

Shoppers look for merchandise in Boston this summer as Americans spent at the fastest pace in five months in July after earning a little more. ELISE AMENDOLA/AP

Growth in retail best since March

By Anne D'Innocenzio
Associated Press

NEW YORK — This summer, Americans opened their wallets despite escalating fears about the slow economic recovery and surging gas prices.

A group of 18 retailers ranging from discounter Target to club-operator Costco reported August sales on Thursday that rose 6 percent — the industry's best performance since March — according to trade group International Council of Shopping Centers.

At the same time, the government released numbers showing that Americans spent in July at the fastest clip in five months.

The news appears to show that what Americans say and do are two different things: The reports come two days after a private research firm said consumer confidence in August fell to its lowest level since November 2011 as Americans grew more concerned about the job market, business conditions and the economy.

"It shows some resilience among shoppers. Let's face it. There are a whole series of economic headwinds that they are fighting against," said Ken Perkins, president of Retail Metrics, a research firm.

Roxane Battle Morrison, 50, said she is more worried about the economy, but she spent in August for one reason: She needed to help her son Jared, 18, get ready for college.

So, the Pennsylvania resident, who produces videos for a nondenominational church, put money away every month over the past year to save nearly $1,300 to buy him books, sheets, a futon bed, and other dorm room accessories.

"I was counting every nickel, looking at every price tag," she said.

Retailers and economists often use the results from back-to-school as a litmus test of how shoppers will behave during the biggest shopping period of the year in November and December.

"Sales were stronger in the second half of the month," said Gregg Steinhafel, Target's chairman, president and chief executive officer.

FACTORS LIKELY WEIGH DOWN CONSUMERS

Confidence index down: Earlier this week, the New York-based Conference Board's Consumer Confidence Index fell to 60.6, down from a revised 65.4 in July. The index now stands at the lowest point since November 2011 when the reading was at 55.2. It's also still far below the 90-reading that indicates a healthy economy.

Gas prices, jobs, housing: Several factors may have dampened consumers' moods in August. Gas prices, which had fell sharply from a peak of $3.94 in April, have begun rising again in the last few weeks. And the jobs and housing markets are showing only modest signs of improvement.