Retail Sales Rise, In-Office Work May Boost Careers, Inflation Expectations Decline

By Lou Hirsh

Retail Sales Rise

May's U.S. retail sales posted a sizeable increase from the prior month and year-earlier figures, aided by wage gains in a relatively strong job market, according to the latest Retail Monitor report from the National Retail Federation and business news site CNBC.

Based on anonymized credit and debit card purchase data compiled by consulting firm Affinity Solutions, the trade group said May's sales, excluding auto and gasoline purchases, rose about 1.4% from April and increased 3% from May 2023. That marked a rebound from April's monthly increase of 0.26% and a year-over-year decline of 0.6%.

"Consumers have clearly retained their ability to spend and are driving solid economic growth," NRF CEO Matthew Shay said in a statement Monday. "Inflation remains stubborn but is almost entirely in services rather than retail goods."

Researchers said May's sales rose from the prior month in five of nine tracked categories, and increased from May 2023 in six of nine categories. Online sales rose about 2.1% for the month and nearly 18% from a year earlier.

In-store categories with notable gains included health and personal care stores, rising 1.3% for the month and 6.7% from a year earlier, and clothing and accessory sellers, posting gains of 1.4% for the month and 6.2% for the year. Furniture and home furnishing stores declined 0.1% for the month and were down 3.2% year-over-year.

The numbers arrived after several national chain retailers reported slowing sales and lowered profits in the first quarter as customers cut back on non-essential spending. The NRF-CNBC report is considered a preview of official Commerce Department numbers slated to be released later this month, based on household and company surveys.

In-Office Work May Boost Careers

Remote and hybrid arrangements remain the norm in most large cities, but workers who decide to work full-time in offices could be helping themselves move faster up the company ladder, according to a survey from the Conference Board.

The economic research group, based in New York, surveyed chief human resources professionals at companies nationwide and found that 10% expect promotion eligibility to increase in the coming months for fully-in-office workers compared with their fully-remote counterparts. That number has been rising in recent quarters, though the latest survey found only 3% of respondents plan to offer those fully-in-office workers a higher salary.

“Today’s talent pool places a premium on workplace flexibility — and historic labor shortages reinforce the need for such arrangements,” Diana Scott, who heads the Conference Board’s U.S. Human Capital Center, said in a statement Monday. The group surveyed about 120 HR leaders for a quarterly index showing second-quarter hiring and retention confidence rising from the prior quarter.

The Conference Board said 15% of HR respondents plan to increase “high-profile projects” for in-office workers over fully remote workers, and 7% plan to increase professional development opportunities over their fully remote coworkers. Recent quarters have shown similar rising figures when comparing fully-in-office workers to hybrid workers.

Several companies, in industries such as technology and financial services, have been increasing their in-office work requirements in the past year, citing benefits such as enhanced corporate cultures and career networking opportunities. Still, average big-city office attendance continues to hover around 50% of pre-pandemic levels, according to security technology firm Kastle Systems.

Inflation Expectations Decline

Consumers expect the U.S. annual inflation rate to be at 3.2% a year from now, according to the latest monthly national survey by the Federal Reserve Bank of New York, taken in May. Median numbers showed that was down from the 3.3% year-ahead figure in the prior month’s survey.

Researchers at the regional Fed found households’ expectations for stock market growth reaching a three-year high, and respondents were also more optimistic about their year-ahead financial situations than in the April survey. Year-ahead home price growth expectations were unchanged, with a median expectation of 3.3% growth.

Median year-ahead earnings growth expectations were also unchanged at 2.7%, just below the 12-month trailing average of 2.8%. Spending growth in the coming year was projected at a median rate of 5%, down slightly from the April survey.

Annual inflation was 3.4% in April, with the government expected to release the May rate later this week.