

FOR IMMEDIATE RELEASE: April 2, 2020
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RELEASE: Iowa Business Council Members Project Negative Economic Outlook, Cite COVID-19 for Major Drop

DES MOINES – Today, the Iowa Business Council (IBC) released its first quarter Economic Outlook Survey for 2020. The survey's overall economic outlook index fell to 37.5, one of its lowest points since 2009. This figure demonstrates a significant drop from the fourth quarter 2019 projection of 60.09.

The survey measures members' expectations for sales, capital spending and employment for the next six months. If the index measures below 50, sentiment is negative. The economic and global uncertainty serves as businesses' most substantial challenge. The ability to develop full-fledged response plans to the COVID-19 global pandemic is hindered by the fluidity of daily domestic and global affairs.

"Iowa Business Council members' sentiment reflects the broader economic uncertainty the country is currently facing," IBC Board Chair Mary Andringa stated. "Our members remained focused on the health of our employees and maintaining our operations as best as possible given the global pandemic. We know Iowans will pull through this together."

While some IBC members have already seen a drop in revenue due to COVID-19, there is anticipation for further decline. COVID-19 has substantially affected supply chains for Iowa businesses and members project further negative effects in the near-term.

Chief among IBC member concerns is maintaining Iowa's workforce. "Many Iowa Business Council members cite the uncertainty of the current and future workforce as a top issue," IBC Executive Director Joe Murphy said. "Keeping employees healthy and able to work is a major priority for Iowa business. We will continue to work with our partners at the state and federal level to advocate for health and business needs during this volatile time."

The economic outlook indices for sales, capital spending and employment are each under 50, dropping several points from the previous quarter in each category. With an inability to look much past the implications of COVID-19, members cite the unfavorable domestic and global economic outlook as their primary business challenge.

The Economic Outlook Survey has been completed by the IBC members on a quarterly basis since 2004. The survey provides insight regarding the projected trends for the state of Iowa, which can be used for business and economic planning. The reported trends have a state-wide impact, especially when considering that IBC companies have a presence in all 99 counties.

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About the Iowa Business Council

The Iowa Business Council (IBC) is a nonpartisan, nonprofit organization whose 22 members are the chief decision makers of major Iowa employers. Employing over 163,000 Iowans, IBC member companies have invested billions of dollars of capital in Iowa's commercial infrastructure; lead the way in technology innovation, R&D, and grants procured; and are often the driving financial and volunteer forces behind philanthropic efforts all over the state.

IBC member companies include: Alliant Energy; Casey's General Stores, Inc.; Collins Aerospace; Corteva Agriscience; Deere & Company; Fareway; HNI Corporation; Hy-Vee, Inc., Iowa Bankers Association; Kent Corporation; MercyOne; Meredith Corporation; MidAmerican Energy Company; Pella Corporation; Principal; Ruan Transportation Management Systems; The Weitz Company; The University of Iowa Health Care; UnityPoint Health; Vermeer Corporation; Wellmark Blue Cross Blue Shield of Iowa; and Wells Enterprises, Inc.

OVERALL INDEX NUMBER TRENDLINE 2008-2020

