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MEDIA RELEASE

Michigan Retail Index Reports Sales Drop for Second Month in a Row

Frigid, Snowy January Slowed Shoppers

LANSING, Mich. – Michigan Retailers Association reports that January 2026's Michigan Retail Index score came in at 49.5, decreasing for the second consecutive month, down 3.7 points from December's score, and marking the first score below 50.0 since August 2025. Last year, the Retail Index Score was 62.2 in January.



The 100-point index provides a snapshot of the state's overall retail industry. With higher numbers indicating stronger activity, index values above 50 generally indicate positive sales activity. The seasonally-adjusted performance index is conducted by Michigan Retailers Association (MRA) in cooperation with the Federal Reserve Bank of Chicago's Detroit branch.

This seasonally-adjusted index reflects how current retail sales compare to a historical average for each month. Only twenty-seven percent of retailers noted an increase in January sales over December, while 55% of Michigan retailers surveyed reported a sales decrease, and 18% reported no change.

January's price adjustment index score came in at 61.9, a significant decrease from December's high of 75.2, and the lowest reported score since August 2025.

“While many retailers anticipate a post-holiday sales dip, we always hope January’s numbers remain strong,” said William J. Hallan, President and CEO of the Michigan Retailers Association. “Winter weather has both helped and hurt retailers this past month, bringing more winter recreation and tourism to the state, while also keeping many shoppers snowed in at home.”

Freezing Cold January

Retailers across the state faced frigid temperatures and high accumulations of snowfall throughout the month. One retailer from Owosso said it kept shoppers home. “The extreme cold weather in January had a negative impact on sales for a two week period,” they reported.

3-Month Outlook

When asked about their sales outlook for the next three months (February through April), 91% of retailers predicted their sales would increase, 3% said they expect their sales to decline, and 6% anticipate no change. That results in an index rating of 85.3 for the 3-month outlook, and a strong indicator for optimism after a slower winter month. The 3-month prediction last month came in at 90.0, which was a record high. The inventory outlook for the next three months remained positive, increasing three points from last month to 65.1 in January.

“For the past three months, we’ve seen incredibly high 3-month outlook scores for sales activity. Scores above the 80-point mark indicate retailers are feeling confident their sales will increase in the coming months,” Hallan shared. “After a turbulent 2025 for the retail industry, we’re optimistic that the year to come will be prosperous for retailers.”

The price adjustment three-month outlook score dropped more than 10 points this month, from 80.2 in December to 69.0 in January. This pricing outlook is the lowest score on record since 2024, following several months of historically high scores that reflected price increases caused by tariffs and rising costs of doing business. This month’s score lands closer to historical averages for January, with 2025’s score at 72.4 and 2024’s score at 58.8, compared to price outlook index scores remaining in the mid- to high-70s or above for the past ten months, which may indicate that retailers expect prices to stabilize more in the spring season.

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