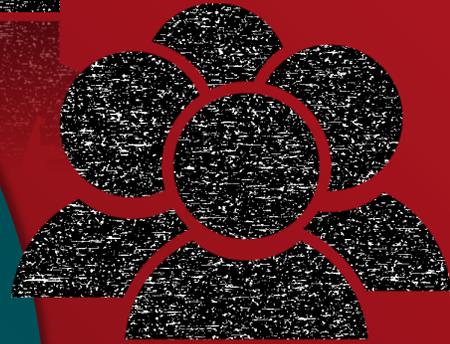




ANNUAL REPORT

2018



Collaboration, partnerships and relations are the key ingredients of Iowa's success in business retention and expansion programming. The unique model of the state's utilities and economic development organizations at the state, regional, and local levels working with businesses provides the formula to drive the importance of understanding what existing industries are doing, and needing, in order to build on the foundation that is vital for growth and future opportunities. The state is able to exploit the strengths of our industry clusters and provide the tools and resources needed to keep the state's economic engine going strong. The support of Iowa's statewide Business Expansion and Strategic Trends (BEST) collaborative program, which includes all interested stakeholders, provides the necessary management structure.

With the assistance of the Institute for Decision Making and Strategic Marketing Services at the University of Northern Iowa, the 2018 data was analyzed and aggregated to provide insight to the state's economy. Targeted companies within the Battelle Study clusters, utilities' industrial and large customer segment, and Iowa Economic Development Authority's targets are utilized to gain understanding of the state's economy.



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Key Findings and Conclusions

While nearly 1,250 interviews were conducted, the focus of the 2018 annual report identified trend information from 726 interviews completed by companies across 66 counties in 163 communities. Based on these interviews, the following issues were identified as critical for economic growth and development for Iowa moving forward:

Iowa must elevate efforts to enhance and grow our workforce

- Nearly half of the companies interviewed (49.3%) rated the availability of workforce in their area as low (a 3 or less out of 7).
- 73.1% of the companies stated they were experiencing workforce recruitment problems.
- The companies interviewed reported having 5,747 unfilled positions.
- More than half of the companies have plans to expand over the next three years and 25.6% of those companies stated their community in Iowa may not be considered due to workforce related issues.
- Workforce related issues were the most frequently identified barriers to growth for their communities.

Site, building and infrastructure development must be supported at the local and state level

- 41.6% of the companies with plans to expand over the next three years stated there is no room for expansion at their current location.
- These potential expansion projects represent \$332 million dollars in investments and 1,187 jobs.

Innovation by Iowa companies must continue to be encouraged and supported

- Nearly 62.0% of the companies interviewed stated their primary product/service was growing and another 5.8% stated they have an emerging primary product/service. These companies represent 79,728 jobs.
- The vast majority of these companies have introduced a new product/service in the last five years and plan on introducing a new product/service in the next two years. 228 companies invested between one to six percent of their sales on research and development.
- Conversely, 32.3% of the companies interviewed stated their primary product/service was either maturing or declining. These companies represent over 30,000 jobs in Iowa.
- 118 of the companies interviewed had not introduced a new product/service in the past five years and do not have plans to introduce one in the next two years.

A variety of public policy decisions are adversely affecting Iowa companies

- 47.6% of the companies interviewed stated federal, state or local legislation changes will adversely affect their business in the next five years.
- The most cited concerns are related to tariffs, which were identified by 111 companies.
- Other legislation changes most often identified included labor and workplace regulations (DOT rules on truck driver hours and OSHA), and EPA and environmental regulations (air quality, waste water, ground water, conservation and hazardous materials).

DEMOGRAPHIC OVERVIEW

The 2018 Annual Report focuses on interviews completed with Iowa companies that are in one of the 12 distinct industry clusters driving Iowa’s economy or were identified as major employers by the BEST of Iowa Management Team. The industry clusters were identified in 2014 by the Battelle Technology Partnership Practice on behalf of the Iowa Partnership for Economic Progress (IPEP).

Synchronist Visits by County—2018



66 Counties Represented

163 Communities Represented

53.4% Located in METRO Counties

46.6% Located in NON-METRO Counties

Sept17 Oct17 Nov17 Dec17 Jan18 Feb18 Mar18 Apr18 May18 June18 July18 Aug18

4.3% 2.6% 3.7% 3.7% 6.7% 11.8% 5.6% 8.8% 10.2% 10.3% 13.8% 18.3%

IN TOTAL, 726 COMPANIES WERE INTERVIEWED. THE INTERVIEWS WERE COMPLETED BETWEEN SEPTEMBER 2017 AND AUGUST 2018. 85.7% OF THE INTERVIEWS WERE COMPLETED IN 2018.

TOP 3 EMERGING/GROWING CLUSTERS



77.1%

The 48 *Info Services, Digital Media & Technology* cluster companies interviewed employ 4,848. New products or services have been introduced by 36 companies in the past five years and 35 have plans to introduce a new product/service in the next two years.



82.9%

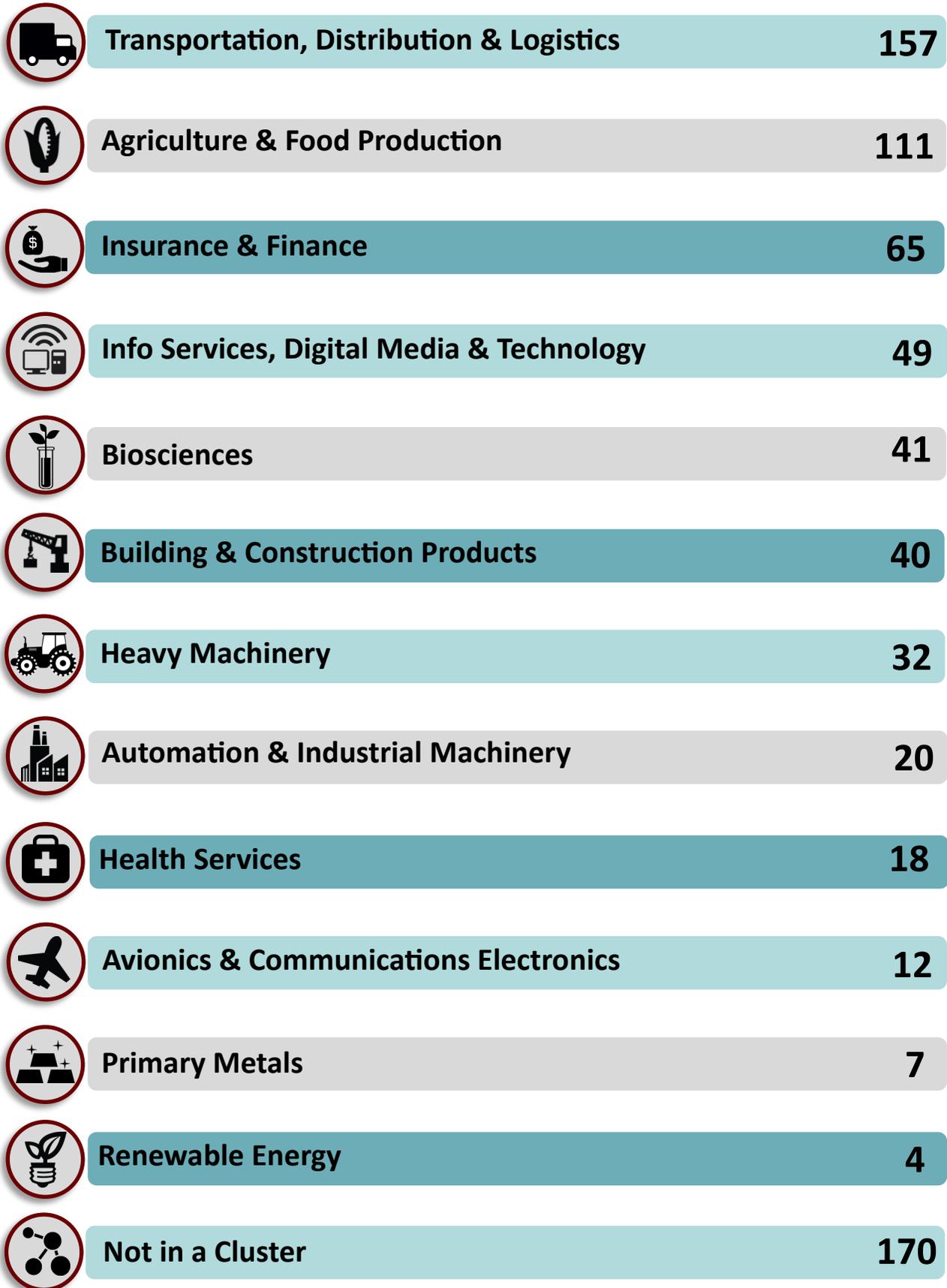
Iowa's top Emerging/Growing cluster—*Biosciences*—is comprised of 41 companies that employ over 3,600 Iowans. 26 have introduced new products in the last five years and 27 anticipate new products in the next two years.



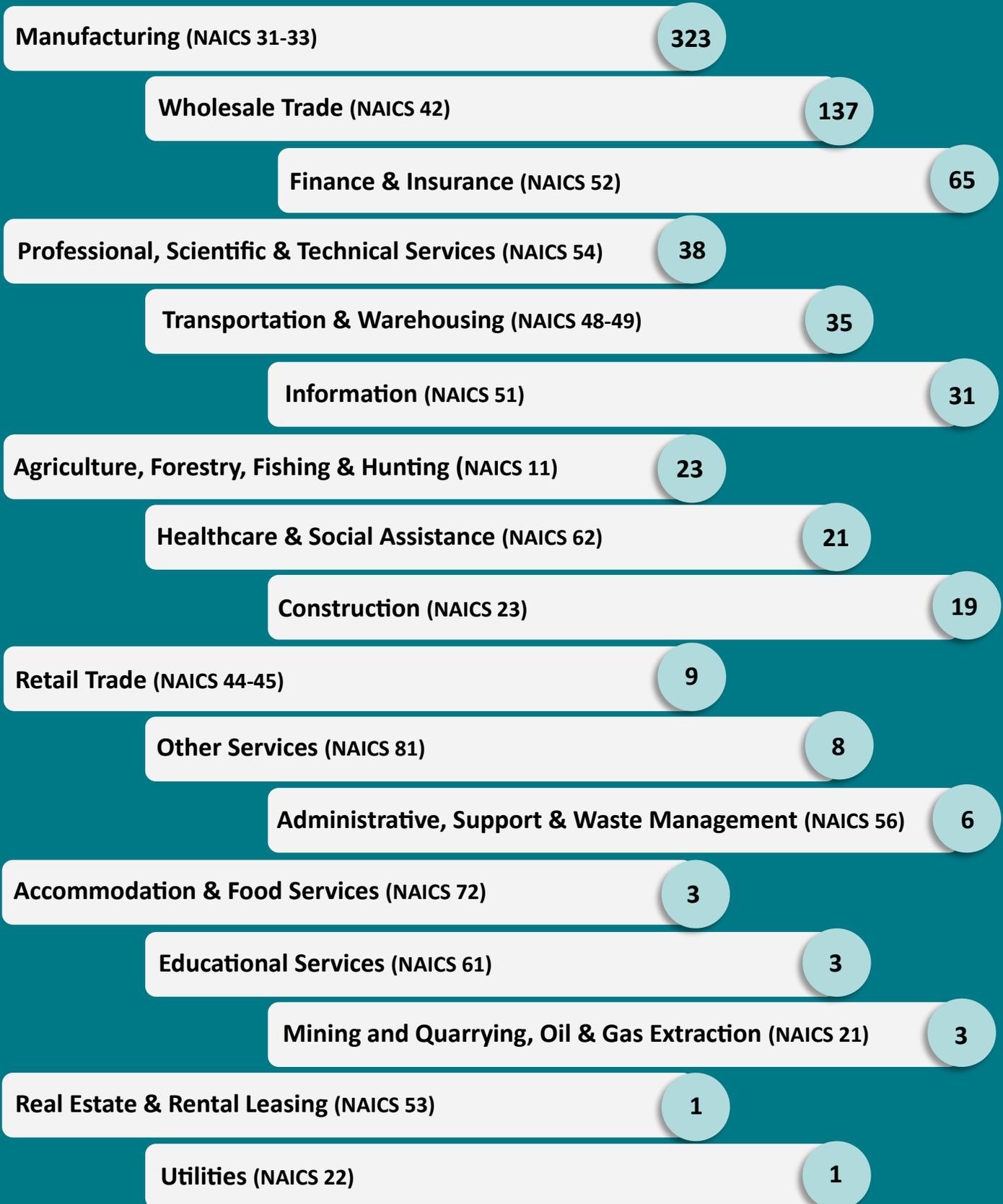
75.7%

The *Agriculture & Food Production* cluster employs 18,320 across 81 participating companies. 64 have introduced new products in the last five years and 61 plan to do so in the next two years.

COMPANIES INTERVIEWED BY INDUSTRY CLUSTER



NUMBER OF COMPANIES INTERVIEWED BY INDUSTRY SECTOR

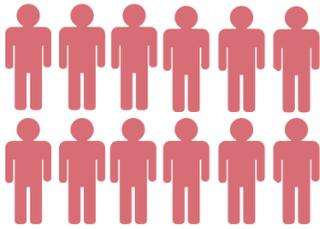


The North American Industry Classification System (NAICS) is the standard used by Federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy.

EMPLOYMENT SIZE



Ranges from
1 to 8,000
Employees



According to the Iowa Workforce Development's Quarterly Census of Employment and Wages, the statewide total industry employment in the second quarter of 2018 averaged 1,565,280.

**Total Employment
118,967**

**64,470
Manufacturing**

**17,956
Wholesale Trade**

**8,861
Finance & Insurance**

**166.2
Average
Employees**

**55
Median
Employees**

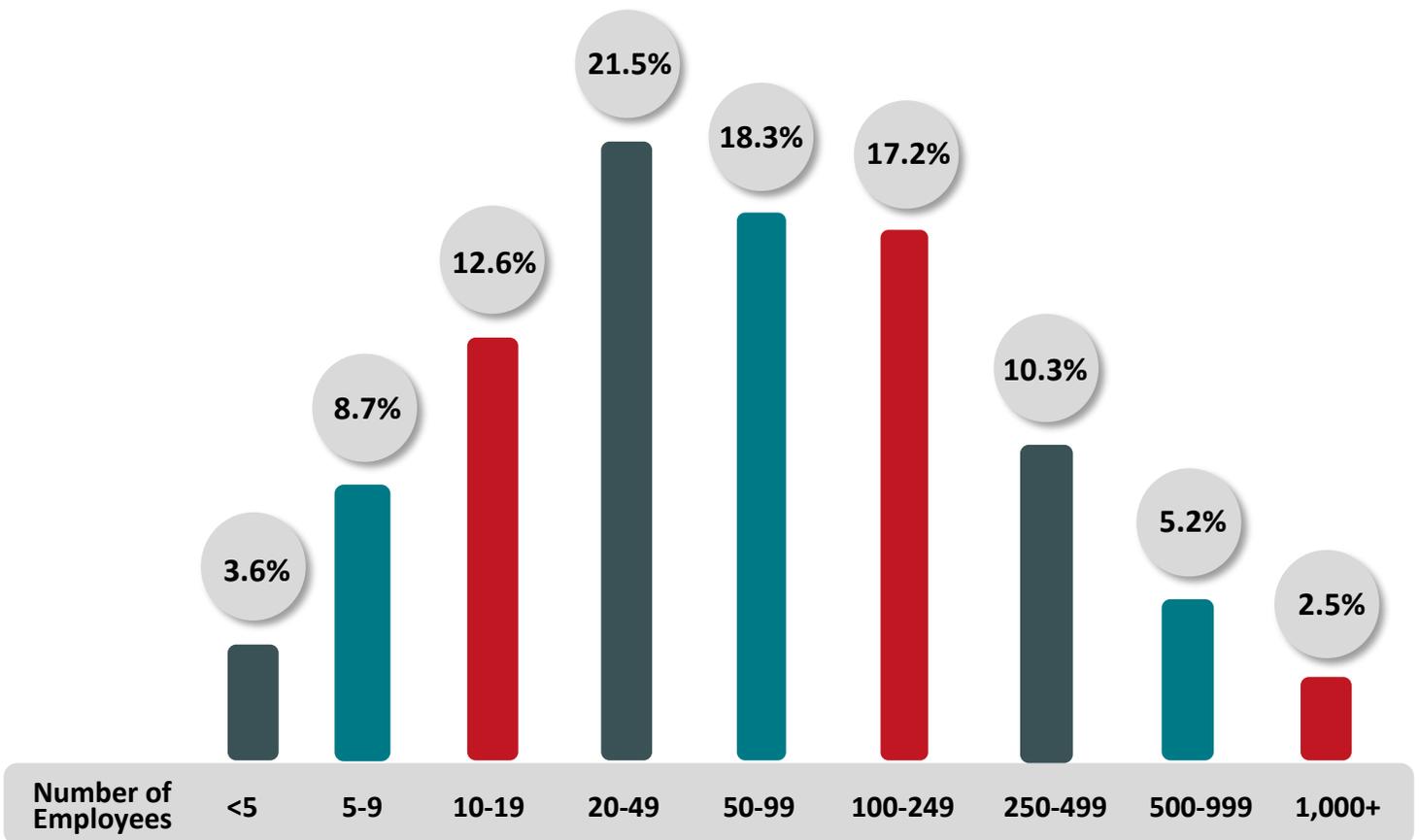
The 118,967 total employment reported by the 726 companies interviewed represents 7.6% of the state's industry employment.

The companies interviewed had an average size of 166.2 employees per location while statewide the industry establishments averaged just over 15 employees per location.

The 323 manufacturers interviewed employed 64,470 individuals, which represents 28.5% of that industry's statewide employment (based on September 2018 data).

The 137 companies interviewed in the Wholesale Trade industry employed nearly 18,000 individuals, accounting for 26.4% of that industry's statewide employment (based on September 2018 data).

COMPANIES BY EMPLOYMENT SIZE



39.8% of the companies interviewed employ between 20 to 99 employees. Industry clusters reporting the highest number of companies with 20 to 99 employees include: *Transportation, Distribution & Logistics* (40), *Agriculture & Food Production* (50), *Building & Construction Products* (17), *Biosciences* (20) and *Heavy Machinery* (12). In contrast, the majority of respondents in *Insurance & Finance* (34) and *Info Services, Digital Media & Technology* (21) industry clusters were smaller sized companies ranging from 5 to 49 employees.

The top two clusters by total employment were *Transportation, Distribution & Logistics* (18,780) and *Agriculture & Food Production* (19,494), while the lowest was *Renewable Energy* (380). The *Avionics & Communication Electronics* cluster had the highest average number of employees (760.8), while *Automation & Industrial Machinery* had the lowest average (96.0).

PRIMARY PRODUCT/SERVICE LIFE CYCLE

EMERGING

5.8%



40 companies have an emerging primary product/service. They employ 4,278 in 25 counties and 30 different cities.

GROWING

61.9%



Over 60% of the companies have a growing primary product/service. These 428 companies employ 75,450 in 57 counties and 119 different cities.

MATURING

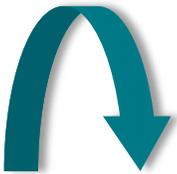
31.0%



214 companies have a maturing primary product/service. They employ 29,645 in 45 counties and 85 different cities.

DECLINING

1.3%



Only nine companies have a declining primary product/service. They employ 742 in eight counties and eight different cities.

With 428 Iowa companies reporting primary products or services in the growing stage, many of these companies will be focused on building brand preference and market share. These companies should continue to increase demand with little competition while promoting their offering to a larger and/or broader audience.

The 214 companies reporting maturing primary products or services will likely experience diminishing sales and will seek to defend their market share while also maximizing profit. This may be challenging due to higher levels of competition that often leads to lower pricing or the need to differentiate the product through new innovation.

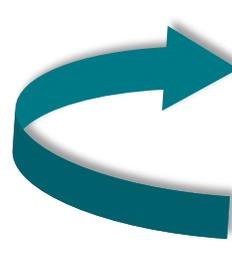
TOTAL EMPLOYMENT BY LIFE CYCLE OF PRIMARY PRODUCT/SERVICE



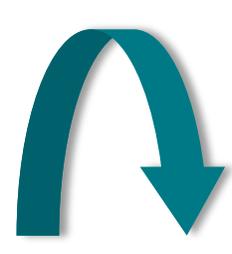
EMERGING
4,278



GROWING
75,450



MATURING
29,645



DECLINING
742

The employers who stated their primary product/service was growing or emerging were located in 58 counties and 125 different cities. 56.2% are located in metro counties and 43.8% in non-metro counties.

The employers who stated their primary product/service was maturing or declining were located in 46 counties and 87 different cities. 51.6% are located in non-metro counties with the remaining 48.4% in metro counties.

Both growing/emerging and maturing/declining companies reported nearly equal levels of workforce recruitment problems (74.7/68.5%) and anticipate significant workforce change (21.6/22.0%). However, growing/emerging companies, on average, have a higher number of unfilled positions and higher expectation of continued increasing unfilled positions. As would be expected, growing/emerging companies reported significantly higher increasing market share and sales as compared to maturing/declining companies.

PRODUCTS & SERVICES

529

Companies stated they had introduced a new product or service over the past five years.

Of the companies who introduced a new product or service over the past five years:

35 companies stated their primary product/service was **EMERGING**



341 companies stated their primary product/service was **GROWING**



135 companies stated their primary product/service was **MATURING**



6 companies stated their primary product/service was **DECLINING**



Of the companies who anticipate introducing a new product or service in the past two years:

34 companies stated their primary product/service was **EMERGING**



319 companies stated their primary product/service was **GROWING**



127 companies stated their primary product/service was **MATURING**



5 companies stated their primary product/service was **DECLINING**



496

Companies stated they anticipated introducing a new product or service over the next two years.

118

Companies stated they had not introduced a new product or service over the past five years and did not anticipate doing so in the next two years.

RESEARCH & DEVELOPMENT SPENDING

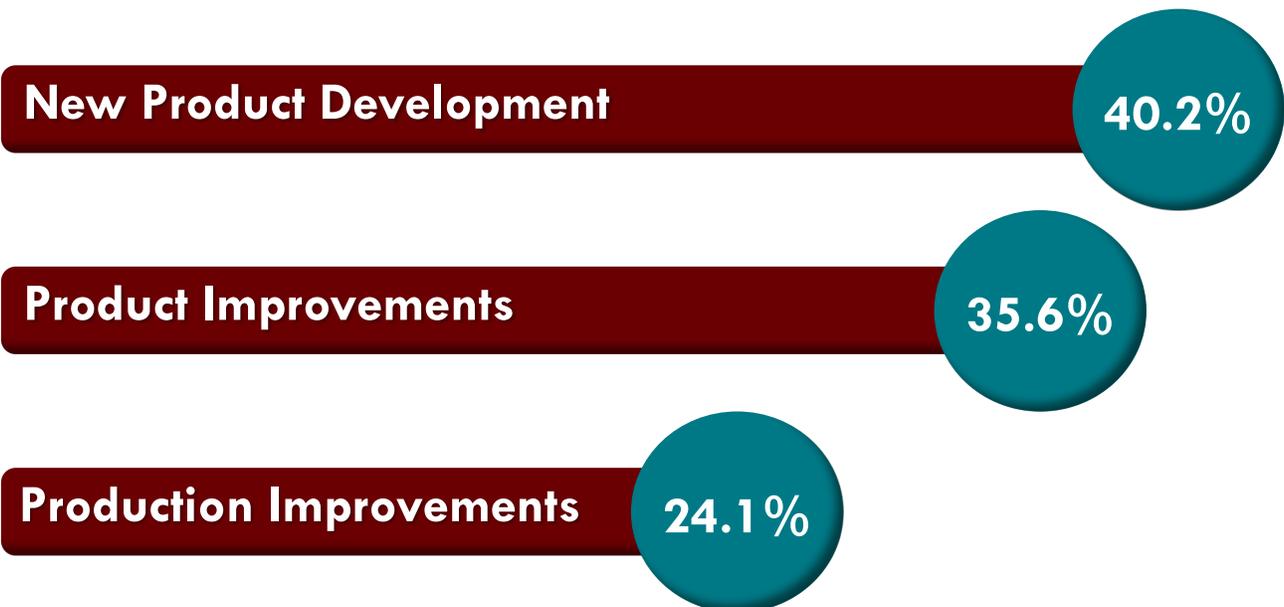
As a percentage of a company's R&D budget, the highest allocations of spending were for new product development and the lowest were for production improvements.

OF THE COMPANIES THAT WERE INTERVIEWED: **46.1%**
stated their company **does not** invest in R&D. **(248 companies)**

OF THE COMPANIES THAT **DO INVEST** IN R&D:
46.9% spent one to two percent of their sales on R&D.
(136 companies)

31.7% spent three to six percent of their sales on R&D.
(92 companies)

AVERAGE PERCENT SPENDING IN R&D



BUSINESS EXPANSION

IOWA'S EMERGING & GROWING COMPANIES
HAVE PLANS TO EXPAND BUT FACE CHALLENGES

51.1%
(356 COMPANIES)

PLANS TO EXPAND

Just over half of the companies are reporting plans to expand in the next three years. The estimated reported total investment (*among the 121 companies providing data*) is \$1.9B and the total estimated number of new jobs created is 4,424.

Top Industry Sectors:

- Manufacturing: 51.0%, 157 companies
- Wholesale Trade: 49.2%, 64 companies
- Finance & Insurance: 49.2%, 32 companies
- Professional, Scientific & Technical Services: 66.7%, 24 companies
- Information: 50.0%, 15 companies
- Agriculture, Forestry, Fishing & Hunting: 63.6%, 14 companies
- Transportation & Warehousing: 42.4%, 14 companies
- Healthcare & Social Assistance: 47.6%, 10 companies

41.6%
(148 COMPANIES)

NO ROOM FOR EXPANSION

41.6% of 356 companies with plans to expand reported no room for expansion at their current location. 60.1% are located in metro counties and 42.3% are manufacturers. This represents a reported \$332M in total investment and 1,187 new jobs.

25.6%
(89 COMPANIES)

COMMUNITIES MAY NOT BE CONSIDERED FOR EXPANSION

Of the 356 companies with plans to expand, 25.6% may not consider their current community for future expansion. The most identified obstacles were workforce related issues such as not being able to attract/retain workers, small labor pool and lack of skilled labor. Also identified were market concerns and no room to expand. This represents a reported \$834M total investment and 1,008 new jobs.

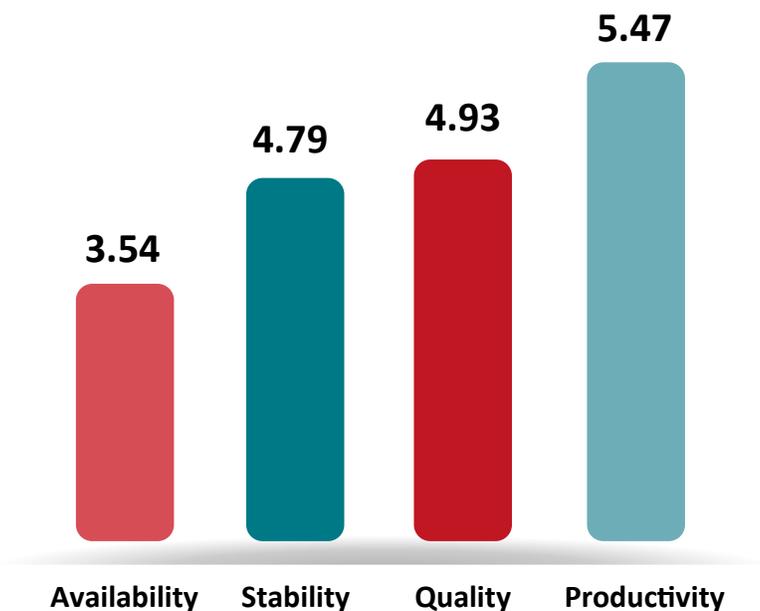
AMONG THE COMPANIES WITH PLANS TO EXPAND . . .

- 51.4% (162 companies) stated that merger, acquisition or divestiture activities in their industry are increasing.
- 24.5% (74 companies) stated that production in their industry is under capacity while 47.3% (149 companies) said industry production was stable.
- 76.3% (264 companies) with expansion plans in the next three years stated they were experiencing recruitment problems.
- These companies stated they had 3,610 unfilled positions at the time of their interview.
- 40.2% (98 companies) stated the number of unfilled positions was increasing.
- 49.5% (46 companies) of those who answered the question stated their primary recruitment problems were limited to their community as opposed to their industry.

COMPANIES WITH EXPANSION PLANS - AVERAGE WORKFORCE RATINGS

Among companies with expansion plans, Workforce Productivity was rated highest, followed by Workforce Quality and Workforce Stability.

However, 51.0% or 178 companies rated Worker Availability in their area as low (rating 3 or lower), with an average of 3.54 on a scale of 1 (low) to 7 (high).



MARKET

30.7% REGIONAL

11.9% INTERNATIONAL

8.0% LOCAL

49.4% NATIONAL

Nearly half of the companies interviewed stated their primary market was a national market.

SALES

65.3% of the companies stated their sales were increasing.

3.9% stated their sales were decreasing and among those companies 60.8% stated their primary product/service was either maturing or declining.

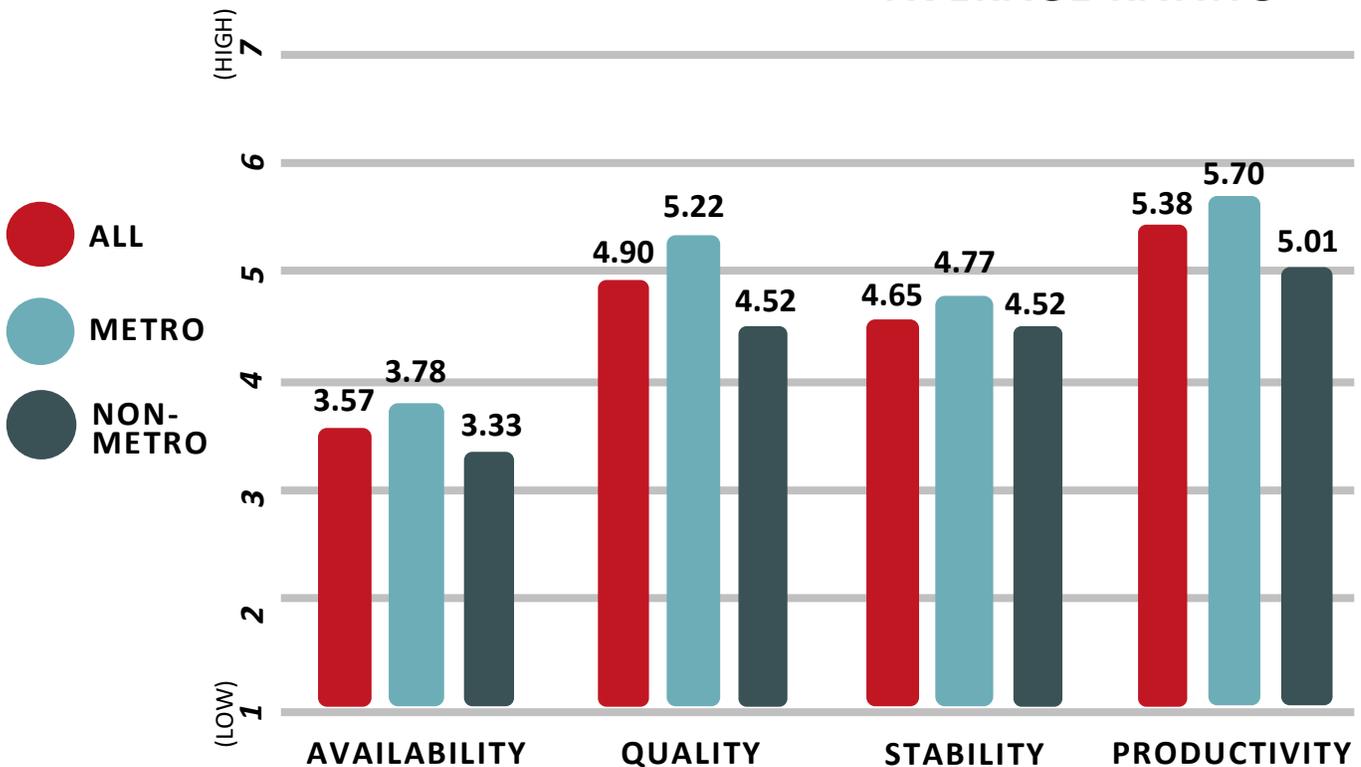
MARKET SHARE

Nearly all of the companies stated their company's market share was either increasing (50.9%) or stable (48.2%).

- Among the companies with a growing market share, 73.6% said their primary product/service was growing in its life cycle.
- The vast majority of the companies with a growing market share stated they had introduced a new product/service in the last five years (82.4%) and anticipated introducing a new product/service in the next two years (79.9%).
- 40.8% of companies who stated their market share was stable said their primary product/service was maturing in its life cycle.

WORKFORCE

AVERAGE RATING



Companies were asked to provide ratings for four key workforce areas: Availability, Quality, Stability and Productivity using a scale of 1 (low) to 7 (high). Of the four workforce areas, Availability had the lowest average rating at 3.57, while Productivity had the highest average rating at 5.38.

In all four areas, the average rating by companies in non-metro counties was lower than companies in metro counties.

49.3%

(235 COMPANIES)

of the companies providing information rated worker availability a three or lower.

28.4%

(198 COMPANIES)

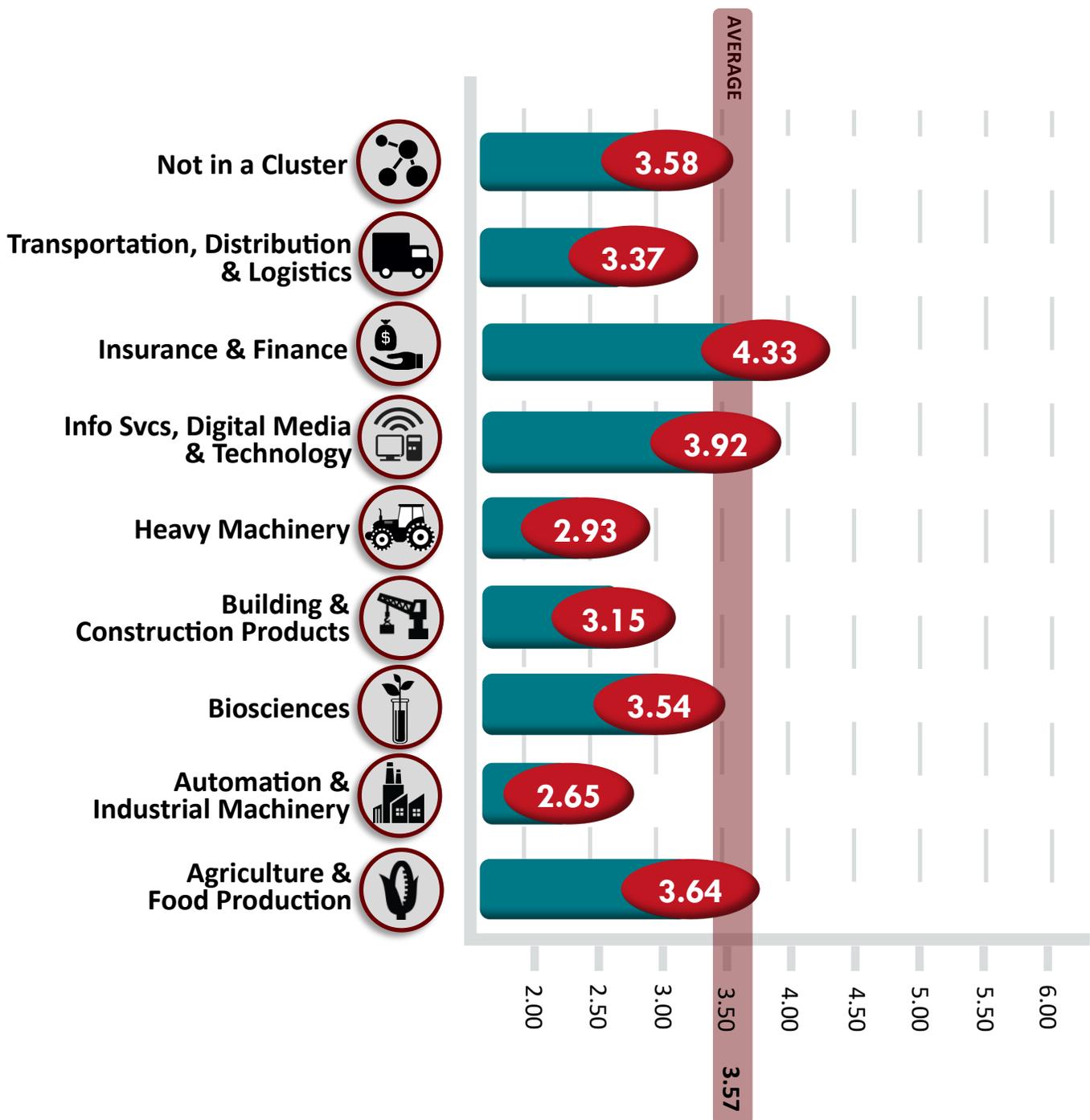
of the companies providing information rated worker availability a five or higher.

WORKFORCE AVAILABILITY — AVERAGE RATINGS

Among the industry clusters with 20 or more completed interviews,

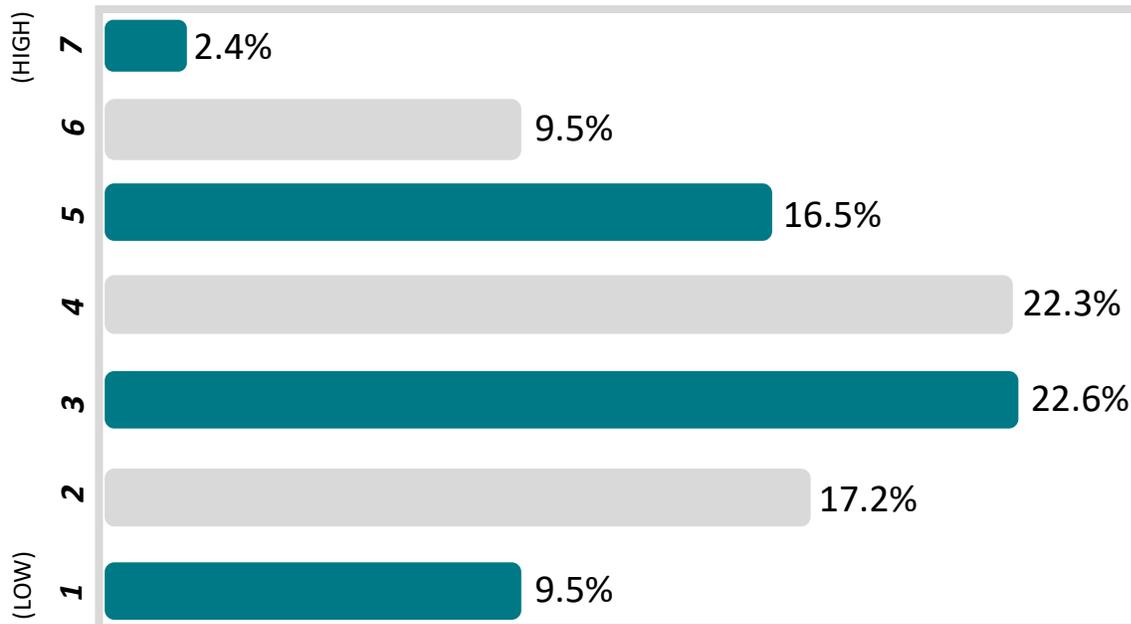
5

Five clusters had an average rating on a scale of 1 (low) to 7 (high) for Workforce Availability *BELOW* the 3.57 average.



WORKFORCE AVAILABILITY RATINGS

Overall, the Workforce Availability of their area was rated as a three or four by 44.9% of the interviewed companies.



Workforce Availability was rated high (5+ rating) by 28.4% of the companies (198), primarily from the following clusters: Transportation, Distribution & Logistics (33); Insurance & Finance (32); and Agriculture & Food Production (32). Among these companies, 63.6% were located in metro counties and 36.4% in non-metro counties. New products or services have been introduced by 77.7% in the past five years, and 75.6% plan to do so in the next two years.

Among the companies reporting high Workforce Availability, 65.5% reported increasing sales and 51.8% stated increasing market share. 15.8% of these companies are in an under capacity industry and 72.4% reported balanced capacity. 49.0% have plans to expand in the next three years, but 16.4% indicated there was a reason their current community would not be considered.

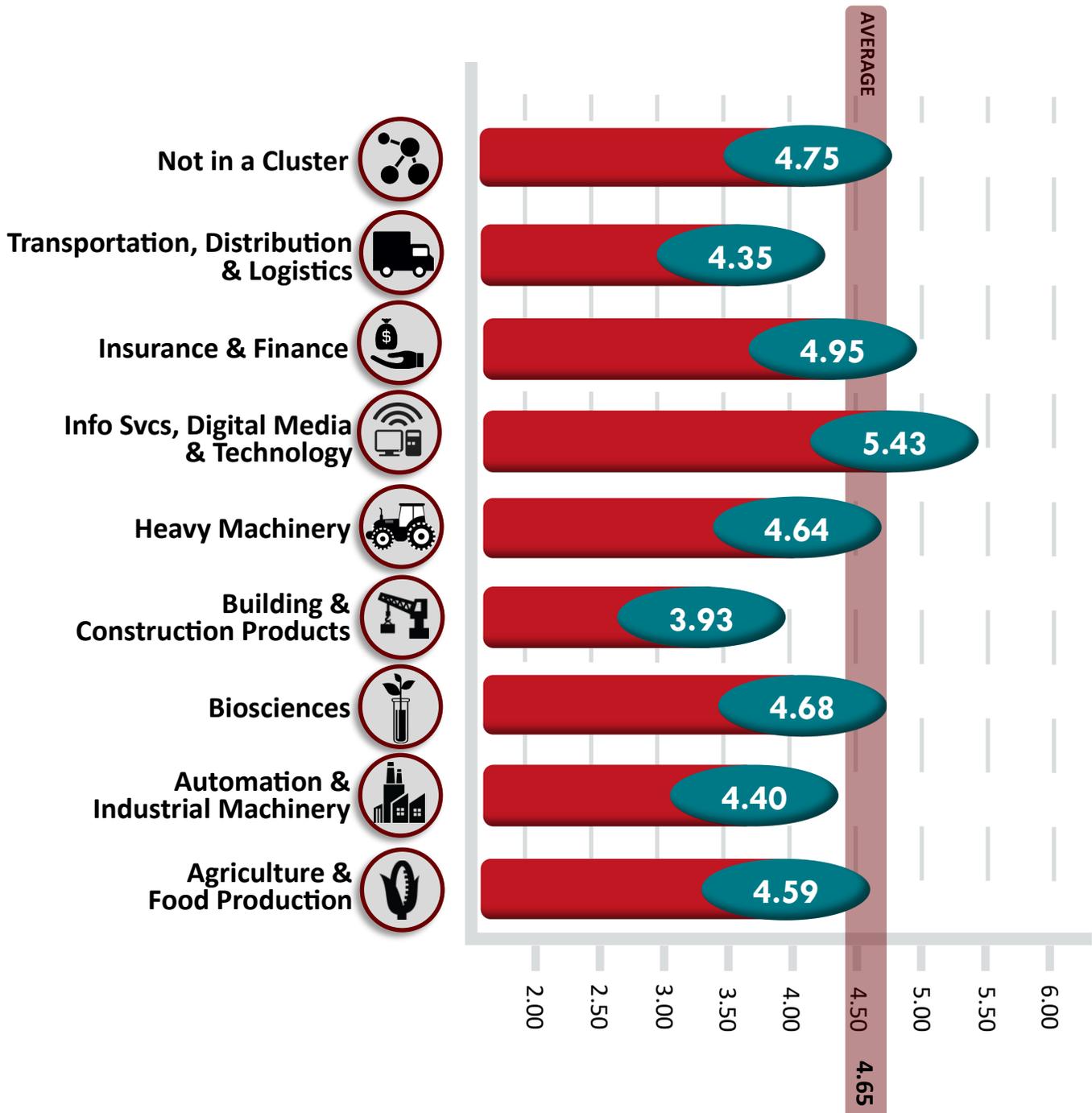
Recruitment problems were reported by 50.0%, but only 13.5% have experienced or anticipate any significant changes in the make-up of their workforce. 41.7% indicated their recruitment problems were limited to their community versus their industry (58.3%). However, only 15.8% reported the number of unfilled positions was increasing and the average number of unfilled positions (at the time the survey was taken) was 4.87.

WORKFORCE QUALITY — AVERAGE RATINGS

Among the industry clusters with 20 or more completed interviews,

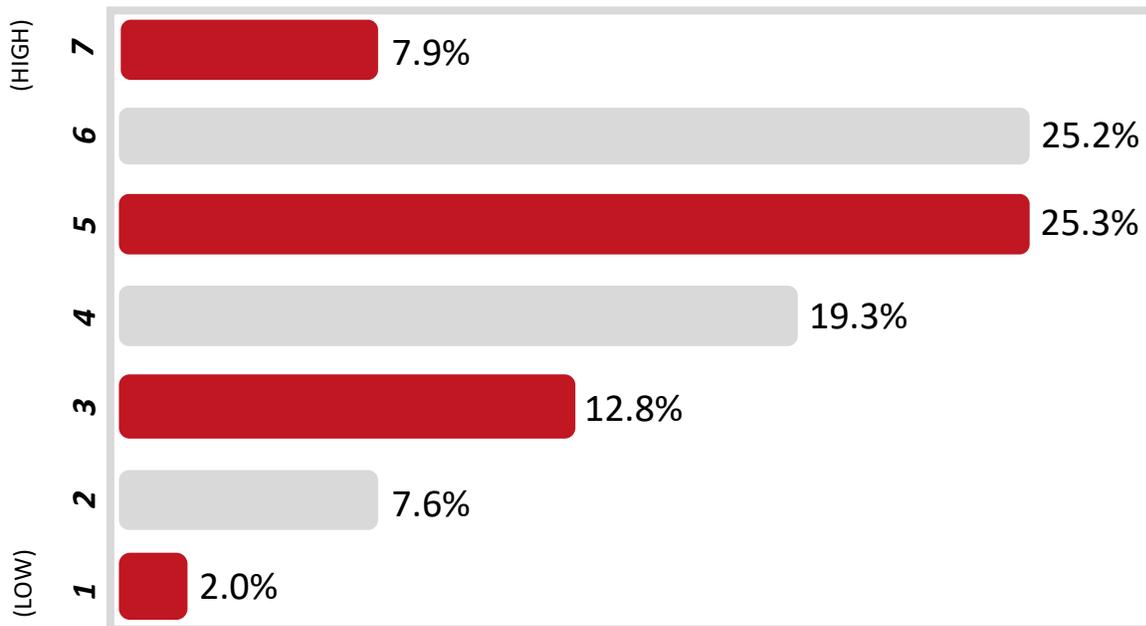
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Five clusters had an average rating on a scale of 1 (low) to 7 (high) for Workforce Quality *BELOW* the 4.65 average.



WORKFORCE QUALITY RATINGS

Overall, the Quality of the Workforce of their area was rated as a five or more by 58.4% of the interviewed companies.



Workforce Quality was rated high (5+ rating) by 58.4% of the companies (378), primarily from the following clusters: Transportation, Distribution & Logistics (72); Insurance & Finance (34); Info Services, Digital Media & Technology (37) and Agriculture & Food Production (60). Among these companies, 57.1% were located in metro counties and 42.9% in non-metro counties. New products or services have been introduced by 76.9% in the past five years, and 72.5% plan to do so in the next two years.

Among the companies reporting high Workforce Quality, 66.8% reported increasing sales and 53.6% stated increasing market share. Just 21.9% of these companies are in an under capacity industry and 69.4% reported balanced capacity. 55.0% have plans to expand in the next three years, but 22.4% indicated there was a reason their current community would not be considered.

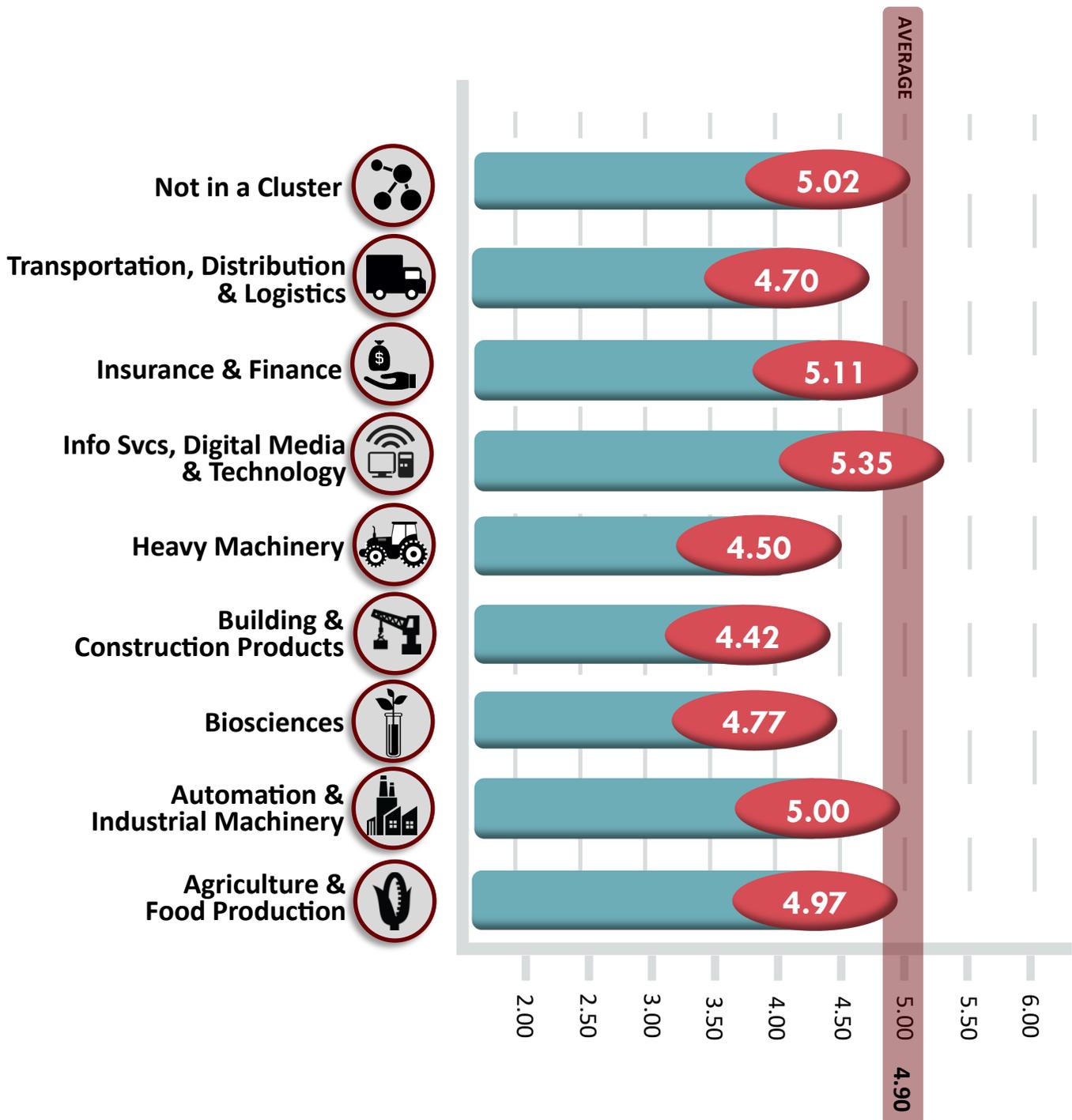
Recruitment problems were reported by 67.4%, but only 16.8% have experienced or anticipate any significant changes in the make-up of their workforce. 50.8% indicated their recruitment problems were limited to their community versus their industry (49.2%). However, only 20.0% reported the number of unfilled positions was increasing and the average number of unfilled positions (at the time the survey was taken) was 9.64.

WORKFORCE STABILITY — AVERAGE RATINGS

Among the industry clusters with 20 or more completed interviews,

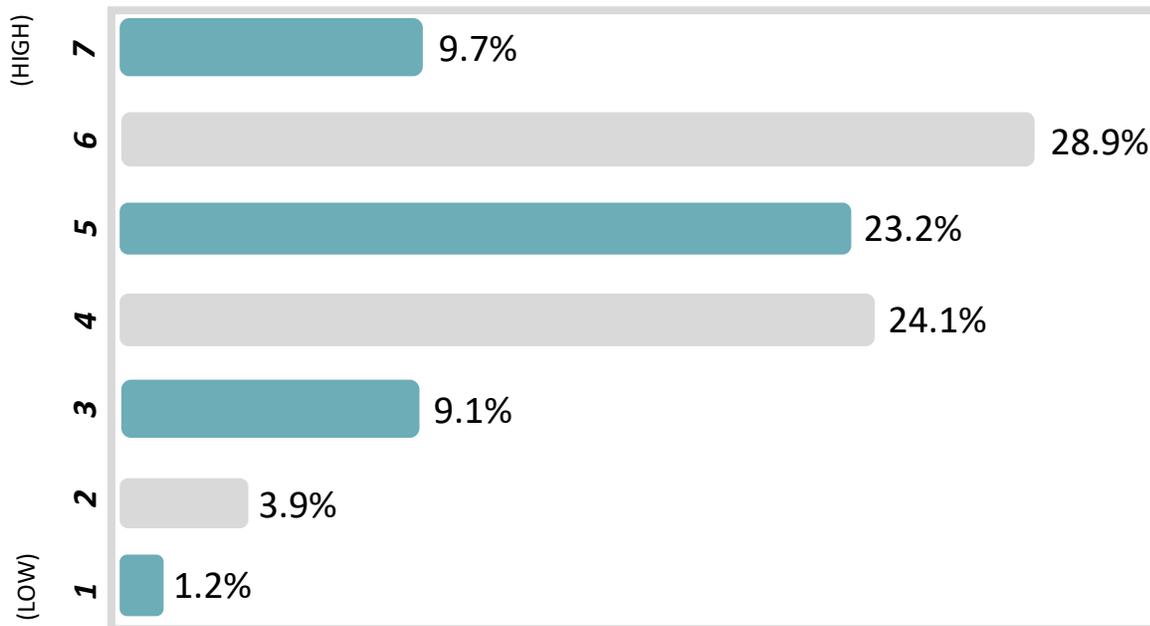
4

Four clusters had an average rating on a scale of 1 (low) to 7 (high) for Workforce Stability *BELOW* the 4.90 average.



WORKFORCE STABILITY RATINGS

Overall, the Stability of the Workforce of their area was rated as a five or more by 61.8% of the interviewed companies.



Workforce Stability was rated high (5+ rating) by 61.8% of the companies (428), primarily from the following clusters: Transportation, Distribution & Logistics (80); Insurance & Finance (39); Info Services, Digital Media & Technology (39) and Agriculture & Food Production (69). Among these companies, 65.7% were located in metro counties and 34.3% in non-metro counties. New products or services have been introduced by 75.4% in the past five years, and 71.6% plan to do so in the next two years.

Among the companies reporting high Workforce Stability, 72.3% reported increasing sales and 59.3% stated increasing market share. 20.2% of these companies are in an under capacity industry and 67.1% reported balanced capacity. 52.1% have plans to expand in the next three years, but 24.2% indicated there was a reason their current community would not be considered.

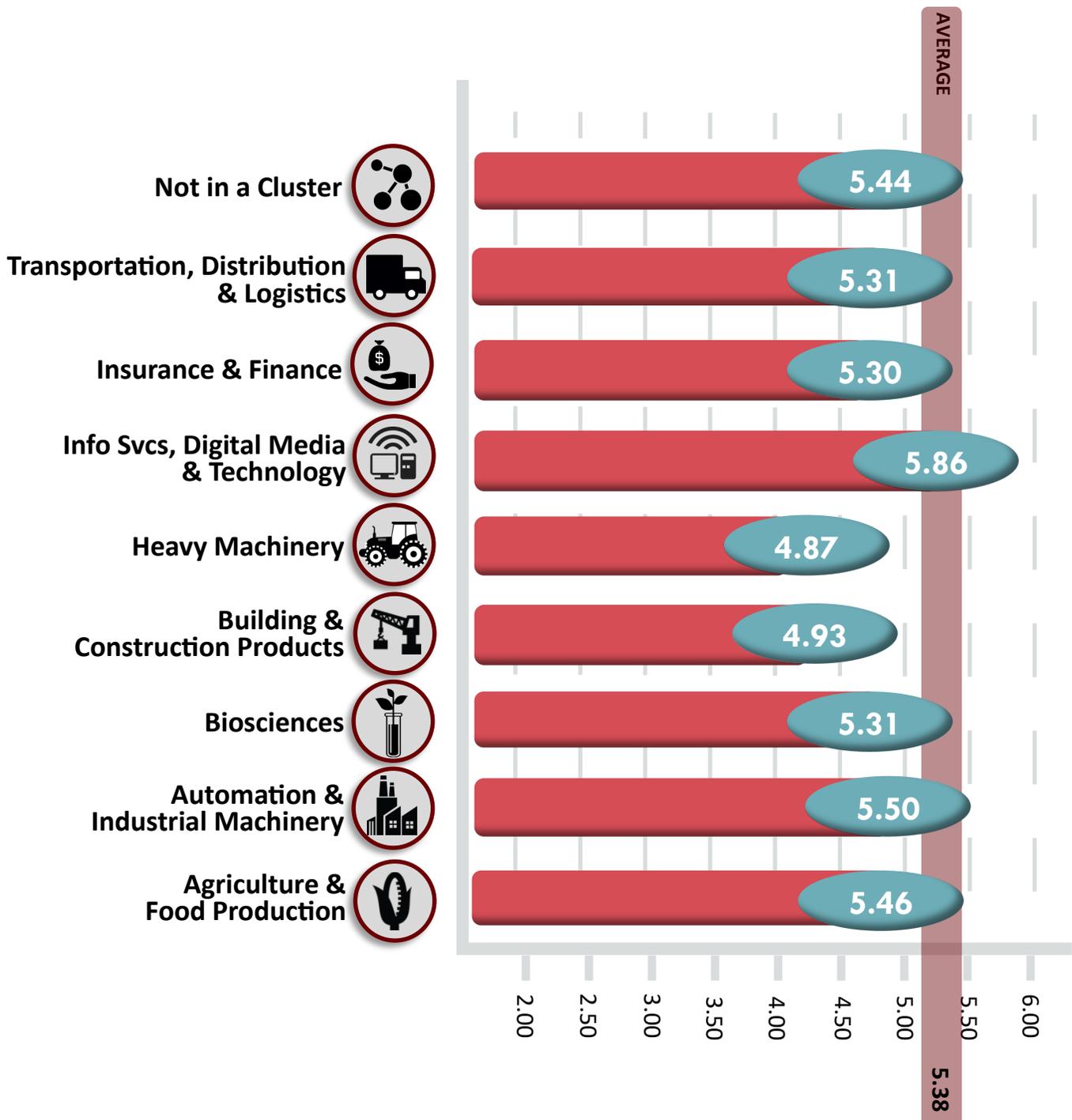
Recruitment problems were reported by 71.0%, but only 22.8% have experienced or anticipate any significant changes in the make-up of their workforce. Approximately 45.7% indicated their recruitment problems were limited to their community versus their industry (54.3%). Only 24.1% reported the number of unfilled positions was increasing and the average number of unfilled positions (at the time the survey was taken) was 10.28.

WORKFORCE PRODUCTIVITY — AVERAGE RATINGS

Among the industry clusters with 20 or more completed interviews,

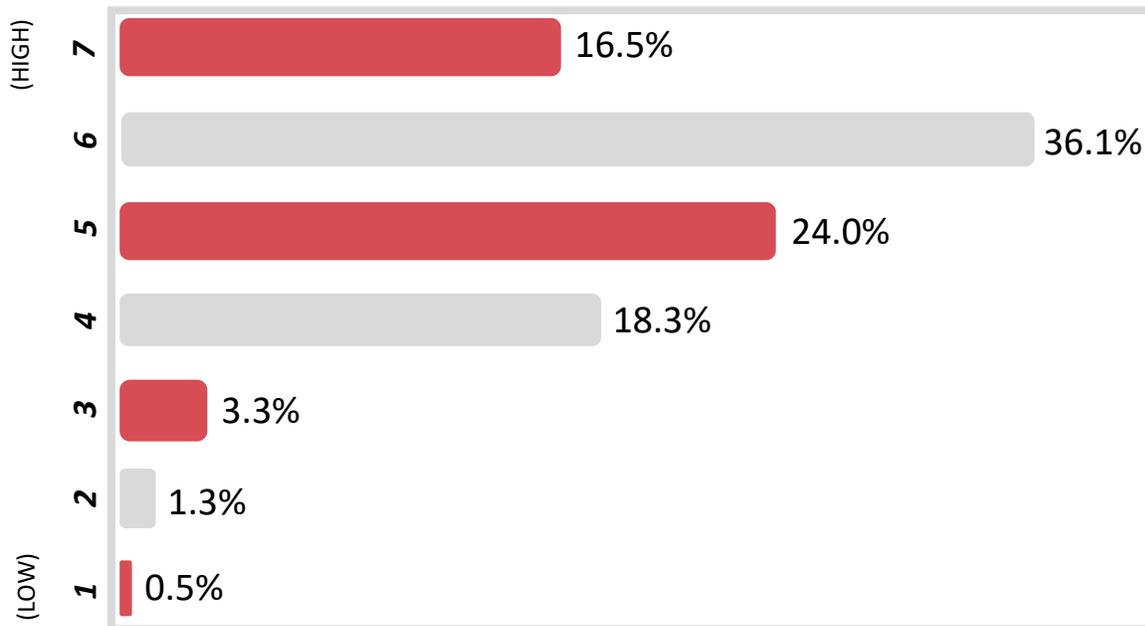
5

FIVE clusters had an average rating on a scale of 1 (low) to 7 (high) for Workforce Stability *BELOW* the 5.38 average.



WORKFORCE PRODUCTIVITY RATINGS

Overall, the Productivity of the Workforce of their area was rated as a five or more by 76.6% of the interviewed companies.



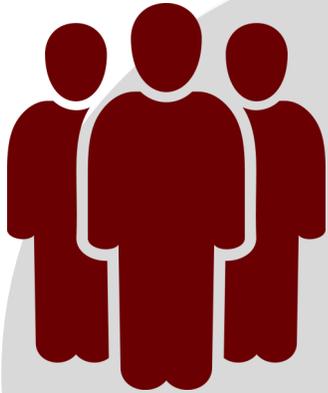
Workforce Productivity was rated high (5+ rating) by 76.6% of the companies (469), primarily from the following clusters: Transportation, Distribution & Logistics (99); Insurance & Finance (37); Info Services, Digital Media & Technology (41) and Agriculture & Food Production (72). Among these companies, 63.5% were located in metro counties and 36.5% in non-metro counties. New products or services have been introduced by 75.5% in the past five years, and 71.5% plan to do so in the next two years.

Among the companies reporting high Workforce Productivity, 73.8% reported increasing sales and 58.9% stated increasing market share. 22.8% of these companies are in an under capacity industry and 64.3% reported balanced capacity. 51.3% have plans to expand in the next three years, but 26.4% indicated there was a reason their current community would not be considered.

Recruitment problems were reported by 75.5%, but only 22.8% have experienced or anticipate any significant changes in the make-up of their workforce. 46.3% indicated their recruitment problems were limited to their community versus their industry (53.7%). Just over 29% reported the number of unfilled positions was increasing and the average number of unfilled positions (at the time the survey was taken) was 10.68.

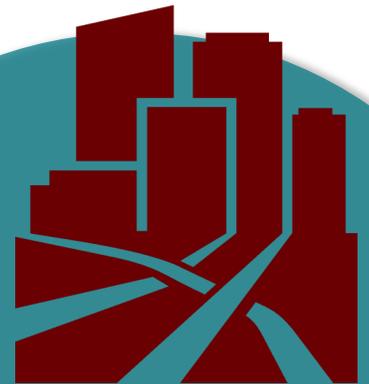
WORKFORCE RECRUITMENT

The larger the employment size of the company, the higher likelihood the company is experiencing a workforce recruitment problem. 94.2% of the companies with 500 or more employees were experiencing a workforce recruitment problem and 87.8% of the companies with 100 to 499 employees were experiencing a workforce recruitment problem.



73.1%

of companies stated they were experiencing workforce recruitment problems.

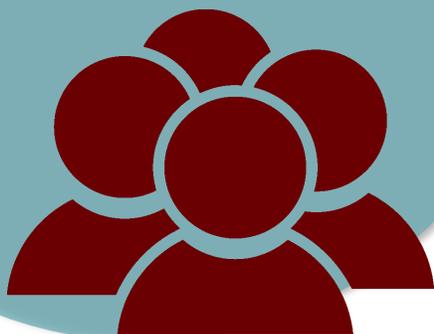


55.6%

of those companies were located in METRO COUNTIES.

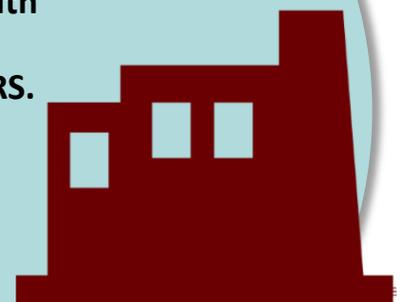
50.6%

of companies stated that their primary recruitment problem was limited to their community.



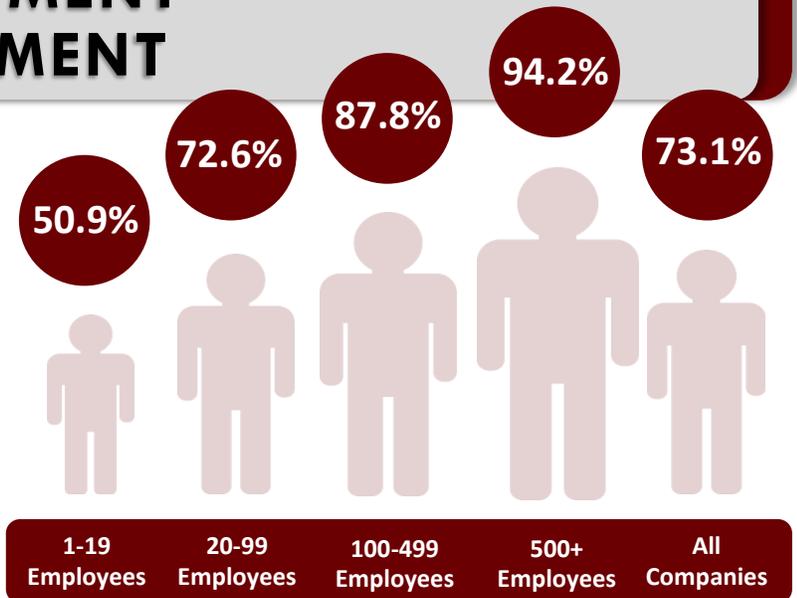
47.3%

of those companies with recruitment problems were MANUFACTURERS.

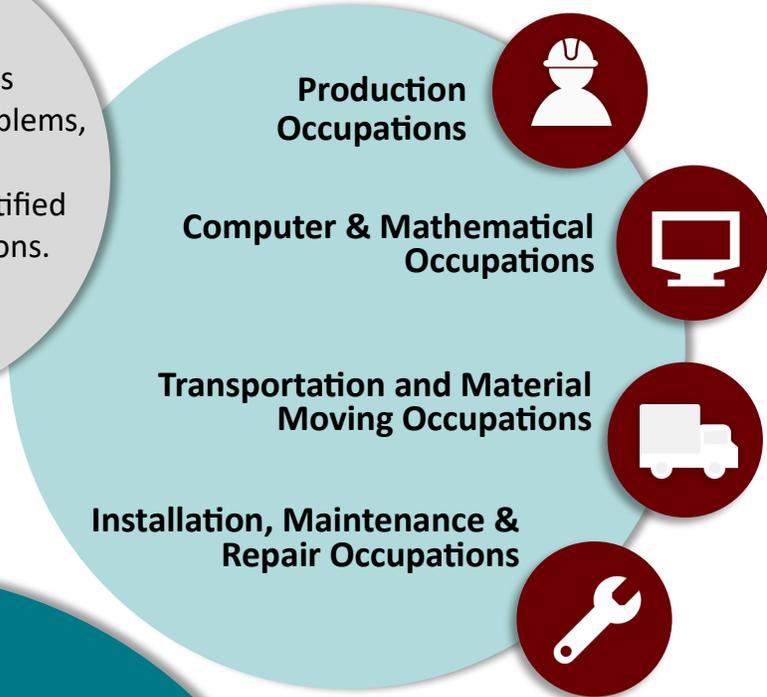


WORKFORCE RECRUITMENT PROBLEM BY EMPLOYMENT

The larger the employment size of the company, the higher the likelihood that the company is experiencing a workforce recruitment problem.



Among the companies with recruitment problems, these four were the most frequently identified positions or occupations.



Clusters with the highest number of unfilled positions included: Agriculture & Food Production (1,795) and Transportation, Distribution & Logistics (773).

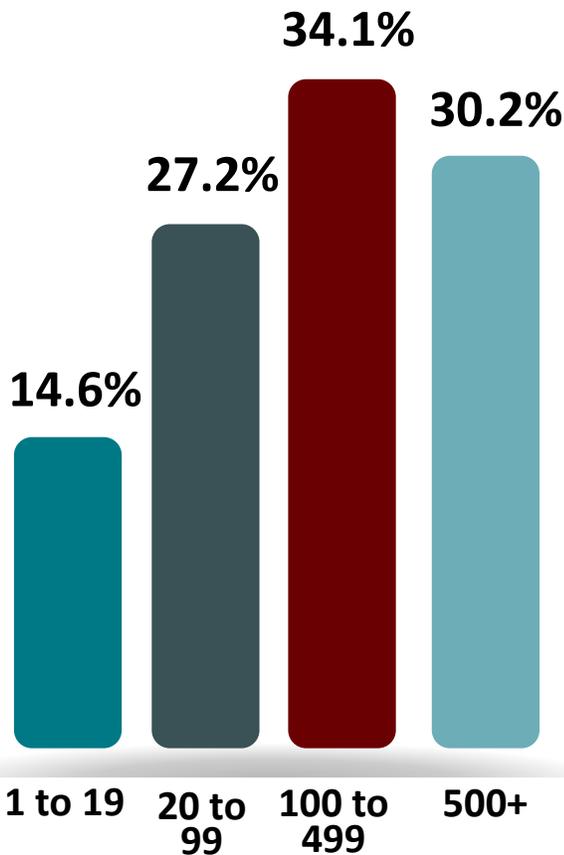
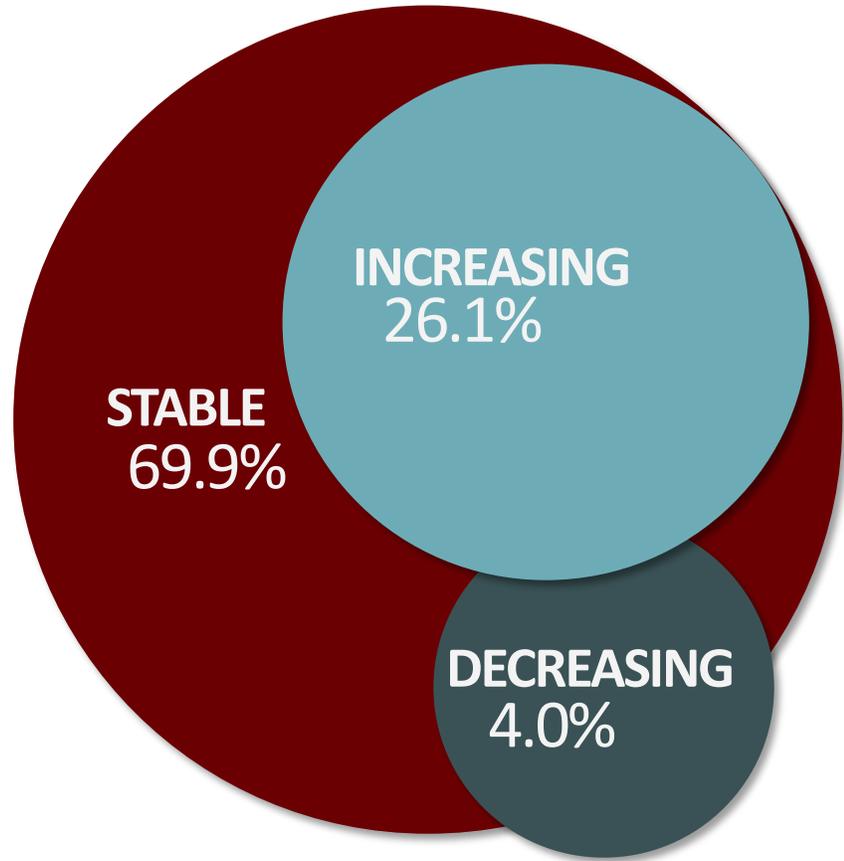
Industry sectors with the most unfilled positions were Manufacturing (3,190), Wholesale Trade (668) and Educational Services (399).

5,747	Total unfilled positions from the 643 companies that provided data
1,856	Unfilled positions reported by 128 companies with 100-499 employees
2,655	Unfilled positions reported by 38 companies with 500+ employees
165	Companies in non-metro counties reporting 1 or more unfilled positions

TREND IN UNFILLED POSITIONS

The vast majority of the companies interviewed stated that their number of unfulfilled positions is stable.

Clusters with the highest number of companies reporting an increasing number of unfulfilled positions included: Building & Construction Products, Information Services, Digital Media & Technology, and Transportation, Distribution & Logistics.



Companies with 100 to 499 employees reported the highest level of increasing unfulfilled positions, followed by companies with 500 or more employees.

Industry sectors with the highest percentage of companies stating unfulfilled positions were increasing included: Construction and Transportation & Warehousing.

PERCENTAGE OF COMPANIES WITH INCREASING UNFILLED POSITIONS BY EMPLOYMENT SIZE

WORKFORCE TRAINING

Companies increasing their investment in workforce training

47.1%
(318 Companies)

Companies who stated their investment in workforce training was stable

43.0%
(290 Companies)

AVERAGE TRAINING BUDGET SPENDING

47.3% Proficiency Training

43.7% New Job Skills Training

8.8% Remedial Skills Training

90.1% (608) of the companies interviewed stated their investment in workforce training was increasing or stable. Among these companies, 58.4% were located in metro counties and 41.6% in non-metro counties. 45.7% were manufacturers.

Top clusters with the highest number of companies reporting their investment in workforce training was stable or increasing include: Transportation, Distribution & Logistics (130); Agriculture and Food Production (93), Insurance & Finance (45) and Info Services, Digital Media & Technology (45). 76.4% have introduced new products or services in the past five years, and 72.5% plan to do so in the next two years.

76.5% of these companies have had recruitment problems, and 23.7% have experienced or anticipate significant changes in the make-up of their workforce. 48.9% indicated their recruitment problems were limited to their community and 51.1% to their industry. 28.5% reported the number of unfilled positions was increasing and 67.3% said it was stable. The average number of unfilled positions (at the time the survey was taken) was 9.83.

Average workforce ratings for companies making increasing or stable investments in training were as follows: Availability 3.60; Quality 4.69; Stability 4.99; and Productivity 5.50.

INDUSTRY

The majority of the companies interviewed stated production in their industry was balanced.

- 20.1% stated their industry was under capacity, which could mean the possibility of future consolidation within their industries and have a negative impact on facilities in Iowa.
- Conversely, 11.9% stated their production was over capacity in their industry which could create opportunities for expansions in Iowa.

11.9%
OVER
CAPACITY

68.0%
BALANCED

20.1%
UNDER
CAPACITY

45.6%

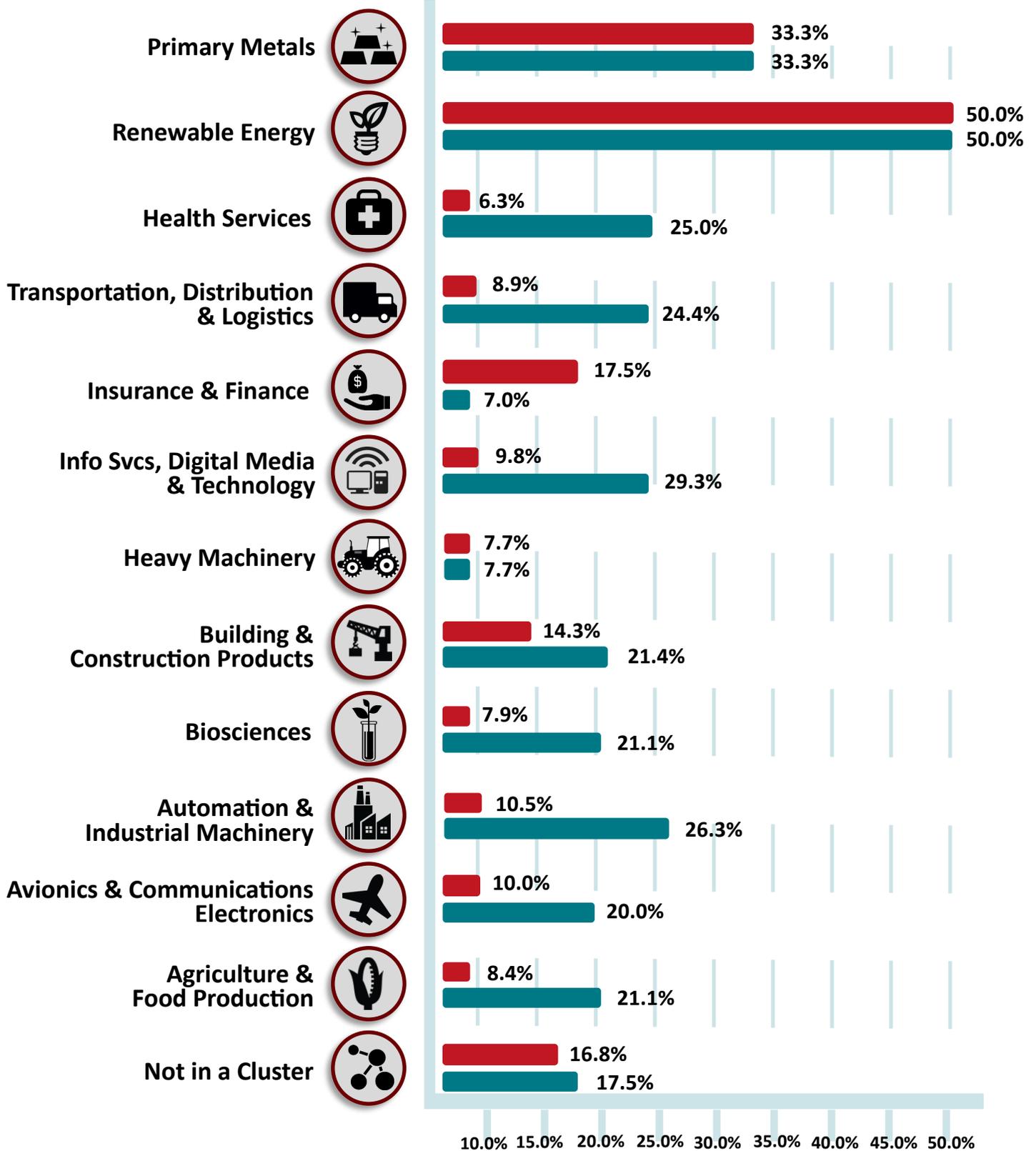
of the companies stated that merger, acquisition or divestiture activity in their industry was increasing.

Among the industry sectors with at least 10 companies, the Finance & Insurance sector had the highest percentage (17.5%) of companies stating production in their industry was over capacity.

Four other industry sectors had at least 10% of the companies stating production was over capacity.

INDUSTRY PRODUCTION TREND BY INDUSTRY CLUSTER

● Over Capacity in Industry ● Under Capacity in Industry



ANTICIPATING ADVERSE LEGISLATION

47.6% of the companies stated they anticipated that either federal, state or local legislation changes will adversely affect their business in the next five years.

Some of the areas identified most often included labor and workplace regulations (DOT rules on truck driver hours and OSHA), and EPA and environmental regulations (air quality, waste water, ground water, conservation and hazardous materials).

Tariffs were identified as a concern by 111 companies. Companies also mentioned free trade, NAFTA, exchange rates and trade laws as issues that may affect them. Over 13% of companies mentioned taxes, tax reform and tax credits as issues that could adversely affect them. Healthcare changes were mentioned by approximately 8% of companies, including health care costs, health care laws and regulations, and Medicare and Medicaid issues.

