

DOW
30 INDUSTRIALS
11,124.62
+6.13

NASDAQ
COMPOSITE
2,504.84
-2.57

S&P
500
1,184.38
+1.12

BONDS
10-YEAR TREASURIES
2.63%
+0.02

GOLD
\$1,350.20
-\$6.90

CRUDE OIL
\$82.95
+\$1.52

T-BILLS
6-MONTH TREASURIES
0.14%
-0.02

Principal's operating profit flat

Exit from medical insurance cuts net income, but rebound in asset management continues

By DAVID ELBERT
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Principal Financial Group said Monday that its third-quarter operating profit was flat at \$219 million, although the company's asset management business was up 9 percent and has nearly returned to its pre-recession peak.

Net income available to shareholders was \$142 million, or 44 cents a share, down 23 percent from a year earlier because of costs associated with the closing of Principal's medical insurance business.

The Des Moines insurer said one-time after-tax losses from

exiting the medical insurance business would be \$48.5 million, including severance costs for up to 1,500 employees and goodwill write-offs.

Principal said Sept. 30 that it would shut down its medical insurance business over three years and redeploy up to \$120 million of

capital to operations with higher profit margins.

The company announced the third-quarter results after the market had closed Monday. Principal shares gained 15 cents Monday to close at \$26.99.

Chairman Larry Zimpleman said the past year has shown how

well the company's hybrid business model of asset management and risk-based products works. The model, he said, "uniquely positions the Principal to help a growing middle-income customer base achieve financial security and success."

Principal has taken a different route from traditional insurance companies during the past de-

PRINCIPAL, PAGE 8B

MLK BRICKSTONE OPENS ITS DOORS



JOHN GAPS III/REGISTER PHOTOS

Developer Jack Hatch and his wife, Sonja Roberts, are among those getting set for the ribbon-cutting Monday for phase one of the MLK Brickstone project. This three-story apartment house at 1039 19th St., just north of Interstate Highway 235 in Des Moines, is modeled after the Woodland Avenue Brickstone that Hatch's company built in 2003. The two serve as bookends of sorts for Sherman Hill.



THE REGISTER



Hatch, Roberts and Ryan Galloway are all partners in MLK Brickstone, which features geothermal heating and cooling. Ground was broken Monday for the second phase; together, the two parts will cost \$8.1 million and house 48 low-income units.

Biz Buzz



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Newton's portrayal on CBS questioned

A segment Sunday on CBS's "60 Minutes" news program that painted Newton, Ia., as ground zero for the nation's economic problems got some pushback Monday from an anonymous visitor to the TV show's website.

"The people of Newton are resilient and will bounce back," wrote a viewer identified as **com461966**. "Ghost Town? Whiners? — give us some credit. Being a resident of Newton, I can see the small steps forward we make every day."

The writer went on to question why "60 Minutes" did not mention Newton's connection with wind energy, its state-of-the-art Newton Speedway or the fact that financial services giant Marsh Inc. plans to create 150 jobs.

"Writers are making this into a political ad. Shame on you 60 minutes. Next time tell the whole and truthful story," the writer said.

Anniversary party: The turnout for Alvin and Dorothy Kirsner's BUZZ, PAGE 8B



U.S. manufacturing, construction gain a bit, but spending droops

Associated Press

Washington, D.C. — A mixed economical picture emerged one day before key midterm elections that have focused on the nation's financial health.

Spending by Americans slowed in September, and their incomes fell for the first time in more than a year. Also, manufacturing activity grew by the most in five months and the weak construction industry showed a bit of life.

The new data reported by the government and a private trade group Monday suggest the economy is growing, albeit slowly. Some analysts worry

that conditions could worsen after the election when government programs that have been propping up the economy end.

"With the job market as tough as it is and with government help beginning to fade, income gains are going to be very hard to come by," said Mark Zandi, chief economist at Moody's Analytics.

In response to the weak economy, the Federal Reserve this week is expected to announce a program to buy Treasury bonds. The interest is designed to drive the rate lower and spur economic activity.

Consumer spending is growing, but at a much slower rate

than during the summer. It rose 0.2 percent in September after 0.5 percent gains in July and August, the Commerce Department said.

A reason spending is slowing is that incomes fell for the first time since July 2009, after the recession officially ended.

A separate report showed manufacturing activity expanded last month at the fastest pace since May — the 15th consecutive month for growth.

The struggling construction industry posted small gains in September, buoyed by increases in government projects and residential spending.



ASSOCIATED PRESS

Carrie Warden, Scovelady's Coffee Shop manager, paints a sign for a fall sale in Lawrence, Kan., last week. Americans slowed spending in September to the weakest pace in three months, and their incomes fell by the largest amount in 14 months.

Car buyers likely to find year-end deals

The auto industry remains cautious about rebates but wants to clear out models.

Associated Press

Detroit, Mich. — If you're holding out for a bargain on a car, you could be rewarded later this year.

Automakers are more likely to offer promotions on certain makes and models — particularly luxury cars, SUVs and trucks — to clear out their older models and improve their year-end numbers.

Overall, the auto industry remains cautious about generous rebates and low-cost loans to lure customers. Newly lean and profitable carmakers don't want to erode the bottom line by offering too many sweet deals that cut

AUTO, PAGE 8B