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RETAILERS REPORT

MODEST SALES GAINS FOR AUGUST

By Anne D'Innocenzio, Associated Press

NEW YORK – Americans' cautious spending on clothing extended into August, capping a weak back-to-school selling season for retailers.

Several retailers including clothiers Cato Corp. and L Brands Inc. on Thursday posted disappointing revenue during the month, which falls in the middle of the second biggest shopping period of the year.

The results raise questions about whether Americans will spend during the winter holidays in November and December, a time retailers can make up to 40 percent of their revenue for the year. While the back-to-school season, which runs from mid-July through mid-September, isn't an absolute predictor of how Americans will spend during the winter holidays, it does offer insight into consumers' mindset.

"Overall, the month was mediocre for sales," said Michael P. Niemira, chief economist at the International Council of Shopping Centers. "The back-to-school season started late and it never had momentum."

Overall, revenue at stores opened at least a year — a measure of a retailer's health — rose 3.7 percent in August, according to a preliminary tally of 8 retailers by the International Council of Shopping Centers. That's up slightly from July's 3.5 percent gain, but below the 6 percent gain in August last year.

Only a sliver of retail chains report monthly sales figures, and the list doesn't include Wal-Mart Stores, Macy's and many other large chains. In total, the retailers that report monthly data represent 6 percent of the $2.4 trillion in retail industry sales.

But Thursday's tally adds to evidence that while jobs are easier to get and the turnaround in the housing market is gaining momentum, the improvements have not been enough to sustain higher levels of spending for most Americans. Most still are juggling tepid wage gains with higher costs of living.

As a result, Americans in recent months have been shifting their spending to big ticket items like cars and home improvement, which has left little room for clothing and impulse purchases. Indeed, last month, a number of retailers including Macy's Inc., Target Corp. and Wal-Mart lowered their expectations for the rest of the year, citing a more challenging environment than they had expected.

Conversely, automotive retailer AutoNation on Thursday issued a report that new vehicle sales climbed 32 percent in August, led by strong sales of premium luxury vehicles. The report from AutoNation followed robust August sales from companies in the auto industry, which had its best month in six years.