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ECON-102-C

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Retail Sales

Looking at the percent change of RSAFS I notice 3 things immediately. One upward spike in October 2001, which would be roughly right after 9/11. Another spike I see is a downward spike during November of 2008 which would have been during the Great Recession. The final spike is a downward spike that occurred last month, March 2020 which is obviously due to the COVID-19 precautions. The recent data in Retail sales is eerily similar to the data from the Great Depression.

When swapping to using Compounded Annual Rate of Change, I again notice the same three spikes but something more interesting occurs with the spikes themselves. The 2001 upward spike stands out much more significantly than it did before even though it was already easily noticeable. The current 2020 downward spike as well becomes more exaggerated. With the 2008 spike however, it is a little less obvious because it does not look exaggerated like the other two spikes. It stayed relatively the same in this regard.

The 2001 spike occurred because of reactions to the 9/11 attack on the United States. For instance, car dealerships saw a surge in sales because during this time they offered zero-percent financing and other incentives to consumers. Clothing stores also saw an increase in sales in October after having seen a drop in September due to the attacks.

Some of the largest downward spikes seen in the Retail Trade data were in clothing, hobby stores, and department stores. These downward spikes are most likely to be due to the closing of these stores as a result of precautions towards COVID-19. They cannot make sales if

they are closed. The largest upward spikes were seen in Food/Beverages (specifically grocery stores), Nonstore retailers, Miscellaneous store retailers, and building material suppliers. Again, not surprised to see this as grocery stores are an essential business so they remained open and people are panic buying to stock up during this. The nonstore retailers change is due to people online shopping more now that they cannot go into stores. I am surprised to see the miscellaneous stores spike because most of those businesses would most likely be deemed not essential but people may have bought a lot from them before they closed. The building materials suppliers spike makes sense because now that people are home and have free time if they lost their job, they are doing a lot of home improvement.