



For Immediate Release
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**RETAILERS ASSOCIATION OF MASSACHUSETTS PREDICTS 10% INCREASE
IN HOLIDAY SALES**

Boston — The Retailers Association of Massachusetts (RAM) is predicting 10% increase in local holiday shopping sales based upon a survey of their membership. RAM's 10% prediction for holiday sales is slightly higher than the national projections of 6-8% by the National Retail Federation (NRF).

"We are asking Massachusetts' holiday shoppers to remember that how they invest their dollars makes a big difference in the local economy," RAM President Jon Hurst said. "We are asking consumers to commit to investing a good portion of their spending budgets right here in our communities."

"With inflation eroding the purchasing power of our consumers and the margins of small businesses, it is more important than ever that we all work harder to protect, promote, and preserve our Main Streets and our important local shopping districts. We have enjoyed them for hundreds of years in New England, and we need to make sure they exist for generations to come," Hurst said.

Even with inflation levels at 40-year highs, consumer spending has remained relatively strong for the year to date. RAM members report an average sales increase of 6% for the year to date. Consumer savings rates increased during COVID, and debt levels dropped as well. Yet those numbers are now reversing again given the inflation rate, and some sellers report experiences of customers now "buying down" on their purchases, even as the number of transactions continue at positive numbers. The inflation strain on families, and the increased costs on sellers including inventory, wages, and energy, raise profitability questions even with higher sales numbers.

"A projected 10% sales increase over prior year leaves little margin for error or increased profitability given the 8% inflation rate" Hurst said.

Hurst noted that 60% of the membership now reports selling online, vs only 26% during the 2019 holiday season. "The acceleration of online offerings and sales by smaller sellers was essential for survival during the COVID crisis," Hurst said. "Main Street worked overtime to meet their customers where and how they wanted to be served during the pandemic, and those options remain in place today." Overall online sales nationally during this holiday season are projected to reach 25% of sales; but for smaller RAM members, internet sales are expected to make up approximately 5% of their total holiday sales, showing the continued reliance and importance of in-person shopping.

Holiday sales for the 2021 season increased a robust 16% in Massachusetts and 14.1% nationally due to pent up demand from COVID related slower sales earlier in the year. Past holiday season sales in the Commonwealth have increased by 9% in 2020, 3.9% in 2019, 4% in 2018, 3% in 2017, 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.

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) typically total approximately \$23.75 billion. According to the NRF, national holiday sales are projected to hit approximately \$942.6 billion-\$960.4 billion in 2022.

The RAM member holiday survey also noted that inventories for the 4th Quarter were up 2% vs. '21. Payroll costs for members were up 5% this year, on top of a 6.7% increase last year. And members ranked their top four challenges for the season as: 1. Inflation, 2. Declining profitability due to higher costs vs. sales, 3. Staffing shortages, and 4. Inventory shortages or delays.

RAM is a statewide trade association of 4,000 retailers and restaurants of all types and sizes. The retail sector in Massachusetts employs 600,000 people, or 17% of all jobs.

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