

Gas Prices, Weather Hurt Sept. Retail Sales

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NEW YORK — Consumers struggling with higher gasoline prices and the economic fallout from Hurricane Katrina shopped for basics at discounters and avoided mall-based apparel stores in September, delivering many retailers tepid sales results. Unusually warm weather also curtailed demand for fall clothing.

Wal-Mart, which had seen its sales slow amid higher gasoline prices for months, had an easier time in September, its business boosted by increased demand for emergency supplies. The world's largest retailer had a 3.8 percent increase in same-store sales, or sales at stores open at least a year; the results matched Wall Street estimates. Total sales rose 9.7 percent.

Costco Wholesale Corp. had an 11 percent increase in same-store sales, helped by the rise in gasoline prices. Excluding the effects of gasoline price *inflation*, same-store sales would have been up 8 percent. Analysts had expected a 6.7 percent gain. Total sales rose 13 percent.

Even Nordstrom Inc. which typically has robust sales, reported more modest results. It posted a same-store sales increase of 4.1 percent, below the 4.4 percent estimate. Total sales rose 6.4 percent.

Hot Topic, Inc. struggled with a 5.6 percent decline in same-store sales, better than the 6.4 percent.

Bebe Stores Inc. posted a same-store sales gain of 12.3 percent, matching Wall Street estimates. Total sales rose 21.5 percent drop analysts expected. Total sales rose 8 percent.

American Eagle Outfitters Inc. reported on Wednesday a 13 percent increase in same-store sales for September, surpassing the 10.7 percent estimate. Total sales rose 20.9 percent.

1. Amongst the retailers listed above, place them in order ranging from greatest to least by total sales?
2. Compare and contrast the financial status as a result of the weather and gas prices of Wal-Mart in relation to Costco.
3. In 2003, Wal-Mart sold about \$262 billion of merchandise nationwide. Determine about how much that would be in one month.
4. How much more did Wal-Mart make if sales rose 9.7 percent based upon your answer in the previous question?
5. Why is it that clothing manufactures sales do not appear to have risen as much as the companies offering multiple services above?
6. In the passage above, explain at least three ways using the "**Reading Across The Curriculum**" poster simplifies understanding of the material.
7. Using contextual clues, explain the meaning of the italicized word *inflation* above.
8. In paragraph form, explain three legitimate and educational purposes behind *The Daughtry Times*.