

Specialty Retail and Department Stores

Spending in May remained challenged

Industry Overview

Continued weakness across the board

Total retail (excluding auto) spending declined 2.9% y/y (+22.3% vs 2019) in May, according to BAC aggregated credit and debit card data, compared to -2.3% y/y (+24.4% vs 2019) in April (Exhibit 1). Sales trends remained weak across the board. Clothing spending declined 3.9% y/y (+11.7% vs 2019) in May, compared to -4.5% y/y (+13.6% vs 2019) in April. Big-ticket spending (transactions above \$1k) has slowed among goods but is strong within services, particularly in international travel. 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.

Lower-income cohort outperforming higher-income

Over the last few weeks, lower-income households continued to outperform higher-income households in terms of y/y spending growth (Exhibit 4). The pullback could be due to increased unemployment levels, which is rising the fastest among the higher income cohort. Interestingly, credit card utilization rates are at least two percentage points below pre-pandemic levels for every income cohort, including households with income <\$20k (Exhibit 5). This suggests the lower-income cohort is not too strained for liquidity despite the tougher macro backdrop. Within our retail coverage, we are seeing a reversion to pre-pandemic credit card trends (delinquencies, charge-offs) among retailers with credit card programs.

Discount still pressured but slight improvement

Discount apparel spending declined 1.4% y/y in May, a slight acceleration from the 1.9% decline in April, according to BAC aggregated card data. Sales vs 2019 increased 9.3%, compared to +10.2% vs 2019 in April. We remain positive on the off-price retailers given the excellent inventory availability and potential for trade-down as inflationary pressures persist.

Specialty Running remains a bright spot

Athletic footwear and apparel spending declined 3.5% y/y (+19.7% vs 2019) in May, compared to -2.4% y/y (+18.2% vs 2019) in April. This marks the third consecutive quarter of y/y declines, following seven months of growth prior. Specialty Running spending increased 19.2% y/y (+74.2% vs 2019) in May, compared to +10.9% y/y (+59.2% vs 2019) in April. This category continues to be the only one we track that consistently shows spending growth on a y/y and vs 2019 basis.

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

Sales trends remained weak across the board during May.

Month	Total Retail Ex Auto	Jewelry	Clothing	Young Adult Clothing	Teen Clothing	Discount	Department Stores	Athletic Footwear and Apparel	Children's Clothing	Specialty Running
Y/Y Growth										
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%	92.7%	142.3%	62.8%	195.7%	90.6%	43.6%	22.2%	18.7%
Jun-21	13.0%	64.7%	34.9%	57.2%	23.4%	39.2%	25.6%	10.6%	0.9%	13.1%
Jul-21	10.7%	40.5%	29.4%	32.9%	25.9%	32.2%	21.5%	-0.8%	1.9%	21.2%
Aug-21	11.5%	35.8%	34.3%	30.6%	38.7%	22.3%	18.7%	17.0%	14.0%	25.1%
Sep-21	10.6%	30.2%	20.9%	18.9%	4.7%	13.0%	15.9%	-7.7%	8.8%	21.6%
Oct-21	11.6%	36.6%	23.2%	16.2%	5.3%	14.7%	19.9%	-6.7%	13.1%	17.6%
Nov-21	12.6%	42.1%	30.6%	21.9%	11.9%	21.3%	25.9%	4.1%	16.8%	22.2%
Dec-21	11.2%	24.8%	19.2%	14.5%	2.1%	16.7%	13.9%	-1.7%	-4.0%	13.2%
Jan-22	5.5%	14.7%	9.7%	2.9%	-4.9%	-4.0%	1.7%	1.0%	-0.8%	4.1%
Feb-22	11.2%	16.3%	16.5%	19.6%	6.7%	9.6%	14.4%	6.6%	3.2%	22.5%
Mar-22	2.9%	2.2%	-7.6%	5.3%	-14.4%	-10.9%	-0.3%	-5.8%	-8.6%	6.0%
Apr-22	5.6%	1.0%	-5.0%	7.6%	-9.3%	-4.7%	4.1%	-3.6%	-2.4%	8.6%
May-22	4.2%	-4.0%	-7.7%	0.2%	-14.2%	-7.4%	-2.9%	-7.9%	-4.6%	6.6%
Jun-22	4.8%	-3.8%	-9.5%	0.8%	-14.9%	-7.4%	-5.0%	-1.3%	-3.6%	6.2%
Jul-22	5.7%	-2.9%	-9.3%	-3.1%	-11.7%	-8.3%	1.4%	-2.8%	-1.9%	3.3%
Aug-22	2.5%	-0.9%	-8.5%	-1.6%	-14.7%	-8.5%	-9.0%	4.9%	-3.0%	6.8%
Sep-22	2.7%	-4.0%	-9.0%	2.7%	-12.5%	-6.6%	-5.2%	0.3%	-1.4%	1.1%
Oct-22	1.8%	-6.1%	-10.2%	0.0%	-12.0%	-6.2%	-7.1%	0.5%	-3.8%	11.3%
Nov-22	0.2%	-9.1%	-9.1%	3.9%	-8.2%	-6.2%	-8.5%	3.8%	-0.4%	14.4%
Dec-22	1.0%	-5.5%	-8.6%	-2.8%	-13.1%	1.5%	-6.0%	7.0%	-1.3%	22.0%
Jan-23	1.5%	4.2%	-5.8%	3.3%	-12.5%	7.3%	3.0%	2.0%	3.9%	27.8%
Feb-23	0.3%	-6.2%	-7.5%	-1.4%	-12.2%	1.7%	-4.1%	0.1%	-2.3%	22.2%
Mar-23	-1.7%	-3.4%	-4.5%	-5.9%	-13.3%	-1.0%	-9.0%	-11.2%	-4.0%	7.1%
Apr-23	-2.3%	-5.3%	-4.5%	-6.4%	-13.1%	-1.9%	-8.3%	-2.4%	-7.4%	10.9%
May-23	-2.9%	-1.1%	-3.9%	-7.6%	-11.1%	-1.4%	-5.4%	-3.5%	-5.2%	19.2%
vs 2019										
	Total Retail Ex Auto	Jewelry	Clothing	Young Adult Clothing	Teen Clothing	Discount	Department Stores	Athletic Footwear and Apparel	Children's Clothing	Specialty Running
Jan-21	18.0%	20.8%	13.8%	-9.8%	5.2%	10.0%	-17.9%	26.6%	-18.3%	30.9%
Feb-21	12.0%	20.9%	4.8%	-18.9%	-8.1%	-1.2%	-21.3%	1.7%	-30.2%	19.4%
Mar-21	19.4%	35.6%	19.6%	-3.6%	6.0%	16.2%	-11.1%	17.3%	-27.8%	34.0%
Apr-21	20.6%	49.5%	25.3%	0.8%	12.2%	17.8%	-5.6%	25.5%	-15.8%	32.2%
May-21	20.9%	40.9%	26.0%	5.2%	17.4%	19.8%	-3.2%	34.8%	3.9%	37.1%
Jun-21	19.6%	44.9%	23.9%	-0.9%	14.7%	13.3%	-4.4%	23.6%	-2.8%	42.7%
Jul-21	20.7%	51.1%	28.1%	7.1%	10.7%	19.9%	-4.1%	21.5%	-3.1%	41.9%
Aug-21	18.5%	40.5%	20.5%	-2.9%	5.7%	12.8%	-4.2%	8.9%	-13.6%	32.4%
Sep-21	22.1%	49.9%	29.3%	-0.2%	12.3%	15.0%	-2.8%	14.9%	11.3%	38.2%
Oct-21	25.2%	50.1%	31.7%	-1.1%	14.4%	18.9%	4.0%	25.8%	8.9%	35.4%
Nov-21	21.6%	53.1%	33.2%	0.3%	11.4%	11.8%	0.5%	13.8%	12.7%	46.5%
Dec-21	17.5%	32.8%	17.9%	-6.9%	-4.1%	7.7%	-5.8%	-0.9%	-13.3%	39.5%
Jan-22	24.5%	38.6%	24.9%	-7.2%	0.1%	5.6%	-16.6%	27.9%	-18.9%	36.3%
Feb-22	24.6%	40.6%	22.1%	-3.0%	-1.9%	8.3%	-9.9%	8.4%	-28.0%	46.3%
Mar-22	22.8%	38.6%	10.5%	1.6%	-9.4%	3.6%	-11.4%	10.6%	-33.9%	42.0%
Apr-22	27.3%	51.0%	19.0%	8.4%	1.8%	12.3%	-1.7%	21.1%	-17.8%	43.6%
May-22	26.0%	35.3%	16.3%	5.5%	0.7%	10.9%	-5.9%	24.1%	-0.9%	46.2%
Jun-22	25.4%	39.4%	12.1%	-0.1%	-2.4%	4.9%	-9.2%	21.9%	-6.3%	51.5%
Jul-22	27.6%	46.7%	16.2%	3.8%	-2.2%	9.9%	-2.8%	18.0%	-4.9%	46.6%
Aug-22	21.5%	39.2%	10.3%	-4.4%	-9.9%	3.2%	-12.9%	14.3%	-16.2%	41.3%
Sep-22	25.4%	43.9%	17.7%	2.4%	-1.7%	7.3%	-7.9%	15.3%	9.8%	39.6%
Oct-22	27.4%	41.0%	18.2%	-1.1%	0.7%	11.5%	-3.4%	26.5%	4.8%	50.7%
Nov-22	21.9%	39.2%	21.1%	4.2%	2.3%	4.9%	-8.0%	18.2%	12.2%	67.5%
Dec-22	18.7%	25.5%	7.8%	-9.5%	-16.6%	9.3%	-11.4%	6.1%	-14.4%	70.2%
Jan-23	26.5%	44.4%	17.6%	-4.2%	-12.4%	13.3%	-14.1%	30.5%	-15.8%	74.2%
Feb-23	24.9%	31.8%	13.0%	-4.3%	-13.9%	10.2%	-13.6%	8.6%	-29.6%	78.7%
Mar-23	20.7%	33.9%	5.5%	-4.4%	-21.4%	2.6%	-19.4%	-1.8%	-36.6%	52.2%
Apr-23	24.4%	43.1%	13.6%	1.4%	-11.5%	10.2%	-9.8%	18.2%	-23.9%	59.2%
May-23	22.3%	33.7%	11.7%	-2.6%	-10.4%	9.3%	-11.0%	19.7%	-6.1%	74.2%

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

Sales trends remained weak across the board during May.

Month	Total Retail Ex	Auto	Jewelry	Clothing	Young Adult Clothing	Teen Clothing	Discount	Department Stores	Athletic Footwear and Apparel	Children's Clothing	Specialty Running
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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 dataFor the week ended June 3rd, beauty, athletic, and specialty running are the only categories to post positive growth.

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	2.5%	-3.9%	8.4%	9.9%	-1.5%	20.1%	13.7%	21.1%	-0.6%	11.4%	28.6%	17.7%	40.9%	7.9%	27.6%	34.4%
14-Jan	-6.0%	-3.8%	-7.7%	5.5%	1.5%	8.8%	2.0%	7.9%	-11.2%	5.4%	15.4%	9.1%	21.4%	19.7%	7.8%	32.7%
21-Jan	-4.9%	-2.3%	-7.0%	4.5%	0.0%	7.8%	3.4%	12.2%	-9.3%	4.7%	20.6%	13.4%	27.8%	-4.8%	0.2%	40.7%
28-Jan	-7.3%	-3.1%	-10.5%	0.7%	-8.2%	7.4%	3.2%	5.9%	-17.1%	1.3%	12.4%	7.0%	17.8%	-5.1%	-14.0%	9.8%
4-Feb	-3.1%	1.4%	-6.7%	11.3%	4.5%	16.0%	5.8%	7.3%	-3.9%	10.9%	14.8%	5.5%	25.6%	2.9%	6.5%	38.0%
11-Feb	-10.8%	-2.4%	-16.4%	-5.8%	-4.3%	-6.7%	-9.8%	0.4%	-13.3%	-3.2%	11.7%	11.8%	11.5%	1.1%	-0.6%	25.8%
18-Feb	-9.2%	-0.8%	-14.2%	-4.5%	-0.4%	-6.5%	-7.0%	2.5%	-11.8%	-1.5%	12.3%	11.3%	13.1%	-6.5%	0.2%	14.2%
25-Feb	-6.0%	-2.3%	-8.6%	-7.6%	-5.9%	-8.6%	-6.4%	1.7%	-13.6%	-2.8%	14.3%	15.7%	13.1%	-1.6%	1.9%	23.2%
4-Mar	-2.3%	-0.7%	-3.5%	-5.4%	-4.2%	-6.1%	-4.6%	1.6%	-11.2%	-3.3%	10.6%	15.2%	6.4%	-4.4%	-1.0%	9.8%
11-Mar	-3.1%	-1.0%	-4.6%	-9.5%	-9.5%	-9.5%	-1.3%	1.1%	-10.0%	-2.9%	10.1%	13.8%	7.1%	0.7%	-5.7%	4.9%
18-Mar	-4.1%	-2.6%	-5.1%	-7.8%	-9.9%	-6.6%	-2.5%	-1.6%	-13.6%	-7.1%	6.4%	7.8%	5.2%	-6.1%	-13.5%	8.3%
25-Mar	-9.7%	-7.9%	-11.0%	-11.6%	-8.1%	-13.5%	-8.2%	-5.7%	-19.2%	-8.0%	5.2%	8.1%	2.7%	-5.9%	-24.8%	3.5%
1-Apr	-5.6%	-4.9%	-6.1%	-12.0%	-12.2%	-11.8%	-3.9%	-2.6%	-14.4%	-6.7%	3.5%	2.4%	4.5%	-2.4%	-1.5%	13.6%
8-Apr	-0.4%	-4.2%	2.3%	-5.1%	-9.6%	-2.4%	-1.8%	4.3%	-1.6%	2.8%	-7.7%	-17.9%	3.3%	-7.7%	9.4%	14.0%
15-Apr	-11.0%	-3.1%	-16.2%	-18.9%	-10.2%	-23.5%	-7.1%	-17.6%	-23.5%	-13.0%	-8.5%	-11.5%	-5.5%	-14.1%	-19.5%	4.4%
22-Apr	-0.3%	0.5%	-1.0%	2.0%	-0.5%	3.4%	4.1%	11.1%	-14.6%	-5.4%	18.2%	18.7%	17.7%	4.6%	-0.4%	14.9%
29-Apr	-5.9%	-1.9%	-8.8%	-9.0%	-6.0%	-10.8%	-9.0%	-3.3%	-13.5%	-8.2%	16.3%	31.2%	2.8%	-8.9%	-0.6%	10.3%
6-May	-9.3%	-0.8%	-15.2%	-17.8%	-10.3%	-21.6%	-20.6%	-8.8%	-15.3%	-13.4%	5.4%	18.5%	-6.0%	-8.3%	-4.8%	7.6%
13-May	0.5%	1.3%	0.0%	0.0%	3.1%	-1.3%	9.9%	6.5%	-7.6%	-6.0%	6.9%	7.5%	6.5%	-7.6%	3.6%	20.7%
20-May	-3.6%	-1.6%	-5.0%	-2.9%	1.6%	-5.1%	6.8%	-0.8%	-14.6%	-9.4%	3.8%	2.9%	4.6%	-3.9%	-11.8%	11.1%
27-May	-3.2%	-2.3%	-3.9%	-0.5%	8.2%	-4.9%	-0.6%	0.8%	-6.9%	-2.3%	3.7%	3.8%	3.6%	1.2%	-3.9%	20.6%
3-Jun	-4.5%	-1.8%	-6.4%	-3.8%	3.5%	-7.6%	-4.0%	-0.7%	-10.2%	-5.1%	4.6%	6.3%	3.0%	-8.3%	22.3%	14.1%

Source: BAC internal data

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Exhibit 3: Weekly sales vs 2019 % change by category, according to BAC aggregated credit and debit card dataFor the week ended June 3rd, nearly all categories posted positive growth (vs 2019), aside from dept stores, teen retail, and specialty children.

Vs 2019	Clothing vs F19	Clothing Ecomm vs F19	Clothing B&M vs F19	Dept Stores vs F19	Dept Stores Ecomm vs F19	Dept Stores B&M vs F19	Jewelry vs F19	Discount vs F19	Teen Retail vs F19	Young Adult vs F19	Beauty vs F19	Beauty Ecomm vs F19	Beauty B&M vs F19	Specialty Children vs 19	Athletic Apparel vs 19	Specialty Running vs 19
7-Jan	20.5%	73.1%	-3.6%	-22.4%	16.7%	-37.9%	51.6%	13.3%	-13.5%	1.2%	35.9%	59.7%	19.2%	-8.6%	42.1%	69.4%
14-Jan	20.6%	75.9%	-5.2%	-7.3%	37.6%	-25.8%	48.4%	11.8%	-12.1%	0.8%	38.3%	79.3%	15.4%	11.6%	40.6%	91.6%
21-Jan	16.8%	72.4%	-8.0%	-14.6%	24.1%	-29.4%	42.5%	12.3%	-8.7%	-3.5%	40.0%	82.2%	16.2%	-19.9%	31.1%	69.8%
28-Jan	17.2%	63.1%	-5.4%	-10.4%	16.1%	-21.8%	47.5%	20.7%	-10.5%	-6.1%	33.2%	67.8%	12.0%	-30.9%	22.8%	70.5%
4-Feb	22.3%	69.8%	-1.6%	0.4%	34.4%	-13.2%	48.2%	16.1%	-10.0%	4.0%	32.8%	47.4%	21.1%	-24.9%	35.7%	100.8%
11-Feb	16.1%	68.0%	-6.5%	-11.1%	24.6%	-24.1%	37.8%	13.2%	-9.6%	6.6%	35.0%	66.3%	16.4%	-25.5%	14.9%	88.0%
18-Feb	5.1%	57.4%	-14.5%	-20.4%	10.5%	-30.2%	20.3%	6.5%	-22.5%	-15.5%	31.8%	78.2%	7.7%	-33.2%	-6.6%	62.8%
25-Feb	19.5%	64.8%	-1.0%	-10.7%	14.6%	-20.9%	37.9%	14.2%	-8.0%	5.3%	39.7%	73.2%	19.2%	-26.5%	18.8%	91.8%
4-Mar	12.7%	63.3%	-9.7%	-15.7%	15.4%	-27.3%	34.3%	9.8%	-11.5%	2.6%	25.7%	46.4%	10.4%	-38.1%	9.9%	64.5%
11-Mar	7.9%	56.3%	-12.8%	-18.0%	13.2%	-29.4%	30.3%	7.2%	-20.0%	3.6%	26.8%	61.8%	7.0%	-36.0%	1.5%	67.2%
18-Mar	8.6%	62.4%	-12.8%	-18.7%	8.9%	-28.6%	37.2%	4.4%	-17.6%	-3.1%	30.2%	72.8%	7.0%	-38.5%	5.4%	42.9%
25-Mar	6.5%	57.0%	-14.2%	-18.8%	7.9%	-29.1%	32.6%	4.8%	-22.8%	-2.6%	25.7%	63.1%	4.1%	-34.3%	3.3%	47.0%
1-Apr	7.3%	55.1%	-12.9%	-13.7%	18.4%	-26.5%	36.7%	6.2%	-16.7%	-1.3%	16.6%	31.7%	5.2%	-28.2%	1.7%	62.0%
8-Apr	15.9%	60.2%	-2.4%	-8.6%	21.3%	-19.7%	34.5%	11.2%	-0.5%	6.1%	30.7%	65.2%	10.8%	-31.1%	27.0%	51.0%
15-Apr	5.4%	57.8%	-15.8%	-20.0%	9.7%	-31.7%	32.1%	-5.6%	-15.8%	3.1%	28.2%	74.3%	2.8%	-32.6%	10.8%	48.2%
22-Apr	11.9%	69.1%	-10.6%	-6.6%	28.9%	-19.2%	55.1%	15.9%	-23.7%	-8.8%	53.0%	117.4%	16.8%	-22.5%	9.9%	64.0%
29-Apr	11.8%	65.9%	-10.8%	-13.8%	26.3%	-28.4%	42.5%	6.7%	-16.9%	-7.1%	26.7%	61.0%	1.6%	-5.5%	15.4%	58.4%
6-May	11.5%	65.7%	-11.7%	-17.0%	9.8%	-27.3%	27.3%	6.6%	-13.2%	1.0%	4.2%	14.6%	-5.3%	-9.0%	14.6%	64.7%

Exhibit 3: Weekly sales vs 2019 % change by category, according to BAC aggregated credit and debit card data

For the week ended June 3rd, nearly all categories posted positive growth (vs 2019), aside from dept stores, teen retail, and specialty children.

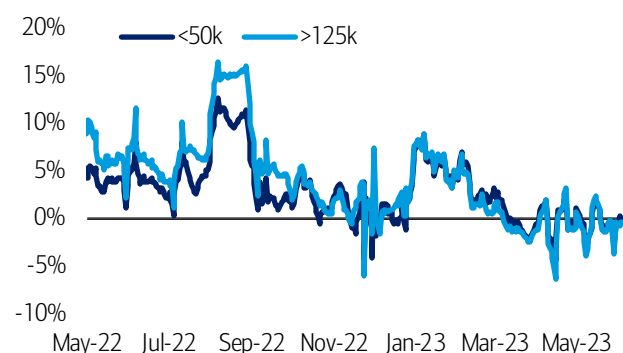
					Dept	Dept			Teen							
	Clothing	Clothing	Clothing	Dept	Stores	Stores			Retail	Young		Beauty	Beauty	Specialty	Athletic	Specialty
Vs	Ecomm	B&M	Ecomm	Stores	Ecomm	B&M	Jewelry	Discount	vs	Adult	Beauty	Ecomm	B&M	Children	Apparel	Running
2019	vs F19	vs F19	F19	vs F19	vs F19	vs F19	vs F19	vs F19	F19	vs F19	vs F19	vs F19	vs F19	vs 19	vs 19	vs 19
13-May	12.5%	67.0%	-7.7%	-9.1%	20.0%	-18.1%	26.4%	13.0%	-5.5%	-1.6%	18.3%	28.3%	11.7%	-1.9%	27.4%	77.8%
20-May	14.4%	66.7%	-6.5%	-4.9%	29.2%	-16.7%	42.5%	10.9%	-8.1%	0.4%	29.1%	61.0%	10.7%	-7.4%	23.0%	64.8%
27-May	5.5%	66.9%	-16.1%	-16.4%	25.4%	-29.6%	40.8%	7.5%	-18.7%	-9.4%	32.7%	69.7%	11.7%	-7.9%	6.8%	68.9%
3-Jun	15.6%	57.0%	-2.9%	-5.2%	25.3%	-17.1%	31.5%	11.1%	-0.5%	5.7%	24.6%	45.0%	9.3%	-5.7%	72.0%	89.1%

Source: BAC internal data

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Exhibit 4: Total card spending per HH by income group (y/y % change of the 7-day ma of spending levels)

Total card spending growth for lower-income HHs (0.0% y/y) outpaced higher-income HHs (-0.4% y/y) in the week ending Jun 3

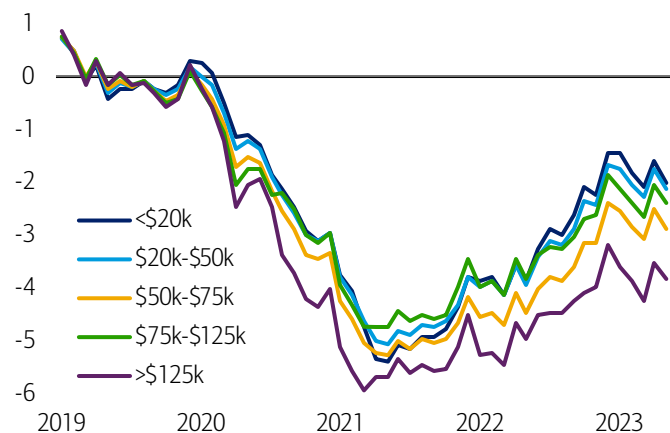


Source: BAC internal data

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Exhibit 5: Credit card utilization rates by income cohort (percentage point change relative to 2019 average)

Utilization rates are at least two percentage points below the 2019 average for every income cohort



Source: BAC internal data

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