



# News Release

**Contact:**

Marisol Molstre

[m.molstre@essmanassociates.com](mailto:m.molstre@essmanassociates.com)

Phone: (515) 282-7145

Amy Kline

[a.kline@essmanassociates.com](mailto:a.kline@essmanassociates.com)

Phone: (515) 282-7145

## ***Economic Outlook Indicators Improve***

### ***Iowa Business Council Releases Fourth Quarter Results***

**DES MOINES, IOWA - December 1, 2011.** Expected levels of sales, capital spending, and employment for Iowa's largest employers all edged higher as business leaders' optimism improved for the coming six months. The **2011Q4 Iowa Business Council (IBC) Overall Economic Outlook Survey Index (OSI)** rose to **62** – nearly five points higher than three months ago (57.3) but over two points below this time last year (64.7). The 2011Q4 survey was completed by 19 of the corporate members of the Iowa Business Council during the second half of November, the results of which were released today.

The **2011Q4 Sales OSI** is **67**, two points higher than last quarter (65) but two points lower than one year ago (69). Ninety percent of the CEOs expect steady or increased sales over the next six months – substantially higher (11%), higher (53%), or no change (26%). Eleven percent of survey respondents expect sales levels to decrease – lower (11%) or substantially lower (0%).

The **2011Q4 Capital Spending OSI** is **62**, which is eight points above last quarter (54) yet four points lower than the 2010Q4 survey (66). Ninety percent of IBC corporate members expect steady or increased capital spending levels through May 2012 – substantially higher (0%), higher (53%), or no change (37%). Eleven percent of survey respondents expect capital spending, i.e., investments in facilities and equipment, to decrease – lower (11%) or substantially lower (0%).

The **2011Q4 Employment OSI** is **57**, four points ahead of three months ago (53) but two points below this time last year (59). Eighty-nine percent expect hiring levels for the next six months to remain steady or grow – substantially higher (0%), higher (47%), or no change (42%). Ten percent expect employment needs to decrease – lower (5%) or substantially lower (5%).

“In spite of lingering government debt issues both in the U.S. and overseas, Iowa's business leaders have regained a cautious optimism for economic growth during the first half of the coming year,” said Tom Aller, president of Interstate Power & Light, an Alliant Energy company, and 2010-11 chair of the Iowa Business Council. “To suggest that a sustained economic recovery is occurring might be premature. However, the strength of domestic demand by consumers, combined with reduced inventories, should boost industrial production in the near term – as reflected by the strong move the Outlook Survey Index projects in capital spending. Statutory and regulatory uncertainty, along with a less than vibrant job market, continue to inhibit what might otherwise be more robust economic activity.”

- more -



\*\*\*\*\*

The quarterly Iowa Business Council Economic Outlook Survey incorporates a diffusion index, wherein each survey response falls on a 100-point scale. Using weighted averages, an index number is then calculated that measures the sentiment of IBC executives projecting business activity six months into the future. An Outlook Survey Index (OSI) of 50 indicates that the business sentiment of all survey participants is average; an OSI above 50, the sentiment is positive; below 50, the sentiment is negative. This index generates a numeric measure going forward that attempts to more precisely estimate the economic condition of business activity in Iowa.

### IBC Economic Outlook 2011Q4 Survey Responses

Quarter	Substantially Higher		Higher		No Change		Lower		Substantially Lower	
	11Q4	11Q3	11Q4	11Q3	11Q4	11Q3	11Q4	11Q3	11Q4	11Q3
Change in sales in the next six months?	11%	16%	53%	42%	26%	26%	11%	16%	0%	0%
Change in capital spending in the next six months?	0%	5%	53%	26%	37%	47%	11%	21%	0%	0%
Change in employment in the next six months?	0%	0%	47%	37%	42%	42%	5%	16%	5%	5%

*Rounding may cause the addition of percentages in a measure to equal more or less than 100%.*

### IBC Economic Outlook Survey Index (OSI) – last twelve quarters

	11Q4	11Q3	11Q2	11Q1	10Q4	10Q3	10Q2	10Q1	09Q4	09Q3	09Q2	09Q1
OVERALL OSI . . . . .	62	57.3	65.3	66.7	64.7	61.3	62.3	54.3	47.7	48.7	38.3	35.3
Sales OSI . . . . .	67	65	69	75	69	69	67	58	50	54	44	38
Capital Spending OSI . . . . .	62	54	64	63	66	58	60	55	49	49	33	31
Employment OSI . . . . .	57	53	63	62	59	57	60	50	44	43	38	37

*OSI = 50 indicates business sentiment is moderate; > 50 is positive; < 50 is negative.*

- more -



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

The Iowa Business Council (IBC) is a nonpartisan, nonprofit, self-funded organization whose 24 members are the top executives of 20 of the largest businesses in the state, the three Regent university presidents, and Iowa's largest banking association. Founded in 1985, the Council's purpose is to focus the personal commitment of its members in active leadership roles on major initiatives that offer opportunity to enhance Iowa's economic vitality and improve the lives of Iowans. Council members identify economic issues, evaluate options, and assist in implementing solutions through collaborative public/private partnerships. **Collectively**, these companies and institutions employ nearly a quarter million Iowans and have committed billions of dollars in capital investment to the state. **On an annual basis**, several hundred million dollars in financial contributions and thousands of volunteer hours are directed to numerous charitable causes around Iowa. IBC members also lead in technology innovation with billions of dollars spent and grants procured for research and development. The Business Council focuses its efforts primarily in areas related to advanced technology, continuous process improvement, economic and workforce development, education excellence, health care and wellness, and operations continuity and security. Its representation reaches across the state – from borders north and south to rivers east and west. For more information, please visit the IBC Web site at [www.iowabusinesscouncil.org](http://www.iowabusinesscouncil.org).

###