

Cheaper gas makes Christmas merrier for U.S. retailers

By Lauren Coleman-Lochner, Bloomberg

After a rocky start to the holiday shopping season, U.S. retailers benefited from cheaper gas prices and an improving job market in the weeks leading up to Christmas, raising optimism that sales reached a three-year high.

Customer Growth Partners President Craig Johnson, who tracks the retail industry, now expects holiday sales to grow about 3.9 percent, a faster clip than he had previously projected as his "base case."

The biggest payroll gains since 1999 and the lowest gasoline prices in five years are prompting consumers to spend more liberally. The decline in gas prices, which are down 22 percent this month, could free up \$3 billion in holiday consumption, Johnson said. The money has largely gone toward hard lines, such as televisions, headphones and toys, he said.

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