



## **First Niagara Annual Survey: For 2013, Central Connecticut Business Executives Most Optimistic in Southwestern New England**

*Company Leaders More Likely to Forecast Increasing Job Hires, Revenues, Profits Than Counterparts in Nearby Regions*

NEW HAVEN, CT – January 15, 2013 – By an almost four to one ratio, more business executives in the Central Connecticut region say they expect to increase their workforces in 2013 rather than decrease them, according to results from First Niagara’s Second Annual Survey of Southwestern New England Business Leaders released today.

These expectations coincide with higher levels of confidence expressed by Central Connecticut business leaders for the statewide economy and for their own industries in 2013 compared to three other regions in the overall survey, conducted by the Siena College Research Institute.

In Central Connecticut alone, represented by Hartford, Tolland and Windham counties, there were 88 responses among the survey total of 361 chief executive officers, chief financial officers and other senior managers of private businesses with \$5 million to \$200 million in annual sales in the service, manufacturing, engineering and construction, retail, wholesale and distribution, financial and food and beverage industries.

Central Connecticut business leaders also recorded the highest percentage compared to other regions in expecting their companies to increase their revenues and profits and to invest in acquiring fixed assets. Three other regions represented in the survey included Fairfield County, New Haven and Middlesex counties, and Hampden and Worcester counties in Massachusetts.

“Survey results show that company leaders in Central Connecticut have taken a more optimistic approach in their outlook for 2013 compared to other business executives in Southwestern New England, who have scaled back their confidence levels as they continue to await a more robust economic recovery,” said David Ring, managing director of Enterprise Banking for First Niagara Bank.

First Niagara's survey found 38% of Central Connecticut company leaders saying they expect in 2013 to increase their current labor force, compared to 10% who say they will decrease their work force and 52% who say it will remain the same in 2013.

The survey also found that 39% from Central Connecticut expect economic conditions in their state to be better in 2013, while 25% believe they will worsen and 35% say they will stay the same.

Regarding executive confidence levels, the First Niagara survey each year uses an overall Confidence Index as a measure of business leaders' current assessment of and future expectations for economic conditions regarding the state economy and their specific industries. The index is based on a scale of zero to 200 with zero being the most pessimistic and 200 being the most optimistic. An index of 100 would be the breakeven point with an equal percentage of negative and positive responses.

The survey report further provides three confidence indices for the current assessment, future expectations and overall as a combination of the two. This year, Central Connecticut business leaders scored the highest of all four regions in every index and was the only Southwestern New England region to exceed the 100 breakeven point in at least two confidence indices.

Central Connecticut recorded the highest overall Confidence Index at 105.4, the highest current Confidence Index at 98.3, and the highest future Confidence Index at 112.5.

Key survey results for the Central Connecticut Region include:

- More than half, 52%, of business leaders, predict increasing revenues in 2013, while 34% think they will stay the same and 14% say they will decrease.
- 41% of Central Connecticut business leaders expect profits to increase in 2013 while another 41% predict they will stay the same and 18% expect a decrease.
- Market growth/demand at 56% was cited as the foremost strategy business leaders will employ to enhance profits, followed by cost reduction (20%), and new technology (10%) and price increase (6%).

- 57% of Central Connecticut business leaders say they plan to invest in fixed asset acquisitions over the next year – with another 9% unsure -- to meet growing demand, reduce costs or enhance profitability. Of those that intend to invest in fixed assets, 72% plan to use internally generated funds while 22% intend to finance with the assistance of a financial institution
- 28% of Central Connecticut Region business leaders say current business conditions in Connecticut were a little better or considerably better at the end of 2012 compared to six months earlier, while 36% say conditions were about the same and 36% say they were a little or considerably worse.
- 39% of the region’s business leaders say they expect business in their own industries to be a little better or considerably better in 2013, compared to 33% who say it will be the same and 28% who say it will be a little or considerably worse.

Results from the second annual First Niagara Survey of Southwestern New England Business Leaders are available at <http://www.siena.edu/sri/southwesternbusinessleaders2013>

## **METHODOLOGY**

A quantitative 26-question survey was conducted through the fourth quarter 2012 by the Siena College Research Institute (SRI) where 361 business leaders responded either by mail, on the SRI Web site, or through a personal interview. Business leaders included chief executive officers, chief financial officers and other senior managers of private businesses with \$5 million to \$200 million in annual sales in the service, manufacturing, engineering and construction, retail, wholesale and distribution, financial and food and beverage industries. These business leaders represented the major areas of: Fairfield County, CT (65 respondents), Central Connecticut (88 respondents), New Haven (99 respondents) and South Central Massachusetts (100 respondents). Nine respondents did not provide locations.

## **ABOUT FIRST NIAGARA**

First Niagara, through its wholly owned subsidiary, First Niagara Bank, N.A., is a multi-state community-oriented bank with approximately 430 branches, \$36 billion in assets, \$28 billion in deposits, and approximately 6,000 employees providing financial services to individuals, families and businesses across Upstate New York, Pennsylvania, Connecticut and Massachusetts. For more information, visit [www.firstniagara.com](http://www.firstniagara.com).

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