

NRF Forecasts 2.5% Increase in Retail Sales for 2010 **-More Jobs, Better Housing Market to Boost Consumer Confidence-**

Washington, January 26, 2010 – The National Retail Federation released its 2010 economic forecast today, projecting retail industry sales (which exclude automobiles, gas stations, and restaurants) will increase 2.5% from last year. According to its quarterly Retail Sales Outlook report, influential economic indicators such as the housing market and employment are beginning to show positive signs, which will bolster consumer confidence throughout the year. Total industry retail sales for 2009 declined 2.5 percent.

“As we continue to see signs of improvement throughout the U.S economy in 2010, overall sentiment will begin to lift, making way for slight increases in consumer spending,” said NRF Chief Economist Rosalind Wells. “While we still expect shoppers to continue to be frugal with their discretionary spending, retailers will soon be able to reap the benefits of leaner, smarter inventories and a year and a half of pent up consumer demand.”

Other positive economic contributions will come from trade, especially strong exports, a turnaround in the inventory cycle, and federal government spending. Consumer spending will lag behind overall economic growth, Wells estimates, but will continue to expand at a modest 2.0 – 2.5 percent rate.

The National Retail Federation is the world's largest retail trade association, with membership that comprises all retail formats and channels of distribution including department, specialty, discount, catalog, Internet, independent stores, chain restaurants, drug stores and grocery stores as well as the industry's key trading partners of retail goods and services. NRF represents an industry with more than 1.6 million U.S. retail establishments, more than 24 million employees - about one in five American workers - and 2009 sales of \$4.1 trillion. As the industry umbrella group, NRF also represents more than 100 state, national and international retail associations. www.nrf.com.