



News Release

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Iowa CEOs See Strong Sales Level Continuing

Iowa Business Council Releases Second Quarter Economic Outlook Survey Results

Des Moines, Iowa – (June 1, 2006) – Corporate members of the Iowa Business Council (IBC) remain upbeat about the state of Iowa's economy for the second half of 2006. Levels for all indicators surveyed --- sales, capital investments, and hiring --- are projected to improve or stay essentially unchanged from last quarter's positive survey results, and are noticeably ahead of the forecast from one year ago. The IBC Economic Outlook Survey for the second quarter was conducted during the third and fourth week of May, the results of which were released today.

With a 100% response rate from IBC's corporate members, the survey indicates that 95% of respondents expect an increase in sales during the third and fourth quarters of 2006. This is an increase of 10% from the previous survey released on March 1, 2006, and also higher than the 89% level predicted a year ago on June 1, 2005.

Capital spending forecasts remain consistent with 58% of the companies expecting an increase in this area, a prediction that is nearly the same as last quarter and up 8% from one year ago.

Hiring expectations among Business Council CEOs continue to be solid since last surveyed, with 58% of the responses indicating higher employment levels over the next six months. This represents a slight decrease of 7% from the first quarter of 2006, yet remains well above the 50% figure forecast this time last year.

The encouraging trend in all categories continues to be that IBC businesses do not expect decreases in any of the survey indicators. Not a single CEO expects lower sales, less capital spending, or fewer hires through the rest of this year. This is the second consecutive quarter no decreases have been anticipated, which reinforces business leaders' continuing optimism for the Iowa economy this year.



	Increase			No Change			Decrease		
	2006		2005	2006		2005	2006		2005
	Q2	Q1	Q2	Q2	Q1	Q2	Q2	Q1	Q2
1. Change in sales in next 6 mos?	95%	85%	89%	5%	15%	6%	0%	0%	6%
2. Change in capital spending in next 6 mos.?	58%	60%	50%	42%	40%	44%	0%	0%	6%
3. Change in hiring levels next 6 mos?	58%	65%	50%	42%	35%	44%	0%	0%	6%

Max Phillips, Chair of the Iowa Business Council and President of Qwest-Iowa, said, “These numbers confirm the solid pattern of growth Iowa business leaders have been experiencing for over a year now, and follow similar positive economic trends reported nationwide. Our economy is experiencing a period of sustained growth, one that all IBC members companies hope will carry over into the next year.”

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.

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