



Press Release

SANTANDER AND GREATER PROVIDENCE CHAMBER OF COMMERCE SURVEY LOCAL BUSINESS LEADERS ON RHODE ISLAND ECONOMY

***60% of Business Leaders Surveyed Believe Rhode Island's
Economy Will Improve in the Next 12 Months***

PROVIDENCE, RI, April 5, 2016 – Sixty percent of business leaders surveyed this morning believe the Rhode Island economy will improve in the next twelve months, according to a survey conducted today by Santander Bank and the Greater Providence Chamber of Commerce (GPCC).

The survey, held at an economic outlook breakfast for the local business community, also revealed that more than 51 percent of those surveyed believe the U.S. economy will be in somewhat or much better shape in the next year.

Now in its 16th 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 they can attract businesses to the area and ensure continued economic growth. The 360-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 Ocean State.

"This breakfast gives our leaders the opportunity to seek ways we can work together to bolster economic growth and tourism in this great city and state," said Michael Lee, Managing Director of Commercial Real Estate Banking, Santander Bank. "It is encouraging that the Rhode Island economy grew slightly faster than both the national and New England averages in 2015, according to the U.S. Bureau of Economic Analysis," he added. "Rhode Island has so much to offer the business community and its residents and, clearly, important strides are being made to strengthen the local economy. We must all continue to work to spur the kind of innovation and opportunity that will attract businesses, visitors and top talent to the state."

The focus of this year's event at the Omni Providence Hotel was workforce development, an important issue for the state as highlighted in a recent Brookings Institution report. Speakers included Governor Gina Raimondo, Providence Mayor Jorge Elorza and Dr. Megan Hughes, President, The Community College of Rhode Island. After their remarks, attendees responded to a series of economic and business climate-related questions during a real-time survey.

The survey revealed that almost 60 percent of respondents believe that the economy in Rhode Island will improve in the next twelve months, compared to 51 percent who believe the U.S. economy will improve in the same time period. Thirty-four percent of those surveyed believe the Rhode Island economy will remain unchanged. When asked about the top challenges their Rhode Island businesses will face in the next year, 19 percent of respondents cited sourcing talent and engaging employees and 16 percent said cost of employee wages and benefits, while another 14 percent noted operational excellence is a challenge they expect to face. Thinking about their current workforce, those surveyed cited team building/group dynamics and technology skills as the top two areas that need development, by close to 30 and 25 percent respectively.

Nearly half of those surveyed said that they will be hiring over the next year. When asked to name the most important factors behind this decision, more than 20 percent indicated that current staffing levels cannot meet demand while more than 18 percent said projected sales growth is factoring into their plans to hire additional staff.

"It's important that business, government, education and civic leaders have ongoing meaningful conversations about the opportunities, challenges, and trends facing Rhode Island's economy. Thanks to the collaboration between Santander and the Chamber, we are able to provide a platform for this dialogue to take place and gather real-time feedback from the local business community about where the state's economy is headed," said Laurie White, president of the Greater Providence Chamber of Commerce. "Because recruiting top talent is a 'pain point' for so many businesses today and the availability of skilled workers is so critical to economic growth, this year's focus on workforce development is not only timely, but vital to ensuring that Rhode Island is equipped to compete in the years ahead."

Following the survey, attendees listened to a panel discussion about regional business issues. The panel included Rajiv Kumar, M.D., President and Chief Medical Officer, Virgin Pulse; John Valentine, Director of Partnerships, MassChallenge Boston; Paula Grammas, Ph. D., Director, Ryan Institute of Neuroscience, University of Rhode Island; and Meghan Hughes, Ph. D., President, Community College of Rhode Island.

Santander Bank/ Greater Providence Chamber Economic Outlook Breakfast 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?

	Responses
Much better shape	3.19%
Somewhat better shape	47.87%
About the same	39.89%
Somewhat worse shape	7.98%
Much worse shape	1.06%
Totals	100%

2. Thinking only about Rhode Island, over the next 12 months how do you think the economy will be in comparison to today?

Responses

Much better shape	11.65%
Somewhat better shape	48.06%
About the same	33.98%
Somewhat worse shape	6.31%
Much worse shape	0%
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?

Responses

Much better shape	15.94%
Somewhat better shape	46.38%
About the same	33.82%
Somewhat worse shape	3.38%
Much worse shape	0.48%
Totals	100%

4. Thinking only about your business, what are the most challenging issues you expect to face in the next year. Please select up to three.

Responses

Government regulation and uncertainty	13.10%
Cost of fuel and energy	1.73%
Cost of employee wages and benefits	15.80%
Cost of borrowing/interest rates	4.82%
Customer relations	10.02%
Sourcing talent and engaging employees	18.88%
Managing "big data" and cybersecurity	5.97%
Product and process innovation	8.48%
Sustainability	7.13%
Operational excellence	14.07%
Totals	100%

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

Responses

Significant increase	6.97%
Slight increase	41.79%
No change	43.28%
Slight decrease	5.47%
Significant decrease	2.49%
Totals	100%

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

	Responses
Projected sales growth	18.20%
Current staffing levels cannot meet demand	20.13%
Need skills not possessed by current staff	16.49%
Reasonable labor costs	2.57%
Government incentives	2.36%
Economic outlook has improved	10.92%
Expanding into a new segment or market	13.28%
Firm's financial health has improved	8.14%
No plans to hire	7.92%
Totals	100%

7. Which of the following best describes your business's capital expense spending plans in 2016?

	Responses
Significant increase	12.57%
Slight increase	37.16%
No change	39.34%
Slight decrease	8.74%
Significant decrease	2.19%
Totals	100%

8. How likely are you to expand your business outside of the United States over the next year?

	Responses
Highly likely	3.89%
Likely	7.22%
Not sure	5%
We have no plans to expand our business globally	83.89%
Totals	100%

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

	Responses
Lack of access to local market intelligence in geographic target areas	23.71%
Securing legal, accounting or financial experts who are experienced in foreign trade	14.95%
Managing currency risk	14.43%
Language barriers	12.37%
Lack of available workers experienced in global trade	11.34%
Geopolitical risks	18.04%
We are already fully prepared to expand internationally	5.15%
Totals	100%

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

	Responses
Technology Skills	24.78%
Team Building & Group Dynamics	29.50%
Problem Solving	22.71%
Written and Oral Communications	17.99%
Mathematical Competency	5.01%
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 Greater Providence Chamber of Commerce

The GPCC 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. www.provchamber.com

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