Holiday sales report shows boost in 2016

NEW YORK— A stronger economy helped boost holiday sales both in stores and online this season, but department stores continued to struggle as habits shift.

Sales rose 4 % to about $658.3 billion, according to The National Retail Federation, beating the 3.6% boost forecast. Online sales alone rose 12.6 % to $122.9 billion, topping a forecast for growth of up to 10 %.

"Retail mirrors the economy," said National Retail Federation CEO Matthew Shay. "And while there might have been some bumps in the road for individual companies, the retail industry overall had a solid holiday season and retailers will work to sustain this in the year ahead."

The report is partly backed by a Commerce Department report also showing sales increases in December, notably in auto buying and online shopping.

The holiday season is a crucial period for retailers because it accounts for as much as 40 % of their annual sales.

Sales of health and personal care items rose 6.7 %, while furniture sales rose 4.8 %, and clothing sales rose 2.5 %. Electronics sales declined 2.3 %.

The biggest downturn came from department stores, with a 7 % decline. Many department stores are still grappling with increased competition from online shopping sites, such as Amazon.com. Last week, Macy's said it would shutter 68 stores after a disappointing shopping season where sales fell 2.1 % at established stores in November and December. It also cut its full-year profit forecast.