

Economic Indicator — November 25, 2025

Retail Sales Rose Less Than Expected in September

Summary

Although we are just days away from Black Friday when holiday sales fully kick into gear, we are just now getting September retail sales data due to the government shutdown. The 0.2% headline increase for the month was underwhelming, and a dip in control group sales puts year-end spending on shaky footing. Still, our holiday sales forecast remains intact even if we are now closer to the lower end of our forecast range.

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U.S. Retail Sales: September 2025											
	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Sep-25
Retail Sales (MoM)	0.6	0.6	0.8	-0.9	0.0	1.5	-0.1	-0.8	1.0	0.6	0.2
Retail Sales, Ex. Autos (MoM)	0.3	0.0	0.7	-0.3	0.4	0.6	0.0	-0.1	0.9	0.4	0.3
Control Group Sales (MoM)	0.2	-0.1	1.0	-0.4	0.8	0.5	-0.2	0.3	0.9	0.5	-0.1
Real Retail Sales (MoM)	0.6	0.4	0.3	-1.3	-0.1	2.0	-0.1	-0.7	0.6	0.7	-0.4
Retail Sales (YoY)	3.1	3.9	4.6	4.6	3.9	5.1	5.0	3.4	4.4	4.1	4.3
Retail Sales, Ex. Autos (YoY)	3.0	3.1	3.7	4.4	4.3	4.2	4.1	3.7	4.0	4.0	4.1
Control Group Sales (YoY)	4.2	4.1	4.9	5.0	5.7	5.4	5.2	4.9	4.7	5.0	4.2
Real Retail Sales (YoY)	4.3	4.3	4.3	3.8	3.3	5.0	5.1	3.3	3.7	3.3	2.3

Notes: MoM = Month-over-Month Percent Change
YoY = Year-over-Year Percent Change

Source: U.S. Department of Commerce, U.S. Department of Labor and Wells Fargo Economics

So Long Ago I Can't Remember When

The fog continues to lift on the contours of autumn economic growth as the various governmental statistical agencies release overdue data that had been held up by the shutdown. Today, a somewhat clearer read on the consumer comes into better focus with the first official look at retail sales from September. In a typical year, this would have landed in mid-October and been the catalyst for the release of our [Holiday Sales](#) forecast. We opted to publish our report without the September data with a recognition that doing so might require us to dial-in our forecast as data became available.

The actual out-turn for September was more humbug than merry. Overall retail sales increased just 0.2% and control group sales fell 0.1% and that came after downward revisions to the prior month's sales. This series feeds into consumer spending numbers in the GDP report, so the weakness here sets up fourth quarter consumer spending on a somewhat weaker note.

Within holiday sales categories, which is a subset of retail excluding autos, gas and restaurants, the outcomes were mixed. Online shopping pulled back 0.7% after another impressive year of gains. Even after the soft print for September, e-commerce is still 6% above where it was in September 2024. We are not terribly discouraged by the miss here. Amazon's two-day Prime event (now called *Big Deal Days* rather than *Prime Day*) was well telegraphed to consumers who may have put off some spending in September in favor of October. This is in line with a theme we highlighted previously: how the pull-forward of sales earlier into the year reflects the success of a mission on the part of retailers to do just that.

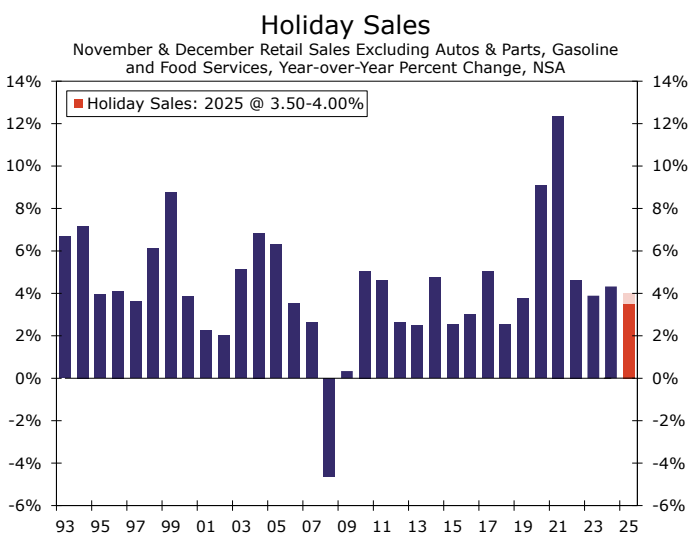
Other key holiday-shopping categories posted declines in September with sporting goods, clothing and department stores all down in the month. All other holiday categories were positive in the month, but our overall holiday measure was flat. With that data now in hand, we are keeping intact our forecast of an annual gain of between 3.5% and 4.0% annual growth in holiday sales, even if the lower end of the range is looking more likely at this moment ([chart](#)).

We Can Drive it Home With One Headlight

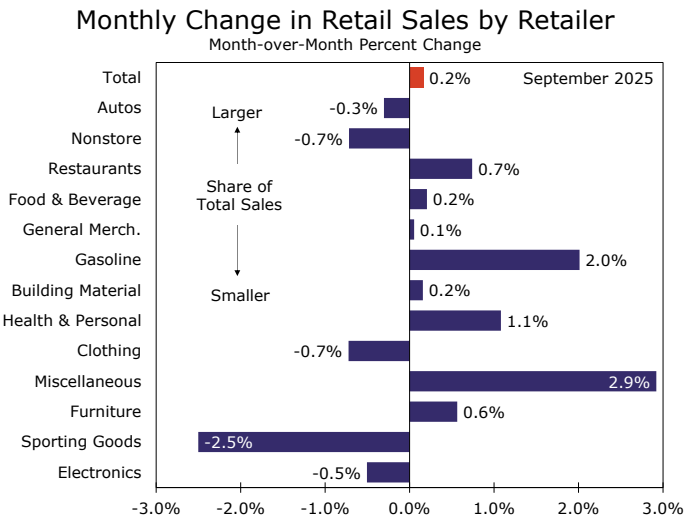
Outside holiday-related spending, we were anticipating a gain in auto sales in September amid higher reported unit sales from Ward's and the expiration of the federal electric vehicle tax credit at the end of the month, but auto & parts sales slipped 0.3% ([chart](#)). Sales were still strong even accounting for the giveback, about 5% higher than a year-ago, and the modest decline follows three months of consecutive gains. Sales likely slowed further next month with unit sales declining the most in five months in October.

The 2% pop in sales at gasoline stations also says more about prices than it does about driving last month. While the average price of an unleaded gallon of gasoline moved lower over the course of September and slid further in October, registering the lowest price seen this year, motor fuel prices measured by the CPI rose by the most in two years. Since retail sales are reported nominally, this bump in prices lifted gasoline sales in September.

The latest data don't materially alter our expectations for third quarter GDP growth. The data present modest downside to real goods spending, though we still expect real personal consumption expenditures to advance close to a 3% annualized rate, in part boosted by solid growth at the start of the quarter. That said, these data position for a slowdown in spending heading into



Source: U.S. Department of Commerce and Wells Fargo Economics



Source: U.S. Department of Commerce and Wells Fargo Economics

year-end amid the continued moderation in the jobs market and compounding price gains weighing on households ability to spend.

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