

Businesses optimistic about job growth

BY EILEEN MOZINSKI SCHMIDT TH STAFF WRITER EMOZINSKI@WCINET.COM

| Posted: Tuesday, April 3, 2012 12:00 am

The majority of Iowa small-business owners are optimistic about job growth over the next quarter, according to a report released last week.

The Hamilton Hiring Survey found 55 percent of small and medium-sized Iowa employers are either somewhat or very optimistic about job-growth opportunities in their respective industries in the coming months.

The survey, conducted by the Des Moines-based Hamilton Group, an executive search services company, included results from more than 5,000 employers and covered projections for April to June of this year.

The 55 percent figure is up from 47 percent in the first quarter of 2012 and is the highest point of employer job-growth optimism documented in Hamilton surveys over the past year, the report said.

"This is a positive sign that job growth is building momentum into the second quarter," said Tom Hamilton, president of the Hamilton Group, in the report.

He noted that the optimism expressed by employers was evident across multiple industries and sections of the state. It was highest among businesses with between 100 and 500 workers. By contrast, pessimistic views about upcoming hiring was highest among those who employed between five and 100 workers.

The Hamilton Hiring Survey found 47 percent of business owners expect to increase their total employment in the next quarter thanks to increases in profits and the need for staff to meet customer demands.

But the report also noted that job gains will likely not be substantial enough to really reduce the state unemployment rate, which was 5.3 percent last month, according to state figures released Friday.

"We would expect the rate to remain between 5.3 percent and 5.7 percent into the third quarter of 2012," the Hamilton report said.

Half of the business owners surveyed said they had no plans to hire or were undecided about it, citing concerns about health care, business regulation, government budget uncertainties and state and national debt.

"There are a very large number of employers who are still on the sidelines. This 'wait and see' approach is affected by the many uncertainties facing businesses today," Tom Hamilton said.

In Dubuque, the unemployment rate was 6 percent last month, according to Iowa Workforce Development.

Dubuque employment was up by 300 nonfarm jobs in February compared to January, a relatively large gain in a typically flat employment period, according to the state agency's analysis.

The Dubuque metro area, which encompasses all of Dubuque County, is up by 1,400 jobs since last year.

Area business owner Eric Gantz said his business started with four people in late 2010 and now has six on staff. Gantz and his cousin Michael Gantz own a coffee-roasting operation named Verena Street Coffee Co.

"We don't plan to add more (staff) in the next quarter or in the immediate future, but will add more over the next year or two as the business continues to grow," said Eric Gantz, in an email to the TH, noting the business' sales were up almost 100 percent at the end of March 2012 compared to the same period in 2011.

He said if business owners are generally positive about hiring in the next quarter, their projections will likely come to fruition.

"Headlines like these are somewhat of a self-fulfilling prophecy," Gantz wrote, adding that negative news tends to have the reverse effect.

The overall economic approach of Dubuquers and Midwesterners is likely also at play in feelings of hiring optimism, Gantz said.

"I believe Midwesterners have not overextended themselves as much as people in other areas," he said. "Throughout the economic roller coaster over the past four years, other than the historically low home values, I felt people in our area were still spending money the same as always and continuing to live their lives, for the most part, as they always had. You still see the parking lots full at the most popular restaurants and department stores, and you still see new businesses starting up every day, such as our new venture."