



Written by [Bob Adelman](#) on June 16, 2020

Retail Sales in May Set All-time Record High

Recently freed from government restrictions, edicts, and mandates requiring them to stay at home to limit the spread of the COVID-19 virus, consumers flocked to malls and auto and electronics stores to make up for lost time.

And make up they did! The Commerce Department [reported on Tuesday morning](#) that retail sales in May jumped 17.7 percent, the largest monthly increase on record. It followed an equally dismal and record-setting drop in April of 16.4 percent. The rebound far exceeded forecasters' expectations, who were predicting an 8.4-percent gain.



The president was delighted. He tweeted: "Wow! May retail sales show biggest one-month increase in ALL TIME, up 17.7%. Far bigger than projected. Looks like a BIG DAY FOR THE STOCK MARKET, AND JOBS!"

Every category of retail sales rebounded. Car and truck sales jumped by 44 percent. Restaurants reported a nearly 30-percent increase. Sales at clothing stores nearly tripled. Credit-card usage and gasoline sales increased accordingly.

That this is no fluke was confirmed by figures from the Federal Reserve Bank of New York, which also reported on Monday that its manufacturing gauge rose more than forecast in June. And consumer sentiment skyrocketed in early June by the most in four years following the surprisingly robust increase in jobs reported in May.

It's a "V-shaped" recovery, at least for the time being. As the stimulus checks get spent and unemployment benefits run out, retail spending could tick down a little in June and July. Other manufacturing data are showing increases, but at a more modest rate.

There is talk of the government's proposed \$1 trillion infrastructure rebuilding plan, plus still another stimulus check perhaps timed to arrive a month or so before the November election.

How all of these government programs will be paid for remains to be seen. Little concern from the Fed or others is being expressed. For now, the attitude seems to be, "let's get back to normal" and let tomorrow worry about itself.

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