



NEWS RELEASE

# Mastercard SpendingPulse: Child Tax Credit Helps Lift U.S. Retail Sales Growth to 10.9%\* in July

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In-store sales grew 15.5%, exceeding pre-pandemic levels

PURCHASE, N.Y.--(BUSINESS WIRE)-- Retail sales in the U.S. grew for the 11th consecutive month in July, according to **Mastercard SpendingPulse™**, which measures in-store and online retail sales across all forms of payment. With more cash in hand—fueled in part by the Child Tax Credit and pent-up savings—consumers drove U.S. retail spending growth, excluding automotive and gasoline, to +10.9% compared to July 2020. This is nearly quadruple the average growth in the month of July\*\*.

This press release features multimedia. View the full release here:

<https://www.businesswire.com/news/home/20210805005340/en/>

(Graphic: Business Wire)

At a national level, back-to-school shopping is well

underway, impacting a number of sectors as anticipated in our **forecast**. Overall, key retail trends from July include:

- **Child Tax Credit Boosts Department Stores and Apparel Sales:** The first of six monthly Child Tax Credit payments provided parents with an infusion of cash during the peak back-to-school shopping season, with Apparel (+80% YOY) and Department Store (+44.8% YOY) sectors seeing an uptick in sales for the month. This was concentrated in the days immediately following the first distribution on July 15.
- **Return of the In-Store Shopper:** Brick-and-mortar browsing is making its return, with in-stores sales making up 81.9% of total retail sales (ex auto) for the month. According to Mastercard SpendingPulse, in-store sales were up +15.5% YOY in July and weekends experienced positive spikes in spending as a result of in-store shoppers returning to physical stores.



- Making a House a Home: **According to data released by the U.S. Census Bureau**, new home sales have fallen to an 18-month low. However, consumers are still eager to turn their houses into homes as the Furniture & Furnishings sector continues to grow on a YOY (+3.2%) and YO2Y (+26.8%) basis.

“While e-commerce continues to play an increasingly significant role for retail, nothing replaces the in-store experience,” said Steve Sadove, senior advisor for Mastercard and former CEO and Chairman of Saks Incorporated. “July numbers reflect a return to the store. Consumers are shopping, spending and splurging across channels.”

Mastercard’s chief economist and head of the Mastercard Economics Institute Bricklin Dwyer said, “Back to school shopping is back. Combined with greater savings and higher demand, the Child Tax Credit has provided a boost for families and is putting more money into retailers’ pockets.”

\*Excluding auto and gas

\*\*The average year-over-year growth in July over the past four years was 2.9%

## About Mastercard SpendingPulse

Mastercard SpendingPulse™ reports on national retail sales across all payment types in select markets around the world. The findings are based on aggregate sales activity in the Mastercard payments network, coupled with survey-based estimates for certain other payment forms, such as cash and check. As such, SpendingPulse™ insights do not in any way contain, reflect or relate to actual Mastercard operational or financial performance, or specific payment-card-issuer data.

Mastercard SpendingPulse defines “U.S. retail sales” as sales at retailers and food services merchants of all sizes. Sales activity within the services sector (for example, travel services such as airlines and lodging) are not included.

## About Mastercard (NYSE:MA)

Mastercard is a global technology company in the payments industry. Our mission is to connect and power an inclusive, digital economy that benefits everyone, everywhere by making transactions safe, simple, smart and accessible. Using secure data and networks, partnerships and passion, our innovations and solutions help individuals, financial institutions, governments and businesses realize their greatest potential. Our decency quotient, or DQ, drives our culture and everything we do inside and outside of our company. With connections across more than 210 countries and territories, we are building a sustainable world that unlocks priceless possibilities for all.

**[www.mastercard.com](https://www.mastercard.com)**

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