



Press Release

SANTANDER BANK AND GREATER PROVIDENCE CHAMBER OF COMMERCE HOST 18th ANNUAL ECONOMIC OUTLOOK EVENT FOR RHODE ISLAND BUSINESS LEADERS

Real-Time Survey Reveals that 65% of Business Leaders Believe Rhode Island's Economy Will Be in Better Shape in Next 12 Months

PROVIDENCE, RI, March 21, 2018 – [Santander Bank](#) and the Greater Providence Chamber of Commerce (GPCC) today hosted their 18th consecutive annual Economic Outlook Breakfast for Rhode Island's business community. More than 200 prominent business and civic leaders attended the event and discussed the changing landscape of the local economy. Attendees also participated in a real-time survey about the state of the local and national economy and key issues facing their companies.

"We're proud to host this important forum that brings together local leaders to discuss ways we can all help strengthen Rhode Island's economy," said Michael Lee, Managing Director, Santander Commercial Banking. "We've been making great economic strides in Rhode Island over the years and it's evident by the number of prominent companies that now call the Ocean State home," he added. "With more career opportunities and an affordable cost of living, Rhode Island is retaining and attracting top talent and a skilled workforce who are contributing to the state's economic growth."

After sharing his observations about the Rhode Island economy, Lee facilitated a real-time survey where attendees answered questions about the economy and their specific businesses.

Nearly 54 percent of business and civic leaders surveyed believe the U.S. economy will be in better shape over the next 12 months, while 28 percent believe it will stay about the same. Thinking about their specific business, 71 percent of respondents believe it is in better shape this year than last year, while eight percent said it is in worse shape today.

Forty-two percent of those surveyed cited revenue and sales growth as the most challenging issues their businesses expect to face in the next year, while 28 percent noted talent shortage, 10 percent selected regulatory requirements, and seven percent chose managing "big data" and cybersecurity.

Nearly 55 percent of those surveyed said that they will be hiring over the next year. Forty percent indicated they will be hiring because current staffing levels cannot meet demand, while 26 percent selected projected sales growth, and another 25 percent noted they would be hiring because they need skills that are not possessed by their current staff. When asked about their current workforce, those surveyed cited team building and group dynamics at 54 percent and technology skills at 39 percent as the top two areas that need development.

"It's important that the business and civic leaders represented today continue to engage in meaningful conversations about Rhode Island and the future of our economy. Thanks to the collaboration between Santander Bank and the Chamber, we are able to provide a forum for these discussions while gathering real-time feedback from a wide range of stakeholders," said Laurie White, president of the Greater Providence Chamber of Commerce. "As confidence in the economy continues to grow and Rhode Island chalks up more wins like Infosys and Johnson & Johnson, we must stay focused on helping local companies thrive and ensuring that we maintain a competitive and attractive business climate for the long-term."

Following the survey, White moderated a panel discussion about regional business issues with panelists Maureen Boudreau, Director, Healthcare Technology Center, Johnson & Johnson; Kelly Coates, President and Chief Operating Officer, Carphonato Group; and James Karam, President and CEO, First Bristol Corporation.

Santander - Greater Providence Chamber of Commerce 2018 Economic Outlook Survey Results

- 1. Thinking about the U.S. broadly, over the next 12 months, how do you think the economy will be in comparison to today?**
 - Much better shape – 8.5%
 - Somewhat better shape – 44.9%
 - About the same – 27.8%
 - Somewhat worse shape – 17.6%
 - Much worse shape – 1.1%

- 2. Thinking only about Rhode Island, over the next 12 months, how do you think the economy will be in comparison to today?**
 - Much better shape – 13.1%
 - Somewhat better shape – 51.5%
 - About the same – 31.6%
 - Somewhat worse shape – 3.4%
 - Much worse shape – 0.5%

- 3. Thinking only about your business today versus one year ago, is it in:**
 - Much better shape – 25.9%
 - Somewhat better shape – 44.8%
 - About the same – 21.4%
 - Somewhat worse shape – 6.5%
 - Much worse shape – 1.5%

4. Thinking only about your business a year from today, do you expect it will be in:

- Much better shape – 27.4%
- Somewhat better shape – 47.3%
- About the same – 20.4%
- Somewhat worse shape – 3.0%
- Much worse shape – 2.0%

5. Thinking only about your business, what is the most challenging issue you expect to face in the next year? Please select just one.

- Revenue and sales growth – 42.3%
- Managing labor costs – 6.1%
- Talent shortage – 28.1%
- Regulatory requirements – 9.7%
- Cost of borrowing/interest rates – 3.6%
- Managing “big data” and cybersecurity – 7.1%
- Taxes – 2.6%
- Environmental compliance – 0.5%

6. Which of the following best describes your hiring plans for the next 12 months?

- Significant increase – 11.9%
- Slight increase – 42.5%
- No change – 38.3%
- Slight decrease – 5.2%
- Significant decrease – 2.1%

7. If you plan to hire, what are the most important factors behind this decision? Please select up to three.

- Projected sales growth – 26.4%
- Current staffing levels cannot meet demand – 40.3%
- Need skills not possessed by current staff – 25.2%
- Reasonable labor costs – 1.3%
- Government incentives – 6.3%
- Economic outlook has improved – 10.7%
- Expanding into a new segment or market – 22.0%
- Firm’s financial health has improved – 11.3%
- No plans to hire – 20.8%

8. Which of the following best describes your business's capital expenditure spending plans in 2018, taking into consideration the possibility of rising interest rates?

- Significant increase – 17.1%
- Slight increase – 33.7%
- No change – 45.3%
- Slight decrease – 2.8%
- Significant decrease – 1.1%

9. Thinking about your current workforce, please select two top areas that need development.

- Technology skills – 39.0%
- Team building and group dynamics – 53.7%
- Problem solving – 38.2%
- Written and oral communications – 25.2%
- Mathematical competency – 8.1%

10. Since passage of the national Tax Cuts and Jobs Act, has the minimum wage at your company:

- Increased – 21.6%
- Stayed the same – 50.9%
- Do not know – 27.5%

11. Are the Red Sox going to win the World Series this year?

- Yes – 45.0%
- No – 55.0%

DISCLAIMER:

The survey results expressed herein do not necessarily reflect the views of Santander Bank, N.A. ("SBNA") and are not intended to represent SBNA's position on any of the issues referenced therein.

[Santander Bank, N.A.](#) is one of the country's largest retail and commercial banks. Headquartered in New England, the Bank's 9,700 employees, more than 650 branches, 2,100 ATMs and 2.1 million customers are principally located in Massachusetts, New Hampshire, Connecticut, Rhode Island, New York, New Jersey, Pennsylvania and Delaware. The Bank is a wholly-owned subsidiary of Madrid-based Banco Santander, S.A. (NYSE: SAN) - one of the most respected banking groups in the world.

The Greater Providence Chamber of Commerce is Rhode Island's only statewide chamber of commerce. We are the hub of connections for Rhode Island businesses of all sizes, in all industries and in all sectors. We connect business professionals with peers who can provide real-time, actionable advice to help with significant issues like managing growth, finding the right talent, and knowing when and how to innovate.

You won't find that commitment to connectivity anywhere else in the state. Our mission is to ensure every GPCC member is prepared to become or continue to be a thriving Rhode Island business.

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