

# Santander Bank and Greater Providence Chamber of Commerce Host 19<sup>th</sup> Annual Economic Outlook Breakfast for Rhode Island Business Community

*Real-Time Survey Shows that Nearly 60% of Those Surveyed Plan to Increase Their Workforce over the Next Year*

**BOSTON, April 18, 2019 – PRESS RELEASE**

Santander Bank and the Greater Providence Chamber of Commerce (GPCC) today hosted their 19<sup>th</sup> consecutive Economic Outlook Breakfast for Rhode Island’s business community. This annual event gives business and civic leaders a forum to discuss the local economy and the changing dynamics of Rhode Island. Approximately 300 people attended today’s breakfast and participated in a real-time survey about the local and national economy, and how it is impacting their businesses.

“This meeting attracts leaders from a variety of industries across the city and gives us a better understanding of how we can stimulate the Rhode Island economy and ensure that Providence remains a desirable city in which to live and work,” said Michael Lee, member of Santander Bank’s Executive Management Committee. “Providence is attracting and retaining leading companies and top talent who are contributing to the economic growth and development of the city and surrounding communities,” he added. “The Chamber shares our commitment to helping people and businesses prosper, and this event gives us the opportunity to collaborate on ways to support the state’s economic future.”

Governor Gina Raimondo delivered welcoming remarks, marking the third time in four years that she has spoken at the Breakfast. Following her speech about the state of Rhode Island, attendees responded to a series of economic and business climate-related questions during a real-time survey.

More than 20 percent of business and civic leaders surveyed believe the U.S. economy will be in better shape over the next 12 months, while more than 50 percent believe it will be about the same. Thinking only about the Rhode Island economy over the same time period, 41 percent of respondents believe it will be in better shape, compared to 44 percent who said it will be about the same.

When asked about their business today compared to one year ago, 57 percent said it is in better shape, 28 percent said it is about the same and 15 percent said it is in worse shape.

Nearly 60 percent of those surveyed said that they plan to increase their workforce over the next year. Forty-two percent cited current staffing levels not meeting demand as the reason to expand their workforce, while 28 percent selected projected sales growth and 25 percent indicated they need skills not possessed by current staff. When asked about their current workforce, those surveyed cited team building and group dynamics at 50 percent and technology skills at 48 percent as the top two areas that need development.

Revenue and sales growth is the most challenging issue 44 percent of respondents expect to face in the next year, compared to talent shortage by 28 percent, followed by managing labor costs by 10 percent.

"Thanks to the long-standing collaboration between Santander Bank and the Chamber, we are able to provide a space for business and civic leaders to connect and discuss timely matters impacting the local and regional business community," said Laurie White, president of the Greater Providence Chamber of Commerce. "This year's focus on the expanding innovation landscape in Rhode Island is a credit to the many leaders in academia, business and government who are committed to building the kinds of partnerships necessary to drive growth and opportunity through innovative ventures and ideas."

Following the survey, White moderated a panel discussion about the impact innovation is having on the Rhode Island economy with panelists Dr. David Dooley, president of the University of Rhode Island; Michael Hallock, CEO of RI Agricultural Technologies; and Ji Mi Choi, associate vice president, Office of Knowledge Enterprise Development, Arizona State University.

## **Santander Bank - Greater Providence Chamber of Commerce 2019 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 3.8%
- Somewhat better shape 18.4%
- About the same 52.4%
- Somewhat worse shape 22.7%
- Much worse shape 2.7%

**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 1.4%
- Somewhat better shape 39.9%
- About the same 43.6%
- Somewhat worse shape 13.8%
- Much worse shape 1.4%

**3. Thinking only about your business today versus one year ago, is it in:**

- Much better shape 18.9%
- Somewhat better shape 38.3%
- About the same 27.9%
- Somewhat worse shape 12.4%

- Much worse shape 2.5%

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

- Much better shape 18.7%
- Somewhat better shape 38.9%
- About the same 29.8%
- Somewhat worse shape 10.6%
- 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 43.5%
- Managing labor costs 9.7%
- Talent shortage 27.5%
- Regulatory requirements 6.3%
- Cost of borrowing/interest rates 4.3%
- Managing “big data” and cybersecurity 6.3%
- Taxes 2.4%
- Environmental compliance 0.0%

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

- Significant increase 6.4%
- Slight increase 52.7%
- No change 35.5%
- Slight decrease 4.4%
- Significant decrease 1.0%

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

- Projected sales growth 27.7%
- Current staffing levels cannot meet demand 41.9%
- Need skills not possessed by current staff 25.0%
- Reasonable labor costs 2.0%
- Government incentives 2.0%
- Economic outlook has improved 4.1%
- Expanding into a new segment or market 21.6%
- Firm’s financial health has improved 6.0%
- No plans to hire 17.6%

8. Which of the following best describes your business's capital expenditure spending plans in 2019, taking into consideration the possibility of rising interest rates?

- Significant increase 9.4%
- Slight increase 33.9%
- No change 46.4%
- Slight decrease 8.3%
- Significant decrease 2.1%

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

- Technology skills 47.9%
- Team building and group dynamics 50.4%
- Problem solving 36.8%
- Written and oral communications 26.5%
- Mathematical competency 8.5%

10. How recently has your organization experienced a cyber-attack or data breach?

- Within the past month 28.6%
- Within the past 2 – 6 months 12.6%
- Within the past 7 – 12 months 7.4%
- In the past 1 – 2 years 11.4%
- Never/N.A. 40.0%

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

- Yes 56.0%
- No 44.0%

**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.

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**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. [www.provchamber.com](http://www.provchamber.com)

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