



For Immediate Release
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**RETAILERS ASSOCIATION OF MASSACHUSETTS PREDICTS LOCAL
HOLIDAY SALES INCREASES OF 3.8%**

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

Boston—The Retailers Association of Massachusetts (RAM) is predicting a strong 3.8% gain in retail sales during the holiday period over the same period in 2017. The prediction is based upon a survey of the 4,000 members of the statewide trade association. The projected increase is not quite as high as the national projected increase of 4.3%-4.8% by the National Retail Federation (NRF) for this holiday season, but does exceed the 2017 Massachusetts increase of 3%. A separate national NRF consumer attitudes survey shows shoppers plan on spending 4.1% more than last year.

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 2018 holiday sales season, and they are optimistic that the positive sales trends for the year to date will continue, albeit with tighter margins and profitability due to higher operating costs,” Hurst said. “The calendar is very favorable with five full weekends between Thanksgiving and Christmas, including a long weekend leading into the holiday. The confidence level of consumers remains at 18 year high levels, and prices remain in check due to their unlimited purchasing options given 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, oil prices are down, and the China tariffs concerns are really non-factors until 2019 due to seller inventory purchasing schedules. 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 on November 24. 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 be on top of a good seasonal increase of 3% 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.

Hurst said the association members expect comparable seasonal store hiring, and RAM's member survey shows that average inventories are up a strong 5% this year as compared to 2017. Employment growth began eight years ago, after significant staffing reductions in 2008 and 2009. Hurst notes that members expect higher payroll costs this year due to the tight labor markets, and the competition to attract seasonal employees. Inventory levels dropped in 2009 after too much inventory was left on stores shelves in 2008, and then gradually increased from 2010 through 2017.

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 \$18 billion. According to the National Retail Federation (NRF), national holiday sales are projected to hit approximately \$721 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 14.8% and will reach \$124 billion nationally. Consumer surveys show that online and department stores will both be the most popular destination of 55% of holiday shoppers, and total online sales during the season will likely total 17% of all seasonal sales.

Sources: National Retail Federation & government data