

## Handout for August 2020 Newsletter COVID-19 Economics in FRED®

### Purpose.

1. Create a plot of food retail sales.
2. Customize the units of the series by applying a formula.
3. Describe and discuss patterns in the evolution of food retail sales over time.

**Pedagogical Rationale.** This assignment requires that you first look for data and plot them into a graph. Next, you will customize the graph by adding a series. Next, you will customize the units of the series by applying a formula. Lastly, you will describe and discuss patterns in the evolution of the data series. These tasks will develop your proficiency in searching for, transforming, and interpreting data.

**Grading.** Your grade will be determined by (a) how precisely you complete the search and transformation data tasks and (b) how accurately you interpret the data.

### Steps to Search for and Transform the Data.

1. Access <https://fred.stlouisfed.org/> and search for “Advance Retail Sales: Food Services and Drinking Places (RSFSDP).”
2. Select the series labeled “Millions of Dollars, Monthly, Seasonally Adjusted.”
3. Click on EDIT GRAPH and select ADD LINE.
4. Search for “Advance Retail Sales: Food and Beverage Stores, Millions of Dollars, Monthly, Seasonally Adjusted (RSDBS)” and click on “Add.”
5. Click on EDIT GRAPH and select EDIT LINE 1.
6. Customize data by searching for “Consumer Price Index for All Urban Consumers: All Items in U.S. City Average, Index 1982-1984=100, Monthly, Seasonally Adjusted (CPIAUCSL)” and click on “Add.”
7. Customize the data by typing the formula “(a/b)\*100” and click on “Apply.”
8. Click on EDIT GRAPH and select EDIT LINE 2.
9. Customize data by searching for “Consumer Price Index for All Urban Consumers: All Items in U.S. City Average, Index 1982-1984=100, Monthly, Seasonally Adjusted (CPIAUCSL)” and click on “Add.”
10. Customize the data by typing the formula “(a/b)\*100” and click on “Apply.”

### Writing Prompts. Answer the following questions:

1. The retail sales figures have been adjusted for changes in the cost of living by dividing them by the consumer price index and multiplying them by 100. Explain why it is necessary to transform the data in this way to be able to compare dollar figures over time.
2. Between January 1992 and April 2020, when did retail sales at bars and restaurants first equal retail sales at food and beverage stores? Explain your answer.
3. In March 2020, retail sales at bars and restaurants fell and retail sales at food and beverage stores rose. Name the economic effect describing this switch in spending.
4. In April 2020, retail sales fell at both bars and restaurants and food and beverage stores. Name the economic effect describing this reduction in spending.