



# News Release

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## **Business Leaders Maintain Optimistic Outlook for Iowa Economy *Iowa Business Council Releases First Quarter Economic Outlook Survey Results***

Des Moines, Iowa – (March 1, 2006) – Corporate members of the Iowa Business Council (IBC) remain positive and upbeat about the prospects for Iowa’s economy as 2006 unfolds. Expectations are running high for sales, capital investments, and hiring throughout the middle of the year. The results of the IBC Economic Outlook Survey for the first quarter, conducted during the last two weeks of February, were released today.

With a 100% response rate from IBC’s twenty corporate members, the survey results indicate that 85% of respondents expect an increase in sales during the second and third quarters of 2006. This is down only slightly from 90% predicting higher sales levels in the previous survey released on December 1, 2005. It is significantly above the 78% projection recorded a year ago on March 1, 2005.

Capital spending forecasts remain strong, with the number of corporations expecting an increase in this area at 60%, which is consistent with last quarter and up from 53% one year ago.

Hiring expectations among Business Council CEOs have improved since last polled, with 65% of the responses indicating higher employment levels over the next six months. This represents a significant improvement of 15% over the projection in the fourth quarter of 2005, and is consistent with 68% projected this time last year. The encouraging trend in this category continues to be those IBC businesses that expect to decrease employment levels. Not a single CEO is projecting fewer hires through the middle of this year. This compares with 5% expecting lower employment levels last quarter and 6% back in March 2005.

	Increase			No Change			Decrease		
	2006	2005		2006	2005		2006	2005	
	Q1	Q4	Q1	Q1	Q4	Q1	Q1	Q4	Q1
1. Change in sales in next 6 mos?	85%	90%	78%	15%	10%	22%	0%	0%	0%
2. Change in capital spending in next 6 mos.?	60%	60%	53%	40%	35%	47%	0%	5%	0%
3. Change in hiring levels next 6 mos?	65%	50%	68%	35%	45%	26%	0%	5%	6%



Max Phillips, Chair of the Iowa Business Council and President of Qwest in Iowa, said, "The performance expectations of these Iowa business leaders is consistent with many of the economic trends reported by similar organizations nationwide. The Iowa economy continues to provide evidence of a solid growth mode, with Business Council companies upbeat about their sales, capital investment, and hiring. As long as this state can maintain its focus on cultivating, attracting, and retaining the quality workforce it needs to sustain this growth, the future of Iowa's economy will continue to be bright."

The Economic Outlook Survey is conducted quarterly by the Iowa Business Council to help inform Iowans and Iowa businesses about projected trends in the state's economy, which may prove useful for business and economic planning purposes.

Founded in 1985, the Iowa Business Council is a non-profit, non-partisan, self-funded organization whose members include the top executives of 20 of the largest businesses in the state, the three Regent university presidents, and the state's largest banking association. Collectively, these companies and institutions employ more than 180,000 Iowans and have made over \$25 billion worth of capital investments in the state. The purpose of the Council is to engage the personal commitment of these executives in active leadership roles on major initiatives that offer opportunity to enhance Iowa's overall economic vitality. For more information, please visit our Web site at [www.iowabusinesscouncil.org](http://www.iowabusinesscouncil.org).

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