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ABI Quarterly Business Survey Shows Iowa Employers Entering 2026 Focused on Stability and Continued Investment

DES MOINES, Iowa – Results from the Iowa Association of Business and Industry's (ABI) latest Quarterly Business Survey show Iowa employers entering 2026 focused on stability and continued business investment.

Key survey findings include:

- 66% of respondents say their business is growing heading into 2026, while 29% report conditions are flat
- 62% expect sales to expand in the next quarter (*up from 39% in Q4*)
- 37% plan to grow their workforce, with most others expecting staffing levels to remain steady
- 66% plan to make capital expenditures in the next quarter
- 58% report a neutral outlook for the economy in the first quarter of 2026
- 54% believe Iowa is headed in the right direction going into 2026

"Iowa employers are taking a focused and strategic approach as they plan for 2026," said Nicole Crain, ABI President. "While most respondents report a neutral outlook for the first quarter, they are continuing to make key investments in their business operations and people. Businesses are looking for consistency and predictability in an uncertain national environment. The survey reflects and reinforces why state-level decisions matter."

Open-ended responses provide important context behind the numbers. Respondents consistently cited workforce availability and skills gaps, particularly in skilled industrial roles, as a top concern, alongside cost inflation, health care costs, regulatory uncertainty, and the impact of tariffs and federal policy volatility.

At the state level, respondents emphasized several policy priorities they believe are critical to supporting Iowa businesses in 2026. These include property tax reform, remaining fully coupled to the recently approved federal reconciliation law, expanded workforce training and education pipelines, and policies that improve housing affordability, population growth, and talent attraction – especially for younger workers and professionals in high-demand fields.

Despite some headwinds, respondents identified meaningful opportunities for growth in 2026. Common themes included new market development, automation and artificial intelligence, process improvement and technology upgrades, mergers and acquisitions, and reshoring and onshoring of manufacturing activity. Several respondents pointed to the importance of continued support of state incentive programs, such as manufacturing 4.0 grants, and the research and development of a tax credit program.

Taken together, the results suggest that Iowa businesses are navigating recent economic uncertainty not by pulling back, but by focusing on investments that increase efficiency and competitiveness over the long term.

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.