



**For Immediate Release**  
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**RETAILERS ASSOCIATION OF MASSACHUSETTS PREDICTS 1% INCREASE  
IN HOLIDAY SALES**

Boston — The Retailers Association of Massachusetts (RAM) is predicting a 1% increase in local holiday shopping sales based upon a survey of their membership. RAM’s prediction for holiday sales is lower than the national projections of 3-4% by the National Retail Federation (NRF). The annual RAM survey is exclusively based on Massachusetts small businesses, while the NRF figure is national, and includes all types and sizes of sellers.

“We are asking Massachusetts’ holiday shoppers to remember that how they invest their dollars makes a big difference for the local economy,” RAM President Jon Hurst said. “We know consumers today are cautious and budgeting for their holiday spending, but we ask them to commit to investing a good portion of their purchases right here in our communities.”

“With inflation and interest rates 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 improving, over all higher costs for goods and higher borrowing costs are creating consumer confidence drops and keeping spending at relatively flat levels versus the 4<sup>th</sup> quarter of 2022. Holiday sales in Massachusetts in 2022 only increased by 1.2% after sales earlier in the year of about 6%. For 2023, RAM members report average year to date increases of only about 1%, and that trend is expected to continue for local holiday spending. Consumer savings rates increased during COVID, and debt levels dropped as well. Yet those numbers have reversed given inflation and interest rates, and sellers report customers spending levels and the number of in store transactions have been relatively flat to 2022. The inflation strain on families, and the increased costs on sellers including inventory, wages, borrowing costs, and energy, raise profitability questions for small businesses seeing sales levels similar to the prior year.

Hurst noted that 60% of the membership now reports selling online, vs only 26% during the 2019 holiday season. Overall online sales nationally during this holiday season are projected to reach 28% of sales, with seasonal increases of 10-12% for non-store sales. For the smaller RAM members selling online, internet sales are expected to now make up 15% of their holiday sales, vs. only about 5% in recent years. RAM members selling online expect a 5.5% increase for those online transactions during November and December. “The acceleration of online offerings and sales by smaller sellers were essential for survival during the COVID crisis, and that trend for sales growth continues,” 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 and are growing today.”

Holiday sales for the 2022 season increased 1.2% in Massachusetts and 7% nationally. 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 \$24.17 billion. According to the NRF, national holiday sales are projected to hit approximately \$957.3 billion-\$966.6 billion in 2023.

The RAM member holiday survey also noted that inventories for the 4<sup>th</sup> Quarter were up 1% vs. '22. Payroll costs for members were up 2.5% this year, on top of a 5% increase last year. And members ranked their top four challenges for the season as: 1. Continued inflation, 2. Declining profitability due to higher costs vs. flat sales, 3. Lower consumer confidence, and 4. Higher interest rates.

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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