



Written by [Bob Adelman](#) on November 29, 2019

## Black Friday Purchases Likely Up 4 Percent Over Last Year

By 10 a.m. Eastern time on Black Friday, consumers were on track to easily set a new record.

This is reflective of the continuing strength of the underlying economy, despite naysayers' attempts to denigrate the economy's performance. For instance, the Atlanta Fed's GDP Now index was just raised from an anemic (and woefully incorrect) 0.4 percent growth rate for the fourth quarter to 1.7 percent.



And even that doesn't reflect what's really happening online and in the malls.

Let's review the "real world" data:

- The economy is well into its 11th year of expansion;
- The number of Americans filing claims for unemployment insurance (a lower number reflects fewer layoffs) dropped last week;
- Inflation is modest with the core PCE (personal consumption expenditures) index increasing at just 1.6 percent compared to a year ago;
- Orders for capital goods (machinery, computers, electronics, etc.) increased by more than one full percent last month, while shipments increased by nearly as much;
- Consumer spending heading into the year-end shopping season increased sharply last month following a strong increase in September;
- Disposable income — defined as what's left over after paying taxes and essential living expenses — has grown by 25 percent in just the last five years;
- Consumer confidence as measured by the Conference Board remains, not surprisingly, near record highs;
- The economy isn't fighting the Fed which has cut interest rates three times this year and remains "on hold" for the foreseeable future;
- Existing home sales bounced higher in October, increasing nearly five percent from the same month a year ago — this is the fourth straight month of year-over-year gains;
- Home builder confidence remains near its highest levels in 2019 with new home construction jumping nearly four percent in October from a month earlier;
- Residential permits — a measure of future home building activity — also jumped in October;
- Retail sales — purchases at stores, restaurants and online — rose at nearly a four percent annual rate in October;
- The Fed's "beige book" of anecdotes from business owners around the country said that their "outlooks generally remained positive, with some contacts expecting the current pace of growth to



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continue into next year”; and

- Sales results from retail and online giants Target, Amazon, Walmart, Best Buy and TJX are showing gains reflecting an optimistic consumer.

After reviewing the data, Lynn Franco, senior director of economic indicators at the Conference Board, said “Consumers are gearing up for the holidays, with signs indicating they will not rein in their spending.” So far, Black Friday’s sales results are proving him right.

*Correction: This article as originally published incorrectly applied to Black Friday weekend an [economic forecast](#) that U.S. sales would surpass \$1 trillion for the first time; the forecast was for the holiday season, not just Black Friday weekend. We apologize for the mistake. Also, in light of additional information now available it appears that U.S. holiday shoppers will be spending nearly \$2 trillion this year, including retail purchases, online purchases and related holiday spending such as travel, meals and hotel/motel spending from Black Friday through Christmas Eve. This confirms the conclusion the writer was trying to make: that the U.S. economy remains strong, stronger than many in the media have suggested.*

*Photo: AP Images*

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