

2023 Massachusetts/Regional Economic Outlook Survey

SURVEY OF 514 CONSUMERS/EMPLOYEES

1. Thinking about the state of Massachusetts overall over the next 12 months, how do you think the economy will be in comparison to today?

Much better shape	5%
Somewhat better shape	23%
About the same	38%
Somewhat worse shape	24%
Much worse shape	8%

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

Much better shape	4%
Somewhat better shape	21%
About the same	42%
Somewhat worse shape	24%
Much worse shape	6%

3. Thinking about the coming year, what do you see as the single greatest threat to economic growth for the region?

Inflation	29%
Overall cost of living	20%
Cost of fuel and energy	15%
Government effectiveness	6%
Increasing interest rates/cost of borrowing	5%
Employment outlook/job creation	5%
Effects of COVID-19	5%
Availability of skilled labor	4%
Cost of health care	3%
Cost of government	2%
Real estate prices/market	2%
Immigration	2%
Transportation/infrastructure	2%
Taxes	1%
Other (please specify)	1%
Identity protection	1%
International competition	<1%
Quality of public education	<1%

4. Which of the following best describes your personal spending plan in 2023?

Significant increase	5%
Slight increase	21%
No change	35%
Slight decrease	23%
Significant decrease	13%

5. Thinking only about your job opportunities over the next 12 months, how do you think they will be in comparison to today?

Much better shape	5%
Somewhat better shape	17%
About the same	57%
Somewhat worse shape	11%
Much worse shape	3%

6. Thinking only about your job security over the next 12 months, how do you think it will be in comparison to today?

Much better shape	5%
Somewhat better shape	15%
About the same	59%
Somewhat worse shape	10%
Much worse shape	4%

7. Thinking only about your advancement opportunities at work or in a new job over the next 12 months, how do you think they will be in comparison to today?

Much better shape	5%
Somewhat better shape	17%
About the same	56%
Somewhat worse shape	7%
Much worse shape	5%

8. Which of the following best describes your total family income level over the next year?

Significant increase	4%
Slight increase	42%
No change	36%
Slight decrease	11%
Significant decrease	6%

9. What is your single greatest financial priority for the year?

Save more	35%
Pay off debt	28%
Set a budget and stick to it	16%
Get a retirement plan	6%
Buy a home	5%
Other (please specify):	5%
Pay for education/tuition	4%
Refinance mortgage to a shorter term	1%

10. Does COVID-19 continue to have an impact on your life?

Yes, significantly	6%
Yes, somewhat significantly	12%
Yes, slightly	39%
Not at all	39%
Not sure	4%

11. On a scale of 1 - 10 (Where 1 means "Extremely worried" and 10 means "Not worried at all") how worried are you about the potential impact of a recession this year?

Extremely worried (1)	16%
2	10%
3	22%
4	16%
5	12%
6	11%
7	6%
8	3%
9	2%
Not worried at all (10)	3%

12. What is your overall opinion of President Biden's effectiveness?

Positive	31%
Neutral	26%
Negative	40%

14. Thinking about your shopping habits over the past 12 months, which do you give the most preference to?

Best Price/Value	64%
Safety protocols	5%
Convenience	11%
Online shopping	12%
Supporting local businesses	7%

SURVEY OF 205 BUSINESS OWNERS, PRESIDENTS, OR MANAGERS

1. Thinking about Massachusetts overall, over the next 12 months how do you think the economy will be in comparison to today?

Much better shape	2%
Somewhat better shape	21%
About the same	38%
Somewhat worse shape	31%
Much worse shape	7%

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

Much better shape	2%
Somewhat better shape	22%
About the same	38%
Somewhat worse shape	31%
Much worse shape	6%

3. Thinking about the coming year what do you see as the single greatest threat to economic growth for the region?

Inflation	19%
Overall cost of living	18%
Availability of skilled labor	16%
Increasing interest rates/cost of borrowing	12%
Cost of fuel and energy	6%
Cost of government	5%
Other (please specify):	5%
Government effectiveness	4%
Real estate prices/market	3%
Supply chain issues	2%
Political climate	2%
Job creation/employment outlook	2%
All remaining answers were 1% or less	

4. Thinking about your business over the next 12 months, how do you think it will be in comparison to today?

Much better shape	6%
Somewhat better shape	35%
About the same	36%
Somewhat worse shape	19%
Much worse shape	2%

5. Thinking about your business, what is the most challenging issue you expect to face in the next two years?

Availability of skilled labor	25%
Inflation	16%
Overall cost of living	13%
Other (please specify)	9%
Real estate prices/market	5%
Cost of health care	4%
Government effectiveness	4%
Job creation/employment outlook	3%
Cost of fuel and energy	3%

Effects of COVID-19	3%
Pressure from larger competitors	2%
Corporate taxes	2%
Cost of government	2%
New government regulation	2%
All remaining answers were 1% or less	

6. Which of the following best describes your hiring plan for your business in 2023?

Significant increase	7%
Slight increase	36%
No change	42%
Slight decrease	8%
Significant decrease	3%

7. Which of the following best describes your capital investments plan for your business in 2023?

Significant increase	8%
Slight increase	27%
No change	42%
Slight decrease	9%
Significant decrease	8%

8. Where do you anticipate spending in 2023?

New Hires	41%
Training	39%
Equipment	34%
Expansion	26%

9. Compared to 2022, how will your business's investment in workforce/employee development change?

Significant increase	6%
Slight increase	39%
No change	43%
Slight decrease	6%
Significant decrease	2%

10. Thinking about your business over the next 12 months compared to 2022, how do you think your spending will change?

We plan to spend more	24%
We plan to spend about the same	41%
We plan to cut expenses	29%
Not Sure	5%

11. Technology continues to change the way business is conducted. Do you think technology will impact the way you do business even more in 2023?

Yes, significantly	14%
Yes, somewhat significantly	24%
Yes, slightly	45%
Not at all	14%

12. Does COVID-19 continue to have an impact on your business?

Yes, significantly	12%
Yes, somewhat significantly	14%
Yes, slightly	40%
Not at all	32%

13. On a scale of 1 - 10 (Where 1 means "Extremely worried" and 10 means "Not worried at all") how worried are you about the potential impact to your business of a recession this year?

Extremely worried (1)	11%
2	6%
3	17%
4	15%
5	15%
6	8%
7	10%
8	10%
9	5%
Not worried at all (10)	2%

14. As you address staffing issues in 2023, which of the following will you consider? (Check all that apply.)

Increase pay	45%
Accommodate flexible work schedules	41%
Increase employee training	32%
Accommodate working remotely	31%
Use online job search sites	26%
Unsure	24%
Increase the advertising of open positions	20%
Increase employee benefits (e.g. insurance, vacation, tuition, etc.)	19%
Use professional recruiters	15%
Outsource certain company functions to outside firms	12%
Offer signing bonuses to new employees	11%
Look to replace workers or job functions with technology	11%
Increase campus hiring efforts	7%
Offer paid childcare or childcare credits to employees	3%

15. What is your overall opinion of President Biden's effectiveness so far?

Positive	30%
Neutral	21%
Negative	46%

WELCOME
TO THE

2023 Economic Forecast Breakfast

APRIL 13, 2023





Joseph Silva

Chief Lending Officer
Fidelity Bank



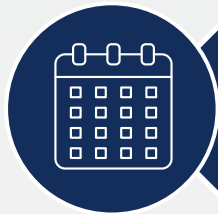
MASSACHUSETTS/REGIONAL Economic Survey Summary



514
Consumer Respondents



205
Business Respondents

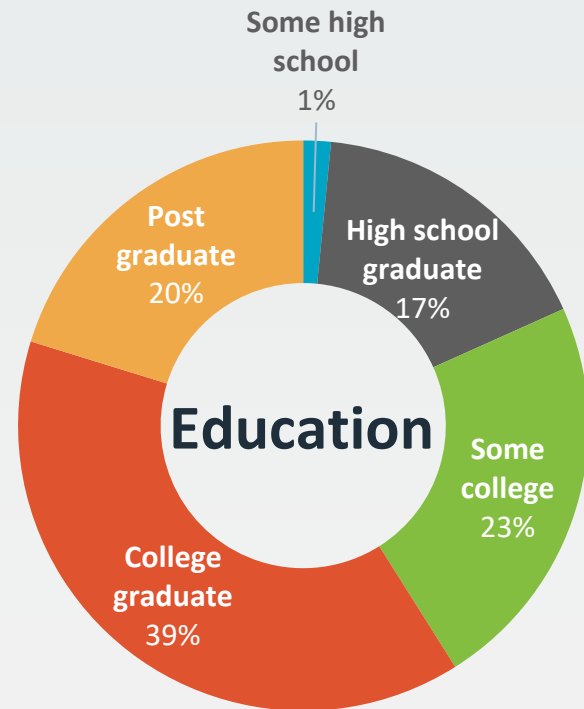
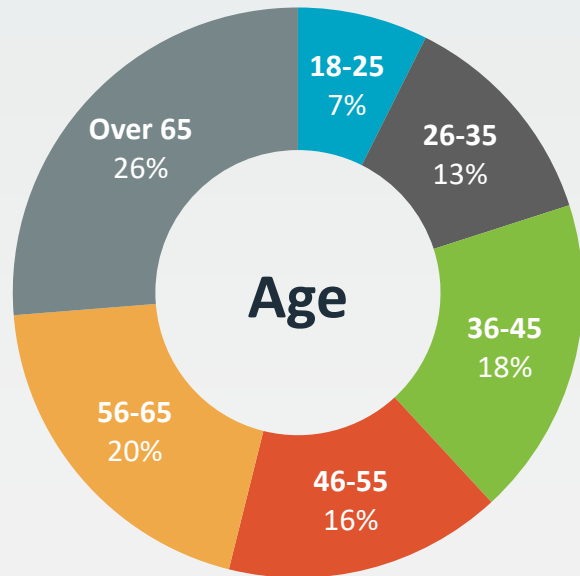


Responses gathered in
February and March of 2023

MASSACHUSETTS/REGIONAL Economic Survey Summary



CONSUMER RESPONDENTS

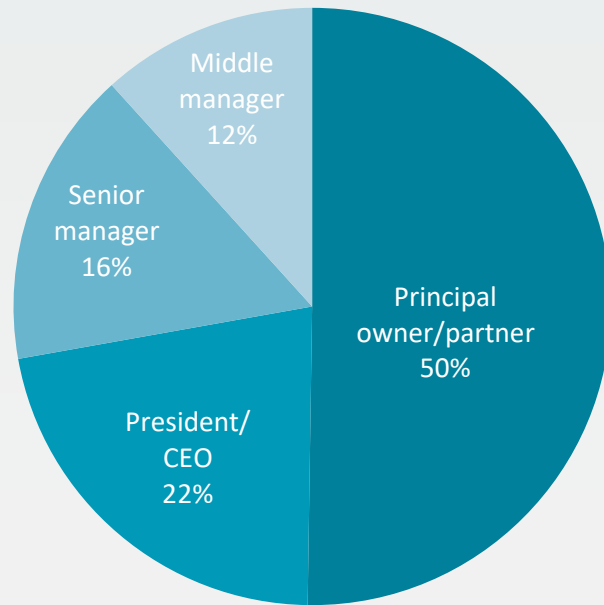


MASSACHUSETTS/REGIONAL Economic Survey Summary

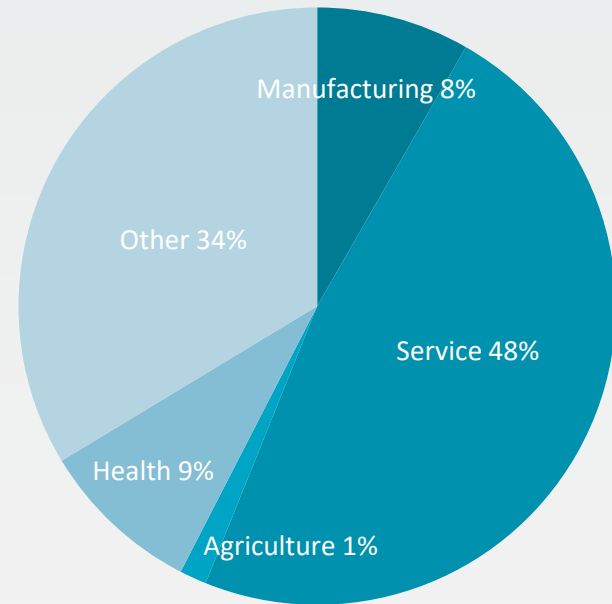


BUSINESS RESPONDENTS

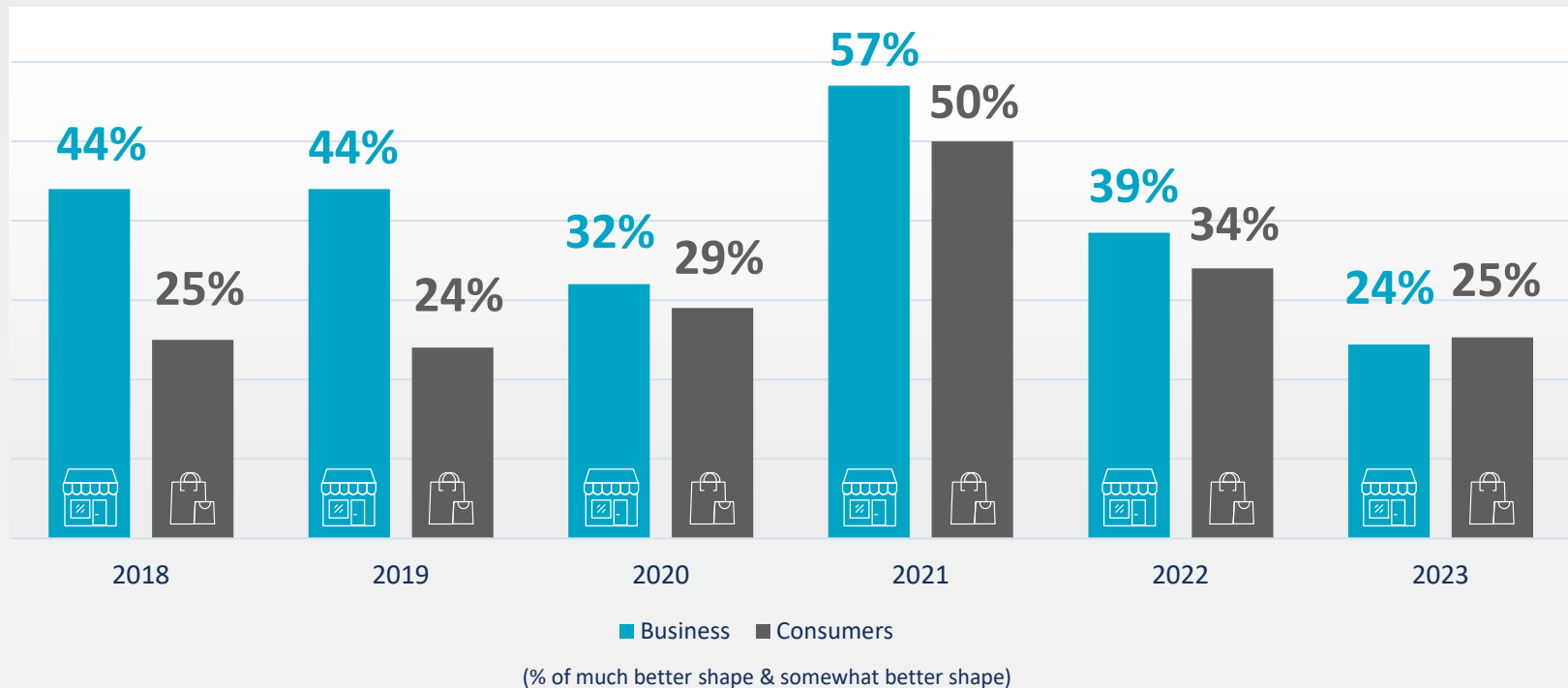
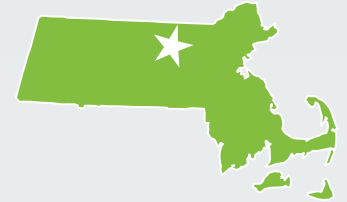
Position



Classification



How do you think your region's economy will look over the next year compared with today?



OPTIMISM FOR MASSACHUSETTS AS A WHOLE FOLLOWS SIMILAR TRENDS AS THE REGIONAL RESULTS.

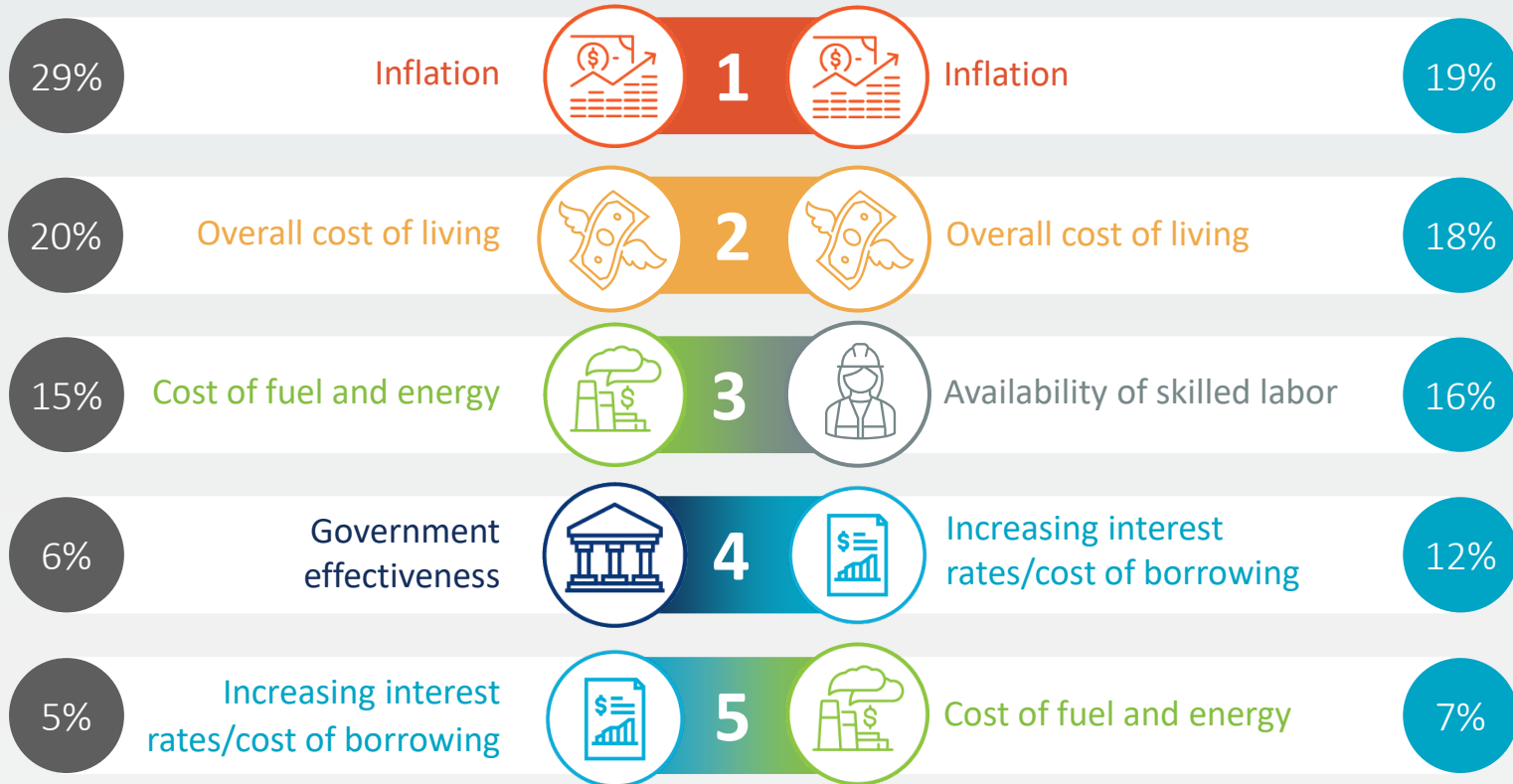
WHAT WORRIES YOU?

Top 5 threats to growth over the next year.



CONSUMERS

BUSINESS

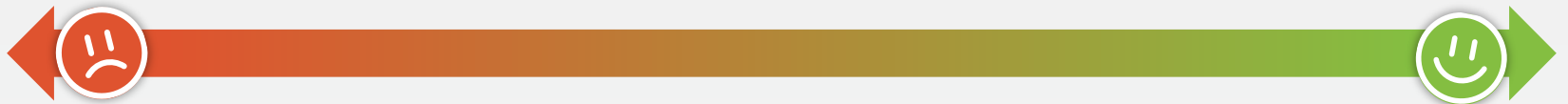
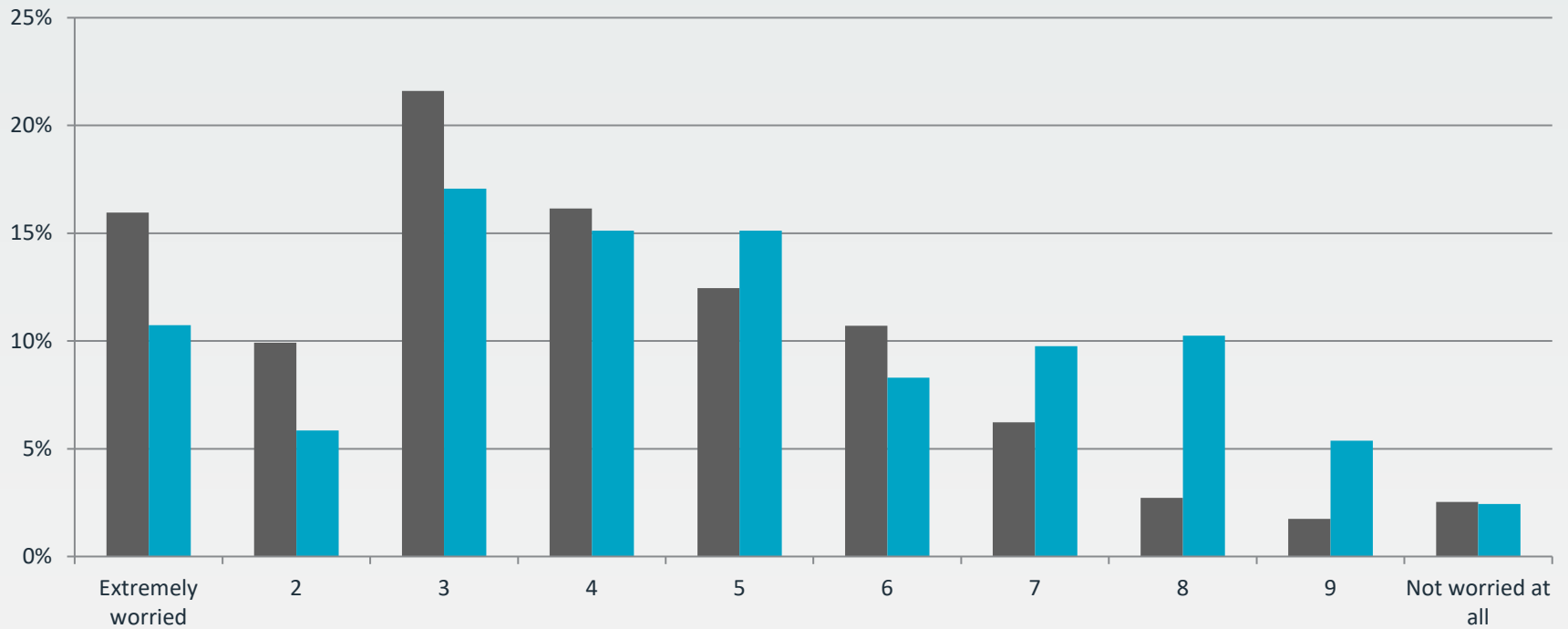


RECESSION OUTLOOK

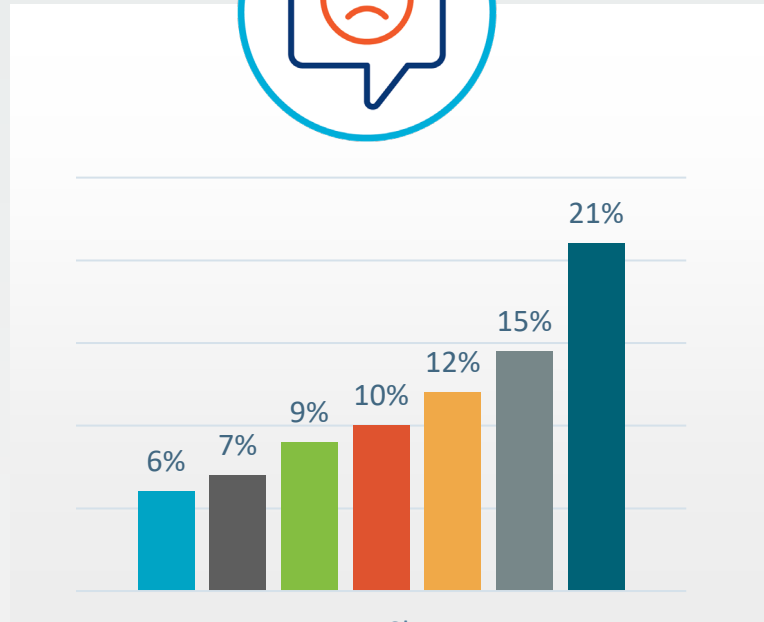
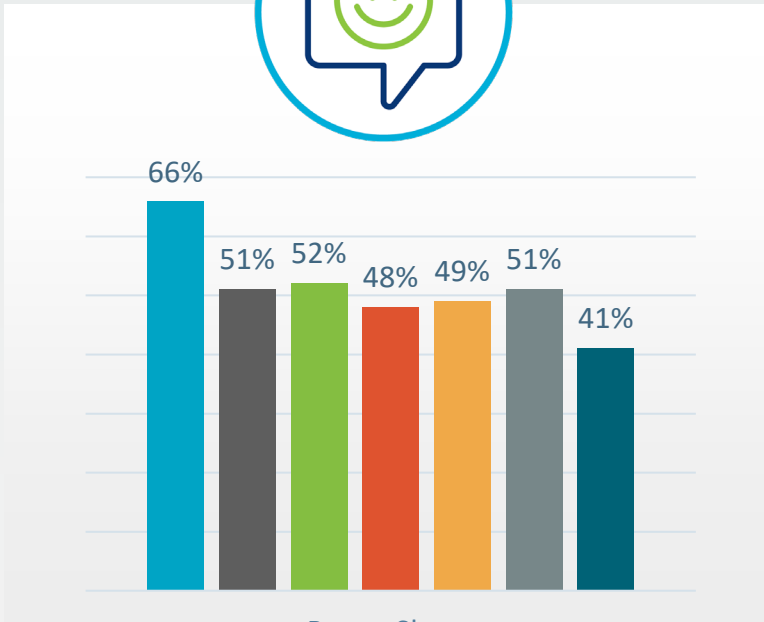
How worried are you about the potential impact of a recession this year?



■ Consumer ■ Business



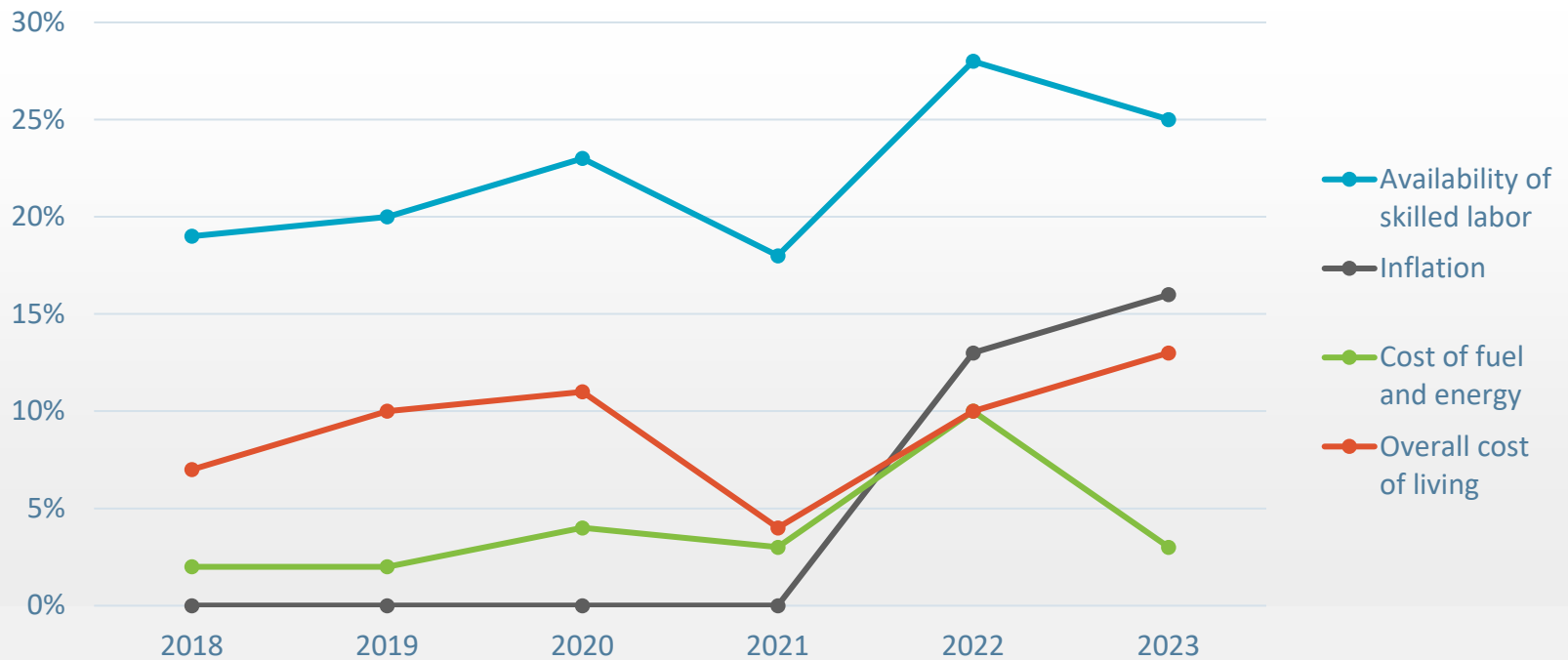
How do you think your business will be over the next year compared to today?



■ 2017 ■ 2018 ■ 2019 ■ 2020 ■ 2021 ■ 2022 ■ 2023

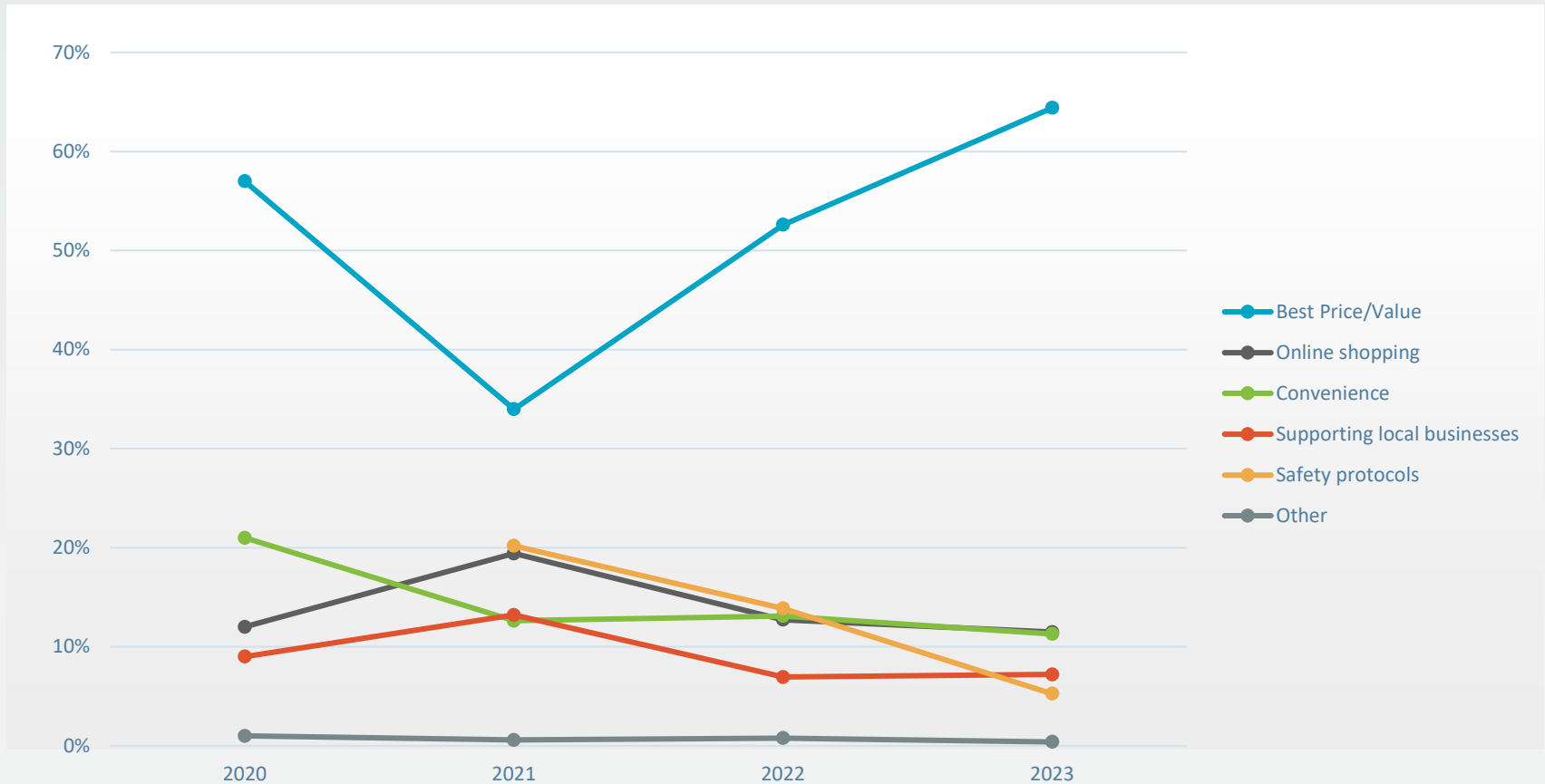
What is the most challenging issue your business expects to face in the next two years?

Skilled labor continues to be the top business challenge. Inflation and overall cost of living jumped considerably from 2022.



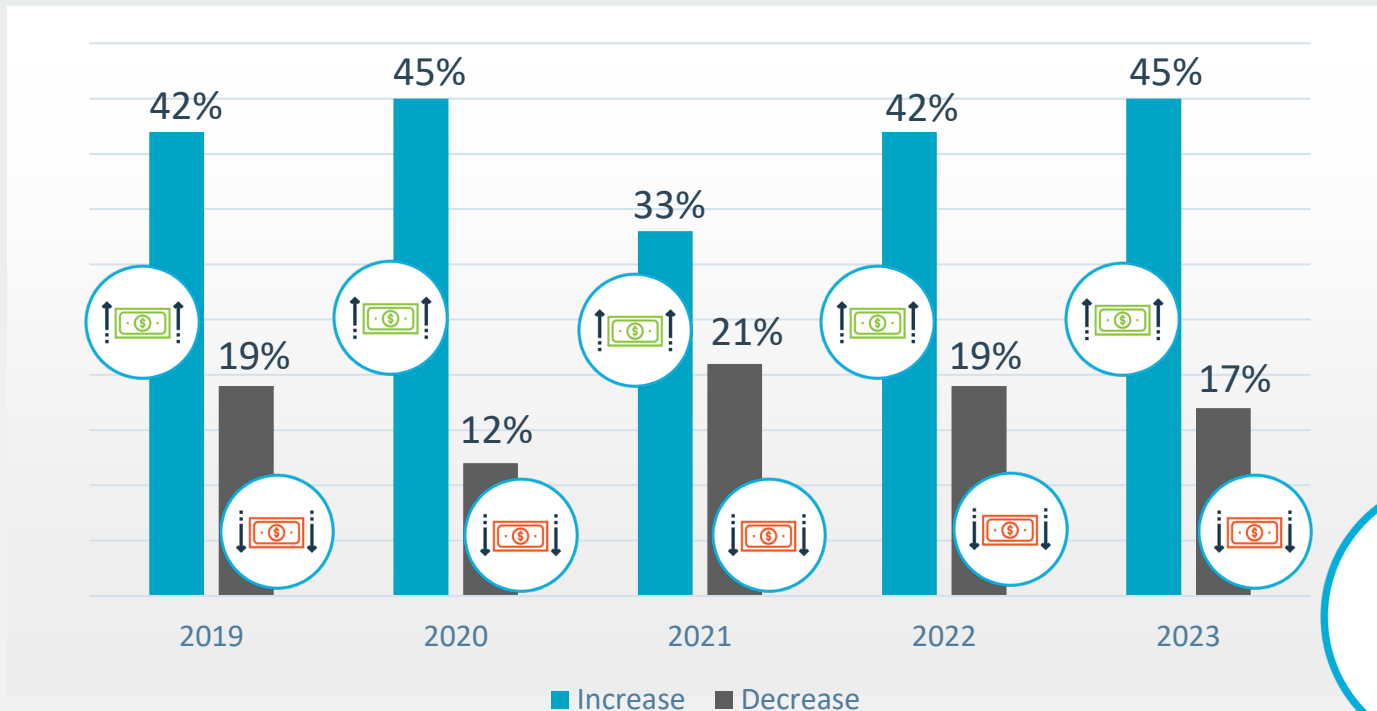
SHOPPING HABITS

What has most influenced your shopping over the past 12 months?



FAMILY INCOME OUTLOOK

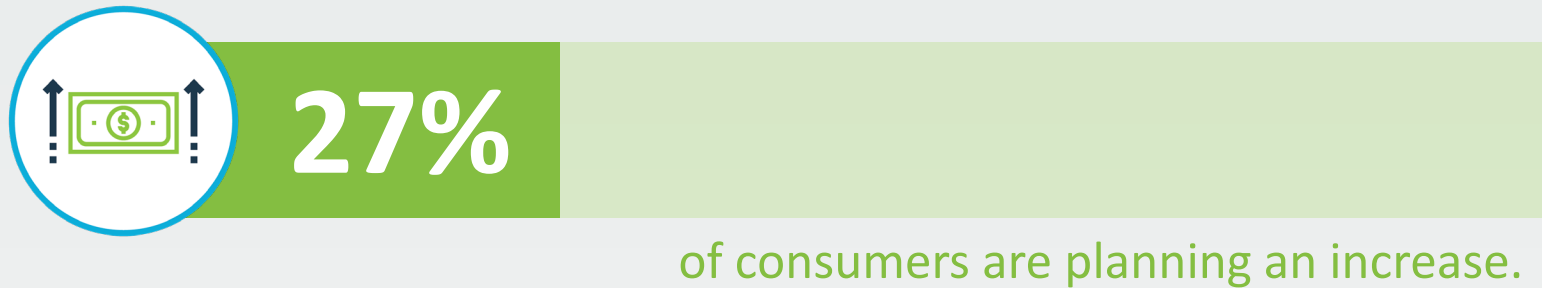
Do you expect your total family income level over the next year to increase or decrease?



CONSUMERS

SPENDING HABITS

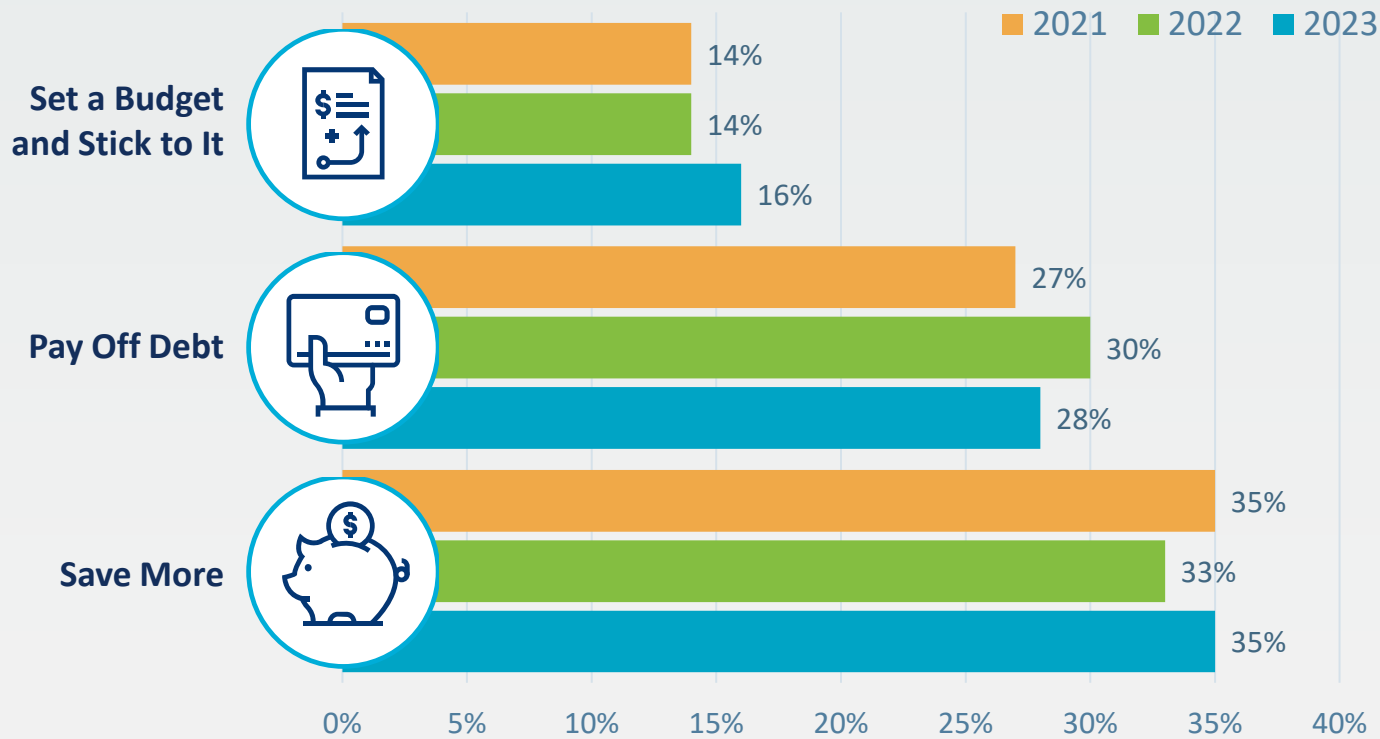
Do you expect your personal spending to increase or decrease in 2023?



Spending patterns are consistent with 2022 & 2021.

FINANCIAL PRIORITIES – TOP 3

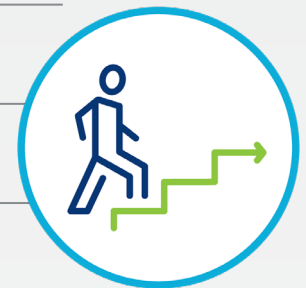
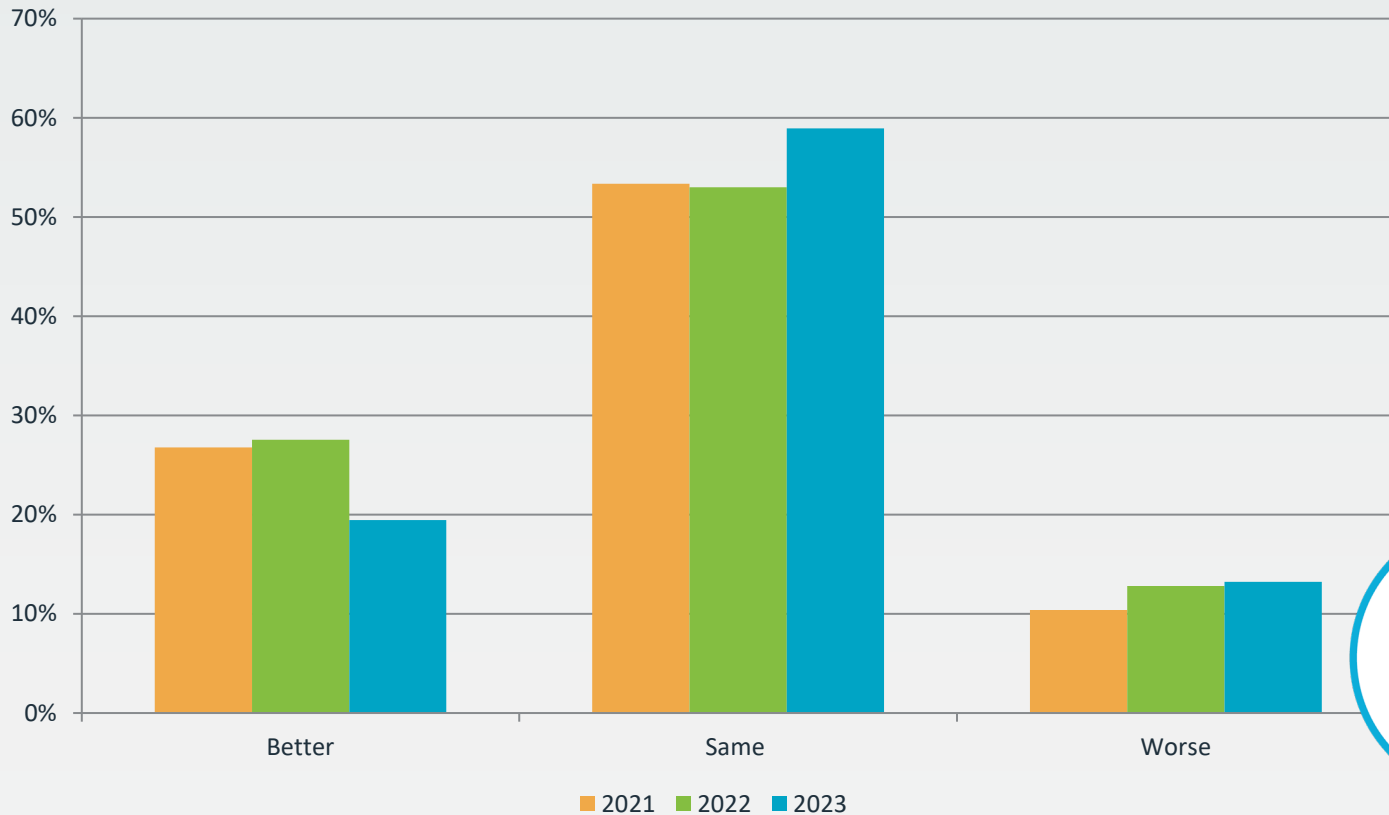
What is your single greatest financial priority over the next year?



CONSUMERS

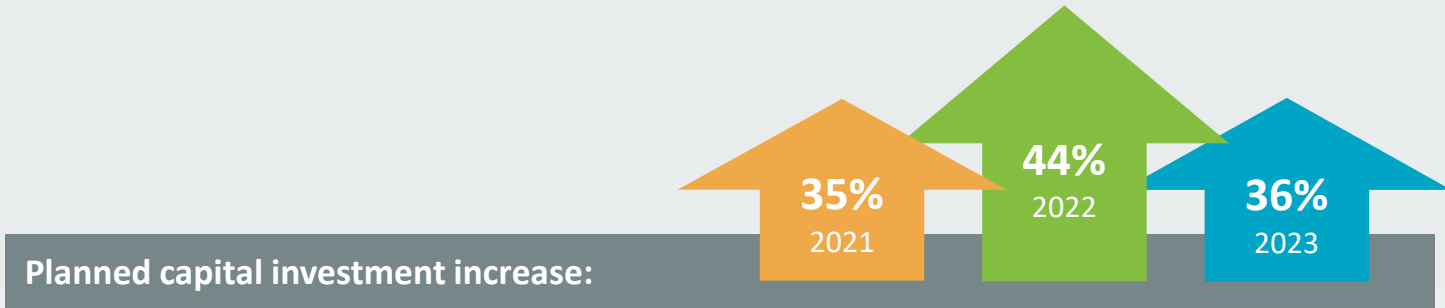
JOB SECURITY

Thinking only about your job security over the next 12 months, how do you think it will be in comparison to today?



BUSINESS SPENDING PLANS

Where do you anticipate spending in 2023?



New hires
41%



Training
39%



Equipment
34%

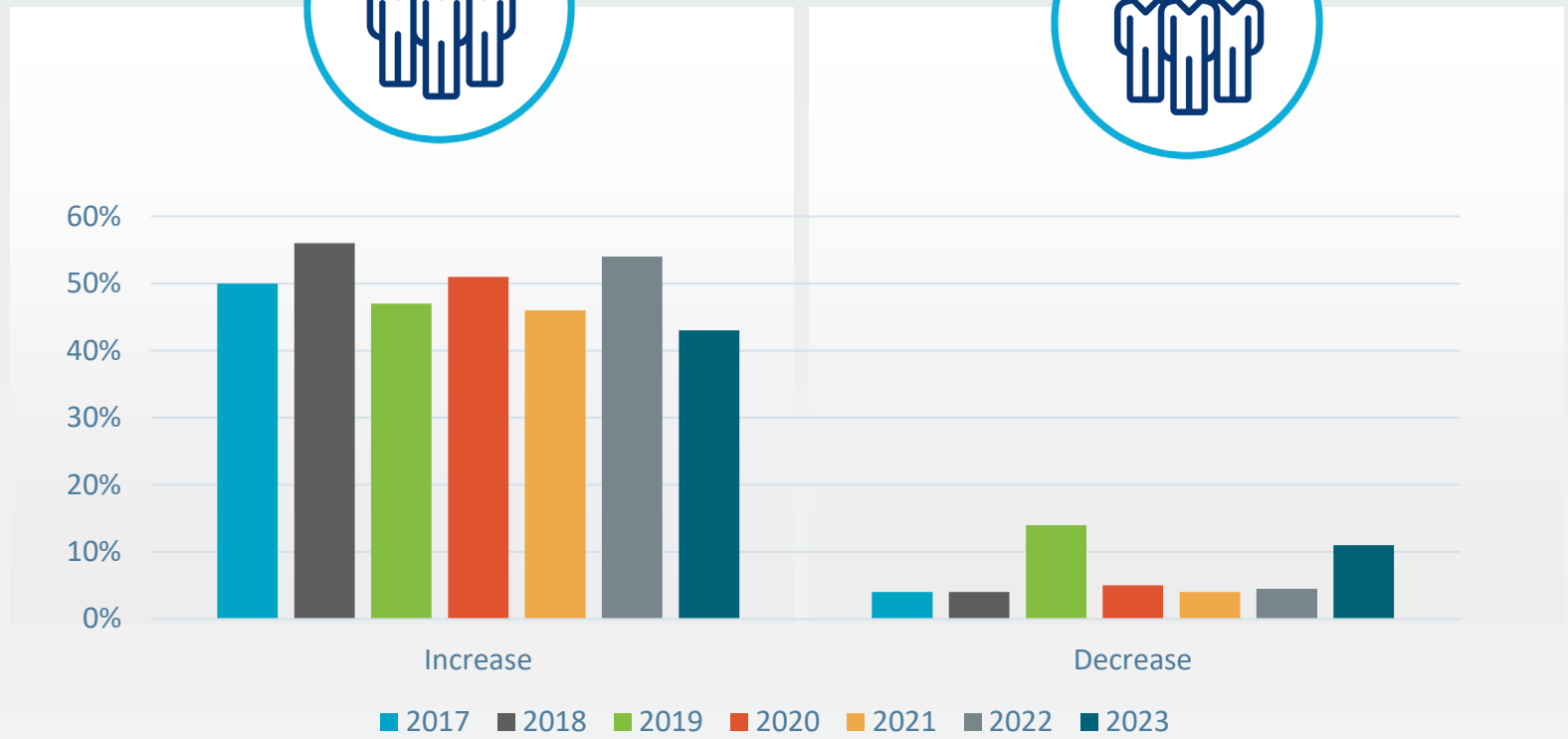


Expansion
26%



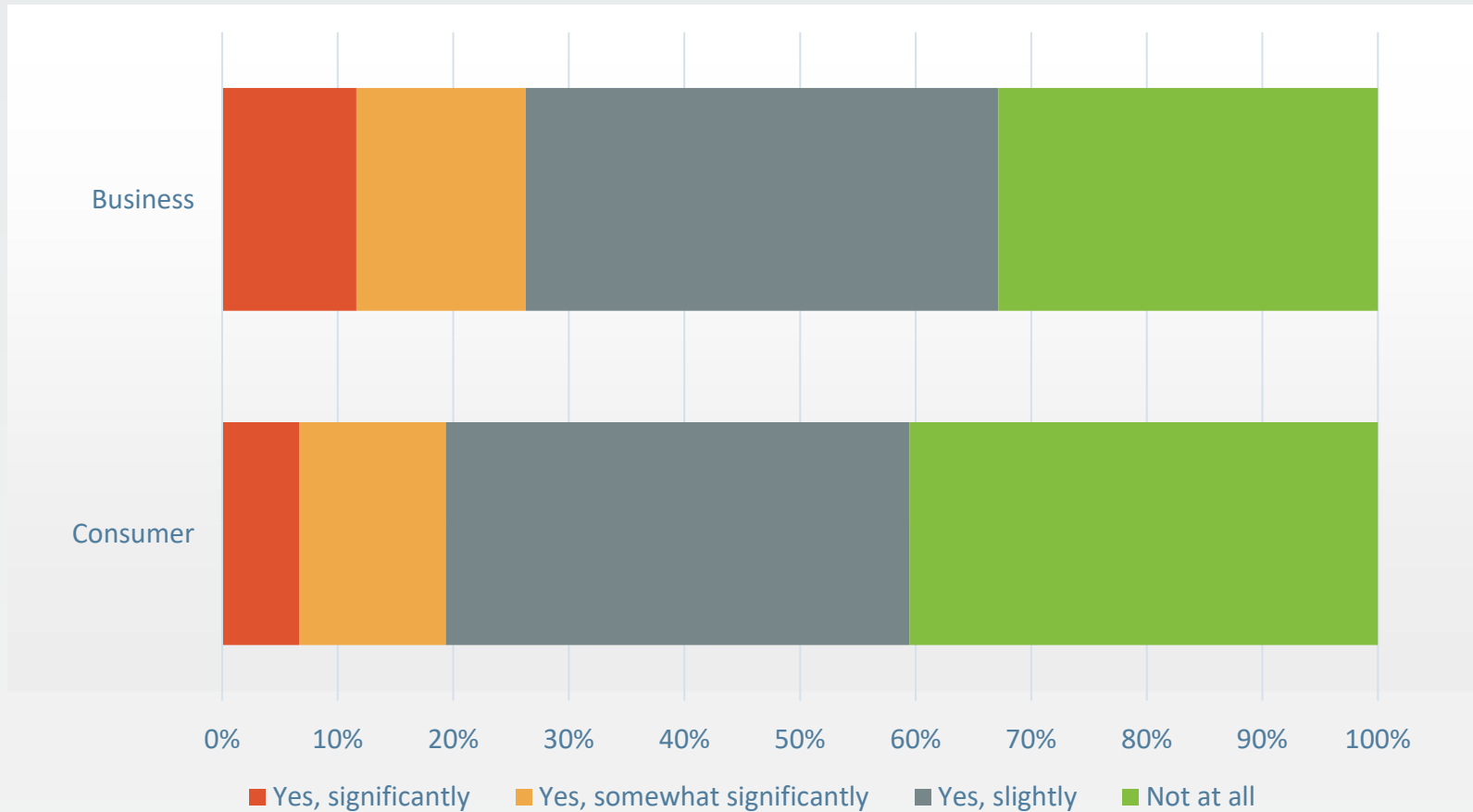
Other
22%

Which of the following best describes your hiring plans for your business?



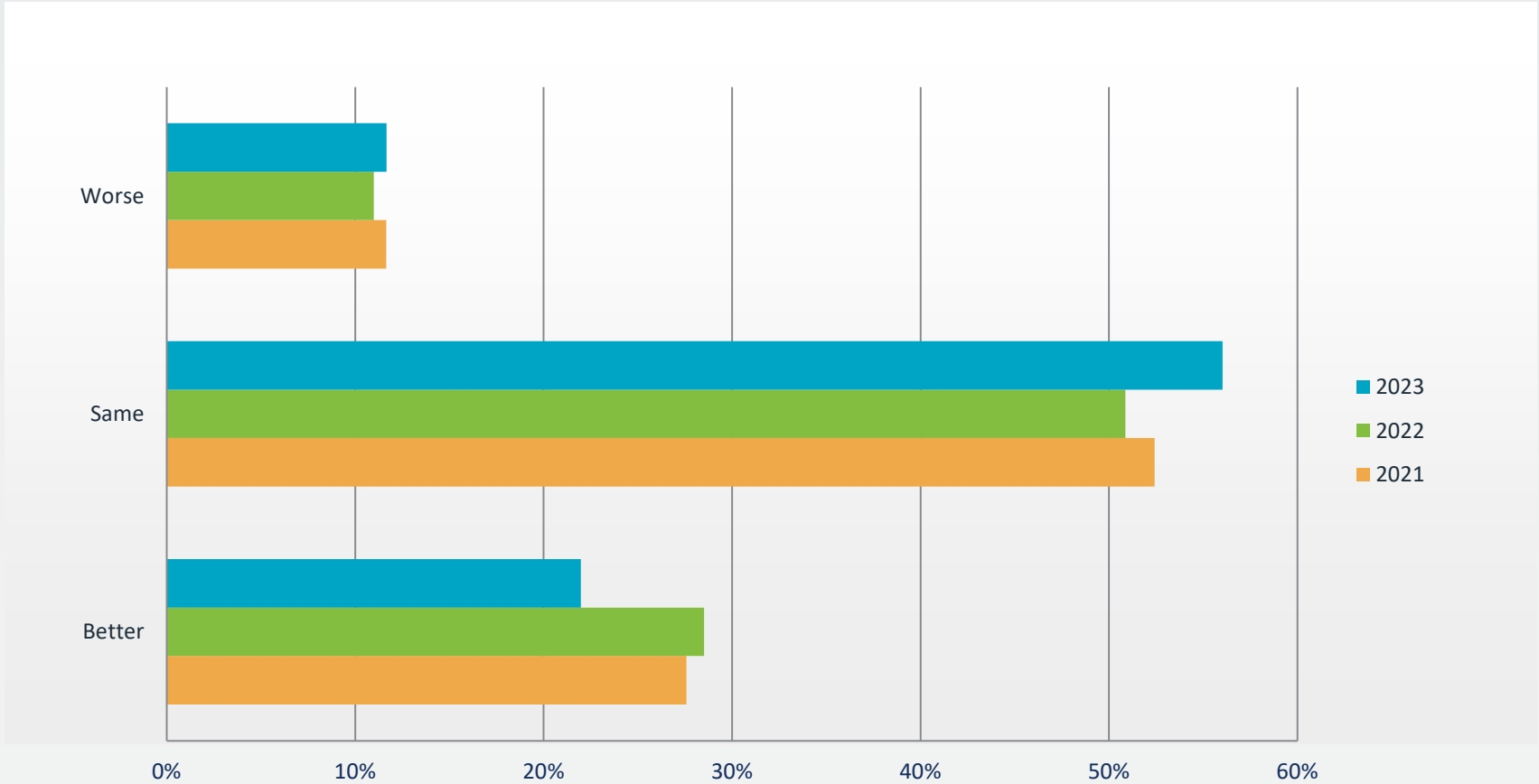
COVID IMPACT

Does COVID-19 continue to have an impact on you?



CAREER ADVANCEMENT OPPORTUNITIES

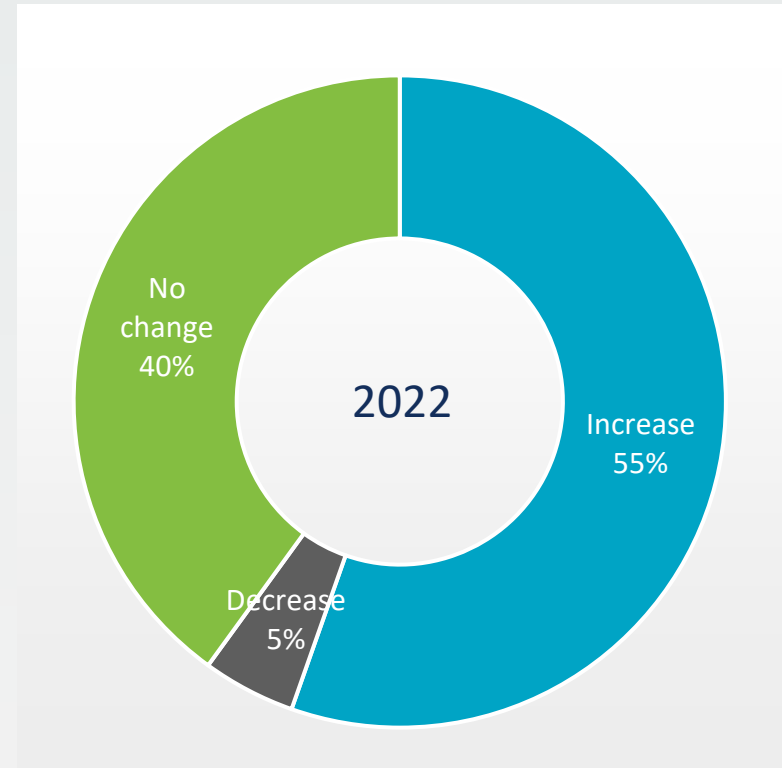
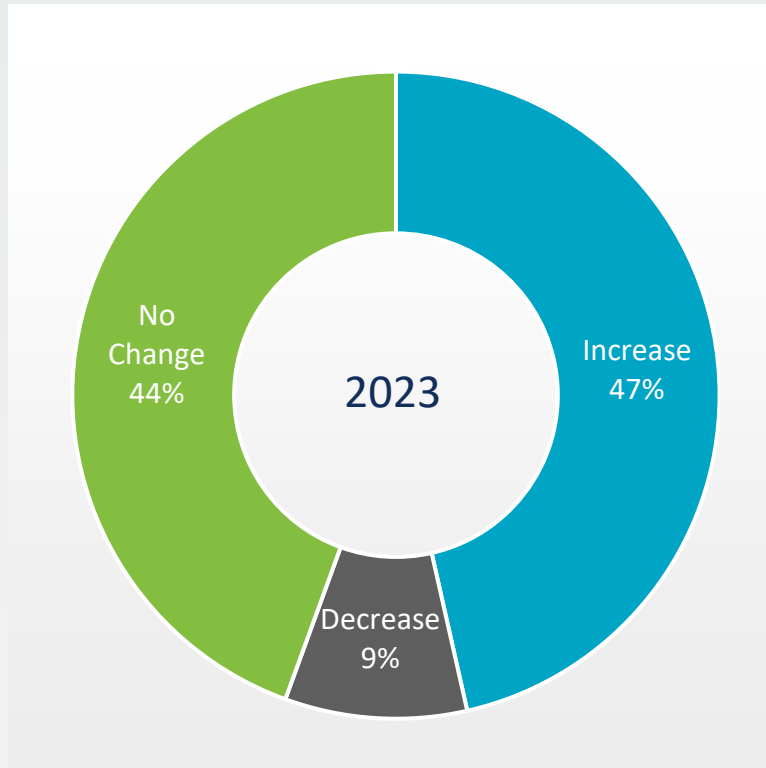
Thinking only about your advancement opportunities at work or in a new job over the next 12 months, how do you think it will be in comparison to today?



BUSINESSES

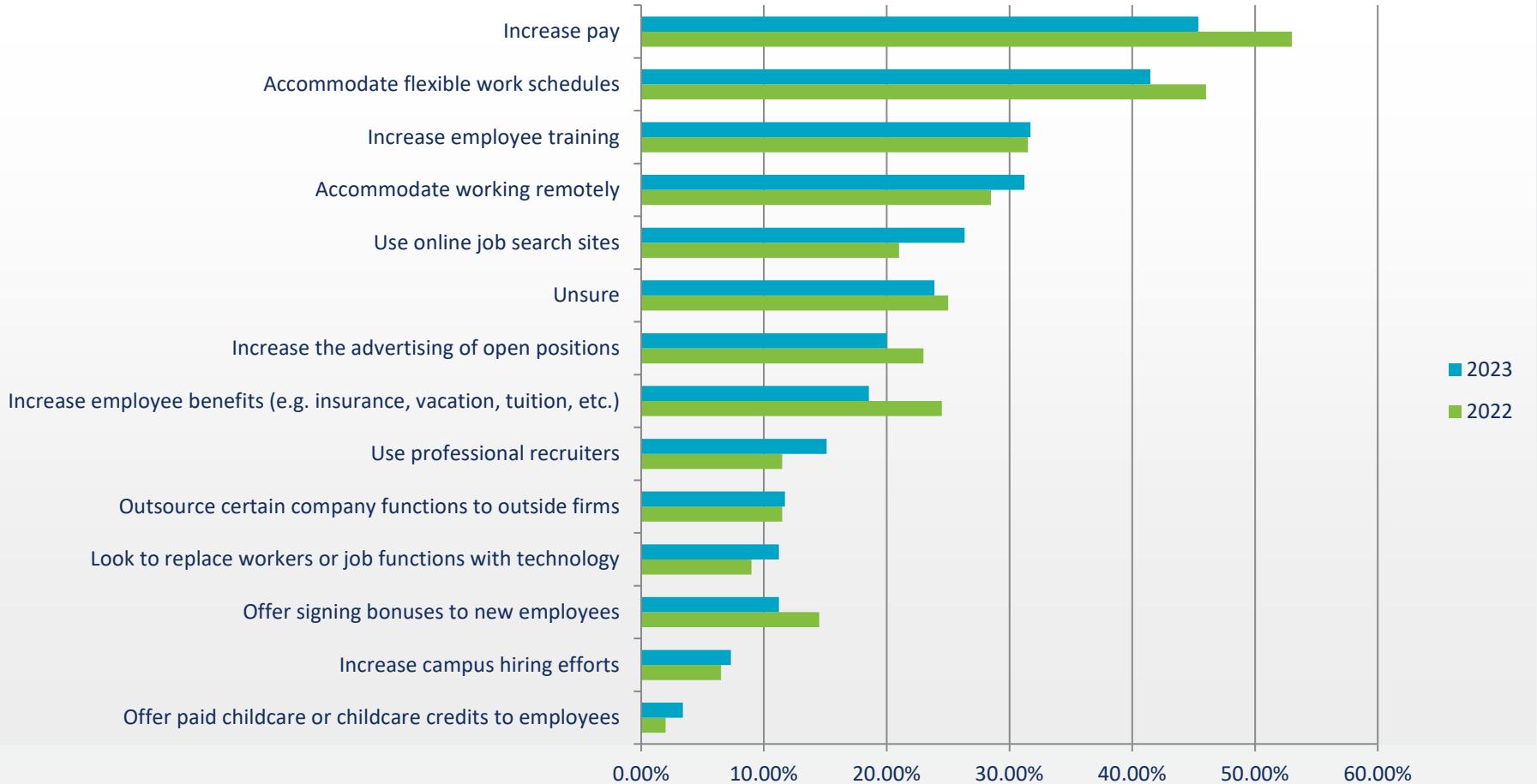


Compared to last year, how will your business's investment in workforce/ employee development change?



STAFFING CHALLENGES

As you address staffing issues, which of the following will you consider?





Takeaways

1

Optimism has waned for consumers and businesses about the economy of the state and region when looking ahead to the next 12 months. The concern of a recession is certainly a big factor.

2

Cost concerns, inflation and the rising rate environment are top threats to growth.

3

Staffing remains a key issue for businesses, although the data shows a more cautious approach with hiring over the next 12 months.

4

While job security, advancement, and income are all holding steady relative to previous years, **consumer households have a heightened need for seeking better value** on purchases, cutting spending, and saving more.



THANK YOU!

Fidelity Bank 

 **ECONOMIC
FORECAST**