



# News Release

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## **Economic Indicators Move Higher for Iowa Companies** *Iowa Business Council Releases First Quarter Economic Outlook Survey Results*

Des Moines, IOWA – (March 1, 2007) – Twenty of the state's largest corporations predict brighter prospects for their business operations during the second and third quarters of 2007. The most recent Iowa Business Council (IBC) Economic Outlook Survey was conducted during the third week of February, the results of which were released today.

Levels of all three indicators – sales, capital spending, and employment – are higher than survey results from last quarter and are generally consistent with levels from one year ago. The most notable change occurred in sales, with 95 percent of the CEOs expecting an increase during the next six months. This is well ahead of the 55 percent projected last quarter and 10 percent above expectations of one year ago.

For the fifth consecutive quarter, the survey results indicate a positive employment outlook as each CEO expects to increase or maintain hiring levels during the next six months. Capital investment remains consistent, with 95 percent projecting an increase or no change in spending levels over the fourth quarter of 2006.

“Business Council members remain upbeat about the state’s economy,” said Max Phillips, IBC chairman and president of Qwest-Iowa. “National publications continue to tout the quality of life in Iowa based on high rankings received in such areas as education, workforce productivity and right-to-work laws, affordable housing, low crime rates, and an accessible health care system.

“These key factors play a fundamental role in sustaining Iowa’s reputation for offering a strong, healthy, and dynamic business climate that effectively competes in the global marketplace. The Council will continue its work to deploy initiatives that spur wealth-creating economic development and diverse workforce attraction.”



	Increase			No Change			Decrease		
	2007	2006		2007	2006		2007	2006	
	Q1	Q4	Q1	Q1	Q4	Q1	Q1	Q4	Q1
1. Change in sales in next six months?	95%	55%	85%	5%	35%	15%	0%	10%	0%
2. Change in capital spending in next six months?	50%	40%	60%	45%	50%	40%	5%	10%	0%
3. Change in hiring levels in next six months?	55%	45%	65%	45%	55%	35%	0%	0%	0%

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 invested over \$25 billion worth of capital 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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## Iowa Business Council Economic Outlook Survey Historical Perspective Comparison of Survey Results: 2004Q3 – 2007Q1

	<u># of respondents</u>	<u>Expected Sales</u>		
		<u>Higher</u>	<u>No change</u>	<u>Lower</u>
2007 Q1	20	95%	5%	0%
2006 Q4	20	55	35	10
2006 Q3	20	90	10	0
2006 Q2	19	95	5	0
2006 Q1	20	85	15	0
2005 Q4	20	90	10	0
2005 Q3	19	84	16	0
2005 Q2	19	89	6	6
2005 Q1	19	78	22	0
2004 Q4	17	79	14	7
2004 Q3	18	78	17	5

	<u># of respondents</u>	<u>Expected Capital Spending</u>		
		<u>Higher</u>	<u>No change</u>	<u>Lower</u>
2007 Q1	20	50%	45%	5%
2006 Q4	20	40	50	10
2006 Q3	20	60	35	5
2006 Q2	19	58	42	0
2006 Q1	20	60	40	0
2005 Q4	20	60	35	5
2005 Q3	19	74	21	5
2005 Q2	19	50	44	6
2005 Q1	19	53	47	0
2004 Q4	17	64	29	7
2004 Q3	18	39	56	5

	<u># of respondents</u>	<u>Expected Iowa Employment</u>		
		<u>Higher</u>	<u>No change</u>	<u>Lower</u>
2007 Q1	20	55%	45%	0%
2006 Q4	20	45	55	0
2006 Q3	20	55	45	0
2006 Q2	19	58	42	0
2006 Q1	20	65	35	0
2005 Q4	20	50	45	5
2005 Q3	19	53	32	15
2005 Q2	19	50	44	6
2005 Q1	19	68	26	6
2004 Q4	17	64	22	14
2004 Q3	18	50	28	22