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ABI Survey: Iowa Business Leaders Enter Q3 with Softening Optimism

DES MOINES, Iowa – Iowa business leaders are heading into the third quarter of 2025 with steady but subdued expectations, according to the latest quarterly survey conducted by the Iowa Association of Business and Industry (ABI). While sentiment has remained consistent throughout the year, Q3 results point to softening optimism in key areas.

Q3 Survey Highlights:

- **Sales:** 33% expect sales to expand—unchanged from Q2 but down from 40% in Q1. Another 45% expect sales to remain flat, while 12% anticipate a decline.
- **Hiring:** 33% plan to increase headcount; 54% expect no change.
- **Capital Expenditures:** 57% plan to invest—down from 63% in Q2 and 72% in Q1.
- **Business Health:** 33% report growth, 39% say business is flat, and 15% report struggling operations.
- **Economic Outlook:** 21% describe their outlook as optimistic—down sharply from 50% in Q1 but consistent with Q2 sentiments. A majority (60%) expressed a neutral view.

Workforce challenges remain the most consistent concern across all three surveys this year. In open-ended responses, business leaders also pointed to tariffs, health care changes, and supply chain disruptions as factors influencing operations and decision-making. Several noted a continued focus on internal improvements and acquisition opportunities.

Most respondents (63%) believe the recently passed “One Big Beautiful Bill” will have a somewhat or very positive impact on their business or industry. Meanwhile, 90% expressed concern about the federal deficit and its potential economic implications.

“As 2025 unfolds, we’re seeing a leveling out of expectations across Iowa’s business community,” said ABI President Nicole Crain. “This quarter’s results show a business climate that’s steady, but not without pressure. Our members remain strategically focused—still investing, still hiring—but with greater awareness of the economic headwinds that exist.”

ABI surveys its board each quarter to track business sentiment, identify common concerns, and inform advocacy and programming priorities. For previous survey results, business resources, and upcoming events, visit www.iowaabi.org.

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The Iowa Association of Business and Industry (ABI) has been the voice of Iowa business since 1903. Its mission is to provide a strong, unified voice to business and industry on issues affecting Iowa employers. ABI is comprised of member companies representing all industries and sizes in Iowa’s 99 counties. ABI members employ more than 330,000 Iowans.