

## Consumers get shopping



DAMIAN DOVARGANES / AP

Customers load in a 60" television at the Los Feliz Costco Wholesale store Glendale, Calif.,. Shoppers shrugged off gas prices to give retailers a strong March.

# Strong retail sales reported for March

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NEW YORK — The economic recovery keeps defying expectations and getting stronger. Robust consumer spending in March is the latest sign that the rebound is entering a self-reinforcing cycle of improvement.

Shoppers shrugged off worries about higher gas prices and treated themselves at the mall last month. Retailers from Costco to Victoria's Secret reported surprisingly good sales Thursday, and analysts said people would have spent even more but for the late Easter.

The results were the latest economic report to come in better than expected. The private sector added more than 200,000 jobs in each of February and March,

and the unemployment rate has fallen more than a full percentage point, to 8.8 percent, in just four months.

Consumer spending, which makes up 70 percent of the economy, is critical to the recovery. The more shoppers spend, the more companies feel good about ramping up production, which means eventually adding workers, who spend more money.

There are signs now that the cycle is taking off. Ajay Banga, the CEO and president of MasterCard Inc., told The Associated Press that there's "something changing" in American spending habits.

"The 90 percent of the people who are employed, compared with the 10 (percent) who are not, no longer believe that their jobs are at

risk," Banga said. "And their willingness to spend has changed compared with six or nine months ago ... when there was a fear."

Overall, revenue at major retailers rose 2 percent over last March, according to the International Council of Shopping Centers. Many analysts had expected it to be flat or to decline slightly. The figures are based on stores open at least a year.

There's still plenty for retailers to worry about. Gas now averages more than \$3.50 a gallon in almost every state, and food keeps getting more expensive. But "jobs rule, and that is what is determining the underlying strength," said Michael P. Niemira, chief economist at the International Council of Shopping Centers.