

## Business

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# Index shows retail sales improving

Optimism is at highest level since Feb. 2006

Jaclyn Trop / The Detroit News

Sales and optimism are on the rise for Michigan's retailers, according to an industry index that in February showed an end to a more than two-year streak of losses and weak demand.

A survey of retailers compiled by the Federal Reserve Bank of Chicago and the Michigan Retailers Association shows that retail sales bottomed out last spring and began to rebound last month.

In February, more retailers reported year-over-year increases than declines for the first time since August 2007, according to the monthly index. Optimism is also at its highest level since February 2006, the report found.

"People still need things," said Julie Feldman, co-owner of West Bloomfield boutique Guys N Gals. "It's about giving consumers what they want."

Feldman attributed her shop's strong sales to its customer service and mix of inventory and prices. The retail survey indicates a "survival of the fittest effect," she said, with the recession killing off the weaker shops, leaving the strongest retailers to rebound.

It's been a rocky road for retailers, which have slogged through two dismal holiday shopping seasons, the restructuring of Detroit's automakers, double-digit state unemployment rates, frozen credit markets and economic uncertainty.

MRA spokesman Tom Scott called the latest data "definite positive news." All categories, including furniture, apparel, electronics, home improvement and jewelry, reported growth, he said.

### State retail sales up

The Michigan Retail Index rose above 50 for the first time in 27 months, indicating an increase in sales.



Note: Values above 50 indicate increased sales in the state and below 50 a decline in sales.  
Sources: Michigan Retailers Association, Federal Reserve Bank of Chicago  
The Detroit News

"We're up against some really weak numbers year over year, so that lowers the bar," Scott said. "But it's still a bar we haven't been over in a couple of years."

Last month, 46 percent of the state's retailers increased year-over-year sales, while 39 percent reported declines and 15 percent saw no change.

Retail sales nationwide rose 0.3 percent year over year for the week ending March 20, boosted by the weather, spring break and Easter, according to retail analyst ShopperTrak in Chicago.

Similarly, 61 percent of Michigan retailers expect March sales to improve due in part to rising employment levels and warmer weather.

But Farmington Hills-based retail analyst Ken Dalto cautioned that a full recovery for the state's retailers could take many months, with sales stagnant for at least the first half of the year.

"I see retail languishing with no real growth immediately," he said.

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