



Iowa Association of  
Business and Industry

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### **Iowa Manufacturers Plan for Capital Expenditures, Increased Sales in Second Quarter**

DES MOINES, Iowa – Iowa manufacturers remain cautiously optimistic, even as supply chain challenges and workforce shortages remain a reality, according to the latest Iowa Association of Business and Industry (ABI) Quarterly Business Survey. ABI sent this survey to its board in early March.

- **Sixty (60) percent** of respondents expect sales to expand in the second quarter of the year. This is a decrease from **76 percent** for the first quarter of 2022.
- **Fifty-four (54) percent** of respondents expect the number of employees in their business to grow, which is an increase from **50 percent** in the first quarter of 2022.
- Survey results also show **77 percent** of respondents plan to make capital expenditures in the second quarter of 2022, which is approximately the same as what respondents reported for the first quarter of 2022.

“This quarter’s survey results reveal that businesses remain positive that sales will continue to expand,” ABI President Mike Ralston said. “This optimism is shadowed slightly from the first quarter of 2022 as businesses start to question just how much sales can continue to increase with the constraints of supply chains and a shortage of employees.”

The need for a strong workforce is still top of mind to businesses.

“Businesses are no longer worried about simply attracting new employees. There is a renewed focus on employee retention, as well as recruitment,” Ralston said. “Skilled workers are not easily replaceable. And with so many other opportunities available, employees need to feel fulfilled with their current employer.”

The unrest in Ukraine and Russia has also caught the attention of business leaders.

“It remains to be seen just how much the Russian attacks on Ukraine and foreign affairs impact Iowa manufacturers,” Ralston said. “However, it is positive to see the desire to make capital expenditures remain strong, indicating that manufacturers are still committed to investing in building expansions, advanced technology, machinery, and more.”

*Approximately half of ABI’s 1,500-member companies are manufacturers. ABI represents nearly every industry in the state of Iowa.*

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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 1,500 member companies of all types and sizes in all 99 counties employing more than 330,000 Iowans.