



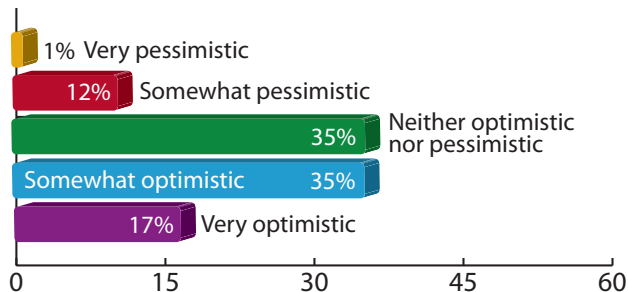
## Semi annual Hamilton Hiring Survey shows Iowa businesses have turned positive, predicting growth

### Summary:

- Optimism for hiring expanding in second half of 2013
- Layoffs have dried up
- Construction companies see positive trends for the first time in years
- Hiring authorities are seeing competition for workers
- Healthcare concerns, red tape and taxes still impacting hiring decisions

The Hamilton Hiring Survey for the second half of 2013 indicates that Iowa employers' overall outlook for hiring has improved considerably since 4Q 2012.

The company surveyed 5,000+ small and medium-sized employers about their sense of optimism for industry job growth in the first half of 2013. Results showed that 52% of the respondents were either somewhat or very optimistic. This is up 28 percentage points from the 4th quarter of 2012. "Business' optimism for hiring in the second half of 2013 has really rebounded," Hamilton Group President and staffing expert Tom Hamilton said. "Much of the hiring that will take place has to do with growing confidence. This confidence is being driven by a number of factors including a falling unemployment rate, a successful legislative session, a state government budget surplus, rising stock markets and home sales, and recent national press on how Iowa's economy is outperforming other Midwestern states. These many factors are fueling the confidence of Iowa's small and medium sized employers and we know this will lead to new job creation. 52% of the respondents said they were somewhat or very optimistic, the

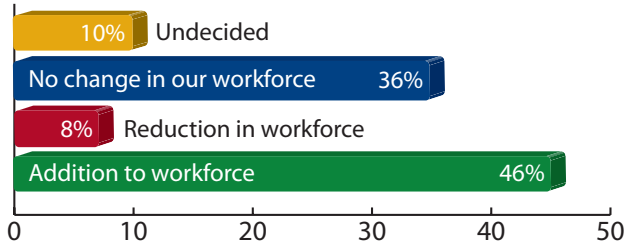


highest level in the past 3 years," added Hamilton.

According to the Bureau of Labor Statistics, the national unemployment rate was at 7.6% in May. According to Iowa Workforce Development, Iowa's unemployment rate was 4.6% in May. One year ago, Iowa's unemployment rate stood at 5.2%.

46% (up from 25% in the previous survey) of respondents said they expect to increase total employment over the next six months. More businesses indicated that business is good and the need to staff up to meet the demand is driving employment growth. "This is a very good trend we are seeing across many industries in Iowa from agriculture, to manufacturing and for the first time in many years, construction demand. Many industries will help fuel the job

### How do you expect total employment for your organization to change in the next three months?



growth in the next six months," said Hamilton.

Chuck Roth, Senior VP at Farm Journal Media provided this feedback. "We operate in the agricultural sector, which has been mostly robust in recent years. We've enjoyed strong demand for our core offerings, but it has been the launch of new products and services that has driven our increased hiring since 2011. We're mildly optimistic about the next 12 months and anticipate ongoing growth."

Of those who are planning to hire, 14% of the predicted new hires are expected to serve at a senior level. The majority of jobs that are expected to be added are mid-level and entry-level positions. However, in terms of number of companies adding any new employment, the survey showed a large number of companies

expecting to hire in the second half of 2013.

However, there are still some companies surveyed who said they were not ready to make a change. 35% (vs. 25% 4Q 2012) of respondents fell into the “neither optimistic nor pessimistic about their business prospects” category, and 36% indicated there would be no change in their workforce or were essentially undecided about their future hiring. “We have seen an uptick of respondents’ hiring plans from 25% in 4Q 2012 citing “no change”, to 35% today. The majority of those who moved into of the undecided category are no longer reducing their workforce. In other words, they have stepped up and are finished with layoffs for the foreseeable future,” said Hamilton. The uncertainty is driven by respondents’ top four concerns which included:

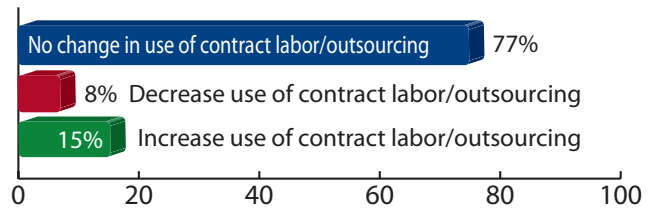
- Costs and uncertainties surrounding healthcare
- Business regulations and red tape in their industry
- Tax policies (corporate income, sales, gas etc.)
- Federal Government Debt

The percentage of Iowa companies who plan to reduce their workforce was 8%, down from 20% last summer. “Employers indicated they were not planning many layoffs for the remainder of 2013. However their appetite for technology and productivity is a growing trend, showing respondents may plan to purchase new technology in lieu of hiring more staff.” added Hamilton.

A trend that has been prevalent in previous quarters was the use contract labor. And it appears that the desire to add contract labor is leveling off. “Many organizations feel that contract employees gives them flexibility during uncertain times. Their responses indicated they will be looking at adding positions that may have previously been filled by contract employees. This reinforces the prediction for job growth in Iowa later this year.” said Hamilton.

The survey concluded that Iowa employers have had a dramatic and positive shift in optimism since the 4Q of 2012. With the State of Iowa’s economic and political uncertainties becoming clearer,

### Over the next three months, how would you predict your use of contract labor/outsourcing rather than adding permanent staff will change?



employers in most industries are showing improved confidence and optimism for the second half of 2013. Much of the hiring that will take place in the state will be a direct result of improved business conditions, a falling unemployment rate, a successful legislative session, a state government budget surplus, rising stock market and home sales, and recent national press on how Iowa’s economy is outperforming other Midwestern states. These and many other positive factors are fueling the confidence of Iowa’s small and medium sized employers. However, employers cited healthcare costs and compliance with the affordable care act, business regulations and potential labor shortages as uncertainties affecting their willingness to hire. Because of these conclusions, it could be expected that Iowa’s unemployment rate will remain between 4.4% and 4.8 % into late 2013.

“I am hopeful that Iowa can continue to be a leader in job creation and GDP in the Midwest,” said Hamilton. “But the future risks to job growth include unknowns like the federal debt ceiling, federal budget and affordable care act compliance requirements.” added Hamilton.

The semi annual Hamilton Hiring Index for the first half of 2013 is now at 74\*, a twenty-three point increase from the post federal election index of 51\*, and up five points from (69\*) a year ago.



## About the survey:

The Hamilton Hiring Survey looks at employer confidence and hiring intentions in the state of Iowa. The survey results in an index number representing the overall hiring confidence for the next 180 days.

Much of the employment data available today is trailing statistics. The Hamilton Hiring Survey is the only statewide staffing survey of small and medium-sized businesses predicting future hiring trends.

The semi annual Hamilton Hiring survey was completed in mid June 2013 and reflects attitudes and intentions for June – December 2013.

*\*From the survey a hiring index is calculated to indicate the level of optimism and hiring plans for the upcoming quarter. The Hamilton Hiring Index is based on a scale of 1-100. While 50 is considered neutral, a number above 50 indicates an expanding job market for small- and medium-sized businesses in Iowa. A number below 50 indicates a retracting job market for small and medium sized businesses in Iowa.*