



### *Local Small Business Sales Plummet During Month of Bad Weather*

For Immediate Release

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Boston—Results from a small business weather sales survey conducted through Monday were released today by a several state and local employer organizations. Conducted by several employer organizations, including the Retailers Association of Massachusetts (RAM), Associated Industries of Massachusetts (AIM), the Massachusetts members of the National Federation of Independent Businesses (NFIB-MA), Massachusetts Restaurant Association (MRA), Massachusetts Business Roundtable, and local chambers of commerce members of the Massachusetts Association of Chamber of Commerce Executives (MACCE), the survey measured weather related lost sales from January 26-February 22.

The results showed an average drop in sales of 24% during the period, with a 7% drop in payroll. When measuring only retail and restaurant employers, the sales losses surged to a 49% drop, with a 14% drop in payroll costs. Over 1600 small businesses responded to the survey, with 77% of those companies having under \$5 million in annual sales, and 61% employing 20 or fewer.

“The results exhibited our worst fears that small businesses have suffered devastating sales losses due to the unprecedented winter weather,” said Jon Hurst, President of the Retailers Association of Massachusetts.

The employer organizations reported that the dramatic drop in sales, coupled with only marginal cuts in payroll costs will result in large profitability losses and cash flow issues for the small employers. The average payroll for the companies in the survey represented an amount equal to a third of their sales; and although some employers attempted to lower their payroll costs to match the sales drop, the payroll reductions were not close to

the sales drops. The payroll reductions represented an amount equal to only about a third of the drop in sales.

Bob Luz, President of the Massachusetts Restaurant Association reported that his members have also experienced very high, unanticipated costs due to the weather. “While the survey clearly states the loss of sales, an additional factor impacting business operators was the extremely sharp increase in operating costs, specifically in the areas of snow plowing and removal in parking lots, roof clearing and the cost of heating as a result of the second coldest February on record,” Luz said.

When asked in the survey what government can do to assist them, the small businesses responded with a variety of ideas, including a sales tax holiday, payroll tax holiday, delayed tax filings, low interest loans, Main Streets promotion campaigns, better snow removal, more parking availability, and quicker public transportation recovery.

“We are urging policymakers to take a hard look at rules and regulations and laws that impose costs on small businesses and make accommodations to help our Main Street businesses resume their economic recovery,” said Bill Vernon, State Director of NFIB Massachusetts.

“After a strong holiday sales season, and a recent rebound in consumer confidence to levels last seen more than a decade ago, the weather has certainly been a setback in our economic recovery,” Hurst said. “Too many of these lost sales will never be recovered; yet we remain hopeful that with the coming spring, an early Easter, and a confident consumer most of these small businesses will rebound and survive.”

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*About the survey: The survey was sent to approximately 20,000 employer members of the various state associations and local chambers of commerce. It should be noted that it was marketed as a survey to determine the weather impact on small employers across the Commonwealth. Therefore there were only limited responses from both large employers and from employers not hurt by the weather; and should therefore be a gauge of economic damage on small businesses with weather related sales losses, and not on the entire economy and all employers of all sizes and types.*

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