

## Retail Apparel Prices Fall in Feb.

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**WASHINGTON** — Retail apparel prices declined a seasonally adjusted 0.7 percent in February compared with January and remained flat from a year earlier, the Labor Department said Thursday in its Consumer Price Index.

Women's apparel prices fell 1.7 percent last month, but rose 0.3 percent year-over-year. Men's apparel prices declined 0.8 percent month-to-month and dropped 2.9 percent in 12-month comparisons.

Consumer confidence and spending have not recovered enough to allow for price increases, said John Lonski, chief economist for Moody's Investor Services. As long as the labor market is soft and home prices remain low, consumers are reluctant to spend, he said, which gives retailers little pricing power.

"Retailers are under pressure to discount merchandise if they want to grow sales," Lonski said. "The consumer is jittery and I think consumer behavior has changed radically regarding their willingness to purchase goods for reasons other than price."

The overall CPI was flat in February and advanced 2.1 percent compared with a year earlier. The so-called core index, which excludes the volatile food and energy sectors, increased 0.1 percent month-to-month and rose 1.3 percent compared with February 2009.

The consumer goods market is "hyper-competitive," said Brian Bethune, chief U.S. financial economist at IHS Global Insight. Both Thursday's CPI and Wednesday's Producer Price Index for domestically manufactured goods point to the same conclusion, Bethune said: "In competitive markets for goods and services, there are absolutely no signs of any inflation pressure."

Prices for women's outerwear declined 3.9 percent in February, but rose 0.1 percent year-over-year. Dress prices increased 1 percent from a month earlier, but dropped 8 percent compared with February 2009. Women's suits and separates prices declined 1.4 percent month-to-month, but rose 1.1 percent year-over-year. Prices in the broad women's underwear, nightwear, sportswear and accessories category were flat in February, and advanced 2.1 percent compared with a year earlier.

Men's suits, sport coats and outerwear prices were up 1 percent in February, but were down 2.6 percent year-over-year. Furnishings prices rose 1.2 percent month-to-month and 2.6 percent from a year earlier. Men's shirts and sweaters declined 1.8 percent in February, and dropped 7 percent in 12-month comparisons. Men's pants and shorts prices rose 0.2 percent month-to-month, but declined 3.6 percent compared with February 2009.

Girls' apparel prices advanced 3.6 percent in February and 4.2 percent for the year. Boys' prices increased 0.6 percent month-to-month, but declined 5.2 percent in 12-month comparisons.