
Press Release

SANTANDER AND GREATER BOSTON CHAMBER OF COMMERCE SURVEY LOCAL BUSINESS LEADERS ON MASSACHUSETTS ECONOMY

86% of Attending Corporate Executives and Business Leaders Believe the MA Economy Will Outperform the U.S. Economy

BOSTON, March 29, 2016 – Eighty six percent of business leaders surveyed this morning believe the Massachusetts economy will outperform the U.S. economy in the next 12 months, according to a survey conducted today by Santander Bank and the Greater Boston Chamber of Commerce.

The survey, held at an economic outlook breakfast for Boston's business community, also revealed that 82 percent of business leaders believe the U.S. economy will improve over the next 12 months.

Now in its sixteenth year, this annual event is an important forum where the city's civic and business leaders look forward to discussing the region's economic conditions and how to attract businesses to the area and ensure continued economic growth. The 350-plus attendees were surveyed in real-time about their expectations for the local economy in 2016, offering their insights into key issues and challenges facing the Bay State.

"Today's meeting provides an ideal format for our local leaders to collaborate on how we can further strengthen Massachusetts as an economic, innovation and educational hub," said Jerry Plush, Chief Financial Officer of Santander US. "Through strong public private partnerships, Boston has become a world-class city that continues to attract leading organizations supported by a highly skilled workforce. We see great opportunities in our own businesses as we partner with others to support important regional initiatives."

During today's breakfast, speaker Michael Goodman, Ph.D., Executive Director of the Public Policy Center and Associate Professor of Public Policy, University of Massachusetts Dartmouth, provided an update on the local and national economy. After his remarks, attendees responded to a series of economic and business-related questions during a real-time survey.

The survey revealed that 82 percent of respondents believe the U.S. economy will improve over the next 12 months, compared with 86 percent who think the local economy will be better than the national economy during the same period. Almost 70 percent of respondents believe their business will be in better shape over the next 12 months, while only 8 percent believe it will be worse off. When asked what the top challenges are in Massachusetts, 75 percent cited housing costs and availability while 55 percent chose transportation and infrastructure costs.

Nearly half of those surveyed said that they will be hiring over the next year, but are concerned about finding qualified candidates to match the skill sets needed for those positions. The most important factors in hiring, according to those surveyed are that their current staffing levels cannot meet demand and that they are looking to hire employees with skills not possessed by current staff.



"Today's Economic Outlook program allowed us to gather business and thought leaders from right here in Greater Boston for a thoughtful discussion about the state of our economy and how these leaders are planning for the future," said James E. Rooney, president and CEO of the Greater Boston Chamber. "These conversations are so important as we work to keep Boston a leading U.S. city to live, work and do business. We are thankful to have the opportunity to partner with Santander Bank to bring this event to the business community each year."

Following the survey, attendees Chamber CEO James Rooney moderated a panel discussion about regional business issues. The panel included Cindy Brown, Chief Executive Officer, Boston Duck Tours; George Moore, Chief Technology Officer, Cengage Learning; J. Keith Motley, Ph.D., Chancellor, University of Massachusetts Boston; and Adam Weiner, Managing Partner, Weiner Ventures.

Santander - Greater Boston Chamber of Commerce 2016 Economic Outlook Survey Results

1. Thinking about the U.S. overall, over the next 12 months how do you think the economy will be in comparison to today?

	Responses
Much better shape	4.67%
Somewhat better shape	40.65%
About the same	41.12%
Somewhat worse shape	13.08%
Much worse shape	0.47%
Totals	100%

2. Thinking only about Massachusetts, over the next 12 months how do you think the state's economy will compare to the U.S. economy?

Massachusetts will be in better shape	86.10%
Massachusetts will be in the same shape	13%
Massachusetts will be in worse shape	0.90%
Totals	100%

3. Thinking only about your business, over the next 12 months how do you think your business will be in comparison to today?

Much better shape	20.83%
Somewhat better shape	47.69%
About the same	22.69%
Somewhat worse shape	6.48%
Much worse shape	2.31%
Totals	100%



4. Over the next 12 months, how does your business plan to increase capital expenditures?

We plan to invest in new or existing property.	25.13%
We plan to purchase new equipment	26.13%
Other	27.64%
My business is not planning to increase exp.	21.11%
Totals	100%

5. Thinking only about your business, over the next 12 months what's your employment outlook?

My company will have job openings and will be able to fill those positions	35.96%
My company will have job openings, but it will be hard to find matching skill sets for those positions	45.81%
My company is unlikely to have job openings	12.32%
My company is unlikely to have job openings and is likely to reduce its workforce	5.91%
Totals	100%

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

Projected sales growth	22%
Current staffing levels cannot meet demand	25.93%
Need skills not possessed by current staff	16.11%
Reasonable labor costs	3.14%
Government incentives	1.18%
Economic outlook has improved	6.68%
Expanding into a new segment or market	16.90%
Firm's financial health has improved	5.30%
No plans to hire	2.75%
Totals	100%



7. Thinking about your business, what are the most challenging issues you expect to face in the next two years? Please select up to three.

Regulatory costs and burdens	11.17%
Cost of fuel and energy	2.70%
Transportation infrastructure	4.14%
Cost of health insurance/other employee benefits	12.79%
Attracting new customers	24.50%
Retaining existing customers	18.74%
Hiring qualified employees	12.79%
Pressure from larger competitors	11.17%
Corporate taxes	1.98%
Totals	100%

8. Thinking beyond your business, what are the top challenges facing MA? Please select up to three.

Staying competitive with other states and countries to attract and retain business	12.96%
Housing costs and availability	28.11%
Transportation infrastructure	20.54%
Fuel and energy costs	2.36%
Healthcare costs	9.93%
Providing a solid K-12 education	8.08%
Alignment between education (including higher ed) and the skills future workers will need	12.29%
Corporate & personal tax administration	5.72%
Totals	100%

9. What might inhibit your international expansion plans? Please select up to three.

Lack of access to local market intelligence in target areas	16.06%
Securing legal, accounting or financial experts	11.82%
Managing currency risk	6.67%
Language barriers	4.55%
Lack of available workers experienced in global trade	8.79%
Geopolitical risks	11.82%
We are already fully prepared to expand internationally	10.30%
No plans to expand business globally	30%
Totals	100%



About Santander Bank

Santander Bank is one of the country's top retail banks by deposits and a wholly owned subsidiary of Banco Santander, S.A. - one of the most respected banking groups in the world. With its corporate offices in Boston, Santander Bank's more than 670 branches and nearly 2,100 ATMs are principally located in Massachusetts, New Hampshire, Connecticut, Rhode Island, New York, New Jersey, Pennsylvania and Delaware. The Bank's 9,400 employees are committed to helping our more than 2.1 million customers make progress toward their financial goals with the support of our call centers, interactive online banking platform and easy-to-use mobile app. Madrid-based Banco Santander (NYSE: SAN), serves more than 117 million customers in the U.K., Europe, Latin America and the U.S. Through its local affiliates, including Santander Bank, Banco Santander is the largest corporate contributor to higher education in the world, investing over \$165 million annually in colleges and universities across more than 20 countries, including the U.S. For more information on Santander Bank, please visit www.santanderbank.com.

About the Greater Boston Chamber of Commerce

The Greater Boston Chamber of Commerce is the region's leading business association connecting 1,500 businesses of all sizes from virtually every industry and profession. We help Greater Boston-area businesses grow and succeed through strategic networking events, influential business advocacy, exclusive leadership development programs, and initiatives that foster the region's innovation economy. For more information, visit www.bostonchamber.com.

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