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Retail Sales Fell in December. Why Some Economists Say the Decline Will Be Short-Lived.

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Or

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Economists forecast sales growth at 0.1%, according to FactSet. Retail sales, excluding auto and gas, rose 0.6% in November compared with a 1.5% increase in October, according to the Census Bureau. Retail sales rose 16.9% year-over-year in 2021.

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While the December report showed an unexpected drop in retail sales from the catapult in spending November data showed, the slowdown is expected to be short-lived. Put more simply: "Don't panic," as Wells Fargo economists wrote on Friday.

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Consumers had long been expected to pull forward their holiday shopping to get ahead of any supply chain backlogs, economists say. And while the spike in coronavirus cases due to the Omicron surge is likely having some effect, most economists, including policy makers at the Federal Reserve, believe consumers are increasingly learning to live with the virus, and outbreaks are having less of an effect on behavior.