Best Buy employees Anthony Leary, left, and Oscar Pimentel, foreground right, help customers load a television into a car.

Retail gives shopping season a big start

Consumers expected to boost economy with strong holiday buying trends

THE ASSOCIATED PRESS

WASHINGTON — Retail sales rose for a fifth straight month in November, suggesting a strong holiday shopping season and raising hopes that consumers will boost the economy in the coming months.

The best month for department stores in two years helped lift retail sales 0.8 percent last month, the Commerce Department said Tuesday.

November's sales figures were better than economists had expected, prompting many to revise their forecasts for consumer spending growth in the October-December quarter. Still, many cautioned that the economy needs more hiring and higher pay to sustain those spending gains in the new year.

That may not be too far away, according to a new survey of executives of America's largest companies. It found that 45 percent plan to hire within six months — the highest percentage for that group in eight years.

The Business Roundtable survey was released a day before President Barack Obama is to meet with a group of corporate executives to discuss job creation and making the U.S. more competitive. It also comes as Congress is on the verge of passing legislation that would extend the Bush-era tax cuts for two years, lower payroll taxes for workers and extend unemployment benefits through the end of 2011.

The economic news Tuesday was not all bright. Best Buy Co. said its quarterly net income, covering a three-month period ending Nov. 27, fell more than expected. The company, the largest U.S. electronics chain, said it lost sales of TVs and laptops to competitors. Best Buy also reduced its full-year outlook.

A big benefit for shoppers is that inflation remains tame. The Labor Department said wholesale prices rose 0.8 percent in November, reflecting a jump in energy prices. But core inflation ticked up only 0.3 percent.