

***MA CONSUMER CONFIDENCE SIX-POINT RISE SIGNALS STRONG HOLIDAY SALES
Mass Insight Index Sees Fifth Straight Quarter of Traction;
Retailers Association of Massachusetts predicts local holiday sales increases of 6.5%, launches #BuyInMA***

BOSTON, November 24, 2015 – The **Mass Insight Massachusetts Consumer Confidence Index** rose another six points in the fourth quarter of 2015 from 115 to 121, keeping the index above the watershed 100-point level for the fourth straight quarter, the first time since 2007. The increase in the overall index – the fifth straight quarter of positive movement – was fueled by a solid rise in **future** optimism (+8), *the first improvement since January of this year*. Despite only a modest rise on current conditions (+3 to 115), this view has now exceeded 100 for just the second time since July 2001.

“As we kick off the holiday season MA consumer confidence is more than 20 points than the national index and showing a consistent positive trend over the last year. In addition 75% of consumers say it’s a good time to make a big ticket household purchase like an appliance or a car, the highest we’ve seen in more than 10 years” said Mass Insight CEO Bill Guenther,

In addition, based on a survey of its 3,500 members and year-to-date sales, the Retailers Association of Massachusetts (RAM) is predicting a strong 6.5% gain in retail sales during the holiday period over the same period in 2014. The projected increase is stronger than the national projected increase of 3.7% by the National Retail Federation for this holiday season. Massachusetts holiday sales (November through December) increased last year by approximately 3.4%, which marked the fifth consecutive year of local holiday sales increases. Nationally, retail sales increased 4.1% last November and December.

RAM President John Hurst also announced the launch of #BuyInMA, a statewide social media campaign urging consumers to shop locally and in state this holiday season.

“Consumer confidence is at the highest local level we have seen since the 2007 holiday sales season. Economic growth, lower unemployment, and the lowest gas prices we have seen in five years have a lot to do with that boost in consumer confidence, and we have seen that reflected in retail sales growth in recent months. Low consumer debt levels, 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 right here in Massachusetts,” Hurst said.

The projected sales increase would mark the sixth straight year of holiday sales increases in the Commonwealth, which had previously dropped three straight years beginning in 2007.

The MassInsight Consumer Confidence Index is published quarterly by Mass Insight Global Partnerships, a Boston-based firm that organizes public-private initiatives on competitive issues affecting Massachusetts. The MassInsight Index is modeled on the national Conference Board Index. The Conference Board index is scaled to a 1985 base of 100 and varies above and below 100; the Mass Insight Index is adjusted to the Conference Board scale using a constant factor. The survey on which the Massachusetts Index is based is conducted for MassInsight by Opinion Dynamics Corporation. The current dataset consists of WEB surveys with a representative sample of 450 adult residents of Massachusetts.

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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Index Attached

Mass Insight—Consumer Confidence Index

	Massachusetts	Conference Board	
		U.S.	N.E
October '15	121	97.6	XX
July '15	115	101.5	XX
April '15	109	95	57
January '15	106	104	103
October '14	97	94	90
July '14	79	90	86
April '14	88	82	79
January '14	82	79	76
October '13	86	72	77
July '13	80	81	77
April '13	87	69	62
January '13	82	58	56
October '12	91	73	71
July '12	81	65	52
April '12	85	69	74
January '12	84	62	53
October '11	64	41	47
July '11	56	59	61
April '11	67	66	56
January '11	74	65	80
October '10	65	50	46
July '10	61	51	49
April '10	80	58	56
January '10	73	57	50
October '09	61	49	53
July '09	69	47	37
April '09	65	39	32
January '09	38	38	30
October '08	51	38	26
July '08	50	50	27
April '08	54	62	49
January '08	62	88	65

October '07	82	96	72
July '07	85	104	88
April '07	97	104	83
January '07	92	110	88
October '06	101	105	91
July '06	76	107	90
April '06	76	109	105
January '06	81	106	85
October '05	88	85	72
July '05	91	103	81
April '05	78	98	74
January '05	96	103	94
October '04	90	97*	77*
July '04	97	106	102
April '04	89	93	81
January '04	91	98	99
October '03	82	82	76
July '03	77	77	57
April '03	77	81	67
January '03	63	79	75
October '02	78	80	74
July '02	92	97	95
April '02	109	109	109
January '02	107	98	88
October '01	91	85	99
July '01	99	116	117
January '01	101	114	108
October '00	130	136	141
January '00	136	145	146
October '91	52	60	37

	Current Conditions	Future Expectations
October '15	118	123
July '15	115	115
April '15	94	119
January '15	84	120
October '14	76	111
July '14	69	86
April '14	66	103
January '14	55	99
October '13	64	101
July '13	56	97
April '13	54	109
January '13	48	105
October '12	48	120
July '12	40	109
April '12	41	114
January '12	34	118
October '11	24	91
July '11	20	80
April '11	24	96
January '11	17	112
October '10	15	99
July '10	16	91
April '10	22	119
January '10	14	112
October '09	14	93
July '09	16	105
April '09	24	92
January '09	9	58
October '08	27	66
July '08	24	68
April '08	35	67
January '08	49	71
October '07	76	86
July '07	80	90
April '07	89	102

January '07	74	104
October '06	86	111
July '06	68	81
April '06	77	76
January '06	71	87
October '05	80	95
July '05	80	99
April '05	63	88
January '05	70	114
October '04	64	108
July '04	66	119
April '04	53	113
January '04	48	119
October '03	36	112
July '03	41	101
April '03	31	108
January '03	28	86
October '02	48	97
July '02	68	108
April '02	84	125
January '02	72	130
October '01	94	90
July '01	108	93

450 WEB interviews October 26– October 30, 2015, conducted among a sample of Massachusetts adults. Massachusetts figures are adjusted to be generally comparable to the Conference Board figures, which use 1985 as a base year with the rating of 100. In past years, the Conference Board Index has ranged from 145 in January 2000 to 47 in February 1992.

1. Think about the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?

	<u>Good time to buy</u>	<u>Bad time to buy</u>	<u>(Don't know)</u>
October 2015	75%	25	-
July 2015	72%	28	-
April 2015	64%	25	10
January 2015	62%	29	9
October 2014	57%	30	13
April 2014	54%	40	5
January 2014	42%	43	15
October 2013	50%	39	11
July 2013	54%	35	11
April 2013	54%	36	9
January 2013	50%	39	10
October 2012	51%	40	9

2. Concerning the economy, how would you rate the present general business conditions in your area:

	<u>Good</u>	<u>Normal</u>	<u>Bad</u>	<u>(Don't know)</u>
October 2015	32%	56	12	-
July 2015	27%	60	12	-
April 2015	30%	49	20	1
January 2015	29%	48	22	1
October 2014	28%	46	25	2
July 2014	24%	48	27	2
April 2014	26%	43	30	1
January 2014	21%	44	32	3
October 2013	25%	41	31	2
July 2013	22%	44	32	2
April 2013	25%	41	31	2
January 2013	21%	43	33	3
October 2012	18%	42	38	2

3. Six months from now, do you think general business conditions in your area will be:

	<u>Good</u>	<u>Normal</u>	<u>Bad</u>	<u>(Don't know)</u>
October 2015	21%	72	6	-
July 2015	17%	76	7	-
April 2015	29%	59	9	3
January 2015	29%	60	9	2
October 2014	27%	58	12	4
July 2014	22%	53	21	4
April 2014	28%	56	15	2
January 2014	29%	52	18	2
October 2013	26%	52	18	5
July 2013	29%	50	19	2
April 2013	29%	54	14	3
January 2013	33%	45	18	4
October 2012	35%	46	14	5

4. What would you say about available jobs in your area right now? Are there:

	<u>Plenty of jobs</u>	<u>Not so many jobs</u>	<u>Jobs hard to get</u>	<u>(Don't know)</u>
October 2015	28%	58	14	-
July 2015	26%	61	13	-
April 2015	30%	34	30	6
January 2015	21%	42	29	8
October 2014	23%	33	39	6
July 2014	19%	38	37	6

April 2014	19%	33	42	5
January 2014	15%	33	44	9
October 2013	17%	39	36	8
July 2013	15%	33	44	7
April 2013	10%	38	43	8
January 2013	10%	34	46	9
October 2012	13%	39	40	8

5. Six months from now, do you think there will be:

	<u>More jobs</u>	<u>The same number</u>	<u>Fewer jobs</u>	<u>(Don't know)</u>
October 2015	22%	67	11	-
July 2015	19%	69	12	-
April 2015	26%	51	19	4
January 2015	31%	52	14	3
October 2014	23%	55	17	5
July 2014	20%	50	28	3
April 2014	26%	47	23	3
January 2014	26%	45	25	4
October 2013	26%	43	25	6
July 2013	26%	44	27	3
April 2013	27%	49	20	5
January 2013	32%	41	21	5
October 2012	32%	44	17	7

6. Six months from now, do you think your total family income will be:

	<u>Higher</u>	<u>The same</u>	<u>Lower</u>	<u>(Don't know)</u>
October 2015	26%	64	10	-
July 2015	22%	69	9	-
April 2015	28%	62	9	1
January 2015	25%	62	12	1
October 2014	26%	60	12	1
July 2014	22%	62	15	1
April 2014	27%	57	16	-
January 2014	22%	65	13	-
October 2013	28%	56	14	1
July 2013	25%	58	16	1
April 2013	23%	65	11	1
January 2013	22%	60	15	2
October 2012	30%	58	10	2

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Holiday season sales in the Commonwealth rose by 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: -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 have also reported a slight rise in seasonal store hiring and increased inventory levels this year as compared to 2014. Employment growth began six years ago, after significant staffing reductions in 2008. Staffing levels have recovered to roughly the level last seen in 2007. Inventory levels dropped in 2009 after too much inventory was left on stores shelves in 2008, and then increased from 2010 through 2014.

November and December retail sector sales in Massachusetts (excluding restaurants, auto sales and gas) will total approximately \$15.8 billion. According to the National Retail Federation (NRF), national holiday sales are projected to hit approximately \$630.5 billion.

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Quick Facts:

- Anticipated major consumer gift purchase categories: clothing and accessories, toys, jewelry, books, videos and video games, electronics, personal care and beauty items, food and candy, and gift cards.
- Online holiday sales are expected to increase by 6-8% and will reach \$105 billion nationally. Over half of shoppers now referencing their smart phones in-store while shopping, making pricing even more competitive and pushing the growth of store apps and social media promotions.

Sources: National Retail Federation & government data