



For Immediate Release
November 16, 2017

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**RETAILERS ASSOCIATION OF MASSACHUSETTS PREDICTS LOCAL
HOLIDAY SALES INCREASES OF 3.1%**

**Stable Consumer Confidence and Year to Date Trends Should Help
Massachusetts Retailers Boost Sales**

Boston—The Retailers Association of Massachusetts (RAM) is predicting a solid 3.1% gain in retail sales during the holiday period over the same period in 2016. The prediction is based upon a survey of the 4,000 members of the statewide trade association. The projected increase is not as strong as the national projected increase of 3.6-4.0% by the National Retail Federation for this holiday season, but in line with the year to date results. Massachusetts holiday sales (November through December) decreased last year by -1%, while nationally, retail sales increased 4% during the period.

RAM President Jon Hurst expressed optimism for increased holiday sales based upon year to date sales and the Association member survey, but caution on profitability.

“Massachusetts retailers are prepared for the 2017 holiday sales season, and they are optimistic that the sales trends for the year to date will continue, albeit with tighter margins and profitability,” Hurst said. “The calendar is very favorable with five full weekends between Thanksgiving and Christmas; and consumer confidence remains at high levels, but their choices of where to spend their money continues to grow with the power of mobile commerce.”

“Economic growth, low unemployment, rising wages, and continued low inflation have a lot to do with that consumer confidence. Consumer debt levels remain low, and improving home and 401k values are helpful to boost confidence levels as well. And given a very competitive marketplace, consumers will once again enjoy an environment of extensive promotions and value from a multitude of shopping options,” Hurst said.

Hurst urged consumers to remember their local stores this holiday season, and not just on Small Business Saturday. He noted that the Retailers Association of Massachusetts will again be urging consumers through social media efforts to #BuyInMA.

“We need to remember that where we invest our dollars makes a difference in the local economy,” Hurst said. “Let’s be sure to commit to investing a good portion of our spending budgets right here in our communities, and to always remember that we should shop like jobs depend on it, because they do.”

The projected sales increase would mark an important reversal after members reported a slight drop last year. Holiday season sales in the Commonwealth dropped by -1% in 2016, rose by 4.7% in 2015, 3.4% in 2014, 3.3% in 2013, 2.8% in 2012, by 5% in 2011, and by 7% in 2010, after dropping three years in a row during the Great Recession: -1% in 2009; -7% in 2008; and by -1% in 2007. Nationally, holiday sales dropped in only one of those years—2008, and at a level of -4.4%.

Hurst said the association members expect comparable seasonal store hiring, and average inventories are up 2% this year as compared to 2016. Employment growth began seven years ago, after significant staffing reductions in 2008. Staffing levels have recovered to roughly the level last seen in 2007 before the Great Recession. Inventory levels dropped in 2009 after too much inventory was left on stores shelves in 2008, and then gradually increased from 2010 through 2016.

Consumer spending represents 70% of the economy, and is vital for spurring economic growth. The holiday sales season historically represents on average 20% of annual retail sales, with some stores seeing 25-30% of their sales during the period. November and December retail sector sales in Massachusetts (excluding restaurants, auto sales and gas) will total approximately \$17 billion. According to the National Retail Federation (NRF), national holiday sales are projected to hit approximately \$680 billion.

The Retailers Association of Massachusetts is a statewide trade association of 4,000 retailers and restaurants of all types and sizes. The retail sector in Massachusetts employs 600,000 residents, or 17% of all jobs, and has total sales of over \$100 billion annually.

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Quick Facts:

- The Retailers Association of Massachusetts holiday sales projection is based upon a membership survey of primarily local, small business sellers out of fixed locations. Large chains and internet sellers are not included because their sales are not broken out by state. National projections and results do include chain stores and online sales.
- Anticipated major consumer gift purchase categories: gift cards, clothing and accessories, books, music and movies, consumer electronics, toys, jewelry, home décor and improvement items, personal care and beauty items, sporting goods, and food and candy.
- Online holiday sales are expected to increase by 10% and will reach \$109 billion nationally. Consumer surveys show that online will be the most popular destination of 59% of holiday shoppers, while total online sales during the season will likely remain in the 16-18% range.

Sources: National Retail Federation & government data