



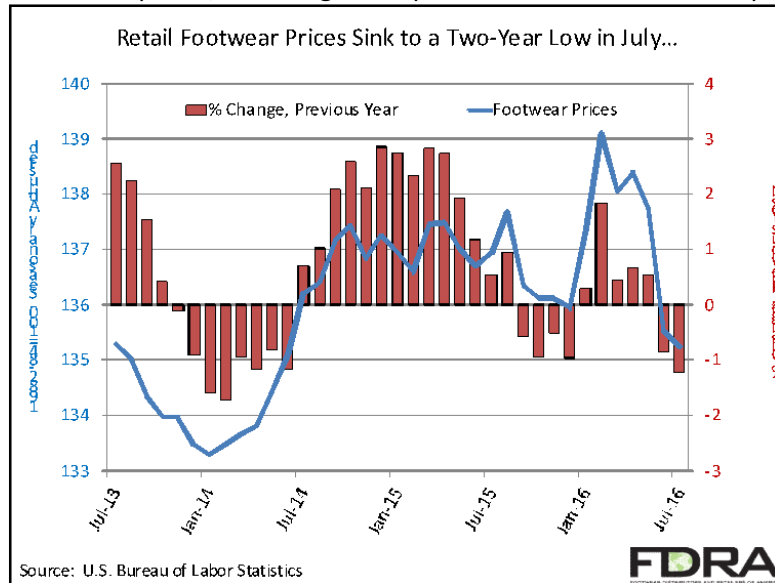
# Footwear Retail Price Monitor

## FDRA

FOOTWEAR DISTRIBUTORS AND RETAILERS OF AMERICA

### Weak July Womenswear Prices Dim Outlook for Footwear Prices in 2016

Retail prices for footwear in the US slid again in July, paving the way for the market to see little to no price pressure at the store shelf in 2016. Tuesday the federal government released [its latest read](#) on U.S. consumer prices, including retail prices for footwear. This report indicates total footwear prices sank -



1.2% in July from a year earlier, the sharpest decline since February 2014. At just 135.25 (1982-84=100), footwear prices in this latest month slipped to a two-year low. While prices for boys' and girls' footwear rebounded modestly last month, prices for men sank a year-over-year - 1.1% and for women fell -2.2%, lower four of the last five months and the biggest tumble also in two years. On balance, lower prices for menswear and womenswear offset a slight uptick in boys' and girls' footwear prices,

pulling overall footwear prices lower from twelve months earlier.

The July decline supports [our springtime view](#) that footwear prices will rise this year, albeit modestly at best. The July dip extended a gradual deceleration in the increase in year-to-date footwear prices to a weak 0.2% gain from the first half of 2015. In other words, year-to-date prices through February were up 1.1%, but this gain then eased each of the next five months to the current tepid 0.2% increase. And as [we discussed in June](#), a change in year-to-date average prices often points the way for full-year trends, an accuracy that improves with each passing month. We caution that [rising labor costs](#) and [recent rebounds in commodity prices](#) used in footwear manufacturing may spur higher producer prices for shoe stores this year, eclipsing any benefit to retailers of only modestly higher retail prices.

