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Survey: Large employers looking to hire

By: Fred Love/Capitol News Service

DES MOINES - Some of Iowa's largest employers expect to make more hires in the next six months along with a slight drop in sales, according to an Iowa Business Council survey.

Stagnating national and international economic conditions and recent natural disasters in Iowa account for the decreasing sales projections, said Elliott Smith, Iowa Business Council executive director.

But that's no cause for panic, Smith said.

He said the expectation for Iowa businesses to maintain or expand current hiring levels should spark some optimism for Iowa's economy.

The Iowa Business Council's survey of 19 of the top executives at some of Iowa's largest employers found that the majority of those surveyed predicted their companies would expand hiring during the next six months. Another 37 percent of those surveyed predicted they would maintain current hiring practices in the coming months.

However, more than a quarter of respondents predicted fewer sales during the next six months, up from just 6 percent who made a similar prediction during the second quarter of 2008.

Smith said the storms and floods that struck Iowa in recent months disrupted businesses across the state, which may have contributed to the projected drop in sales.

"I think the one variable in all of this, that wasn't in anybody's business plan at the start of 2008, was the natural disasters that the state has faced here over the springtime, and the fact that many businesses had operational or rebuilding challenges added some concern or stress to those business plans," he said.

Smith said the survey focused on larger employers, but he said small businesses can also benefit when the larger companies do well.

He said the larger companies in the survey routinely do business with smaller ones.

"As long as larger companies aren't seeing major downward trends in sales or capital investment, for the most part, the smaller companies can feel a certain level of comfort for the coming six months," he said.

Angela Determan, interim executive director for the Mason City Chamber of Commerce, said businesses there also are maintaining consistent hiring levels.

"A lot of our businesses have never changed their hiring practices," Determan said. "They're continuing to have open periods for applications."

She said national and global economic conditions can impact local businesses, but she said Midwestern companies often find themselves insulated from harsh external economic situations.

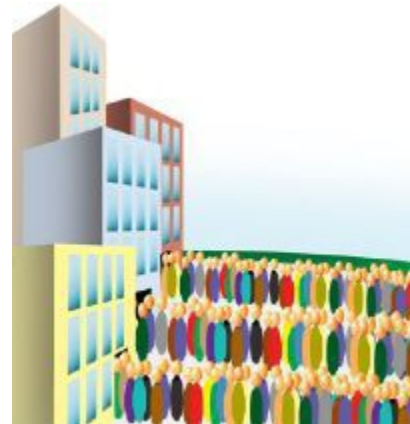


Illustration by Carmen Cerra

"It starts on the coasts and kind of works inward," she said. "Sometimes we're buffered a little bit. We get the ripple effect later and not quite as large an effect."

Nancy Mulcahey, president of the Quad-City Development Group, said a large portion of area businesses had made plans to expand hiring at the beginning of the year.

Mulcahey said she expects area employers to avoid the dip in sales predicted in the Iowa Business Council survey because the Quad Cities area includes Illinois businesses as well as Iowa.

She said the area managed to avoid the heavy flooding that rocked much of Iowa and parts of Illinois to the south.

"We did get impacted by some flooding but not to the degree that all of Iowa did," she said.

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