IOWA ASSOCIATION OF BUSINESS AND INDUSTRY

BUSINESS MONTHLY

JULY 2026

Iowa Businesses Remain Resilient Despite Inflation, Workforce Pressures

Scott Peterson, CEO of Interstates

Connor Harrington, CEO of Kuder

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Learn How Minnesota's PFAS Law Will Impact Iowa Businesses
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OKOBOJI

AUGUST 6
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DES MOINES

AUGUST 13
Tax Public Policy Meeting
DES MOINES

AUGUST 18
Employment and Workforce Public Policy Meeting
DES MOINES

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ALTOONA

Visit www.iowaabi.org and click the "Events" tab for details on upcoming events.

INSIDE

MEET ABI'S NEWEST MEMBERS

Visit our newest members' websites, and see how their products and services can benefit you.

Assembled Products Inc | www.assembled.pro
Crystal Group | www.crystalrugged.com
Eppo Marketing | eppomarketing.com
Mi-T-M Corporation | www.mitm.com
MFG Legacy Partners | mfglegacypartners.com
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Your Clear Next Step LLC | www.yourclearnextstep.com

Learn more about how ABI membership could benefit your company by visiting www.iowaabi.org/membership/why-abi.

FROM THE CHAIR

Working Together to Move Iowa Forward

I am honored to serve as chair of the Iowa Association of Business and Industry's Board of Directors for the coming year.

Throughout my 30 years at MidAmerican Energy, I have had the opportunity to work alongside businesses, community leaders and economic development partners across Iowa. One lesson has remained constant throughout my career: when we work together, we can accomplish great things.

That same spirit of collaboration is what makes ABI such a valuable organization. ABI brings together leaders from across our state who share a common goal — creating an environment where businesses can grow, employees can succeed and communities can thrive.

Iowa businesses continue to play a vital role in strengthening our state. Every day, employers are investing in their people, adapting to change and finding new ways to compete in an increasingly complex economy. While challenges exist, I remain optimistic because I have seen what happens when Iowa leaders come together to find solutions.

ABI provides that opportunity. It gives businesses a place to connect, share ideas, advocate for policies that support growth and learn from one another. The strength of this organization comes from the engagement and commitment of its members.

As chair, I look forward to listening, learning and working alongside ABI members throughout the year ahead. My goal is to help continue building on the strong foundation ABI has created and ensure we remain a trusted resource and voice for Iowa employers.

Thank you for the opportunity to serve. I look forward to working with each of you as we continue building a strong future for Iowa businesses and the communities we call home. **ABI**

Kathryn Kunert
ABI Board Chair
MidAmerican Energy

CAPITOL BUSINESS

Invest in Iowa's Business Future: Make Your Voice Heard Through IIPAC

A strong business climate starts with strong engagement. Support candidates who understand the importance of policies that help Iowa employers grow, compete and create opportunities.

The decisions made at the State Capitol have a direct impact on Iowa businesses, employees and communities. The Iowa Industry Political Action Committee (IIPAC) provides ABI members with an opportunity to actively participate in the political process and support candidates who understand the importance of a strong, pro-business climate.

Through IIPAC, ABI members help ensure the voice of Iowa businesses is represented during elections and throughout the legislative process. IIPAC supports candidates for statewide and legislative offices — both Republicans and Democrats — who demonstrate a commitment to policies that strengthen Iowa's economy.

IIPAC evaluates candidates in open-seat, incumbent and challenger races and does not support federal or local candidates. The PAC is governed by a board of directors and reports all contributions and expenditures in accordance with Iowa law.

Your investment in IIPAC helps strengthen ABI's advocacy efforts and ensures Iowa's business community continues to have a unified voice at the Capitol and across the state.

Scan the QR code to invest in IIPAC today. Together, Iowa businesses can help build a stronger future for our state.

IIPAC accepts personal contributions and contributions from eligible LLCs and LLPs in accordance with Iowa law. Corporate contributions are not permitted, and contributions are not tax deductible.

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COVER STORY FROM PAGE 11

Iowa Businesses Remain Resilient Despite Inflation, Workforce Pressures

BY CHELSEA KEENAN PRIEST

Scott Peterson, CEO of Interstates

Connor Harrington, CEO of Kuder

Iowa businesses continue to remain resilient, despite continued economic uncertainty, according to a new survey from The Iowa Association of Business and Industry (ABI).

The 2026 executive survey found that the majority of businesses are growing (57%) or holding steady (38%). But executives report continued operational pressures — particularly from inflation — workforce shortages, rising healthcare costs and regulatory concerns. Results were released ahead of the organization's annual executive forum, taking place Aug. 4 and Aug. 5 in Okoboji.

"There are always ebbs and flows with the economy," said Connor Harrington, CEO of Kuder. The Adel-based technology company specializes in career development services, working with K-12 school districts, nonprofits, and other federal and state governmental departments. "But the inflationary pressures we've faced recently, well I don't see a path around it. I wish I had a crystal ball on that. Things have leveled out since COVID but that inflationary piece has stayed high. This new normal can be hard to balance out and probably will be for the next 10 years."

Scott Peterson, the CEO of Sioux Center-based Interstates, said he believes the economy has been fairly stable for the past number of years, with about one-third of clients growing, one-third of clients treading water and one-third of clients scaling back. The company works with industrial manufacturers and processing facilities to build, maintain and protect facilities. It has more than 1,900 employees in 15 locations across the United States and Germany, including Minnesota, Colorado, Texas and Ohio, among others.

"The one thing that skews our data a bit is the data center buildout. That sector is so big and growing so fast that it covers up other weaknesses."

Annual healthcare cost increases remain one of the most consistent financial pressures, according to the survey. About 70% of respondents saw an increase in healthcare costs between 5% and 19%. Workforce availability also remains a persistent challenge, with talent recruitment and retention identified as one of the top concerns.

"Finding and retaining talent is a major challenge," Mr. Harrington said. "When I started five years ago, almost everyone was based in Iowa — now we have employees across 17 states. We have an incredible software development team, but the majority don't work in this office."

The company, which has been around for 30 years, has just under 100 employees, Mr. Harrington said. It can be difficult to compete for talent because while Kuder excels at software development, it doesn't have the funding and backing of a private equity firm. That gives it more stability in the long run, he said, but also means it doesn't have the same resources to recruit.

Kuder has had to increase salaries for new and existing employees to remain competitive, Mr. Harrington said, but he's nervous about the sustainability of that.

"Our people are very attracted to what we're doing," he said."We're not going to sell or take outside capital, so we can pivot more quickly. Many have experienced the private equity model or a bigger company where they were just a cog in a machine. Our people are why we're steady and why we're committed to grow."

Mr. Peterson said his company, for the most part, has had success hiring and retaining enough skilled employees to keep up with project demand. However, it has become more difficult this past summer, he added. He points to Interstates' strong internship program as a reason for its success.

"We've been doing it for decades and it's a great pipeline," he said, adding the company works with 23 schools — both two-year and four-year institutions — to recruit student candidates. "We really create and maintain relationships with them. We don't just show up at a career fair," Mr. Peterson said.

Business leaders view both the Iowa and U.S. economies as generally stable, though optimism remains measured. Nearly six in ten CEOs reported business growth, while almost all remaining organizations describe business conditions as stable, according to the survey. However, businesses have had to pivot to find creative new revenue streams amid uncertainty.

A majority of Kuder's business comes through governmental contracting, including the U.S. Federal Bureau of Prisons, Mr. Harrington explained.

"Every time there's a government shutdown, there are delayed payments," he said. "We have to plan for people to not pay us — and it's not for six or eight weeks, it's for six or eight or 12 months."

Mr. Harrington said Kuder has sought to work more with nonprofits and private entities to help balance out those delays and uncertainty.

Survey respondents expect more of the same in the second half of the year, with the average economic outlook rating 3.19 out of 5.

"Throughout the different challenges and recessions over the years, our mantra has always been one of calm and confidence," Mr. Peterson said. "We control what we can control, we listen to our clients and help them be flexible and agile. If they have to change their plans, we help them adapt and do that."

Mr. Peterson said that Interstates works hard to have a diverse mix of clients across multiple markets. The company has seen a 20% growth over the past two years, he said, and a big reason why is thanks to an increase in data center projects. But it continues to work with and build relationships in more traditional industries.

"It's important not to overlook traditional markets and industries because data centers are such a hot topic," he said. "There are underserved clients when people are flocking toward a gold rush."

The survey also highlighted the increasing importance of artificial intelligence (AI) in the workplace. More than 70% of organizations have either formal AI policies or informal guidelines in place, demonstrating that businesses are actively adapting to emerging technologies while recognizing the need for governance.

"AI has been incredibly valuable to us. We have a great team of people willing to learn, engage and explore," Mr. Harrington said, adding Kuder's development team can deploy better technologies at approximately three times a faster rate than a few years ago. The company has partnered with another Iowa company, Lean Techniques, to enhance its best practices when it comes to AI.

"But it's got to be challenging for young people — we won't hire anyone without a knowledge and know-how of how to use those technologies," he said.

Mr. Peterson agreed.

"There is a tremendous opportunity with AI," he said. "The way we're approaching it, is to view AI as an amplifier."

Interstates is focusing on giving its employees tools, standards and data integrity. "We're getting people comfortable with it by giving them a good infrastructure and good direction for use," he said. **ABI**

EVENT SPOTLIGHT

ABI Members Invited to Attend Okoboji Executive Forum in August

Join business leaders from across Iowa Aug. 4–5 in Okoboji for ABI's 2026 Executive Forum, a members-only event designed to strengthen professional connections and provide fresh perspectives on leadership and the future of Iowa business — all in one of the state's premier summer destinations.

The forum will feature a keynote presentation from Matt Strawn, President & CEO of Strategic America, who will share his perspective on leadership, strategy and navigating today's evolving business landscape.

Attendees will also hear from an executive panel featuring Connor Harrington, President & CEO of Kuder, Scott Peterson, Chairman of Interstates Companies, and Eva Shine, CEO of Shine Bros. Corp. The discussion will be moderated by Ed McGill, Co-Founder & Partner of McGill Junge Wealth Management, as the panel explores leadership, growth and the opportunities and challenges facing Iowa businesses.

The event opens with a welcome from Bruce Tamisiea, CEO of Tecton Industries, and includes opportunities to connect with fellow executives throughout the two-day program.

Beyond the programming, attendees will have opportunities to experience Okoboji throughout the two-day forum, including Happy Hour at Lake View Deck, sponsored by Security National Bank, with scenic views of West Lake Okoboji. The event concludes Aug. 5 with a behind-the-scenes visit to Berkley Fishing in Spirit Lake.

Designed for business leaders who value peer-to-peer discussion and strategic perspective, the Executive Forum offers an opportunity to hear from accomplished executives, exchange ideas with leaders from across the state and discuss the issues influencing Iowa businesses today. ABI

Scan the QR code to learn more and register.

EXPERT ADVICE:

How Middle-Market Leaders Drive Growth by Aligning Finance, Operations, and Technology

A version of this article first appeared on EideBailly.com.

For the modern middle-market business leader, the mandate has shifted. We've moved past the era of growth at all costs and into a cycle defined by disciplined execution and transaction readiness — faster decisions, stronger controls, and technology investments that improve business outcomes.

In many organizations, growth is constrained less by strategy and more by visibility and alignment across functions. Business leaders drive growth when they unify finance, operations, and technology around shared metrics and faster decision cycles.

Shelley L. Earsley
Partner/Technology Consulting Practice Leader

To support this shift, leaders should focus on three areas:

- **Strengthening forecasting discipline:** Traditional budgeting often relies on last year's numbers with a small adjustment. In a volatile environment, that approach becomes a liability. Scenario planning — modeling changes in pricing, retention, or demand — helps leaders move from reactive reporting to proactive risk management.

- **Prioritizing strategic investment:** Technology investments, particularly in automation and AI, should eliminate operational bottlenecks and improve decision-making, not add complexity. The goal is measurable outcomes: fewer manual processes, faster close cycles, and better visibility across the business.

- **Building team capability:** Growth requires more than capacity. Leaders must develop teams that can translate data into actionable insights. When finance teams connect financial and operational data, they become a strategic driver of performance.

When visibility is clear and systems are aligned, decision speed improves, and growth becomes more sustainable. But many organizations still operate with fragmented systems and inconsistent metrics. In these cases, growth creates complexity before it creates clarity.

Strong business leaders address this by aligning investments across finance, operations, and technology while balancing performance, risk, and long-term opportunity to support smarter decisions and sustainable growth. **ABI**

ABI FOUNDATION

Leadership Iowa University: A Must-Attend Experience for Iowa's Next Generation of Leaders

As employers look for ways to strengthen internship programs and develop future talent, Leadership Iowa University (LIU) offers a unique opportunity to help college students grow as leaders while exploring career opportunities across Iowa.

LIU is a program of the Iowa Association of Business and Industry Foundation designed to bridge the gap between college and career. The five-day experience connects student leaders with Iowa professionals, businesses and communities while providing valuable personal and professional development.

For employers, LIU serves as an ideal capstone experience for interns. While internships offer hands-on learning within an organization, LIU expands students' perspectives by introducing them to industries, leaders and opportunities from across the state.

Throughout the week, participants build leadership and communication skills, connect with more than 60 Iowa professionals and gain firsthand exposure to Iowa's leading industries through business tours and interactive discussions. Just as importantly, they develop relationships with fellow student leaders from colleges and universities across the state.

The impact of LIU extends far beyond five days. Participants leave with stronger leadership skills, expanded professional networks and a greater understanding of the opportunities available in Iowa. Whether you're a college student preparing for your future or an employer looking to invest in emerging talent, Leadership Iowa University is an experience that delivers lasting value.

The 2026 Leadership Iowa University program will take place August 2-6 in Des Moines. Learn more: https://www.iowaabi.org/leadership-iowa-university. **ABI**

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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.