data: we calculate the %y/y growth rate by matching calendar days (January 1, 2024 is matched to January 1, 2023). The % change is calculated based on the 7-day moving average of spending levels. Unless otherwise noted, the monthly subsector data are adjusted to control for seasonality and other factors.

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