



Iowa Business Council

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FOR IMMEDIATE RELEASE

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Economic Indicators Steady

Iowa Business Council Releases Second Quarter Results

DES MOINES, IOWA – June 3, 2013. Expectations in sales, capital spending, and employment for Iowa’s largest employers over the coming six months moved very little as business leaders continue to express a positive, though cautious, economic outlook. The **2013Q2 Iowa Business Council (IBC) Overall Economic Outlook Survey Index (OSI)** remained at **64** – the same as three months ago (64) but four points lower than this time last year (68). The 2013Q2 survey was completed by the corporate members of the Iowa Business Council during the second half of May, the results of which were released today.

The **2013Q2 Sales OSI** is **70**, one point lower than last quarter (71) and three points behind one year ago (73). All of the CEOs expect steady or increased sales over the next six months – substantially higher (5%), higher (67%), or no change (29%). None of the survey respondents expect sales levels to decrease – lower (0%) or substantially lower (0%).

The **2013Q2 Capital Spending OSI** is **64**, which is three points ahead of last quarter (61) but five points below the 2012Q2 survey (69). Ninety-five percent of IBC corporate members expect steady or increased capital spending levels through November 2013 – substantially higher (14%), higher (33%), or no change (48%). Five percent of survey respondents expect capital spending, i.e., investments in facilities and equipment, to decrease – lower (5%) or substantially lower (0%).

The **2013Q2 Employment OSI** is **58**, two points lower than three months ago (60) and five points behind this time last year (63). Eighty-six percent expect hiring levels for the next six months to remain steady or grow – substantially higher (0%), higher (43%), or no change (43%). Fourteen percent expect employment needs to decrease – lower (14%) or substantially lower (0%).

“Business leaders remain optimistic but guarded in their assessment of the economy,” said Stan Askren, the Chairman, President, and CEO of HNI Corporation in Muscatine and 2013 Chair of the Iowa Business Council.

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

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

IBC Economic Outlook 2013Q2 Survey Responses

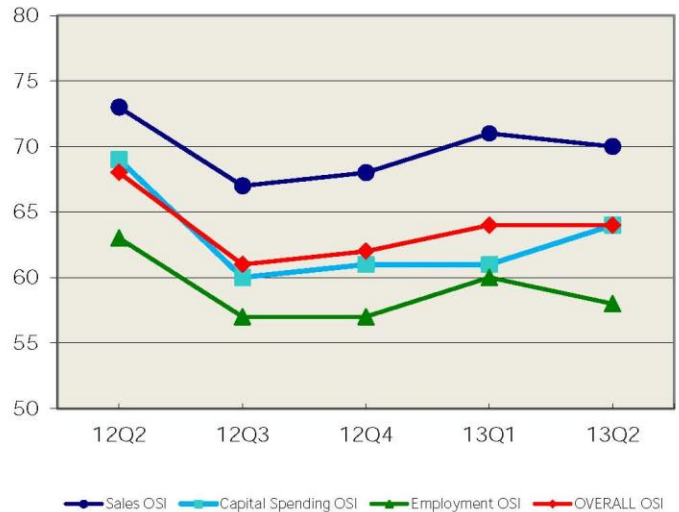
Quarter	Substantially Higher		Higher		No Change		Lower		Substantially Lower	
	13Q2	13Q1	13Q2	13Q1	13Q2	13Q1	13Q2	13Q1	13Q2	13Q1
Change in SALES over the next six months?	5%	19%	67%	52%	29%	19%	0%	10%	0%	0%
Change in CAPITAL SPENDING over the next six months?	14%	5%	33%	48%	48%	33%	5%	10%	0%	5%
Change in EMPLOYMENT over the next six months?	0%	5%	43%	38%	43%	43%	14%	14%	0%	0%

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

IBC Economic Outlook Survey Index (OSI) – last five quarters

	13Q2	13Q1	12Q4	12Q3	12Q2
OVERALL OSI	64	64	62	61	68
Sales OSI	70	71	68	67	73
Capital Spending OSI	64	61	61	60	69
Employment OSI	58	60	57	57	63

OSI = 50 indicates business sentiment is moderate; > 50 is positive; < 50 is negative.



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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 Iowa Business Council (IBC) is a nonpartisan, nonprofit organization whose 25 members are the top executives of 21 of the largest businesses in the state, the three Regent university presidents, and Iowa's largest banking association. Founded in 1985, the Council's purpose is to focus the personal commitment of its members in active leadership roles on major initiatives that offer opportunity to enhance Iowa's economic vitality and improve the lives of Iowans. Council members identify economic issues, evaluate options, and assist in implementing solutions through collaborative public/private partnerships. **Collectively**, IBC companies and institutions impact the livelihoods of one in six Iowans, directly employing a quarter million citizens. The combined payroll of these entities is in excess of \$11 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 billions of dollars spent and grants procured for research and development. The Business Council focuses its efforts primarily in areas related to advanced technology, continuous process improvement, economic and workforce development, education excellence, health care and wellness, and operations continuity and security. Its representation reaches across the state – from borders north and south to rivers east and west. For more information, please visit the IBC Web site at www.iowabusinesscouncil.org.

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