# 2022 IOWA COMPETITIVE DASHBOARD



## **IBC'S RECOMMENDED ACTIONS**

#### **Economic Growth**

A strong economic climate drives business decision-making such as hiring, capital investment, job creation and new initiatives. For businesses to locate, expand and thrive in lowa, a vibrant economic ecosystem must be created and sustained to fuel growth.



The availability of adequate workforce housing directly impacts the economic climate in Iowa's communities. To fill the jobs that growing businesses create, adequate housing stock is necessary to attract and retain workers. As the state continues to recover from the economic consequences of the pandemic, housing is poised to be a vital catalyst for expanded economic growth and development. Additionally, a more competitive tax environment will help Iowa attract and retain employers and employees that can increasingly do business anywhere.

#### **Education & Workforce**

In today's global, knowledge-based economy, states and local communities are increasingly differentiated based on the ability to educate, train and recruit a gualified workforce that meets the needs of industry. Even as middle and highskilled jobs grow in Iowa, the availability of a skilled workforce is a major area of concern to Iowa businesses. Identifying the job demands of the future, working with K-16 education systems to engage students and educators, and developing career pathways are essential areas of public/private partnerships for the IBC. The IBC will continue to advocate for the Future Ready lowa initiative and to fund the Last Dollar Scholarship and Employer Innovation Fund to help upskill the current workforce into high-demand jobs. To address businesses' workforce needs. the IBC's Business Education Alliance (BEA) will work with K-12 educational institutions to develop and implement scalable, sustainable solutions to provide work-based learning opportunities for all students. IBC member companies will continue to offer internships, externships and apprenticeships to meet its goal of providing 30,000 work-based learning opportunities by 2025.

From a workforce perspective, the state must continue to advance strategies that address child care availability in Iowa. This issue touches every segment of the population and costs Iowa close to a billion dollars a year in lost tax revenue and employee absences. Stakeholders must address the shortage of high-quality, affordable child care across Iowa, as well as the lack of workforce due to low wages.



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#### Governance

To improve Iowa's competitiveness, job growth, and economy, the IBC supports the creation of a simple, transparent, and stable tax structure. A modernized tax system with competitive tax rates and rules will promote growth through greater investment, higher wages and more jobs in Iowa. As the state looks to fund other priorities, the IBC will advocate for resources that lead to a competitive climate for individuals to live, work and play. Understanding that talent in and out of Iowa has never been more transferrable, focusing on making lowa's tax system as competitive as possible will set the foundation for future growth and opportunity for all.

#### **Health & Wellness**

The health care industry is one of the worst hit sectors from the pandemic. As the country rebuilds, a national race for health care talent has made efforts to rebound extremely challenging. The pandemic has exacerbated an already fragile frontline workforce requiring many larger hospitals to become dependent on contract workers, which is not sustainable and disruptive to the overall work environment. Additionally, the problem is compounded in rural parts of the state that were already experiencing recruitment issues before the pandemic. Smaller communities not only rely on crucial health care services to stay healthy, they also depend on these clinics and hospitals to provide an economic ripple effect throughout their communities. With that in mind, the IBC supports efforts to attract and retain more physicians, nurses and support staff. Additionally, the organization acknowledges the growing use of telehealth services and understands that continued investment in broadband infrastructure is critical for the expansion of these services.



#### **Demographics & Diversity**

Population growth must be accelerated in both urban and rural communities to ensure economic prosperity while increasing the percentage of Iowa's ethnic diversity. The IBC will work with members of Congress to modernize the current immigration system so legal immigration can be used as a viable tool to recruit and retain talent. The IBC will work with state policymakers to engage in innovative changes relating to licensing requirements, federally approved refugee resettlement opportunities, and immigration programs.

The IBC believes a commitment to advancing diversity, equity and inclusion (DEI) is a fundamental element of corporate success and responsibility. The invaluable contributions in innovation, knowledge and advancement that a welcoming and inclusive work environment cultivates is critical to the future of Iowa's economy. The IBC rejects racism and discrimination, systemic or otherwise, and will continue to engage, listen and learn to advance opportunities for all lowans. The IBC's focus on DEI will guide decisionmaking as policy initiatives are proposed that impact the state's population growth and overall diversity.

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## **ECONOMIC GROWTH**

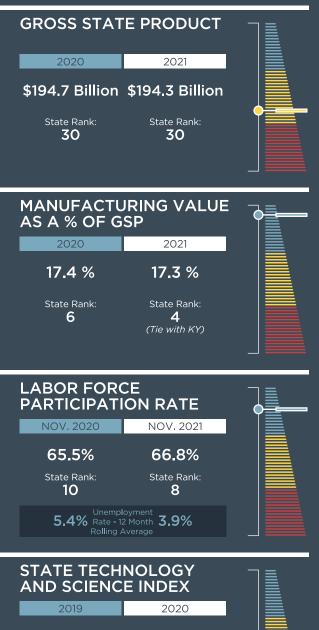


lowa's economy has remained steady with a gross state product of \$194.3 billion. 2021 brought a modest increase of \$518 per year in median household income to \$62,209. lowa remains a top tier hub for the country's manufacturing industry, increasing manufacturing value as a percentage of the state's GSP to number four nationwide (tied with Kentucky).

The State Technology & Science Index remains unchanged as the data is only reported every two years. This evaluation tracks five subindexes including: research and development inputs, risk capital and entrepreneurial infrastructure, human capital investment, technology and science workforce, and technology concentration and dynamism.

The labor force participation rate has increased, making lowa eighth strongest in the country. When these numbers were reported in October of 2021, the labor force participation rate was 66.8% and unemployment was at 3.9%. The state's consistently low unemployment rate highlights the persistent shortage of available workers businesses need to grow.





41.6

State Rank:

34

(Highest Score 81.6) (Highest Score 86.6)

38.8

State Rank: **36** 



## EDUCATION & WORKFORCE



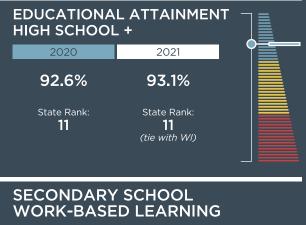
The majority of available educational data is unchanged because it is not released every year. Based upon the latest information, Iowa maintains its strong standing when it comes to educational attainment beyond high school. The state is in the top 50% nationally when it comes to 4th grade reading and 8th grade math proficiency. Both metrics are leading indicators for future success.

Work-based learning statistics have been updated this year and interest in the programming has surged. Participation opportunities have more than doubled statewide to 329 (out of 453) schools. WBL is a critical tool for Iowa's future workforce. These opportunities expose students to careers and companies they were not previously aware of and offer a first-time introduction to good-paying jobs in Iowa.

Future Ready Iowa (FRI) connects individuals to the education and training required for good-paying jobs and careers in Iowa. The state's goal is to have 70% of Iowans with education and training beyond high school by 2025. Iowa continues to make steady progress with 60.2% of the population with some level of training beyond high school as of the end of 2020.







WORK-BASED LEARNING 2020 2021 121 Schools 329 Schools Contract of the school of the sc



## GOVERNANCE

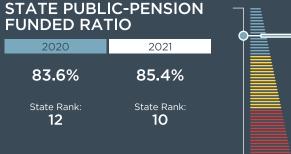


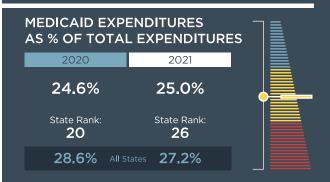
lowa's Best Run States in America ranking remains unchanged because new data has not been released for 2021. The Competitive Dashboard will be updated and posted on **www.lowaBusinessCouncil.org** when it is available.

lowa's percentage of budget allocated to Medicaid increased by less than a percentage point, but it was enough to move the state ranking from 20th to 26th nationally. The state public pension funded ratio improved by 1.8%, securing lowa's spot in the top 10 nationally.

While the state's rankings for corporate and individual tax rates improved slightly, Iowa remains in the bottom 12 nationally in both categories. During the 2022 legislative session, lawmakers passed historic reform that will be phased in over the coming years. These changes will help economic developers across lowa recruit and retain businesses as many organizations and individuals reconsider locating in high-cost states.













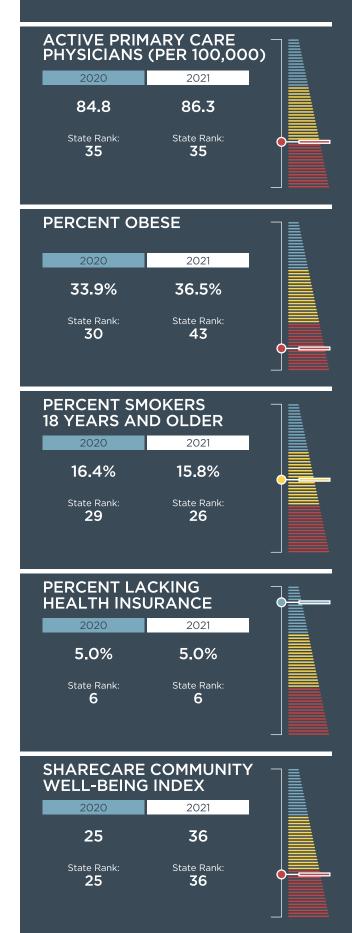
## **HEALTH & WELLNESS**



lowa's health and wellness numbers need improvement. Our percentage of obese people has increased, dropping our national ranking to 43. Additionally, Iowa's ranking in the Sharecare Community Well-Being Index has dropped to 36th in the nation. The index measures surveyed individuals' overall wellbeing as it pertains to career, social, financial, community and physical well-being.

The state's ranking has not changed for active primary care physicians per 100,000. Iowa remains 35th in the country for that metric. The state struggles to recruit and retain active primary physicians, especially in rural Iowa.

We outperform the majority of the country when it comes to the percentage of the population lacking health coverage. This favorable stat helps lowa's overall ranking remain "competitive." Without it, the state would be "underperforming" nationally in the Health & Wellness category.





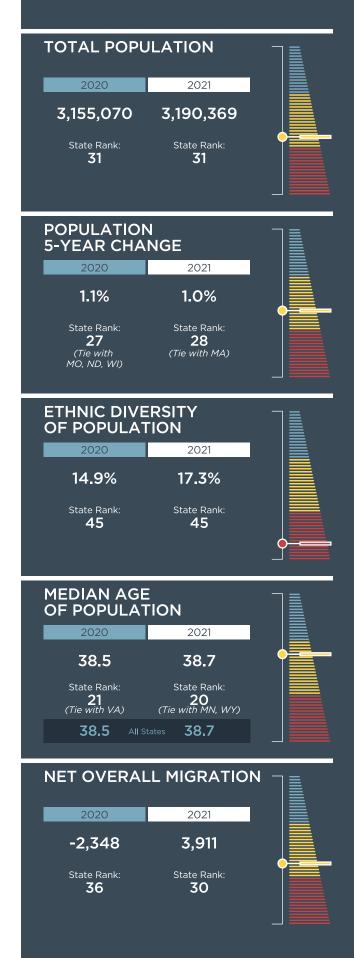
## DEMOGRAPHICS & DIVERSITY



lowa's population growth has consistently trailed the national average. Long-term prosperity will be constrained by a lack of people to fill jobs. Growing lowa's overall population will be critical to building the workforce pipeline and expanding state revenues. lowa's population growth continues to be outpaced by other states and still does not meet businesses' growth needs.

Although the state's ethnic diversity is slowly increasing, Iowa continues to rank 45th in the nation for this metric. Ultimately, the growth and diversification of Iowa's population must be accelerated in both urban and rural communities to ensure continued economic vitality for the state. Recruitment and retention efforts could be bolstered by changes in federal immigration policy, as well as enacting meaningful tax reform at the state level.

Population growth has the potential to be the main economic driver for the next decade. Policy decisions must be made with the perspective of expanding the population in order to sustain and enhance economic opportunity.





## GLOSSARY

Active Primary Care Physicians: Physicians are counted as primary care physicians if their selfdesignated primary specialty is one of the following: adolescent medicine (pediatrics), family medicine, general practice, geriatric medicine (family practice), geriatric medicine (internal medicine), internal medicine, internal medicine/pediatrics, or pediatrics. Residents and fellows are counted as primary care residents and fellows if they are in one of the following programs: adolescent medicine (pediatrics), family medicine, family practice, geriatric medicine (family practice), geriatric medicine (internal medicine), medicine/family geriatric practice. geriatric medicine/internal medicine, internal medicine, internal medicine/family practice, internal medicine/ pediatrics, or pediatrics.

**Best and Worst Run States:** 24/7 Wall St. reviewed economic indicators, budget allocations, and state balance sheets, in addition to a range of social measures to rank how well each state is run. Data came from a wide range of public and private sources, including public policy think tank The Pew Charitable Trusts and the U.S. Census Bureau.

**Corporate Tax Index:** A sub-index used by the Tax Foundation to gauge how a state's corporate income tax top marginal rate, bracket structure, and gross receipts rate affect its competitiveness compared to other states.

**Education Attainment:** Refers to the highest level of education completed in terms of the highest degree or the highest level of schooling achieved.

**Ethnic Diversity of Population:** Calculated by the difference between 100% population and Census registered "White alone, not Hispanic or Latino"

**Future Ready lowa (FRI):** Future Ready lowa connects lowans to the education and training required for good-paying jobs and careers to improve people's lives. The Future Ready lowa goal is to have 70 percent of lowans with education and training beyond high school by 2025.

**Gross State Product (GSP):** A measurement of a state's output; it is the sum of value added from all industries in the state. GSP by state is the state counterpart to the Nation's Gross Domestic Product (GDP).

**Individual Income Tax index:** A sub-index used by the Tax Foundation to measure the impact of tax rates on the marginal dollar of individual income using three criteria: the top tax rate, the graduated rate structure, and the standard deductions and exemptions which are treated as a zero percent tax bracket. The rates and brackets used are for a single taxpayer, not a couple filing a joint return.

**Labor Force Participation Rate:** The labor force participation rate represents the number of people in the labor force as a percentage of the civilian noninstitutional population. In other words, the participation rate is the percentage of the population that is either working or actively looking for work. The labor force participation rate is calculated as: (Labor Force ÷ Civilian Noninstitutional Population) x 100.

**Manufacturing Value as a % of GSP:** A breakdown of gross domestic product by manufacturing value. In addition to showing the manufacturing contribution to the state, known as its value added, these statistics include industries' compensation of employees, gross operating surplus, and taxes.

**Median Age:** The median age is the age at the midpoint of the population. Half of the population is older than the median age and half of the population is younger. The median age is often used to describe the "age" of a population.

**Median Household Income:** Household income is a measure of the combined incomes of all people sharing a particular household or place of residence. It includes every form of income, e.g., salaries and wages, retirement income, near cash government transfers like food stamps, and investment gains. Median income is the amount that divides the income distribution into two equal groups, half having income above that amount, and half having income below that amount.



**Medicaid Expenditures:** The total amount spent by state government on Medicaid entitlement programs. Amounts exclude administrative costs but include spending from state funds, federal matching funds and other funds and revenue sources used as a match such as provider taxes, fees, assessments, donations and local funds. Medicaid Part D clawback payments are included in a state's overall Medicaid expenditures.

**Net Migration:** The difference between immigration into and emigration from the area during the year (net migration is therefore negative when the number of emigrants exceeds the number of immigrants).

**Obesity:** Percentage of adults with a body mass index of 30.0 or higher based on reported height and weight.

**Population Change:** The difference between the size of the population at the end and the beginning of a period. It is equal to the algebraic sum of natural increase and net migration (including corrections). There is negative change when both of these components are negative or when one is negative and has a higher absolute value than the other.

**Proficiency:** One of the three National Assessment of Educational Progress achievement levels, representing solid academic performance for each grade assessed. Students reaching this level have demonstrated competency over challenging subject matter, including subject-matter knowledge, application of such knowledge to real-world situations, and analytical skills appropriate to the subject matter.

**Sharecare Community Well-Being Index:** This report examines well-being across the nation as determined by five elements. The five elements include: purpose (liking what you do each day and being motivated to achieve your goals); social (having supportive relationships and love in your life); financial (managing your economic life to reduce stress and increase security); community (liking where you live, feeling safe and having pride in your community); and physical (having good health and enough energy to get things done daily). **Smoking:** Percentage of adults who are smokers (reported smoking at least 100 cigarettes in their lifetime and currently smoke every or some days).

**State Public-Pension Funded Ratio:** The funded ratio measures the level of assets in proportion to accrued liability.

**State Technology and Science Index:** Benchmark that measures states' science and technology capabilities and broader commercialization ecosystems that contribute to company growth, high-value-added job creation, and overall economic growth. It is a measure of a state's innovation pipeline. The STSI's 107 individual indicators are sorted into five composites: Research and Development Inputs, Risk Capital and Entrepreneurial Infrastructure, Human Capital Investment, Technology and Science Workforce, and Technology Concentration and Dynamism.

**Total Population:** The total population of a state consists of all persons falling within the scope of the census.

**Uninsured:** Percentage of the population that does not have health insurance privately, through their employer or through the government.

**Value Added:** The net output of a sector after adding up all outputs and subtracting intermediate inputs. It is calculated without making deductions for depreciation of fabricated assets or depletion and degradation of natural resources.

**Work-Based Learning (WBL):** The purpose of WBL is to merge theory with practice by providing students with opportunities to connect real-world work experience with classroom learning as they explore potential career paths of interest.

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## Appendix

#### **Economic Growth**

Median Household Income: U.S. Census Bureau, 2020 American Community Survey, Table ID: XK201902, "Median Household Income in the Past 12 Months (in 2020 Inflation-Adjusted Dollars)"

**Gross State Product:** U.S. Bureau of Economic Analysis, "Gross Domestic Product by State, 3rd Quarter 2021"

Labor Force Participation Rate: U.S. Bureau of Labor Statistics, "Civilian Noninstitutional Population and Associated Rate and Ratio Measures for Model-Based Areas"

**Unemployment Rate:** Iowa Workforce Development, Labor Market Information Division (12 month rolling average to avoid seasonal variations)

State Technology and Science Index: Milken Institute Center for Jobs and Human Capital, "2020 Technology and Science Index"

#### **Education & Workforce**

**Proficiency in 4th Grade Reading:** National Center for Educational Statistics, National Assessment of Educational Progress, "The Nation's Report Card"

**Proficiency in 8th Grade Math:** National Center for Educational Statistics, National Assessment of Educational Progress, "The Nation's Report Card"

Education Attainment High School Plus: U.S. Census Bureau, 2020 American Community Survey, 1-Year Experimental Data Table XK201501

Secondary School Work-Based Learning: www.iowain.org

Future Ready Iowa: www.futurereadyiowa.gov

#### Governance

Best Run States in America: 24/7 Wall St., "Best and Worst Run States in America: A Survey of All 50"

**State Public-Pension Funded Ratio:** "The State Pension Funding Gap 2019" Pew Research Center, Washington, D.C.

Medicaid Expenditures as a Percentage of Total Expenditures: National Association of State Budget Officers, "State Expenditure Report: Fiscal 2019-2021 (Table 29)

**Corporate Tax Climate Index:** Tax Foundation, "2021 State Business Tax Climate Index" (Table 1)

Individual Income Tax Climate Index: Tax Foundation, "Individual income tax Climate Index" page 27 (Table 4)

#### **Health & Wellness**

Active Primary Care Physicians per 100,000 Population: Association of American Medical Colleges, "2021 State Physician Workforce Data Report."

**Percent Obese:** America's Health Rankings - analysis of America's Health Rankings composite measure, United Health Foundation, AmericasHealthRankings.org

**Percent of Smokers 18 years+:** America's Health Rankings analysis of America's Health Rankings composite measure, United Health Foundation, AmericasHealthRankings.org

**Percent Lacking Health Insurance:** America's Health Rankings analysis of America's Health Rankings composite measure, United Health Foundation, AmericasHealthRankings.org

Sharecare Community Well-Being Index: Well-Being Index Score, 2021

#### **Demographics & Diversity**

Total Population: U.S. Census Bureau, 2019 American Community Survey 1-Year Estimates, Table ID: B01003.

**Population 5-Year Change:** U.S. Census Bureau, 2020 American Community Survey 1 – Year Experimental Tables, Table ID: XK200101

**Ethnic Diversity of Population:** U.S. Census Bureau, 2019, American Community Survey 1-Year Estimates, Table ID: DP05. "ACS Demographic and Housing Estimates"

Median Age of Population: U.S. Census Bureau, 2020, American Community Survey 1 -Year Experimental Data Tables, Table ID: XK200103

**Net Overall Migration:** U.S. Census Bureau, 2021, "Annual and Cumulative Estimates of the Components of Resident Population Change for the United States, Regions, States, District of Columbia, and Puerto Rico: April 1, 2020 to July 1, 2021" (NST-EST2021-COMP)



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## **BASELINE DATA**

		Baseline Year	Baseline Rank	2020 Rank	2021 Rank	Baseline Metric	2020 Metric	2021 Metric
Economic Growth	Median Household Income	2000	25	30	30	\$42,993	\$61,691	\$62,209
	Gross State Product (GSP)	2000	29	30	30	\$93 billion	\$194.7 billion	\$194.3 billion
	Manufacturing Value (as a % of GSP)	2001	8	6	4	23.4%	17.4%	17.3%
	Labor Force Participation Rate	2000	9	10	8	71.3%	65.5%	66.8%
	State Technology & Science Index	2002	31	36	34	42.5	38.8	41.6
Education & Workforce	4th Grade Reading Proficiency	2003	9	26	22	35%	36%	33%
	8th Grade Math Proficiency	2003	9	18	24	33%	37%	33%
	ACT Scores	2004	3	3	3	22.0	21.1	21.5
	Education Attainment High School+	2000	9	11	11	86.1%	92.6%	93.1%
	70% of Workforce has Training Beyond High School	2017	-	-	-	58.4%	57.6%	60.2%
Governance	Best Run States in America	2010	3	7	21	3	7	21
	State Public-Pension Funded Ratio	2000	29	12	10	97.7%	83.6%	85.4%
	Medicaid Expenditures (as a % of Total Expenditures)	2000	9	20	26	13%	24.6%	25%
	Corporate Tax Index	2010	46	46	38	4.23	4.03	4.53
	Individual Income Tax Index	2010	41	40	38	3.89	4.29	4.32
Health & Wellness	Active Primary Care Physicians per 100,000 Population	2000	46	35	35	71.3	84.8	86.3
	Percent Obese	2000	39	30	43	21.5%	33.9%	36.5%
	Percent of Smokers 18 years+	2000	30	29	26	23.5%	16.4%	15.8%
	Percent Lacking Health Insurance	2000	4	6	6	6.9%	5%	5%
	Gallup National Health and Well-Being Index	2009	7	25	36	7	25	36
Demographics & Diversity	Total Dopulation	2000	70	-71	-71	2 0 2 5 7 4	7 155 070	7 100 700
	Total Population	2000	30	31	31	2,926,324	3,155,070	3,190,369
	Population 5 Year Change	2000	34	27	28	4.5%	1.1%	1%
	Ethnic Diversity of Population	2000	45	45	45	6.1%	14.9%	17.3%
	Median Age of Population	2000	40	21	20	36.6	38.5	38.7
	Net Overall Migration	1990- 1999	33	36	30	5,609	-2,348	3,911



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