



News Release

Contacts:

Denise Essman
d.essman@essmanassociates.com
Phone: (515) 282-7145

Marsha McCulloch
m.mcculloch@essmanassociates.com
Phone: (515) 282-7145

Business Indicators Remain Steady for Iowa Companies *Iowa Business Council Releases Second Quarter Economic Outlook Survey Results*

Des Moines, IOWA – (June 1, 2007) – Corporate leaders of the Iowa Business Council (IBC) are generally optimistic regarding forecasts for sales, capital spending, and employment for the coming six months. Overall, 100 percent of the CEOs foresee an increase or no change in sales and hiring levels, and 90 percent anticipate an increase or no change in capital spending during the second half of the year. The IBC Economic Outlook Survey was completed by nineteen chief executives during the third week of May, the results of which were released today.

From a historical perspective, the strong overall second quarter projections for sales and hiring are consistent with forecasts made last quarter and a year ago. Furthermore, the overall positive employment outlook is consistent with forecasts made the past five quarters.

“As the year progresses, Iowa’s larger companies continue to be confident about their business operations in the state,” said Max Phillips, IBC chair and president of Qwest-Iowa. “The consistent, positive nature of the IBC Economic Outlook Survey projections over the last three years reflects the continuing economic vitality of our state.”

“Sustaining Iowa’s competitive posture in the global economy of the 21st century, however, is an ongoing challenge,” continued Phillips. “It will require a comprehensive review of historical business practices, government administration, and education standards, followed by a commitment to deploy strategies needed to support dynamic economic growth. If Iowa is to continue expanding its human and financial resources, it is essential that both urban and rural communities offer attractive employment and lifestyle choices for workforce prospects. By implementing aggressive, proactive measures fundamental to building and maintaining a strong, healthy, and diverse business climate, Iowa can become the choice for skilled workers seeking to build a career and raise a family.”

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	Increase			No Change			Decrease		
	2007	2007	2006	2007	2007	2006	2007	2007	2006
	Q2	Q1	Q2	Q2	Q1	Q2	Q2	Q1	Q2
1. Change in sales in next six months?	84%	95%	95%	16%	5%	5%	0%	0%	0%
2. Change in capital spending in next six months?	58%	50%	58%	32%	45%	42%	10%	5%	0%
3. Change in hiring levels in next six months?	53%	55%	58%	47%	45%	42%	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.

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Iowa Business Council Economic Outlook Survey Historical Perspective Comparison of Survey Results: 2004Q3 – 2007Q2

	<u># of respondents</u>	<u>Expected Sales</u>		
		<u>Higher</u>	<u>No change</u>	<u>Lower</u>
2007 Q2	19	84%	16%	0%
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 Q2	19	58%	32%	10%
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 Q2	19	53%	47%	0%
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