

Businesses Optimistic about Economy, M&T's New Survey Finds

M&T Bank Launches Survey of Small Businesses to Gauge Their Outlook

BUFFALO, N.Y.—More than 40 percent of small businesses plan to hire additional workers or increase the hours of their current workforce in the next six months, according to survey findings from M&T Bank's newly created 'Business Economic Outlook Survey.'

When asked about their own operations, 41 percent of the businesses said they expect to increase capital expenditures over the next six months, and 54 percent reported they plan to increase employees' wages by 2 percent or more.

However, small business owners' rising confidence could be hindered by pending changes to government regulations, specifically minimum wage laws and overtime rules. Two of every five businesses said they might be forced to consider a reduction in workforce or capital investments in response to increases to the minimum wage or new overtime standards.

Business owners identified their biggest challenges as the cost of healthcare and other benefits, complying with government regulations and the level of business taxes. Additionally, 74 percent are experiencing difficulty in finding qualified, experienced applicants for open positions.

For the first time, M&T Bank conducted a survey of small business owners (those with annual sales of under \$10 million) to gain a deeper analysis of their outlook for the overall economy and their own industry. M&T Bank also conducts surveys of larger and mid-sized companies and commercial real estate enterprises.

"This new survey provides us with compelling insights into the economic situation facing small business owners in the communities we serve," said Eric Feldstein, Senior Vice President and Manager of Business Banking at M&T Bank. "The success of small businesses is critical in driving job growth and economic activity in the communities where we live in and work.

The survey also identified a shift in the businesses' economic outlook following the presidential election. A little more than half of the respondents answered the survey before the election, and the remainder came after. Prior to the election, 31 percent of respondents expected the economy to deteriorate in the next six months, while 25 percent believed it would improve. However, after the election, 60 percent anticipate the economy will improve, compared to 13 percent who expect it to decline, during the next six months.

To compile the data, M&T Bank conducted a digital survey during November 2016 among owners of small businesses with annual sales of under \$10 million located throughout its geographic footprint. A total of 299 responses were received.

The full Business Economic Outlook Survey can be read at this link: <http://bit.ly/2io9rqd>.

About M&T Bank

M&T Bank Corporation is a financial holding company headquartered in Buffalo, New York. M&T's principal banking subsidiary, M&T Bank, operates banking offices in New York, Maryland, New Jersey, Pennsylvania, Delaware, Connecticut, Virginia, West Virginia and the District of Columbia. Trust-related services are provided by M&T's Wilmington Trust-affiliated companies and by M&T Bank. © 2017 M&T Bank. Member FDIC.

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