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RELEASE: Iowa Business Council Sees Slight Uptick in Economic Outlook After Volatile Second Quarter

DES MOINES – Today, the Iowa Business Council (IBC) released its second quarter Economic Outlook Survey for 2020. The survey's overall economic outlook index rose to 41.25, increasing 3.75 points from Q1 of 2020 when IBC members' outlook hit its lowest point since 2009. Measuring below 50, this figure continues to demonstrate negative sentiment.

The survey measures members' expectations for sales, capital spending and employment for the next six months. Most members cite the unfavorable business climate due to COVID-19 and other regulatory challenges coupled with an unfavorable domestic economy as their primary challenges to business. 60 percent of members expect sales to be lower in the next six months, 45 percent expect employment to be down while just 35 percent expect capital spending to be higher.

Half of the respondents noted layoffs or furloughs as a result of COVID-19. Of those employers, 80 percent expect to rehire some or nearly all of that workforce. 60 percent expect to make these rehires in the coming seven to nine months with an unknown rehire date for the remaining 40 percent. In terms of hiring practices, the majority of members stated they are operating on a critical-hire only basis while 10 percent stated hiring has increased.

"As opposed to the Great Recession, when the IBC's Economic Outlook Survey saw two straight quarters of decline before rebound, we are inching up after just one declining quarter," Mary Andringa, chair of the Iowa Business Council stated. "We're hopeful this trend line continues as we build consumer confidence and supply chains reconfigure to address today's needs while keeping our team members and customers safe."

"While the overall outlook index number still shows negative sentiment, there is reason for optimism," Iowa Business Council Executive Director Joe Murphy stated. "It appears we are slowly recovering from Q1 of 2020 with a small uptick in outlook sentiment. The Iowa Business Council will remain focused on communicating with our state and federal policymakers on important strategies for recovery including broadband expansion, child care access and affordability, and business liability protections. We are proud several IBC members have been named to Governor Reynolds' Iowa Economic Recovery Advisory Board and know with their leadership, Iowa will turn recent pandemic related obstacles into opportunities."

Looking ahead, when asked what critical skills the future workforce needs as a result of COVID-19, members stated agility, flexibility and a collaborative work ethic. Additionally, comfort with digital platforms, possessing technical skills in information technology, and analytical problem-solving are all areas viewed as necessary in adapting to the post-coronavirus workforce landscape.

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.

For more information and release data, visit www.iowabusinesscouncil.org.

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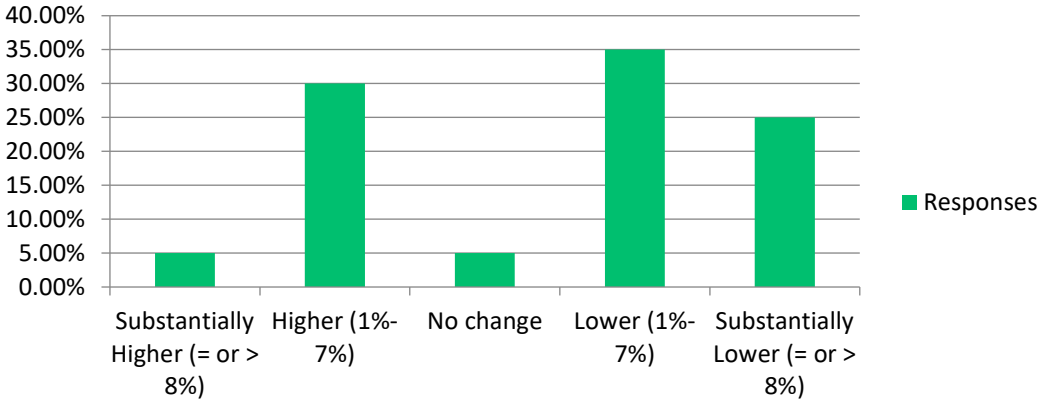
About the Iowa Business Council

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.

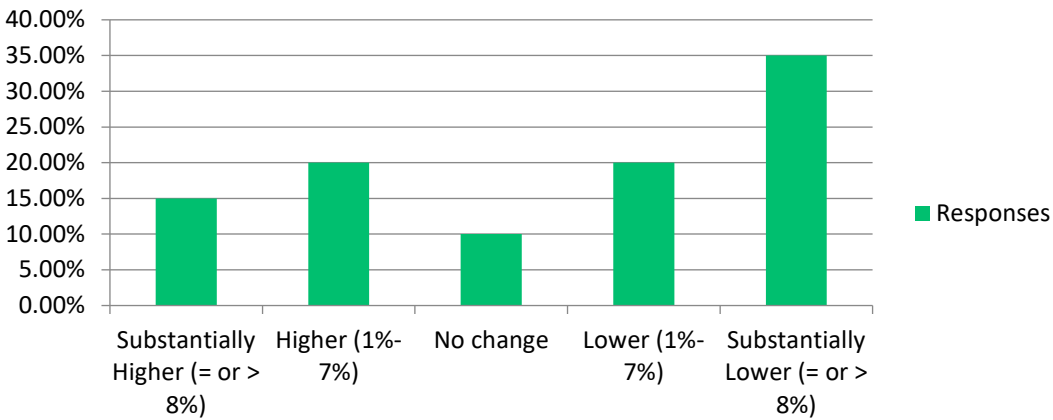
IBC member companies include: Alliant Energy; Casey's General Stores, Inc.; Collins Aerospace; Corteva Agriscience; Deere & Company; Fareway; HNI Corporation; Hy-Vee, Inc., Iowa Bankers Association; Kent Corporation; MercyOne; Meredith Corporation; MidAmerican Energy Company; Pella Corporation; Principal; 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.

Q22020 Economic Outlook Charts

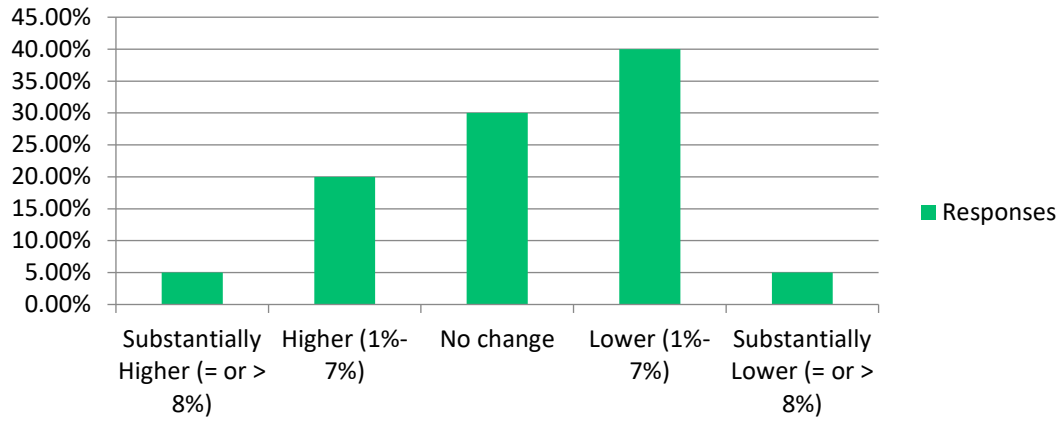
How do you expect your company's SALES to change in the next six months?



How do you expect your company's CAPITAL SPENDING to change in the next six months?



How do you expect your company's EMPLOYMENT to change in the next six months?



OVERALL INDEX NUMBER TRENDLINE 2008-2020

