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SURVEY FINDS COMPANIES ARE EXPECTING A BETTER YEAR BUSINESS OUTLOOK IS OPTIMISTIC FOR 2017

Dedham, Mass. – January 23, 2017 – Insight Performance, a human resources consulting and employee benefits firm, has issued results from its sixth annual Human Resources Programs & Business Climate survey. The survey, conducted in partnership with the Smaller Business Association of New England (SBANE) consists of respondents primarily of New England businesses varying in size. Respondents were asked to identify trends regarding business conditions, hiring and employee benefits and programs.

A snapshot of the results includes:

- Growing confidence is the name of the game in 2017. Fifty-six percent (56%) of companies are doing better than they were twelve (12) months ago.
- For the first time, the survey asked the question “what is the biggest challenge facing companies going into 2017.” Forty percent (40%) of companies reported recruiting as their biggest challenge. Insurance costs and retaining employees were the next two biggest challenges.
- Companies expect 2017 to be a better year than 2016. With seventy-eight percent (78%) of companies reporting that they expect a better year.

“While forty percent of companies reported recruiting as their biggest challenge, it supports our belief that companies will continue hiring in 2017 and overall confidence is growing,” said Mike Ward, President of Insight Performance. “Companies will invest in the retention of employees with company events, maintaining or enhancing benefits, as well as using incentive pay and bonus programs to reward and motivate employees,” said Ward.

Some of the key findings from the HR Programs & Business Climate survey include:

Current business conditions: Outlook is optimistic

- Fifty-six percent (56%) of respondents saw an improvement in business conditions in 2016 compared to forty-one percent (41%) who reported improvements in 2015. (increase of 15% from last year)
- Seventy-eight percent (78%) of respondents expect business in 2017 to be better than 2016. (8% increase from last year)
- In 2016, seventy-two percent (72%) of respondents held company events, such as a holiday party, an increase of fourteen percent (14%) from 2015.

Compensation: Companies invest in employees but remain conservative:

- Seventy-two percent (72%) of survey respondents plan to give increases to base pay in 2017, compared to seventy-eight percent (78%) last year, while thirty-one percent (31%) plan to freeze salaries at current levels, an increase over last year. (22% last year)
- Fifty-eight percent (58%) of companies do not plan to pay out bonuses or incentive compensation, not including commissions, in 2017. This is a six percent (6%) increase from last year and a twenty-two percent (22%) increase from the prior year.

Employee benefits: Employers continue to put value in their employees' benefits.

- Disability programs for employees are becoming increasingly popular with fifty-six percent (56%) of employers now offering long-term disability and forty-seven percent (47%) are offering short-term disability to full and part-time employees.
- Forty-nine percent (49%) of employers are now offering life insurance to their full-time employees.
- The increases in disability and life insurance correlate to workplaces that employ a multigenerational labor force and their efforts to implement programs that support older workers.

“The survey results indicate that companies are feeling optimistic about 2017 and the slow and steady growth we predicted last year will continue this year but when asked about compensation, survey results for planned pay increases will be slightly lower than last year, contradicting growing optimism,” said Ward. “A closer look at the trend and the results, however, indicate that companies have caught up to market rates after wage increases the past few years. We have seen a shift in the marketplace away from cost of living or merit increases to raising wages to be more market competitive and companies then leveraging incentive compensation to help retain their best talent.”

“Our observations, based on this survey and our experience in the New England business marketplace, are that companies are doing better than they were in previous years” said Susan Barber, SBANE Vice President of Operations and General Manger. “But we expect companies to remain cautious about growing payroll through increases to base pay or the paying out of bonuses and/or incentive compensation, and believe companies will continue to invest in their current staff through employee benefits to secure retention, while growing at moderate rates.”

SBANE and Insight Performance’s HR Programs & Business Climate survey was conducted in December 2016 to identify trends regarding business conditions, hiring and employee benefits and programs. The survey primarily targeted small and mid-size businesses in New England and most respondents were from the following industries: Manufacturing (21%), Professional Services (23%), Financial Services (17%), Non-Profit (18%), and Healthcare (8%).

To obtain the entire survey report, please contact Jennifer Rosenberg of Thomson Communications at jenn@thomsoncommunications.com.

About Insight Performance

Founded in 1995, Insight Performance, Inc. is a strategic human resources consulting firm that works with small and mid-sized companies to build exceptional workplaces. The firm, with offices in Dedham and Salem, Massachusetts, provides proven and cost-effective HR solutions to help companies, in a wide range of industries, solve real-world problems, and achieve their business goals. Insight Performance has been named a “Best Place to Work in Massachusetts,” the national recipient of Employer of the Year and Best Overall Company of the Year for Service Businesses (under 100 employees), and was a national finalist for Best Human Resources Organization. Additional information can be found at www.insightperformance.com.

About SBANE

The Smaller Business Association of New England, Inc. (SBANE), founded in 1938, is a private not-for-profit association of approximately 700 member companies located throughout the six-state region. SBANE was established to provide a legislative voice for small business at the state and federal levels and to make practical information available to help business owners grow their companies. SBANE runs diverse, educational programs each year and has active chapters in Massachusetts and Rhode Island. Additional information can be found at www.sbane.org.