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News Release

Iowa CEOs Forecast: Bright First Half for 2005

Iowa Business Council Releases December Economic Outlook Survey Results

Des Moines, Iowa – (December 1, 2004) – Iowans and Iowa businesses now have more reasons to welcome the start of the new year. In results of the December Economic Outlook Survey released today by the Iowa Business Council, CEOs of Iowa’s major employers report expected increases in key economic indicators for the first six months of 2005.

With an 88 percent survey response rate of corporate members, 64 percent of respondents expect an increase in employment overall, up 14 percent from the last Economic Outlook Survey released in September. One hundred percent of the manufacturers responding in the Survey expect employment to increase.

Increases in capital spending are expected by 64 percent of the respondents and by 80 percent of the manufacturers responding. Expectations on capital spending are up 25 percent since the last Survey. Sales remain strong with 79 percent expecting increases. Eighty percent of the manufacturers responding anticipate an increase in sales.

	Increase	No Change	Decrease
1. How do you expect your company’s sales to change in the next six months?	79%	14%	7%
2. How do you expect your company’s capital spending to change in the next six months?	64%	29%	7%
3. How do you expect your company’s employment to change in the next six months?	64%	22%	14%

John Forsyth, Chair of the Iowa Business Council, and Chairman and CEO of Wellmark Blue Cross Blue Shield of Iowa stated, “Our Iowa results in capital spending and employment are stronger than the national trends reported today by the Business Roundtable.” (Results are available at www.brt.org.) He added, “This speaks well for Iowa’s economy because increases in employment and capital spending mean more jobs for Iowans and the purchase of more goods and services will strengthen our economy.”

“The efforts of Iowa businesses toward restructuring and implementing process improvement initiatives, such as Lean Enterprise, are continuing to pay off. In terms of economic impact, this is good news for all of us. Our economy is on the rebound and Iowa’s employers are moving confidently into the first half of 2005.”

The Economic Outlook Survey monitors forecasts of executive officers of Iowa’s largest companies, which are members of the Iowa Business Council. The Survey is administered quarterly by the Council to help inform Iowans and Iowa businesses about current trends in the state’s economy which may prove useful for business and economic planning purposes. The Survey is patterned after the national Business Roundtable’s CEO Economic Outlook Survey, which assesses opinions of the CEOs of leading U.S. corporations who are Roundtable members. While the Business Roundtable is national in scope, the Council’s Economic Outlook Survey focuses on issues which concern the economic vitality of Iowa.

The Iowa Business Council, a non-profit, non-partisan organization of the top executives of 22 of Iowa’s largest businesses and three Regent universities employing over 150,000 Iowans statewide, was founded in 1986. Collectively Iowa Business Council members 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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