



# News Release

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## Iowa CEOs Forecast Increased Capital Spending: Economic Optimism Continues

### *Iowa Business Council Releases Third Quarter Economic Outlook Survey Results*

Des Moines, Iowa – (September 1, 2005) – Results from the Iowa Business Council’s Third Quarter Economic Outlook Survey project continued optimism for Iowa’s economy for the next six months. The survey was conducted in August and released today by the Iowa Business Council (IBC). With a 100% response rate from its corporate members (including the University of Iowa Hospitals), the survey indicates 74% of IBC’s corporate members plan to increase capital spending. Capital spending is up 24 points from June and is 35 points higher than this time one year ago.

Eighty-four percent of the survey respondents expect sales to increase – still strong but 5 points lower than in June. At the same time, none of the survey respondents expect a decrease in sales.

Over half (53%) of the respondents expect an increase in employment. Over 66% of manufacturers expect employment to increase, signaling even greater anticipated growth in Iowa’s manufacturing sector.

	<b>Increase</b>	<b>No Change</b>	<b>Decrease</b>
1. How do you expect your company’s sales to change in the next six months?	84%	16%	0%
2. How do you expect your company’s capital spending to change in the next six months?	74%	21%	5%
3. How do you expect your company’s employment to change in the next six months?	53%	32%	15%



Todd Raba, Chair of the Iowa Business Council and President of MidAmerican Energy said, "It has become clear that increased sales over the past year have put Iowa companies in a stronger position to increase capital spending. And, of course this results in solid growth for Iowa's economy, greater employment opportunities, especially for our manufacturers, and strengthening of a positive economic cycle for the entire state. Our members are confident about the future. They're reinvesting in their companies for further growth."

The Economic Outlook Survey monitors forecasts from the CEO's of Iowa's largest companies, who are members of the Iowa Business Council. The Survey is conducted quarterly by the 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 1986, the Iowa Business Council is a non-profit, non-partisan organization of the top executives of 23 of Iowa's largest employers, including the three Regent universities. Collectively, Iowa Business Council members employ over 150,000 Iowans statewide and have over \$20 billion of capital investments in Iowa. The Council's purpose is to focus the active personal commitment of the leaders of Iowa's major employers in statewide leadership roles to enhance Iowa's economic vitality. Council members identify major economic issues, evaluate options and assist in implementing solutions through collaborative public/private partnerships such as the Iowa Coalition for Innovation & Growth with its action-oriented hot teams.

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