



**First Niagara Second Annual Survey Reports  
Southwestern New England Business Executives  
Slightly Optimistic About 2013 Economy**

*More Company Leaders See Revenues, Profits and Job Hires Increasing,  
Rather Than Decreasing, While Still Operating in “New Normal” Economy*

NEW HAVEN, CT – January 15, 2013 – First Niagara’s Second Annual Survey of Southwestern New England Business Leaders released today shows more private sector company executives expect economic conditions to improve in 2013 than those who predict they will worsen, but with cautious expectations for revenues, profits, and new job hires in the coming year.

This year’s survey results are based on responses from 361 leaders of private businesses in the Connecticut counties of Fairfield, Hartford, Middlesex, New Haven, Tolland and Windham and the Massachusetts counties of Hampden and Worcester.

The slightly optimistic outlook for the 2013 economy comes as many business leaders also reported dissatisfaction with the economic conditions they faced over the last several months of 2012.

“The survey shows that business leaders are looking at 2013 being a better year for their companies and for business conditions in the Connecticut and Massachusetts economies but with the knowledge they are operating in the reality of the “new normal,” said David Ring, managing director of Enterprise Banking for First Niagara Bank.

“Most importantly, these business executives in Southwestern New England continue to invest in their companies and their people and market and sell products and services as they await a more robust economy,” he said.

Conducted through the Siena College Research Institute, the respondents to First Niagara’s annual survey are chief executive officers, chief financial officers and senior managers of private companies with \$5 million to \$200 million in annual sales in the service, manufacturing, retail, engineering/construction, wholesale and distribution, financial and food and beverage industries.

This year's survey reports that 35% of these business leaders say they expect economic conditions to get better in their respective states in 2013, down from 41% who said that last year. Another 31%, up from 24% last year, expect these conditions to worsen while 34% of business leaders expect conditions to stay the same for 2013.

Regarding 2013 revenues, 41% of these leaders, down from 49% last year, expect them to increase, 21%, up from 15%, say they will decrease and 39% anticipate they will be the same. For profit expectations, 33%, down from 39% last year, see increased profits, while 31%, up from 24%, say they will decrease and 36% expect them to stay the same. On forecasts for 2013 hiring, 25% say they will increase their workforce, 13% will decrease and 61% will keep the same workforce size in 2013.

The survey's benchmark barometer – its annual Confidence Index – declined from last year for Southwestern New England business leaders. The Index measures the current assessment and future expectations of these business leaders for their statewide economy and for their own specific industries. It is based on a scale of zero to 200 with zero being the most pessimistic and 200 being the most optimistic. Thus an Index of 100 would have an equal percentage of negative and positive responses.

For this year's survey, the overall Confidence Index of Southwestern New England business leaders registered 94.3 – in the upper pessimistic zone and down 13 points from last year's overall index of 107.3.

Based on business condition expectations for the state economy and the leaders' own industries, the future confidence index registered above the 100 benchmark at 101.1, although a drop of 13.7 points from last year. The current Confidence Index, which assesses business conditions compared to six months ago, fell 12.3 points to 87.4.

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

## **Additional Key Survey Findings**

Combining responses from the four current and future Confidence Index questions, three distinct groups of business leaders were identified in Southwestern New England:

- 32% of business leaders (down from 39% last year) report being able to currently thrive and are strongly optimistic about the future;
- 39% of business leaders (down from 40% last year) see current conditions as being either flat or slightly worse than six months ago and have little expectations of improvement for the economy in 2013;
- 29% of business leaders (up from 21% last year) have been very seriously affected by the economy and are in survival mode.

Other survey results include:

- One-quarter (25%, down from 32% last year) of business leaders say current business conditions in their respective states of Connecticut and Massachusetts overall improved over the last six months of 2012, compared to 38% saying they have worsened, up from 29% last year, and 36% indicating they were the same.
- Regarding their own industry and current economic conditions in the state compared to six months earlier, 39% of business leaders say they were a little or considerably worse, 35% say the same and 26%, down from 32% last year, say a little better or considerably better.
- 33% of business leaders say they expect business for their own industry in their own state to be a little better or considerably better in 2013, with another 33% saying it will be about the same, and 34% saying it will be a little worse or considerably worse.

- 45%, down from 53% last year, of Southwestern New England business leaders say they plan to invest in fixed asset acquisitions over the next year. Of those who intend to invest in fixed assets, 62% plan to use internally generated funds while 26% intend to finance with the assistance of a financial institution.
- To enhance profitability in 2013, business leaders say they will both increase demand for market growth and penetration (36%) and use cost reduction (31%) as their top strategies, followed by price increases (12%) and new technology (9%).
- To achieve revenue and profit targets, business leaders say they will concentrate the most in 2013 on expansion of existing markets (36%), growth in existing products (22%), entry into new markets (12%) and internal restructuring (7%).
- Overall, the number one challenge concerning Southwestern New England business leaders is adverse economic conditions (24%), followed by governmental regulation (17%), and taxation (12%) and healthcare costs (12%).
- Regarding confidence in their state government's ability to improve the business climate in their respective state in 2013, 20% say they are very or somewhat confident, while 80%, up from 76% last year, were not very or not at all confident.
- For confidence in the federal government's ability to improve the business climate in their own state, 15% say they are very or somewhat confident, 43% not very confident, and 41% not at all confident.

## **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).

**Media Contacts:** Helen Tederous, Corporate Communications  
Office Phone: 716-819-5922; Cell Phone: 716-697-2335  
Email: [helen.tederous@fnfg.com](mailto:helen.tederous@fnfg.com)

Justin May, Gaffney Bennett Public Relations  
Office Phone: 860-229-0301; Cell Phone: 860-839-1538  
Email: [jmay@gbpr.com](mailto:jmay@gbpr.com)

# # #