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Contact:

Georgia Van Gundy
gvangundy@iowabusinesscouncil.org
Phone: (515) 246-1701

Economic Outlook Improves – Workforce Needs cited as Greatest ‘Primary Business Challenge’

Iowa Business Council Releases Third Quarter Results

DES MOINES, IOWA – November 2, 2017. The sentiment of Iowa Business Council (IBC) members regarding economic activity in the state for the next six months moved higher from previous quarters. The **2017Q3 Overall Economic Outlook Survey Index (OSI)** is **65** – eight points higher than this time last year (57).

The 2017Q3 survey was completed by the corporate members of the Council after the end of the third quarter, the results of which were released today. Additionally, in this survey each respondent was asked to choose up to three ‘Primary Business Challenges’ their company is facing. Workforce needs and the cost of health care were identified as the top businesses challenges.

“Attracting, developing, and retaining a qualified workforce continues to be a top priority and challenge for all of our members,” said Ben McLean, CEO of Ruan Transportation Management Systems of Des Moines and 2017 Chair of the Iowa Business Council. “In order for Iowa to maintain and grow a vibrant economy, it is critical that we all work together to develop and implement strategies that create the workforce of today and tomorrow. In the coming months, the IBC will be putting forward initiatives to engage both the business and education communities in efforts to strengthen our workforce in Iowa.”

The results of the survey are as follows:

The **2017Q3 Sales OSI** is **73**, which is fourteen points ahead of a year ago (59). One hundred percent of the CEOs expect steady or increased sales over the next six months – substantially higher (6%), higher (78%), or no change (16%). No survey respondents expect sales levels to decrease – lower (0%) or substantially lower (0%).

The **2017Q3 Capital Spending OSI** is **60**, which is four points higher than a year ago (56). Eighty-eight percent of IBC corporate members expect steady or increased capital spending levels through April 2018 – substantially higher (10%), higher (39%), or no change (39%). Twelve percent of survey respondents expect capital spending. i.e., investments in facilities and equipment, to decrease – lower (6%) or substantially lower (6%).

The **2017Q3 Employment OSI** is **61**, five points ahead of this time last year (56). Eighty-eight percent expect hiring levels for the next six months to remain steady or grow – substantially higher (6%), higher (50%), or no change (32%). Twelve percent expect employment needs to decrease – lower (6%) or substantially lower (6%).

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*** = former IBC Chair**

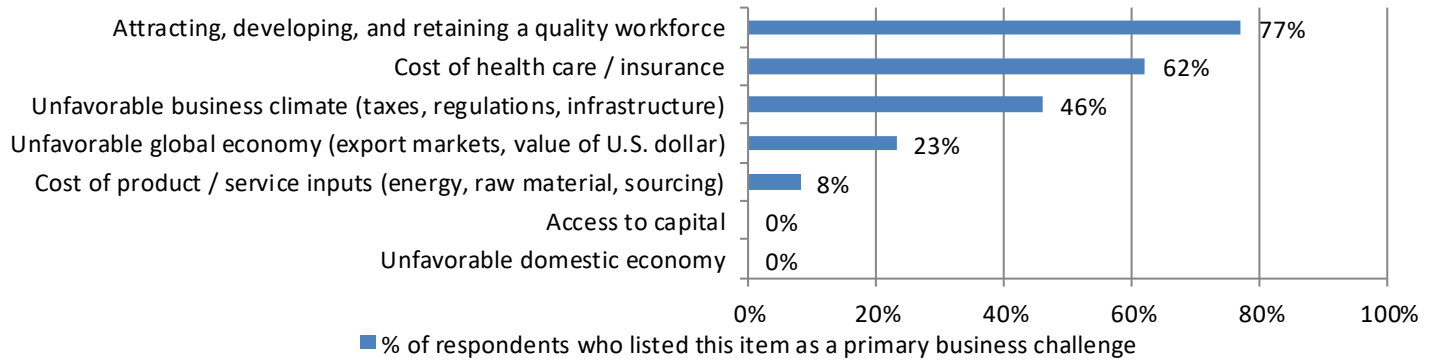
Georgia Van Gundy
Executive Director
Iowa Business Council
Secretary



Iowa Business Council

100 East Grand Avenue, Suite 260, Des Moines, Iowa 50309
 Phone: 515.246.1700 Fax: 515.246.1701
 Email: ibc@iowabusinesscouncil.org
 Web site: www.iowabusinesscouncil.org

Primary Business Challenges



2017Q3 IBC Economic Outlook Survey Responses

	Substantially Higher	Higher	No Change	Lower	Substantially Lower
Change in SALES over the next six months?	6%	78%	16%	0%	0%
Change in CAPITAL SPENDING over the next six months?	10%	39%	39%	6%	6%
Change in EMPLOYMENT over the next six months?	6%	50%	32%	6%	6%

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

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 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 regarding business activity looking six months forward. An Outlook Survey Index (OSI) of 50 indicates that business sentiment of all survey participants is average; **an OSI above 50, the sentiment is positive; below 50, the sentiment is negative.** The index generates a numeric measure going forward that attempts to more precisely estimate the economic condition of business activity in Iowa.

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The Iowa Business Council (IBC) is a nonpartisan, nonprofit organization whose members are an unparalleled group of chief executives from Iowa's largest organizations. Founded in 1985, the Council serves as a catalyst of economic vitality through global thought leadership and research for the advancement of Iowa. **Collectively**, IBC companies and institutions directly employ over 200,000 citizens. The combined payroll of these entities is in excess of \$10.7 billion, and they 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 millions of dollars spent on research and development. For more information, please visit the IBC Web site at www.iowabusinesscouncil.org