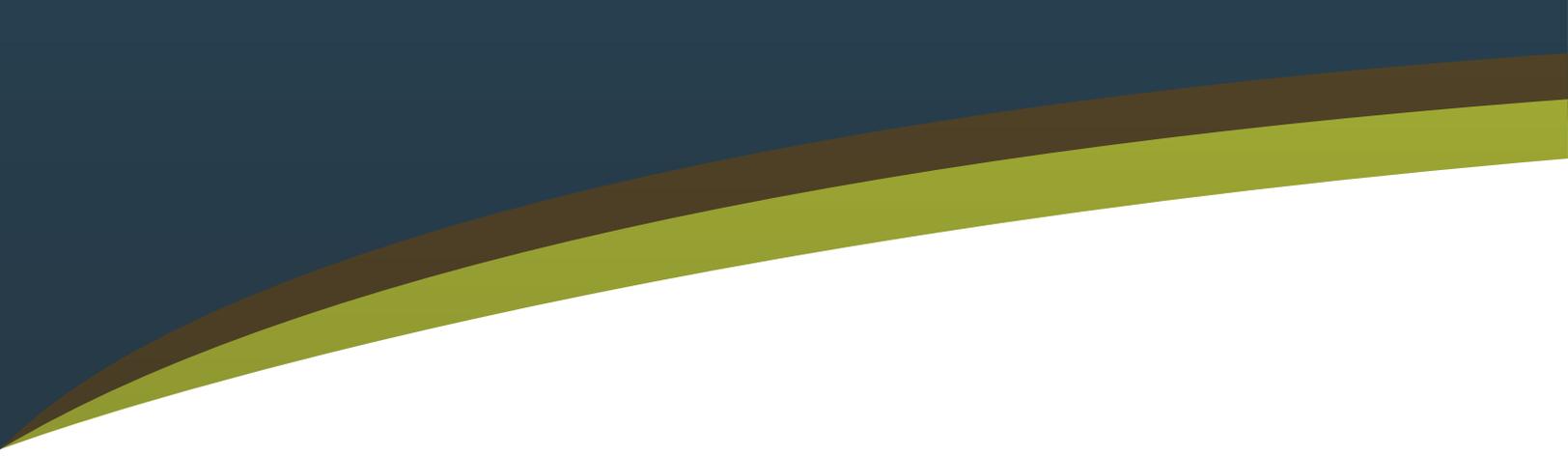


# Iowa's Workforce and the Economy

2014



IOWA  
**WORKFORCE**  
DEVELOPMENT



# Iowa's Workforce and the Economy

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## 2014

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# Message from the Director

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**Teresa Wahler**  
**Director**  
**Iowa Workforce Development**

Skills development continues to be a high priority of mine more than two years after the inception of the Skilled Iowa Initiative. Based on our large body of labor market information, much of Iowa's future employment growth will occur in industry sectors that demand high levels of educational attainment and skills. In fact, many higher-level jobs in Iowa's future will require workers to have a background that is "multidisciplinary." The ideal worker of the next decade will have a deep understanding of at least one field, but will also be knowledgeable in a broader range of disciplines. This is why skills development and credentialing are so important for building a workforce that can meet the current and future needs of employers.

The 2014 edition of Iowa's Workforce and the Economy includes several articles that provide detailed information on the state's labor market. These articles cover employment and unemployment trends, the availability of Registered Apprenticeship programs as an alternate career pathway, the generational shift in Iowa's workforce, the state's growing bioscience industries and Iowa's long-term industry projections for 2012-2022. The information contained in these articles can be used by business, education and government planners to better align training and education with job requirements.

A handwritten signature in cursive script that reads "Teresa Wahler".

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# Executive Summary

- Most indicators reflected a strengthening in the Iowa economy in 2013. The job market showed improvement as well as vehicle registrations, residential construction and home prices. A resurging demand in new residential housing, coupled with low interest rates, generated a combined 6,700 jobs in construction and manufacturing. The Des Moines Metropolitan Statistical Area (MSA) led Iowa's metropolitan areas in job growth last year, adding 8,900 jobs, and tied with Iowa City for the fastest annual job growth (+2.7 percent). Due to the slowdown in the global economy, Iowa's exports departed from the usual growth trend, and declined by 5.3 percent from 2012.
- The statewide unemployment rate dropped to 4.6 percent in 2013 from 5.2 percent in 2012. Iowa and Wyoming tied for the sixth-lowest unemployment rate in the nation. The 2013 unemployment rate represented 77,600 unemployed state residents; 8,500 less than in 2012. Men accounted for 56 percent of the state's unemployed persons, compared to 44 percent for women. Minorities, youth and workers with less education continued to experience the highest unemployment rates. Jobless rates declined in all nine of the state's metropolitan statistical areas (MSAs) and rural counties, and Iowa's labor force participation rate increased to 69.8 percent in 2013 from 68.8 percent in 2012.
- Nonfarm employment for the state averaged 1,530,200 in 2013; 5,900 more than the 2008 pre-recession record of 1,524,300. The increase in nonfarm employment translated into an annual growth rate of 1.4 percent, which was slightly lower than the U.S. rate of 1.7 percent. Most of the state's major industry sectors realized employment gains from 2012 to 2013 with the exception of the information sector. Construction grew the fastest in 2013 at 4.31 percent (+2,800 jobs). This increase was largely due to improvement in the state's housing market. The turnaround in housing was evidenced in the number of housing permits issued in Iowa. Housing permits have increased over the past two years by 26.2 percent and 13.9 percent, respectively. Manufacturing grew by 3,900 jobs in 2013, but lost momentum during the second half of the year. Education and health services continued to add jobs, and was the only industry that grew steadily in each of the past eight years.
- Apprenticeship programs have proven to be both relevant and effective in filling skilled labor shortages. A 2012 Department of Labor study entitled, *An Effectiveness Assessment and Cost-Benefit Analysis of Registered Apprenticeship in 10 States*, concluded that Registered Apprenticeships are "effective at increasing the earnings of participants and achieving net social benefits across a wide range of state settings." Since sponsors pay for most of the training costs, the higher earnings that result from the programs justify the relatively low public expenditures for developing and operating Registered Apprenticeship programs. During the 2005-2013 period, close to 11,000 individuals have been registered in Iowa's apprenticeship programs. The majority of these individuals have been male, and 42 percent fell in the 18-29 age group. About two-thirds of Iowa's apprentices are being trained in the top ten apprenticeable occupations: electricians, plumbers, heating and air conditioner installation/service workers, line maintainers, carpenters, sheet metal workers,

structural steel/ironworkers, construction craft laborers and pipe fitters and painters.

- The Skilled Iowa Initiative is entering its third year and going strong. The purpose of the initiative is to ensure local workforces have the skills and abilities to fill job openings. A key component of Skilled Iowa is the ACT® National Career Readiness Certificate (NCRC). This portable, nationally recognized credential is recommended for many career pathways, and is being recognized by a growing number of employers across the state. Iowa high schools continue to integrate Skilled Iowa and the NCRC with career and college planning discussions with students. Iowa Workforce Development's Skilled Iowa Internship program, which is targeted at veterans and individuals who collect unemployment insurance, links job seekers with businesses that are willing to provide job-skills training. Two years into the program, more than 225 internships have been successfully completed, with 55 percent of the interns receiving an offer of employment.
- Over the past decade, Iowa has positioned itself as a leader in the bioscience industry. This has been accomplished through the ability to capture expanding markets, while capitalizing on built-in competitive advantages. Iowa's state universities have also provided bioscience companies access to state-of-the-art facilities and technology to grow their research and development capabilities. Iowa's fastest-growing bioscience industries over the last five years with 10 or more employees were research and development in the physical, engineering and life sciences (60.9 percent), medical and botanical manufacturing (35.6 percent) and ethyl alcohol manufacturing (17.7 percent). For second quarter 2013, the average annual wage for the bioscience industries was \$63,005 compared to \$40,124 for the entire private sector.

- Iowa is currently undergoing a generational shift in its labor force. As more of the Baby Boom generation retires, Millennials will enter the labor force to fill the void. A Millennial is someone who was born in the 1980's and 1990's. The generation is also referred to as Generation Y, or the "echo boom" generation. In 2012, the Baby Boom and Millennial generations were almost equal in size with each representing about one-third of Iowa's workforce. The Great Recession of 2008-2009 and subsequent slow recovery took a disproportionate toll on Millennials. Since 2010, the share of young adults currently employed is the lowest since the U.S. government started collecting such data in 1948. Millennials view the world differently than previous generations. Surveys have found their top three career priorities to be compensation, flexible work schedules and the opportunity to make a difference. While prior generations took a more individualistic approach to life and work, Millennials prefer collaboration, team-based work projects and an unstructured flow of information at all levels.
- The 2012-2022 Iowa Industry Projections show projected employment change from a major industry perspective over the next decade. Employment growth for all wage and salary workers and agriculture is projected to add almost 188,200 jobs from 2012 to 2022, an increase of about 12 percent. Two major industries are expected to account for over 40 percent (74,840 jobs) of the state's job growth. These industries are the Health Care and Social Assistance sector and the Trade, Transportation and Utilities sector. Although Manufacturing is still one of the largest industries in Iowa with 2012 employment at 210,545 jobs, it is expected to only add about 10,505 jobs over the ten-year projection.

# 2013 Overview of the Iowa Economy

## PACE OF IOWA'S ECONOMIC EXPANSION INCREASED

2013 proved to be a prosperous year for Iowa's economy. Most indices reflected a strengthening in the state's economy, particularly vehicle registrations, residential construction, and home prices. Per capita income increased, as did most employment statistics. Additionally, Iowa's unemployment rate continued to trend downward in 2013, and now rests at its lowest level since 2008 as jobs are being created as quickly as workers are returning to the labor force. Most of Iowa's industries experienced a pickup in activity last year. A resurging demand in new residential housing coupled with historically low interest rates helped two of Iowa's indicator industries, manufacturing and construction, add a combined 6,700 jobs. Iowa's financial sector has also been resilient after the recession and advanced 1,700 jobs last year. This sector is fueled by Iowa's strong insurance presence coupled with Iowa's strong agriculture and machinery manufacturing industries.

All of Iowa's metropolitan areas experienced growth last year, with Des Moines leading all Metropolitan Statistical Areas (MSAs) in both jobs added (+8,900) and tied with Iowa City for growth by percentage (+2.7 percent). Gains were also higher than expected in Ames (+2.3 percent) and Sioux City (+2.0 percent), while smaller gains were seen in Dubuque (+0.5 percent) and Waterloo (+0.3 percent). Iowa City

## Iowa Economic Indicators

Indicator	2009	2010	2011	2012	2013
Gross Domestic Product - Iowa (\$ billions)	134.7	138.4	146.1	152.4	N/A
Exports (\$ billions)	9.0	10.9	13.3	14.6	13.9
Personal Income (\$ billions)	117.4	119.1	130.1	135.1	139.4 <sup>P</sup>
Per Capita Income	\$38,713	\$39,038	\$42,470	\$43,935	\$45,114 <sup>P</sup>
Manufacturing Employment	202,800	200,500	205,800	210,600	214,500
Average Iowa Home Sales Price	\$139,428	\$139,776	\$139,860	\$147,563	\$155,606
New Residential Housing Units Authorized	7,729	7,607	7,526	9,501	10,826
Iowa New Vehicle Registrations	98,618	105,881	123,225	133,233	141,897
<b>Labor Force Statistics:</b>					
Total Employment	1,571,100	1,565,600	1,568,600	1,576,800	1,593,700
Total Unemployment	104,700	105,400	97,300	86,100	77,600
Percent Unemployed	6.2	6.3	5.8	5.2	4.6
<b>Unemployment Insurance:</b>					
Weeks Compensated	2,571,688	1,920,298	1,536,467	1,342,482	1,294,587
Average Duration (weeks)	15.6	15.3	14.2	13.5	13.7
UI Regular Benefits Paid (\$ millions)	788.1	586.9	463.4	417.0	418.8

Source: Communications and Labor Market Information Division, Iowa Workforce Development <sup>P</sup> = preliminary

was little changed compared to 2012 (+0.1 percent). Rural areas of Iowa advanced slightly, adding a combined 5,200 jobs (+0.8 percent).

Virtually all economic indicators showed improvement in 2013. Exports trended down slightly and were an exception. Notable highlights for last year included:

- The U.S. Census Bureau reported continued expansion in Iowa's new residential housing market. Following stagnation from 2009 through 2011, new housing starts have increased in each of the last two years. There was a total of 10,826 new residential units authorized in 2013, up 13.9 percent versus the prior year. Additionally, data from the Iowa Association of Realtors showed average home prices increased by \$8,043 last year to \$155,606. The annual growth rate of 5.5 percent mirrors that of 2012, yet is markedly improved versus

the stagnation experienced from 2009 to 2011 when average home sale prices rose a mere \$432. The average time houses spent on the market trended down to 88 days last year, lower than the pre-recession average of 95 days achieved in 2007.

- New vehicle registrations continued to climb and totaled 141,897 in 2013, up 6.5 percent from the previous high of 133,223. Vehicle registrations have increased every year since 2009, although the pace of new vehicle sales has started to wane. Domestic auto registrations were up 7.2 percent annually, while foreign autos gained 5.2 percent.
- Personal income increased by 3.2 percent, down slightly from the 3.8 percent gain in 2012 and well below the 9.2 percent growth rate posted in the rebound year of 2011. Last year's economic growth was partially hampered by severely cold weather halting construction projects and economic uncertainty associated with the federal budget. Despite these adverse conditions, per capita income continued to rise and now rests at \$45,114, up 2.7 percent versus 2012.
- Iowa's total employment expanded by 16,900 jobs, increasing the total to 1,593,700 jobs. The employment gains in 2013 easily outpaced that of 2012 (+8,200) and 2011 (+3,000) combined. Coupled with the job increase, the Iowa labor force expanded for the first time since 2008 and provided further evidence that Iowans are becoming increasingly optimistic about entering the workforce. Businesses have also become more encouraged about the improving economic conditions. Prior to 2013, the growth in Iowa has been sluggish due to the abundance of discouraged workers who were apprehensive about entering the job market.
- Unemployment insurance benefits paid and average duration were little changed compared to 2012, yet both remain down from historic highs

seen during the great recession. Virtually all of the state's unemployment insurance benefit data has steadily trended down since 2009 with weeks compensated and benefits paid regressing to levels not seen since 2007.

- Iowa exports declined slightly compared to 2012 (-5.3 percent). The largest components of Iowa commodities, machinery and mechanical appliances, decreased by 13.1 percent. Cereals comprised 4.7 percent of the total value of Iowa exports yet experienced one of the largest percentage drops compared to 2012 (-34.9 percent). Many of these commodities suffered from pessimistic outlooks from European and Asian markets coupled with austerity measures among many foreign economies.

#### **PROGRESS OUTWEIGHED SETBACKS IN 2013**

The Iowa economy gathered steam in 2013, and although manufacturing and financial markets have provided security in the state's economy, these sectors have started to slow the pace of hiring while several new industries have picked up the slack.

Iowa is emerging as a leader in agricultural research and biotechnology, aided by the initiatives taken by state and local economic developers. These initiatives are providing a boon to Iowa's private and public agricultural research facilities. Large expansions have already taken place this year in the Des Moines Metro area, which are bolstering scientific research and technical employment along with state government education employment. The state also increased its data center presence in 2013 as Facebook broke ground on a new facility in Altoona. The expansion into the state follows prior moves into Iowa from Microsoft and Google.

Jobs added in data centers generally pay higher than average and may help offset some of the information sector losses due to contractions in book and newspaper publishing.

Lastly, customer service centers have shown signs of a rebound in 2013, as several companies announced plans for expanding or starting call centers in the state. The expansion should help keep the momentum previously fueled by temporary help services in the professional and business services sector. Employment in the state's call centers peaked in early 2001, and recent announcements could be evidence of a resurgence. On the other hand, temporary help services hit recent highs in 2012, but have shown some signs of employment beginning to taper down. This could be evidence of employers willing to forgo temporary staff in favor of hiring permanent employees.

#### **2014 ECONOMIC CLIMATE**

Iowa's economic expansion is expected to continue into 2014. While last year was a prosperous year by most measures, growth in income and GDP was moderately hindered by partisan clashes over the federal budget. Additionally, continuing fiscal austerity measures and lingering consumer uncertainty about the future further impeded growth. Early signs in 2014 show increased willingness among leaders to work together on budget issues and avoid the sequestration that impeded job growth last fall.

The next several months should also be a good time for expansion for businesses as firms have generally reduced debt obligations over the past few years, and have increased cash reserves to spend on capital improvements. Additionally, credit markets are expanding as lenders are lowering lending requirements and interest rates are still relatively low, historically.

Several of Iowa's job sectors are expected to add employment in 2014. Large increases in new home permits and automobile sales provide evidence of increased confidence among consumers. The gain in sentiment is expected to provide stability in Iowa's durable goods manufacturing and construction employment, while nondurable goods factories may also benefit from improving overseas markets. Lastly, Iowa's financial industry is expected to fare well from increased lending activity and show some expansion in the new year due to gains in auto, home, and big-ticket item sales.

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# State and Local Labor Force Trends

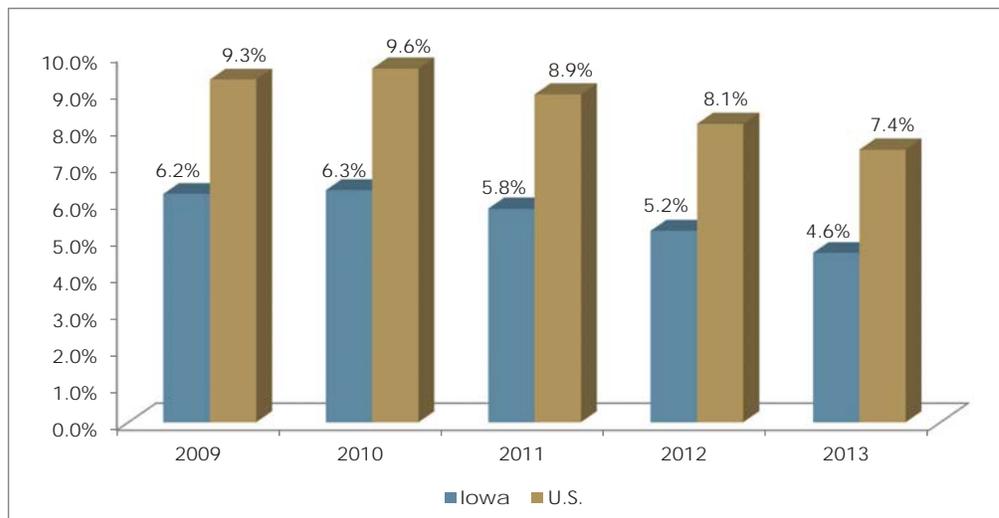
## UNEMPLOYMENT RATES DROP IN 2013

The statewide annual average unemployment rate fell to 4.6 percent in 2013 from 5.2 percent in 2012. Meanwhile, the U.S. rate for 2013 also showed improvement, dropping to 7.4 percent in 2013 from 8.1 percent for the prior year. Based on the state rankings for 2013, Iowa and Wyoming tied for the sixth-lowest unemployment rate in the nation, and North Dakota had the lowest jobless rate among the states for the fifth consecutive year at 2.9 percent. Nevada had the highest unemployment rate at 9.8 percent.

The number of unemployed persons in the state averaged 77,600 in 2013, down from the prior year's 86,100. Men accounted for 56 percent of the

unemployed compared to 44 percent for women. Minorities and youth continued to experience the highest rates of unemployment: youth, 16 to 19 years (12.1 percent), Black or African American (11.5 percent) and Hispanic or Latino (7.7 percent). Characteristics of the unemployed also showed that long-term unemployment (27 weeks or longer) eased somewhat in 2013, representing 21 percent of the total. Workers with less education continued to experience a higher unemployment rate than better educated members of the labor force: those with less than a high school diploma (10.5 percent), high school graduates with no college (4.7 percent), some college or associate's degree (4.4 percent) and bachelor's degree and higher (1.9 percent).

**Figure 1. Iowa and U.S. Unemployment Rates 2009-2013**



Source: Communications and Labor Market Information Division, Iowa Workforce Development, in cooperation with the Bureau of Labor Statistics, U.S. Department of Labor.

## UNEMPLOYMENT RATES DROP IN ALL METROPOLITAN STATISTICAL AREAS (MSAs) AND COUNTIES

Unemployment rates in all nine of the state's Metropolitan Statistical Areas (MSAs) and rural counties declined in 2013 due to slightly stronger job growth across the state. On average, the jobless rates for the metropolitan areas decreased by five-

tenths of a percentage point from 2012. The Iowa City MSA had the lowest rate of the nine major labor market areas at 3.3 percent. The Davenport-Moline-Rock Island MSA had the highest jobless rate at 7.0 percent. Jobless rates for all 99 counties ranged from a low of 2.6 percent in Lyon County to a high of 7.5 percent in Lee County.

**Figure 2. Metropolitan Statistical Area (MSA) Labor Force Summary – 2013 Annual Averages**

Metropolitan Statistical Area (MSA)	Labor Force	Employer	Unemployed	Unemployment Rate	
				2012	2013
Ames	50,000	48,300	1,700	3.9	3.5
Cedar Rapids	146,100	139,000	7,100	5.3	4.9
Davenport-Moline-Rock Island*	199,200	185,200	14,000	7.1	7.0
Scott County (Iowa Portion)	89,210	83,930	5,280	6.3	5.9
Des Moines-West Des Moines	323,300	308,400	14,900	5.2	4.6
Dubuque	54,400	52,000	2,500	4.7	4.5
Iowa City	95,300	92,100	3,200	3.8	3.3
Omaha-Council Bluffs	462,600	442,800	19,800	4.5	4.3
Harrison County (Iowa portion)	7,010	6,730	280	4.6	4.0
Mills County (Iowa portion)	7,550	7,270	280	3.9	3.7
Pottawattamie County (Iowa portion)	47,640	45,760	1,890	4.5	4.0
Sioux City*	48,200	74,400	3,800	5.3	4.8
Woodbury County (Iowa portion)	54,900	52,400	2,500	5.2	4.5
Waterloo-Cedar Falls	95,900	91,600	4,400	5.0	4.6

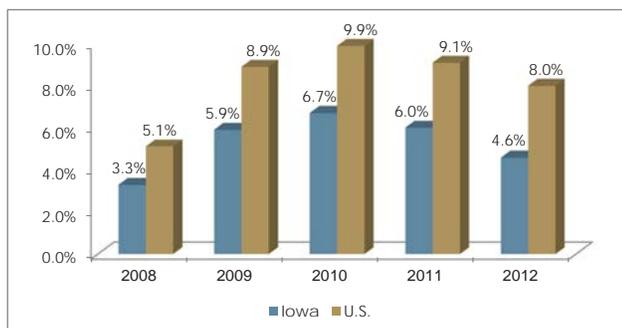
Source: Communications and Labor Market Information Division, Iowa Workforce Development, in cooperation with the Bureau of Labor Statistics, U.S. Department of Labor.

\*Metropolitan Statistical Area includes counties in a neighboring state.



American Community Survey, the number of veterans in Iowa's labor force has declined every year since 2009. In 2008, there were 115,757 veterans in the labor force. This number dropped to 94,316 in 2012. The veteran unemployment rate reached a peak in 2010 at 6.7 percent.

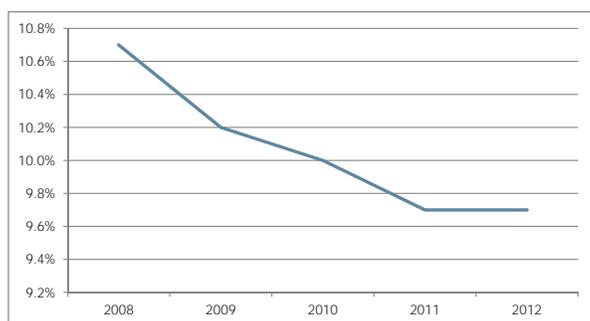
**Figure 4. Annual Average Unemployment Rates for Veterans 2008-2012**



Source: American Community Survey, U.S. Census Bureau, Department of Commerce.

The veteran population has also been decreasing since 2009. According to the U.S. Census Bureau, veterans in Iowa made up 9.7 percent of the civilian population in 2012 compared to 10.7 percent in 2008. A closer analysis of the age categories

**Figure 5. Veterans as a Percent of the Civilian Population 2008-2012**



Source: American Community Survey, U.S. Census Bureau, Department of Commerce.

reveals that the number of employed veterans age 55 and over has seen a significant drop each year since 2009. Iowa needs to attract newly discharged veterans to its labor force to provide employers with a larger pool of skilled workers for their job openings.

**GOVERNOR TERRY BRANSTAD AND LIEUTENANT GOVERNOR KIM REYNOLDS LAUNCH HOME BASE IOWA**

On November 12, 2013 Governor Branstad announced a plan to match veterans with jobs throughout the state. Governor Branstad signed the Home Base Iowa Act into law on May 26, 2014. Community and business leaders are encouraged to take part in the initiative to fill jobs with highly skilled veterans by offering incentive packages and a commitment to hiring veterans. For example, the Iowa Business Council's membership has set a goal of hiring 2,500 veterans over the next five years. One strategy that Iowa is using to attract more veterans is legislative action that will make more state laws "military friendly."

As part of the initiative, Iowa Workforce Development has created a one-stop shop for service members to have all their questions answered. Service members can call 1-855-942-4692 or email [homebase@iowa.gov](mailto:homebase@iowa.gov) should they have questions. Iowa Workforce Development will also have a web page providing similar information.

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# Iowa's Nonfarm Employment Trends

## THE YEAR AT A GLANCE

Iowa's economy benefited from moderate gains in nonfarm employment through 2013, surpassing the pre-recession employment peak. Nonfarm employment for the state averaged 1,530,200 in 2013; 5,900 more than the 2008 pre-recession record of 1,524,300.

The statewide rate of growth for nonfarm employment in 2013 (1.41 percent) was slightly lower than the rate for the United States as a whole (1.69 percent). However, Iowa held its own when compared to other surrounding states, registering the third-fastest growth rate in the region. Minnesota's employment growth eclipsed that of the country at 1.78 percent, and Missouri gained 1.46 percent, slightly exceeding Iowa's growth rate. On the other hand, Iowa's employment growth in 2013 nearly doubled that of South Dakota (0.74 percent).

Over the past several years, Iowa's annual rate of employment change has tracked closely with that of the

**Figure 1: Annual Nonfarm Employment Growth Rates**

Area	2010	2011	2012	2013
United States	-0.72%	1.21%	1.71%	1.69%
Iowa	-0.65%	1.16%	1.53%	1.41%
-----				
Minnesota	-0.52%	1.79%	1.59%	1.78%
Missouri	-1.14%	0.31%	0.84%	1.46%
Wisconsin	-0.57%	1.08%	1.13%	1.12%
Nebraska	-0.43%	0.81%	1.69%	1.04%
Illinois	-0.79%	1.14%	1.29%	0.81%
South Dakota	-0.14%	1.05%	1.66%	0.74%

Source: Current Employment Statistics (CES), U.S. Bureau of Labor Statistics.

United States with exception of the recession period (2008-2010), when the United States had both sharper declines and sharper gains. (See Figure 1)

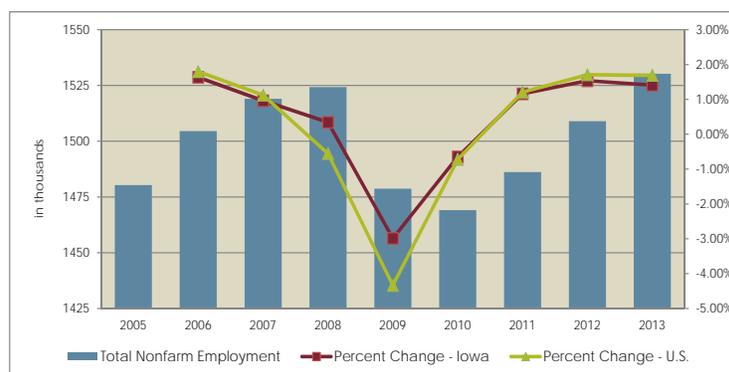
## NONFARM EMPLOYMENT INDUSTRY MOVEMENT

The overwhelming majority of the state's super-sectors realized employment gains

from 2012 to 2013. The exception to this was the Information sector. Information has not reported an annual gain in employment since 2007, when 600 jobs were added. The sector has posted job losses for the past six years, ending most recently with a three percent drop from 2012 to 2013

(-800). Information is also the only industry that has not reported any annual job gains since the recession. Structural change in the industry has been largely responsible for the job losses. The reduction was due to a major transformation in the delivery method for what had traditionally

**Figure 2: Iowa Annual Average Nonfarm Employment and Annual Percent Change, Iowa Compared to U.S.**



Source: Current Employment Statistics (CES). Data produced through a cooperative program between the U.S. Bureau of Labor Statistics and Iowa Workforce Development.

been printed hard-copy versions of media, such as magazines and newspapers. Many of the printed publications have either partially or completely changed to digital content. With ever-increasing

access to the digital media sources, it is unlikely that we will ever see the quantity of printed material that had been prevalent in the past.

On a more positive note, there have been recent announcements of major investments in this industry, with new data warehousing or processing centers planned, or currently in progress. While these types of facilities do not typically offer large numbers of jobs, they will nonetheless provide a welcome boost to Iowa's employment levels.

Employment in the construction industry realized the greatest rate of growth from 2012, adding 4.31 percent (2,800) more jobs. While overall industry employment has trended downward over the past eight years, the last three years have seen a shift in that trend with moderate gains each year. This could be a sign of a greater willingness to build new homes and business facilities. Even with the recent gains, construction employment has struggled to return to its peak of 76,500, which was achieved in February 2006. Employment in the industry averaged 67,400 in 2013, which was 7,000 less than the 2006 average of 74,400.

Manufacturing employment gained some ground through the year, adding 3,900 jobs (1.85 percent).

**Figure 3: Seasonally Adjusted Nonfarm Employment Annual Average**

Industry Title	2009	2010	2011	2012	2013	2012-2013 percent change
Total Nonfarm	1478.7	1469.1	1486.2	1509.0	1530.2	1.41%
Total Private	1224.1	1216.2	1233.1	1255.2	1274.8	1.56%
Goods Producing	270.0	264.3	270.3	277.4	284.1	2.40%
Service-Providing	1208.7	1204.8	1215.9	1231.5	1246.1	1.18%
Private Service-Providing	954.1	951.9	962.8	977.7	990.7	1.33%
Mining and Logging	2.2	2.2	2.2	2.2	2.2	-0.37%
Construction	64.9	61.6	62.3	64.6	67.4	4.31%
Manufacturing	202.8	200.5	205.8	210.6	214.5	1.85%
Durable Goods	117.1	116.4	121.8	126.2	128.6	1.94%
Nondur. Goods	85.7	84.1	84.0	84.4	85.9	1.71%
Trade & Transport.	302.4	299.5	302.9	307.1	311.4	1.38%
Wholesale Trade	66.8	66.1	67.1	68.7	69.3	0.93%
Retail Trade	175.2	172.8	174.2	175.6	178.1	1.39%
Transportation	60.5	60.6	61.7	62.9	64.0	1.86%
Information	30.3	28.7	28.0	26.9	26.1	-3.00%
Financial Activities	102.0	101.2	100.7	101.7	103.4	1.68%
Finance & Insurance	89.0	88.3	87.6	88.6	90.0	1.68%
Prof. & Bus. Svcs.	117.5	121.7	125.6	129.9	131.9	1.53%
Prof, Scientific & Tech Serv	42.1	42.3	43.4	44.8	46.5	3.89%
Admin & Support	62.5	65.9	67.1	69.0	68.7	-0.40%
Educ. & Health	211.9	214.0	217.2	220.1	223.2	1.42%
Educ. Services	37.3	37.6	38.8	38.7	37.8	-2.28%
Health Services	174.6	176.4	178.4	181.4	185.4	2.21%
Leisure & Hospitality	132.6	129.9	131.7	134.3	136.7	1.82%
Accomm & Food Services	112.4	110.2	111.8	115.5	118.0	2.08%
Other Services	57.5	56.9	56.8	57.7	58.0	0.46%
Government	254.6	252.9	253.0	253.8	255.4	0.64%
Federal Govt.	18.5	19.1	18.0	17.6	17.4	-1.18%
State Govt.	66.8	64.8	65.4	65.7	66.6	1.31%
Local Govt.	169.3	169.0	169.7	170.4	171.4	0.57%

Source: Current Employment Statistics (CES). Data produced through a cooperative program between the U.S. Bureau of Labor Statistics and Iowa Workforce Development.

Durable goods manufacturing continues to add jobs, but remains a bit sluggish in its growth, adding 2,400 jobs from one year ago. This number compares with 4,400 jobs added in 2012, and 5,400 added in 2011. Nondurable goods manufacturing started its recovery a year after durable goods began adding jobs, with a gain of just 400 jobs in 2012. The employment increase in 2013 was stronger with the addition of another 1,400 jobs.

Educational and Health Services is the only industry that has steadily grown in each of the past eight years. The sector realized an average annual employment gain of 3,500 over that time period. Gains from 2005 to 2009 were slightly higher than those from 2010 to 2013. The majority of the increase was attributable to health services, which averaged an additional 2,900 jobs each year, and experienced a faster rate of growth in each of the last three years. Educational services employment has ebbed over the past two years with decreases of 200 and 900, respectively.

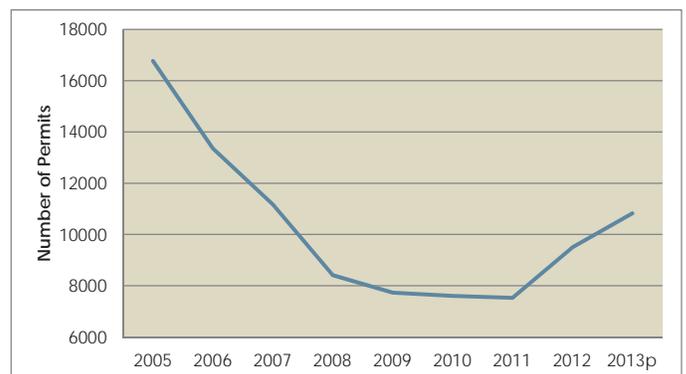
**OTHER ECONOMIC INDICATORS**

Per capita income (annual) in Iowa increased 2.7 percent from 2012 to 2013 according to the Bureau of Economic Analysis, U.S. Department of Commerce. It now stands at \$45,114. Industries such as Leisure and Hospitality and Retail Trade would benefit from an increase in per capita income, as there would be more disposable income for households, thus allowing them to make additional purchases of non-essential services and items.

The number of housing permits issued reflected a significant drop beginning a year prior to the recession, and the trend continued through 2011. During the peak year (2005), there were 16,766 permits issued. From 2005 to 2008, the number issued dropped by 49.8 percent. The most recent two years have seen increases of 26.2 percent and 13.9 percent, respectively. Preliminary data shows that 10,826 permits were issued in 2013. While this represents a substantial improvement, the 2013 value remains 35.4 percent below the peak.

One of the more immediate benefits of gains in new housing is increased business and employment in the construction industry. Other industries benefit from the construction of new housing as well. These industries include finance and insurance, through increased lending for new home purchases and insurance for those homes; manufacturing through the production of construction materials such as doors, windows, construction machinery and tools; and retail trade with additional purchases of big-ticket items such as appliances and furniture.

**Figure 4: Iowa New Privately Owned Housing Units Authorized**



Source: U.S. Census Bureau, Department of Commerce. p=preliminary data

# Registered Apprenticeships — Career Pathway to Skilled Opportunities

## **TRAINING NEEDS FOR THE GLOBAL ECONOMY**

Today's economy demands a trained and adaptable workforce that can respond to changing economic and industry needs. For Iowa to remain competitive in the global economy, public and private enterprises must work together to find effective workforce development strategies that build a highly skilled and trained labor force. Apprenticeship programs are one crucial component in meeting these workforce needs and addressing the "middle skills" labor gap (more than a high school education, but less than a four-year degree).

In his 2014 Condition of the State address to the Legislature, Iowa Governor Terry Branstad announced a budget proposal that would triple the level of support for apprenticeship programs in the state of Iowa. Citing the need to "quickly and effectively train workers" to meet increasing business demand for skilled labor, the Governor contended that by creating a pipeline of skilled workers through apprenticeship programs, both workers and businesses alike would serve to strengthen Iowa's economy. The quest to embolden Iowa's apprenticeship programs leads to questions of value. Are they relevant? Effective? This article will examine many aspects of apprenticeship programs in Iowa, and attempt to identify trends and applicable research that may best answer these questions.

## **BACKGROUND ON APPRENTICESHIPS**

The National Apprenticeship Act of 1937 authorizes

the federal government in conjunction with the states to oversee the national apprenticeship program. The U.S. Department of Labor (DOL) is charged with the development and operation of both public and private registered apprenticeship programs that conform to particular guidelines and standards devised to meet the needs of U.S. businesses. These programs, also called sponsors, may include employers, employer associations, labor-management groups, community colleges, workforce development centers and faith/community-based organizations.

To date, DOL reports over 29,000 programs (and 1,000 career areas) with nearly 450,000 apprentices affecting 250,000 employers nationally. The benefits are many. Apprentices receive paychecks as they earn while they learn. (See Iowa Registered Apprenticeship Employment and Wage Report.) Apprentices also receive hands-on career training, an education, a national industry certification and reputable employers from which to train and build a career. Employers benefit from having a ready pool of trained employees (suitable for their industry), less turnover (due to loyalty), more savings (apprentices contribute to the bottom line) and the ability to provide greater career opportunities for their industry.

## **IOWA'S APPRENTICESHIP PROGRAMS**

### **DEMOGRAPHIC PROFILE**

Nearly 11,000 apprentices have been registered in

Iowa apprenticeship programs during the period of 2005-2013. The bulk of these registered apprentices have been young males. Figure 1 provides an age breakdown of apprenticeships at the time of registration during this period. Apprenticeship participation shifts dramatically upward from age eighteen to twenty-eight (the high point with 646 apprentices), and then gradually declines as individuals advance in age. Younger individuals account for the majority of apprenticeships with 42 percent falling in the 18-29 age group, 37 percent in the 30-39 group, 14 percent in the 40-49 group, 7 percent in the 50-59 group and 1 percent in the 60+ group.

Women are underrepresented in nearly all registered apprenticeship programs. During the 2005-2013 period, less than five percent of Iowa's apprenticeship registrants were female. Figure 2 displays the primary occupations women are pursuing. These occupations include Cook (29%), Child Care Development Specialist (16%), Electrician (10%), Health Support Specialist (5%), Construction Craft Laborer (5%), Carpenter (3%) and

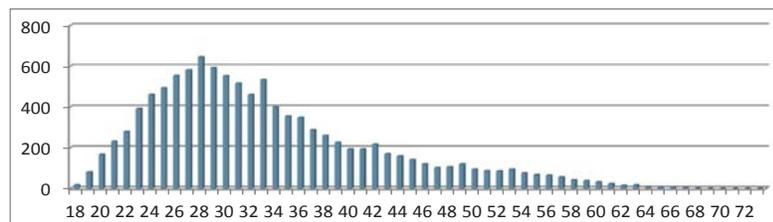
Other (32%). For greater representation, additional outreach is needed to attract women into more and varied apprenticeships.

### INDUSTRY AND OCCUPATIONAL OVERVIEW

A closer look reveals that two-thirds of Iowa's apprentices are being trained in the top ten apprenticeable occupations (including electricians, plumbers, heating and air conditioner installation/service workers, line maintainers, carpenters, sheet metal workers, structural steel/ironworkers, construction craft laborers, pipe fitters and painters) and over 80 percent in the top twenty (including the top ten plus cooks, roofers, bricklayers, maintenance mechanics, insulation workers, millwrights, tool and die makers, glaziers, cook hybrids, and maintenance electricians). Figure 3 provides a listing

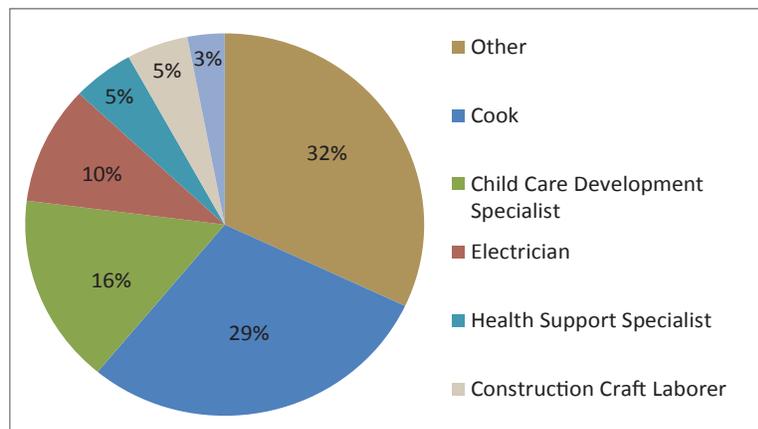
of Iowa's top twenty apprenticeships based on registrations from 2005-2013, which illustrates the heavy influence of the construction, manufacturing, and utilities industries (as based on the 2012 Occupational Employment Statistics staffing patterns).

**Figure 1. Apprenticeship Registration by Age, 2005–2013**



Source: U.S. Department of Labor, Registered Apprenticeship 2005-2013 statistical data.

**Figure 2. Female Apprenticeships by Occupation, 2005–2013**



Source: U.S. Department of Labor, Registered Apprenticeship 2005-2013 statistical data.

## STATUS OF IOWA APPRENTICESHIPS

How are these apprenticeship programs faring? Figure 4 presents composite registered apprenticeship trend data compiled from 2005-2013 showing the number of registrants that completed, cancelled, or are still active in their program as of 2013.

Prior to 2008 nearly all apprentices had either completed or left their programs with virtually no apprentices remaining active.

The proportion of completed versus cancelled apprenticeships during 2005-2007 favor the completed, but not by a large margin, roughly 55 to 45 percent. As expected, apprenticeship status changes once the time period shortens and apprentices have less time to complete their programs

**Figure 3. Top 20 Iowa Apprenticeships, 2005-2013**

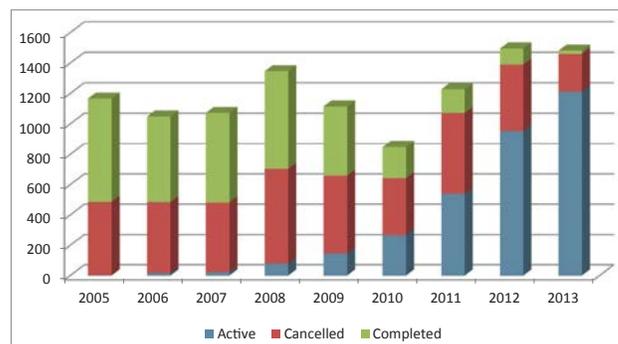
Occupation Title	Number of Apprenticeship Registrations
Electrician	2,849
Plumber	1,140
Heating and AC Installer	700
Line Maintainer	526
Carpenter	523
Sheet Metal Worker	452
Structural Steel/Ironworker	338
Construction Craft Laborer	289
Construction Pipefitter	244
Construction Painter	184
Hotel and Restaurant Cook	174
Roofer	158
Construction Bricklayer	154
Maintenance Mechanic	150
Insulation Worker	142
Millwright	142
Tool and Die Maker	134
Glazier	115
Hotel and Restaurant Cook Hybrid	112
Maintenance Electrician	109

Source: U.S. Department of Labor, Registered Apprenticeship 2005-2013 statistical data.

(which may range from 4,000 to 8,000 hours typically). A small portion of the apprentices that registered in 2008, for example, have neither completed nor cancelled their programs, and are classified in the figure as active. Larger and larger proportions of the following years' registrants, however, are classified as active because they have not had as much time to finish or leave their programs.

Overall apprenticeship registrations held steady at around 1,000 until a dip occurred during 2010, perhaps

**Figure 4. Apprenticeships Status by Registration Year, 2005-2013**



Source: U.S. Department of Labor, Registered Apprenticeship 2005-2013 statistical data.

as a reaction to the 2008-2009 Great Recession. The numbers actually increase after 2010, presumably as a result of continued public-private support and an improving economy. These two dynamics are integral to increased employer demand and apprenticeship growth and marketability.

## VALUE OF APPRENTICESHIP PROGRAMS

A 2012 Department of Labor study entitled, *An Effectiveness Assessment and Cost-Benefit Analysis of Registered Apprenticeship in 10 States* concluded that Registered Apprenticeships are indeed

“effective at increasing the earnings of participants and achieving net social benefits across a wide range of state settings.” Over a nine-year period following an enrollment in the apprenticeship program, the study found that an apprenticeship participant earns on average \$47,586 more than a nonparticipant. Combined with employer benefits, this translates to an average of \$123,906 more over a career. Even though the research does not determine causality from being in Registered Apprenticeships, it does surmise that even if one-half of the estimated earnings gain is causal, then an apprentice can expect a gain of \$61,596 over his/her career. Since sponsors pay for most of the training costs, such earnings seemingly justify the relative low public expenditures for developing and operating Registered Apprenticeship programs. According to the DOL, a \$1 public investment in Registered Apprenticeships can yield more than \$50 in taxable revenues. The social benefits indeed outweigh the associated costs, thus creating value on an economic and business need.

Recent market conditions are responding to the need for skilled labor as can be seen from the increased apprenticeship registrations shown on Figure 4. A most likely causal explanation of these trend lines may be economic. Many employers (especially in construction and manufacturing) were hard hit during the Great Recession and many of their workers were laid off as a result. However, economic recovery efforts on the part of government and the business community have created increased demand for skilled labor as

employers seek to expand. Workers in need of retraining after losing their jobs during the recession have been striving to improve their marketability. Rising registrations are a sign that employers are seeking skilled labor. In essence, they find the programs both relevant and effective in filling their skilled labor shortages. With a low state unemployment rate, apprentices appear to be finding jobs too. This win-win scenario provides the governor and legislature justification for increased apprenticeship support.

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U.S. Department of Labor (DOL), Registered Apprenticeship website, <http://www.doleta.gov/OA/>

# Update on the Skilled Iowa Initiative

Governor Terry Branstad's Skilled Iowa initiative is entering its third year and going strong. The goal continues to be bridging the skill gap within the state of Iowa, and ensuring local workforces have the skills and abilities to fill job openings.

Statistics have remained steady the past few years, with 56 percent of job openings across Iowa requiring middle skills, and 33 percent of workers with the qualifications needed for these opportunities. Eighteen percent of the state's job opportunities are considered low skilled, but a disproportionately high percentage of the workforce (38 percent) can only perform at this level. Finally, 32 percent of Iowa's jobs fall into the high-skill category, which is slightly higher than the supply of workers (29 percent) who can meet the high-skill job requirements.

## **NATIONAL CAREER READINESS CERTIFICATE**

A key component of Skilled Iowa is the ACT® National Career Readiness Certificate. This portable, nationally recognized credential is recommended for many career pathways, and employers across the country are recommending the NCRC. Three core workplace employability skills are assessed: Applied Mathematics, Locating Information, and Reading for Information. Each measures skills employers have identified as being critical to on-the-job success. Employers are using the scores to help select the most qualified candidates for the jobs.

Iowa Workforce Development offers the assessments to Iowa residents, as well as any veteran or active duty service member, at no cost.

Since the start of the Skilled Iowa initiative, more than 29,300 Iowans have earned a NCR Certificate, bringing the total number of state residents with a certificate to more than 44,000. Individuals may earn one of four certificate levels – platinum, gold, silver or bronze – to show employers their qualifications for job opportunities and career advancements.

## **SKILLED IOWA AND NCRC IN IOWA HIGH SCHOOLS**

Iowa high schools continue to integrate Skilled Iowa and NCRC with career and college planning discussions with students. The NCRC is used to educate students on employment opportunities in Iowa and the necessary skill sets.

Nearly half of the state's high schools completed NCRC testing with students during the 2013-14 school year. This testing is offered in conjunction with the mandatory Iowa Assessments. School districts benchmark students with initial testing, and then re-test in the following years to determine student growth, as well as to identify curriculum needs.

## **SKILLED IOWA INTERNSHIP PROGRAM**

Iowa Workforce Development's Skilled Iowa Internship program is targeted at veterans and individuals who collect unemployment insurance benefits, but is available to any Iowa resident. Internship opportunities assist individuals in building skills, while looking for permanent employment.

These unpaid internships link job seekers with businesses looking to hire and willing to provide job-skills training. Participants train at the participating

company for up to 24 hours a week for as long as eight weeks. Individuals receiving unemployment insurance benefits continue to receive benefits during the internship.

The internship program is available to all Iowa businesses. IWD works closely with each business to define and develop training plans and to provide screened, eligible candidates. Skilled Iowa internships offer a lower training expense with lower risk to participating companies.

Two years into the program, more than 225 internships have been successfully completed, with 55 percent of the interns receiving an offer of employment. The employment offer is never a guarantee. Interns understand going into the program these are unpaid opportunities, with no guarantee of employment upon completion of training.

### **SKILLED IOWA COMMUNITIES**

The Skilled Iowa Communities initiative improves the job training and marketability of Iowa's workforce and drives future economic growth for the state. Communities earning this designation benefit by having a tool to attract new business to the area and by being able to demonstrate their community has a skilled workforce to fill current and future jobs.

As of May 1, 2014, 11 Iowa communities have achieved Skilled Iowa Community designation. Those communities are Adams County, Des Moines County, Jones County, Keokuk County, Lucas County, Monona County, Ringgold County, Taylor County, Union County, Washington County, as well as the City of Onawa.

To be designated a Skilled Iowa Community, a community must reach 80 percent of each of these four metrics:

- Current Labor Force\* Certified: 5%
- Transitioning Labor Force\*\* Certified: 20%

- Percent of Total Businesses Partnering\*\*\*: 10%
- Percent of Total Employees Covered by the Businesses: 20%

\*Current labor force – Employed

\*\*Transitioning labor force – Unemployed, willing to accept employment

\*\*\*Total businesses partnering – These are employers that recognize, prefer or recommend the NCRC as part of their hiring process

### **ATTAINING SKILLED IOWA GOALS**

The goals of Skilled Iowa:

- Improve the quality of Iowa's workforce, including the existing, transitioning and emerging (those individuals graduating from high school or community college) workforces
- Fill the jobs of current Iowa employers, as well as prospective Iowa employers
- Identify the skills needed to fill open Iowa jobs
- Ensure Iowa's workforce has the skill sets sought by employers, not only now but in the future

IWD is working to:

- Increase the number of employers that recognize and support the NCRC
- Increase the number of Iowa job seekers holding the NCRC--add it to their portfolios and résumés
- Make NCRC-related training available to all Iowans--beginning in the 9th grade
- Create a pathway for connecting unemployed Iowans with career opportunities

# Iowa's Bioscience Economy

## WHAT IS BIOSCIENCE?

In general, bioscience is defined as any branch of natural science that deals with the structure and behavior of living organisms. The biosciences are a diverse group of industries and activities with a common link. They apply knowledge as to how plants, animals, and humans function. Because bioscience is so diverse, the Battelle Technology Partnership Practice refined the definition using the North America Industry Classification System (NAICS). Battelle categorizes the biosciences into the following four subsectors that have been adopted by the Biotechnology Industry Organization:

- Agricultural Feedstock and Chemicals - applies the knowledge and biotechnologies of the life sciences to the processing of agricultural goods and production of organic and agricultural chemicals. This subsector includes the emerging activity surrounding the production of biofuels. Product examples include: ethanol, fertilizers, pesticides; sustainable lubricants and oils; and food and feed additives.
- Drugs and Pharmaceuticals - produces commercially available medicinal and diagnostic substances. Firms in this subsector are generally large and multinational, and are heavily engaged in research and development (R & D) activities for the purpose of bringing drugs to market. Product examples include: vaccines; oncology, neurology and cardiology treatments; tissue and cell culture media; herbal supplements and diagnostic substances.
- Medical Devices and Equipment - produces

biomedical instruments and other health care products and supplies for diagnostics, surgery, patient care, and laboratories. This subsector has integrated advanced electronics and information technologies to improve and automate testing and patient care capabilities. Product examples include: bioimaging equipment; orthopedic and prosthetic implants and devices; walkers, wheelchairs, and beds; dental instruments and orthodontics; laser eye surgery equipment; defibrillators (AEDs); and stents and other implantable devices.

- Research, Testing, and Medical Laboratories - includes a wide range of activities, from highly research-oriented companies developing and commercializing new drug discovery/delivery systems, to more service-oriented medical or other testing firms. Product examples include: functional genomics and drug discovery techniques, diagnostic testing, preclinical drug development, biomarkers, nanoscale drug delivery systems and research models and laboratory support service.

## BIOSCIENCE STATEWIDE EMPLOYMENT AND WAGE TRENDS

As of second quarter 2013, the average number of Iowans employed in the biosciences was 15,859. This average compared to 15,258 for the same quarter in 2009, representing a 3.9 percent employment increase over the last five years. The industries that employed the larger number of workers were wet corn milling (3,496), ethyl alcohol manufacturing (1,733) and research and development in the physical, engineering, and life sciences (1,596). The bioscience industries with 10

employees or more that employed the least amount of workers were ophthalmic goods manufacturing (146), fertilizer (mixing only) manufacturing (117) and in-vitro substance manufacturing (59).

The fastest-growing bioscience industries over the last five years with 10 or more employees were research and development in the physical, engineering, and life sciences (60.9 percent), medical and botanical manufacturing (35.6 percent) and ethyl alcohol manufacturing (17.7 percent). The industries that decreased the most over the same time period were pharmaceutical preparation manufacturing (-56.9 percent), fertilizer (mixing only) manufacturing (-31.2 percent) and soybean and oilseed processing (-27.5 percent).

Individuals employed in the bioscience industries earn considerably more than those employed in other private sector industries. The average annual wage was \$63,005 for the bioscience industries in the second quarter of 2013. This figure compared with a statewide annual average wage of \$40,124 that was paid to the entire private sector for the same quarter. Based on this comparison, workers in the bioscience industries earned a premium of \$22,881, or 57 percent more, than all other workers employed in the private sector.

The highest-paying industries in bioscience were: all other basic organic chemical manufacturing (\$86,036), pesticides and other agricultural chemical manufacturing (\$79,993) and research and development in biotechnology (\$76,411). The lowest-paying industries were surgical

and medical instrument manufacturing (\$36,814), dental laboratories manufacturing (\$34,490) and ophthalmic goods manufacturing (\$31,800).

The bioscience industries that had the fastest wage growth over the past five years were: all other basic organic chemical manufacturing (38.5 percent), research and development in the physical, engineering, and life sciences (26.5 percent), electromedical and electrotherapeutic apparatus manufacturing (24.2 percent). The industries that reported the lowest wage growth over the same time period that employ 10 employees or more were nitrogenous fertilizer manufacturing (-38.1 percent),

**Figure 1. Employment and Wage Trends in Bioscience Industries, 2009-2013**

		Employment	
NAICS Codes	Biosciences Industry Description	2009	2013
311221	Wet Corn Milling	3131	3496
311224	Soybean and Other Oilseed Processing	1135	823
325193	Ethyl Alcohol Manufacturing	1473	1733
325199	All Other Basic Organic Chemical Manufacturing	442	398
325220	Artificial and Synthetic Fibers and Filaments Manufacturing	*d	*d
325311	Nitrogenous Fertilizer Manufacturing	558	427
325312	Phosphatic Fertilizer Manufacturing	*d	*d
325314	Fertilizer (mixing only) Manufacturing	170	117
325320	Pesticides and Other Agricultural Chemical Manufacturing	715	747
325411	Medical and Botanical Manufacturing	724	982
325412	Pharmaceutical Preparation Manufacturing	903	389
325413	In-Vitro Diagnostic Substance Manufacturing	54	59
325414	Biological Product (except Diagnostic) Manufacturing	1068	1205
334510	Electromedical & Electrotherapeutic Apparatus Manufactur	271	292
334516	Analytical Laboratory Instrument Manufacturing	3	9
334517	Irradiation Apparatus Manufacturing	*d	*d
339112	Surgical and Medical Instrument Manufacturing	235	227
339113	Surgical Appliance and Supplies Manufacturing	510	596
339114	Dental Equipment and Supplies Manufacturing	*d	*d
339115	Ophthalmic Goods Manufacturing	156	146
339116	Dental Laboratories	506	487
541380	Testing Laboratories	671	697
541711	R&D in Biotechnology	366	343
541712	R&D in the Physical, Engineering, and Life Sciences	992	1596
621511	Medical Laboratories	827	770
621512	Diagnostic Imaging Centers	348	320
	<b>Totals</b>	<b>15,258</b>	<b>15,859</b>

Source: Quarterly Census of Employment & Wages (QCEW), Labor Market and Workforce Information Division, Iowa Workforce Development  
\*d represents nondisclosable data

testing laboratories (-3.5 percent) and in-vitro diagnostic substance manufacturing (-1.6 percent).

### AGBIOSCIENCE

Of the four subsectors currently used to classify biosciences in Iowa; agriculture feedstock and chemicals or agbioscience has been a strong driver in developing and promoting the bioscience industry. This is not surprising given Iowa’s long tradition in agriculture, and the resources available in the state to grow this subsector. Agbioscience employs 7,624 workers or 48.1 of all bioscience employment. The annual average wage paid in agbioscience is \$68,192. This is \$28,068 more, or 70.0 percent higher, than the statewide annual average wage of \$40,124 for all private industries. (See Figure 2.)

### GROWING IOWA’S BIOSCIENCE INDUSTRY

Currently Iowa is home to roughly 631 bioscience establishments. Over the past decade, Iowa has positioned itself as a leader in the bioscience industry. This has been accomplished through the ability to capture expanding markets, while capitalizing on built-in competitive advantages.

World-class universities like Iowa State University, The University of Iowa and the University of Northern Iowa have provided bioscience companies access to state-of-the-art facilities and technology to grow their research and development capabilities. Examples of bioscience advancements being

made at Iowa’s public universities are:

- The University of Iowa’s (UI) Institute for Clinical and Translational Science works to accelerate discoveries from bench to bedside, and was recently recognized by the National Institute of Health (NIH).
- The ongoing development of the John and Mary Pappajohn Biomedical Discovery Building and the Pappajohn Biomedical Discovery Institute at the University of Iowa.
- The development of the BioVenture building at the UI research park in Coralville—a major facility dedicated to the development and incubation of bioscience, biotechnology and biomedical companies.
- The growth of Iowa State University’s Bioeconomy Institute, which now has 160 affiliated member faculty with over \$51 million in cumulative sponsored grant funding from federal agencies and industry partners.
- Ames Laboratory, a government-owned, contractor-operated research facility of the U.S. Department of Energy that is operated by Iowa State University. The laboratory is charged with creating innovative materials, technologies and energy solutions.

Iowa also offers a highly-trained and skilled talent pool from which to hire. In 2008, 75 percent of all bioscience

**Figure 2. 2013 Employment and Wages in Agbioscience**

		Employment
NAICS Code	Agbiosciences Industry Description	2013
311221	Wet Corn Milling	3,496
325193	Ethyl Alcohol Manufacturing	1,733
311224	Soybean and Other Oilseed Processing	823
325320	Pesticides and Other Agricultural Chemical Manufacturing	747
325311	Nitrogenous Fertilizer Manufacturing	427
325199	All Other Basic Organic Chemical Manufacturing	398
	<b>Total</b>	<b>7,624</b>

Source: Quarterly Census of Employment & Wages (QCEW). Communications and Labor Market Information Division, Iowa Workforce Development

degrees awarded were at the bachelor's level. The majority of these degrees were in the biological sciences. Iowa ranked 12<sup>th</sup> in the country in 2009 for the number of science and engineering degrees conferred per 1,000 people ages 25-34. In 2012, Iowa also had the fourth-highest location quotient for veterinarians, with 80 percent more than the national average. The state also had the 10<sup>th</sup> highest concentration of biological technicians in the country.

Bioscience companies operating in Iowa benefit from one of the lowest costs of doing business in the nation, access to raw materials, and a strong transportation infrastructure. The state also offers a variety of programs that help businesses grow, such as direct financial assistance, tax credit programs, and funding for job training.

In addition, Iowa has made significant contributions to bioscience, investing over \$81 million in direct financial assistance to almost 200 biosciences projects over the past 10 years. These project investments have created or retained close to 10,000 jobs, and leveraged \$10.9 billion in total capital investment.

Iowa has recently benefited from its economic development efforts. Valent BioSciences Corporation has built a 150 million dollar plant in Osage. The 130,000 square foot facility will be the first of its kind dedicated entirely to the manufacturing of biorational products. According to Valent BioSciences it will be the largest single investment in the world to support manufacturing of this kind. The facility in Osage is scheduled to open in mid-2014.

The main incentives for building the Valent BioScience facility in Iowa were the company's long-standing relationship with strategic partner A & Z Drying, Inc., which is also located in the Osage area, as well as

Iowa's favorable financial and labor environment. The facility will add roughly 90 jobs to the local economy.

CJ Bio America has built a 320 million dollar lysine production facility in Ft. Dodge. This plant is expected to create 170 jobs by the end of 2014, and will produce more than 100,000 metric tons of amino acids to supplement animal feeds. CJ Bio has a symbiotic relationship with Cargill, which is also a relative newcomer to the North Central Ag Industrial Park near Ft. Dodge.

Future bioscience growth in Iowa offers enormous potential. Iowa bioscience employment has grown rapidly over the last decade, outpacing the growth at the national level. Iowa is a national leader in agricultural biosciences. In addition, Iowa's public and private leadership are working to ensure that by 2020 the bioscience industry in Iowa is a key economic driver that provides high-wage jobs and a high quality of life for its citizens.

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# Millennials Important to the Iowa Workforce

## WHO ARE THE MILLENNIALS?

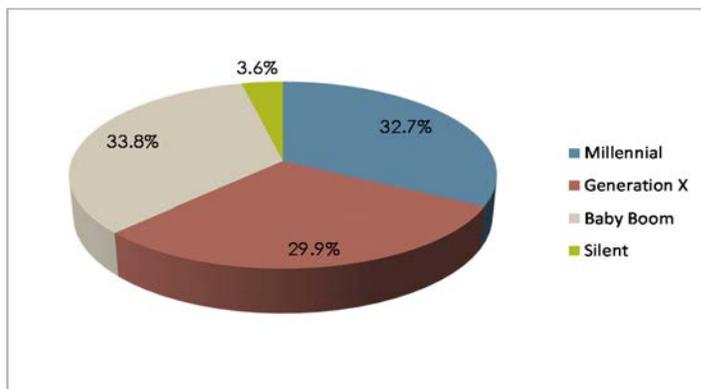
Though there is a lack of consensus on exact dates, most agree that a Millennial is someone who was born in the 1980's and 1990's. The generation is also widely known as Generation Y, or the "echo boom" generation, and its members will shape the world of work for years to come. Generation Y represents a population bulge, rivaling the size of the Baby Boomer generation. They are also the most diverse generation to date, and not just racially or ethnically. They have more individuals than ever who come from single-parent homes, blended families and same-sex parent families. About six-in-ten were raised by both parents—a smaller share than was the case with older generations.

## MILLENNIALS — IOWA'S YOUNGEST GENERATION OF WORKERS

In 2012, the Millennial and Baby Boom generations were almost equal in size with each representing about one-third of Iowa's workforce. By 2020, as more of the Baby Boomers retire and younger workers seek employment, the Millennials will comprise a much larger percentage of the state's workforce. The first Millennials graduated from college in 2002, and are now entering the workforce at the same time Baby Boomers are retiring. A new study by Goldman Sachs suggests that a stronger labor market will encourage more Baby Boomers to retire and more young people to enter the workforce. It has also been proven that the behavior of the oldest and youngest workers move

in opposite directions during and after a recession. The shift already appears to be taking place. Nationally, the percentage of Americans 55 and older in the workplace posted the biggest drop in 2013 since 1980. Currently, there are four generations in the state's workforce — the Millennials, Generation X, the Baby Boomers and the Silent Generation. The composition of Iowa's workforce by generation is shown below:

Figure 1. Iowa's Workforce by Generation – 2012



Source: 2012 Iowa Population Estimates by Age and 2012 Current Population Survey (CPS) data. U.S. Census Bureau, Department of Commerce.

Birth years are generally used to define the generations: Millennials (1980-1999), Generation X (1965-1979), Baby Boomers (1946-1964) and the Silent Generation (1925-1945). Each generation also displays unique traits that are the result of the economic, political and social environment in which they were raised. For example, Millennials are the connected, diverse collaborators shaped by 9/11, technology and the recession. Their attitudes are colored by

the hardships they experienced during the global economic crisis. Consequently, this generation places more emphasis on their personal needs than on those of the organization.

The recent recession took a disproportionate toll on Millennials. Many of them fell victim to “the last one in, the first one out” syndrome. Since 2010, the share of young adults currently employed is the lowest since the U.S. government started collecting such data in 1948. In addition, a 2011 Pew study found that during the recent recession, 49 percent of young adults said they had taken a job they did not want just to pay the bills, and another quarter said they had taken an unpaid job to gain some work experience. Also, a large percentage of Millennials plan to change jobs once the economy improves. The Pew Research study also found that based on measures such as the percentage who are unemployed or the share living in poverty, this generation of college-educated adults is faring worse than Gen Xers, Baby Boomers or members of the Silent generation when they were in their mid-20s and early 30s.

Millennials view the world of work differently than previous generations. They have higher expectations from work and life in general. Surveys have found their top three career priorities to be compensation, flexible work schedules and the opportunity to make a difference. They are also more likely to view their managers more as coaches and mentors than content experts. Since they are tech-savvy multi-taskers, they have the ability to find information at a moment's notice. They are proficient in the use of digital resources, and are most interested in social media and online research. While prior generations took a more individualistic approach to life and work, Millennials prefer collaboration, team-based work projects and an unstructured flow of information at

all levels. They are accustomed to working in groups, and as a result, they have developed strong team building skills and peer bonds.

#### **WHERE ARE MILLENNIALS EMPLOYED?**

The number of employed Millennials in Iowa averaged well over 500,000 in 2012. They held jobs in a wide spectrum of Iowa's industries, but were more heavily concentrated in some than others. There was also a substantial number who were unemployed, underemployed, or not participating in the labor force due to slow job growth following the 2008-2009 recession. The Iowa unemployment rate for workers 16 to 34 in 2012 was 7.9 percent compared to 5.2 percent for all age groups. The job market was particularly difficult for the younger Millennials (16-19) who had an unemployment rate of 16.7 percent in 2012.

Figure 2 shows the specific industries where Iowa's Millennials were working in 2012. The top industries for this generation were: Retail Trade (84,720), Health Care and Social Assistance (75,080), Accommodation and Food Services (73,097) and Manufacturing (61,084). For older Millennials (25-34), the top-employing industries were Health Care and Social Assistance (47,167) and Manufacturing (43,756). Accommodation and Food Services had the highest composition of Millennials at 65.6 percent.

**Figure 2. 2012 Millennial Employment in Iowa by Industry**

Industry Sector	Employed		Gen Y Percent of Sector	Average Monthly Earnings	
	Total 14-99	Gen Y 14-34		Total	Gen Y
	Agriculture, Forestry and Fishing	16,837	6,864	40.8	\$3,229.50
Mining, Quarrying and Oil and Gas Extraction	2,280	592	26.0	\$4,463.00	\$3,855.07
Utilities	7,905	1,394	17.6	\$6,207.50	\$4,999.71
Construction	64,369	24,060	37.4	\$3,981.50	\$3,193.64
Manufacturing	213,756	61,084	28.6	\$4,698.00	\$3,532.51
Wholesale Trade	71,039	19,870	28.0	\$4,775.50	\$3,457.76
Retail Trade	175,459	84,720	48.3	\$2,153.00	\$1,555.92
Transportation and Warehousing	56,233	14,388	25.6	\$3,357.25	\$2,621.79
Information	27,132	9,143	33.7	\$3,978.00	\$2,404.50
Finance and Insurance	87,667	29,440	33.6	\$5,146.25	\$3,574.81
Real Estate and Rental and Leasing	13,122	4,170	31.8	\$3,558.25	\$2,592.43
Professional, Scientific and Technical Services	44,005	15,149	34.4	\$4,892.50	\$3,580.74
Management of Companies and Enterprises	16,076	5,195	32.3	\$4,861.25	\$2,954.51
Administrative and Support and Waste Management and Remediation Services	69,365	31,015	44.7	\$2,502.75	\$2,012.30
Educational Services	146,026	35,264	24.2	\$3,366.25	\$2,716.26
Health Care and Social Assistance	209,402	75,080	35.9	\$3,454.50	\$2,311.46
Arts, Entertainment and Recreation	19,676	9,268	47.1	\$1,708.25	\$1,216.37
Accommodation and Food Services	111,421	73,097	65.6	\$1,251.00	\$1,011.26
Other Services (except Public Administration)	43,594	17,299	39.7	\$2,384.00	\$1,801.58
Public Administration	64,098	15,323	23.9	\$3,805.00	\$2,723.62

Source: *Longitudinal Employer-Household Dynamics (LED) program, U.S. Census Bureau, Department of Commerce.*

Research suggests that when young workers' wages drop during a recession, they can stay relatively low for a long period of time. All other things being equal, individuals who enter the workforce during an economic downturn tend to earn less than people who started their careers during prosperous times. During Iowa's five-year recovery (2009-2013), many young people with college degrees took low-paying jobs in the retail trade and hospitality industries to tide them over until the job market improved. Iowa's job market began to step up the pace in 2013, as hiring occurred across more industries and included those that typically pay higher wages.

## CONCLUSION

Leaders in business, education and government should not underestimate the size of the millennial workforce

and the impact this generation will have on the workplace in the years to come. Millennials have joined or are preparing to join the workforce, and will replace the Baby Boomers who are quickly aging out of the workforce. No generation before has had as much access, technological power or the infrastructure to share their ideas as quickly as Millennials. These types of skills are highly desirable in the current knowledge economy. Some of the strengths of the Millennials will also create a better workplace. They want training opportunities, leadership development, constant feedback to improve their job performance, a clear understanding of how they contribute to the big picture and "meaningful" work. Their career aspirations, attitudes about work and technological ability will define the culture of the 21<sup>st</sup> century workplace.

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# Iowa Industry Projections 2012–2022

The 2012-2022 Iowa Industry Projections illustrate projected employment change from a major industry perspective over the next decade. Industry employment projections are shown in terms of numeric change (growth or decline in the total number of jobs) and percent change (the rate of job growth or decline). Employment totals in this section cover wage and salary workers and agriculture, but do not include self-employed or unpaid family workers.

Employment growth for all wage and salary workers and agriculture is projected to add almost 188,200 jobs from 2012 to 2022, an increase of about 12 percent. Two major industries are expected to account for over 40 percent (74,840 jobs) of the state's job growth. These industries are the Health Care and Social Assistance sector and the Trade, Transportation and Utilities sector.

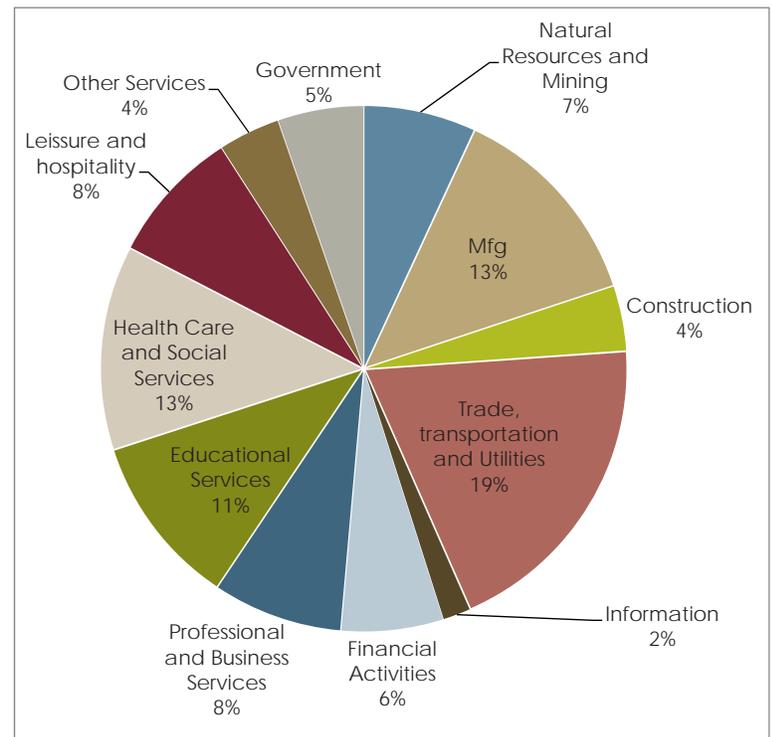
Employment growth in industries depends on industry output (the total amount produced) and worker productivity (how much each worker produces). Labor saving technologies and methods can increase productivity, limiting employment growth even as output increases. As such, even as agricultural output is projected to increase, employment on farms is projected to decline as advanced methods and machines reduce the number of workers needed to raise crops and livestock. This trend is reflected in the major industry of Natural Resources and Mining, which is expected to lose 370 jobs.

Although manufacturing is still one of the largest industries in Iowa with 2012 employment at 210,545 jobs, it is expected to only add about 10,505 jobs over the ten-year projection period.

Because the recession affected sectors and industries differently, the expected growth over the projection period reflects the relative effects of the recession

as employment growth continues, or returns to long-term trends. The industry level discussion in this article assumes the economy is not in a recessionary period.

**Figure 1. Percent Distribution of Employment by Industry Sector, 2012**



Source: Communications and Labor Market Information Division, Iowa Workforce Development

- Industries are defined according to the 2012 North American Industry Classification System (NAICS), a system used by the federal government to classify establishments into industry categories. Industries fall into either goods-producing or service providing sectors.

The goods-producing sectors are:

- CONSTRUCTION.** Examples of establishments in this sector include electrical

contracting firms and residential and non-residential building companies. This industry is projected to grow 2.4 percent annually. This equates to 15,540 new jobs over the 2012-2022 decade, the largest amount for the goods-producing sectors. Most of the increase (10,060) will occur in the specialty trade industry, which is expected to grow by 25 percent. Despite expected fast growth, construction sector employment in 2012 was still below the peak level of 74,420 in 2006.

- **MANUFACTURING.** Examples include businesses that make computer chips, machinery, ethanol and other goods. Manufacturing has been projected to expand by 10,500 jobs over the ten-year projection period. The areas in this industry that will add 1,000 jobs or more are: chemical manufacturing (ethanol), machinery, fabricated metal, wood products, food manufacturing and transportation equipment. While new manufacturing jobs will be added over the projection period, these employment gains will not make up for the job losses that occurred over the last decade. U.S. manufacturers have been replacing workers with robotics and other types of advanced equipment. This has greatly decreased the demand for assembly-line workers in manufacturing plants.
- **NATURAL RESOURCES AND MINING.** Establishments in this sector include farms, forestry, fishing, and mining companies. The main component of this industry is crop and livestock production, which will decrease in employment. Support activities for agriculture will add about 1,335 jobs. Mining employment in Iowa had about 2,200 jobs in 2012, and will show a very small increase of 30 jobs by 2022.

The service-providing sectors are:

- **EDUCATIONAL SERVICES.** This sector includes state and local public education as well as private schools and other providers of education. As the number of high school graduates increases, and a greater number of older workers seek additional training in their fields in order to keep pace with new job requirements, the demand for educational services will continue to increase. Education is expected to add about 15,400 jobs by 2022.
- **FINANCIAL ACTIVITIES.** Included in this sector are finance, insurance, real estate, and rental services organizations. Financial activities and insurance will add about 16,500 jobs (19 percent) over the projection period. With the implementation of the Affordable Care Act, the number of people who have access to health insurance is expected to grow, resulting in an addition of about 7,800 jobs in this subsector. Real estate and rental leasing has been projected to add about 2,000 jobs. The increase in real estate can be attributed to the recent rebound in the construction industry and the housing market. The turnaround in these areas is expected to gain strength over the 2012-2022 period.
- **HEALTH CARE AND SOCIAL ASSISTANCE.** Health care and social assistance providers, including public and private providers of health care and private providers of social assistance, are part of this sector. Examples include hospitals, doctors' offices, and assisted living facilities. This industry is expected to see substantial growth due to the number of workers who will be needed to provide healthcare to an aging population. Older people require more health services, thus fueling the

demand for these services. In addition, mounting cost pressures are expected to shift demand from higher-cost hospitals and inpatient physician services to lower-cost home health care services, outpatient physician services and clinical services. Total growth in this industry will increase by 21 percent, creating 41,700 jobs. Ambulatory health care is expected to add the most jobs at 15,900, while nursing and residential care facilities will grow by 19 percent, adding 10,600 jobs. Social assistance will follow with the addition of 8,300 jobs, while hospitals will increase by 6,900 (11 percent growth).

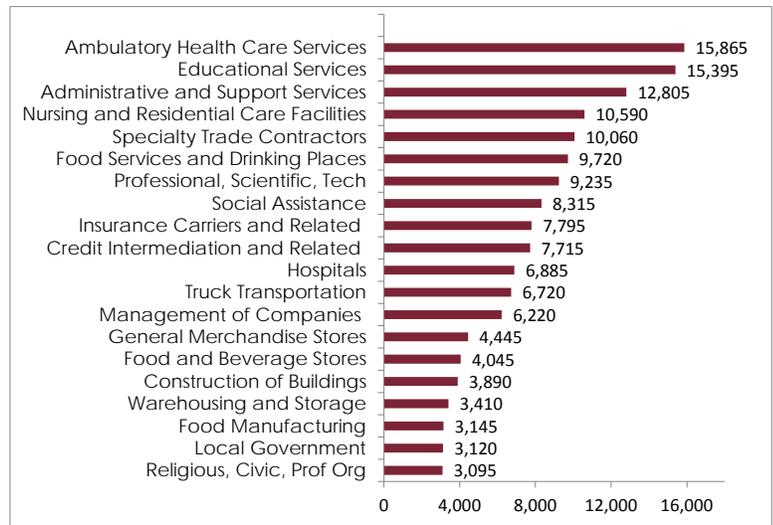
- **INFORMATION.** This sector includes print, software, and database publishing firms; movie, video, and sound production and distribution establishments; broadcasting and telecommunications providers; and information and data processing providers. The industry will reflect decreases of employment in the publishing and telecommunications areas (-600). This loss is due primarily to a decrease in the distribution of print materials as more information becomes available via the Internet, e-readers, and tablets. The largest increase in this sector will be the internet service providers industry, which is projected to add 560 jobs for an increase of 10 percent.
- **LEISURE AND HOSPITALITY.** Examples include hotels, casinos, restaurants, sports teams, theme parks, performing arts companies and arcades. This industry is expected to add 15,600 jobs. Most of these jobs (9,700) will be in food service and drinking places, which will expand by 10 percent over the projection period. Amusement, gambling, and recreation industries will account for 2,500 jobs. Hotel/motels are also expected to add about 3,000 jobs.

- **PROFESSIONAL AND BUSINESS SERVICES.** Examples include temporary help firms, consulting services, and waste management establishments. This industry is expected to experience strong growth over the projection period, accounting for the addition of 28,600 jobs (22 percent). This number includes 22,000, or 77 percent, which will come from the professional, scientific, technical services and administrative support services industries. The demand for consulting services will increase as businesses strive to keep pace with the latest technologies, government regulations and management and production techniques. These services represent a lower cost alternative to hiring full-time staff since they can be used temporarily and on an as-needed basis.
- **TRADE, TRANSPORTATION, AND UTILITIES.** Included in this sector are wholesale and retail trade establishments, airports, messenger services and power plants. Utility companies will continue to automate their procedures, which has led to more efficient plants, and will result in the loss of about 400 jobs over the ten-year period. The big job increases in this sector will occur in truck transportation (6,700) and warehousing (3,400). Wholesale and retail trade will advance by 5,300 and 17,600 jobs, respectively. These gains will result from continued improvement in the economy, which will be fueled by stronger consumer spending. The postal service will experience large reductions (-2,000) by the projection year of 2022 due to declining mail volumes, changing technologies and tight budgets.
- **OTHER SERVICES.** This sector includes repair and maintenance firms, laundry services, and religious, civic and professional organizations. The industry is expected to expand

by 7,000, with most of the jobs occurring in religious, grant making and professional organizations (3,100). This subsector will expand by 10 percent.

- **GOVERNMENT.** This sector consists of government establishments that administer programs and provide for public safety. Federal, state, and local government (except education and hospitals) are classified here. The federal government will lose about 850 jobs during the ten-year projection period. Local government will experience moderate growth, creating about 3,100 jobs for an increase of 5.7 percent. State government will grow slowly to the year 2022, adding about 300 jobs.

**Figure 2. Iowa's Top Twenty Industries for Job Growth, 2012-2022**



Source: Communications and Labor Market Information Division, Iowa Workforce Development

**Figure 3. Iowa's Broad Industry Projections, 2012-2022**

Industry	2012	2022	Growth	Percent Change
<b>Total Wage and Salary Employment</b>	<b>1,616,370</b>	<b>1,804,570</b>	<b>188,200</b>	<b>11.6%</b>
Natural Resources and Mining	111,205	110,835	-370	-0.3%
Trade, Transportation and Utilities	315,555	348,740	33,185	10.5%
Construction	64,570	80,110	15,540	24.1%
Manufacturing	210,545	221,050	10,505	5.0%
Information	26,925	26,960	35	0.1%
Financial Activities	101,730	120,230	18,500	18.2%
Professional and Business Services	130,035	158,635	28,600	22.0%
Educational Services	171,590	186,985	15,395	9.0%
Health Care and Social Assistance	203,075	244,730	41,655	20.5%
Leisure and Hospitality	134,140	149,720	15,580	11.6%
Other Services	61,940	68,945	7,005	11.3%
Government	85,060	87,630	2,570	3.0%

Source: Communications and Labor Market Information Division, Iowa Workforce Development

# Iowa Economic Development Authority (IEDA) Incentive Awards — 2013-2014

## REGION 1

- **DUBUQUE** – Design Mill Inc. announced plans to locate in Dubuque, Iowa, bringing 16 new positions into the area. Initially, their new operation will occupy approximately 4,200 square feet of space owned by Wilmac Property Company in the Historic Millwork District. Design Mill Inc. is a software-development company specializing in eLearning, mobile apps, and 3D modeling. The company will hire positions in graphic design, animation, engineering and programming. The project will have a capital investment of \$753,579 and the jobs created are expected to have an hourly wage of \$19.31.
- **DUBUQUE** – Progressive Processing, LLC, a wholly owned subsidiary of Hormel Foods Corporation will be moving the production of its bacon topping products and SPAM line to the facility located on Dubuque's west side. The expansion will create 91 new jobs and have a capital investment of approximately \$36 million.
- **DUBUQUE** – Rockfarm Holdings, Inc. plans to relocate their corporate operations to Dubuque, Iowa from East Dubuque, Illinois, bringing 48 new positions into the job market. The company will invest over \$2.5 million as they construct their new headquarters in the Dubuque Technology Park. Rockfarm Holdings offers a variety of transportation management services that include: brokerage, freight management, technology, consultation, quality inspections and freight forwarding services. Construction on the new facility is planned for the fall of 2014.
- **DUBUQUE** – TriState Quality Metals (TSQM) is a sheet metal fabrication manufacturer that serves markets in eastern Iowa, northwestern Illinois and southwestern Wisconsin. In response to their rapidly growing operations in Peosta, the company plans to relocate and build a new production facility in Dubuque. The company received tax benefits for this project, which also includes the development of a new powder coating paint line. The project represents a \$3.7 million capital investment that is expected to generate 10 jobs.
- **DYERSVILLE** – JEDA Polymers, LLC, headquartered in Naperville, Illinois, is a compounder of engineering thermoplastics with applications to the injection molding industry. The company received direct financial assistance as well as tax benefits for its plans to build a manufacturing facility in Dyersville's new industrial park. The Dyersville location will bring the company closer to major customers in Iowa, including John Deere, HON Manufacturing and Sear's Seating. The \$3.2 million capital investment is expected to create 25 jobs.
- **LIME SPRINGS** – Lime Springs Beef (LSB) was organized as a LLC in February 2012 to provide transparency to consumers about where their meat comes from, and how it was raised. The IEDA award will allow the company to ensure all LSB beef products will come from animals raised by certified LSB producers whose farm is within 100 miles of the plant. LSB will address what many discerning meat buyers have cared about

for years: humane treatment of animals; transparency in labeling; hormone-free, naturally raised options; low environmental impact; and greater sustainability for the community and family farmers. The project represents a capital investment of \$5.4 million, and will create 50 jobs.

- **PEOSTA** – Northfield, Illinois-based Bodine Electric Company received direct financial assistance from the IEDA for the expansion of its primary manufacturing facility located in Peosta. The expansion will allow the company to meet demand for gearmotors. The project represents a capital investment of \$1.75 million, and is expected to create 35 jobs.

## REGION 2

- **CHARLES CITY** – Hawkeye Preferred Tooling Group is a full-service mold manufacturing company located in Charles City. The company is a value-added manufacturer of molds and tooling with a concentration in the industrial blow molding market. Hawkeye was awarded tax benefits by IEDA to expand and upgrade the infrastructure at its current facility. The \$542,000 capital investment is expected to create 15 jobs.
- **MASON CITY** – Renewable Energy Group® (REG®) is a leading North American biodiesel producer with seven operating biodiesel plants across the country that is headquartered in Ames. On May 1, 2013, Renewable Energy Group executed an Asset Purchase Agreement with Soy Energy, LLC, which owns a 30-million gallon per year biodiesel plant in Mason City, to sell substantially all of its assets to REG. Upon approval of the transaction by Soy Energy unit holders, REG plans to re-start the refinery, making repairs and upgrades to the

location. The \$25.5 million capital investment is expected to create at least 15 jobs.

## REGION 3-4

- **LAKE PARK** – Northern Iowa Die Cast (NIDC), founded in 1938, manufactures, assembles and paints aluminum and zinc die castings for original equipment manufacturers, including John Deere. The company's products are shipped to customers in eight states and four foreign countries. NIDC is proposing a \$2.7 million expansion project at their current facility in Lake Park, Iowa, that will add 12,600 square feet of manufacturing, operations and office space. The company received direct financial assistance and tax benefits through the IEDA's High Quality Jobs Program to create 18 new jobs.
- **MILFORD** – Polaris Industries, Inc. is a global leader in the powersports industry. Polaris designs, manufactures and markets innovative, high-quality, off-road vehicles, and also sells parts, garments and accessories under the brand name PURE POLARIS. The company has received tax benefits to expand its capacity in Milford. The project will include the acquisition of an existing building, manufacturing machinery and equipment. The \$3.6 million capital investment is expected to create 40 jobs.
- **SPENCER** – TJN Enterprises, a joint venture between Shine Brothers Corporation of Spencer and Sioux City Compressed Steel of Sioux City, was formed in 1989. The company manufactures/recycles ferrous and non-ferrous metals, purchases scrap throughout the Midwest from manufacturers, other recycling centers, and utilities; and sells end products to steel mills and foundries in the U.S. and abroad. The company was awarded tax benefits by the IEDA to construct a new building and install

processing equipment in Spencer. This project is expected to create 16 jobs.

- **SPIRIT LAKE** – Rembrandt Enterprises, a leading agribusiness and food company currently headquartered in Iowa, is looking to expand its current facilities into Spirit Lake to position the company for future growth. The company's three divisions provide ingredients to leading pet food manufacturers, agronomy solutions directly to farmers and customized egg products for the food ingredient industry. The IEDA board approved direct financial assistance and tax benefits to Rembrandt to ensure the new headquarters facility remains in Iowa. The \$3.2 million capital investment in this project would create 22 jobs, and retain another 40 jobs.

#### **REGION 5**

- **CLARION** – Hagie Manufacturing Company, a three-generation family business, provides innovative crop protection and application solutions out of its Clarion, Iowa location. In 1947, Ray Hagie invented the world's first self-propelled sprayer, and founded Hagie Manufacturing. Millions of acres and over 66 years later, Hagie Manufacturing Company's innovative crop protection solutions enhance versatility, advance capability and increase efficiency, to optimize their customers' growth. Hagie received direct financial assistance and tax benefits to expand their production capability by adding new manufacturing methods, upgrading their current production equipment and expanding meeting and training facilities. Hagie is also escalating their current research and development both in space and workforce. The project is expected to create 150 new jobs, and represents a \$19.5 million capital investment.
- **HUMBOLDT** – Precision Tank and Equipment Company,

headquartered in Illinois, fabricates fiberglass, stainless steel and mild steel tanks for the agricultural industry. Recently, the company broke ground on a 35,000 square-foot facility on a site located in Humboldt, Iowa. Roughly half of the plant capacity will be dedicated to fiberglass tanks and the remainder to building stainless steel tanks. The \$3 million project will create 14 new jobs. Tank production at the new Humboldt plant is scheduled to begin in Spring 2014.

#### **REGION 6**

- **GRINNELL** – Monsanto Company and Subsidiaries was awarded tax assistance to expand seed corn operations at its Grinnell facility and Williamsburg locations. Monsanto is a leading provider of agricultural products for farmers. The proposed project, which represents a \$21.5 million capital investment, is expected to create eight new jobs in Grinnell.
- **TAMA** – Iowa Premium Beef (IPB) is a start-up premium beef processing company that plans to operate a beef harvest and fabrication facility that will produce boxed beef, trim and other products for food service, retail and international customers. The proposed project includes updating the current facility in Tama into a state-of-the-art beef production facility that is expected to have total employment of at least 600 when at full production. The company was awarded tax benefits for this \$48 million capital investment that is set to create 120 incented jobs.

#### **REGION 7**

- **CEDAR FALLS** – Blackhawk Engineering hosted an open house on April 17, 2014 in the Cedar Falls Industrial Park to showcase its largest expansion in company history.

The company is a manufacturer of large and complex drivetrain-type parts made primarily from iron castings that are used in heavy equipment, agriculture, construction, mining and government settings. The company plans to expand its manufacturing operations by adding another production line that will increase the number and variety of components produced at the facility. The \$3.5 million capital investment has created 16 jobs.

- **INDEPENDENCE** – Tyson Pet Products was approved to receive tax credit assistance from Iowa’s High Quality Jobs Program. The company planned to remodel 75,000 square feet of an unoccupied portion of the 125,000 square-foot pet treats plant to expand production capacity. The expansion will triple the production capacity of chicken jerky dog treats in Independence. The dog treats are sold under the True Chews, Nudges and Top Chews brands, and are sold across the country to customers of Petsmart, Costco, Wegmans, Meijer and other pet specialty stores. The capital investment of \$22.9 million was expected to create 133 jobs.
- **Shell Rock** – Minnesota-based Zinpro Corporation is a manufacturer of trace mineral supplements for animal feeds. The company was awarded direct financial assistance as well as tax benefits to build a new manufacturing facility near Shell Rock that was projected to create 39 jobs. The project represents a \$21 million capital investment.

#### **REGION 8**

- **SCRANTON** – Scranton Manufacturing primarily produces a variety of waste management trucks and trash compactors, selling to both national and international markets. The company is planning to

expand its current facility to accommodate new market demand. The \$2.5 million capital investment was awarded direct financial assistance through the federally funded Economic Set-Aside (EDSA) program. The project is set to create 70 jobs.

#### **REGION 9**

- **CLINTON** – Data Dimensions has over 30 years of experience in the Business Process Automation (BPA) industry. Its core competencies focus on helping clients better manage document capture administration. The company has acquired substantial new government and commercial contracts for services, generating the need for additional staff and improved space. Through the Enterprise Zones Program, the company was awarded tax benefits to assist in its plans to move from its current Clinton location to a newly constructed facility within the Lyons Business and Technology Park, which is also in Clinton. The new facility represents a \$5.9 million capital investment, and is expected to create 130 jobs.
- **CLINTON** – In business since 1920, RAIL.ONE offers a broad portfolio of products and services involving all aspects of railway infrastructure. The company received tax benefits for a \$20 million capital investment involving the construction of a new manufacturing plant for concrete ties. The project is expected to create 62 jobs.
- **DAVENPORT** – Genesis Systems Group specializes in factory automation of robotic assembly and handling systems for welded, mechanical and adhesive assembly processes and machine tending applications. The Davenport-based manufacturer was awarded tax benefits for a \$4 million capital investment comprised of

purchasing a building, manufacturing machinery and equipment. The project is expected to create nine jobs and retain two jobs.

- **DAVENPORT** – Hardi North America designs, manufactures and distributes a broad range of agricultural sprayers. The company plans to build an addition to support a new product line at their Davenport manufacturing facility. The manufacturer was awarded tax benefits for this \$2.1 million capital investment project, which is expected to create 24 jobs.
- **DAVENPORT** – Lewis Machine and Tool Company is a U.S. Government GSA-approved contractor. The company designs and manufactures small arms and components that are currently in service with the U.S. forces and used in many countries around the world. The Milan, Illinois gun manufacturer had announced in September 2013 plans to move its operation to Davenport, Iowa. The company's \$3.6 million capital investment project includes the construction of a facility in the Southwest Davenport Industrial Park that is expected to create 163 jobs.
- **DAVENPORT** – Since 1987, Mid-American Glass (MAG) has served as a regional distributor and fabricator of flat glass, insulating glass and architectural metal within a 200-mile radius of the Quad Cities area. While flat glass distribution remains the strength of the company, fabrication of insulating glass and architectural metal continues to drive its growth. The company received tax benefits for the construction of a new building and to acquire manufacturing machinery and equipment needed to expand their production capabilities and offer new products. The \$4 million capital investment is expected to create 13 jobs and retain 13 jobs.
- **MUSCATINE** – H.J. Heinz Company is a global U.S.-based food company with leading brands that

include Heinz, Lea & Perrins, Ore-Ida, Smart Ones, Bagel Bites and Classico. Heinz is headquartered in Pittsburgh and employs approximately 30,000 people worldwide. The company's first expansion outside of Pittsburgh was to Muscatine in 1893. The company received tax benefits for an expansion project that involves building construction, remodeling and the purchasing of new equipment. The \$24.5 million capital investment is expected to create 106 new jobs at the plant.

#### **REGION 10**

- **Cedar Rapids** – Danisco US Inc., a wholly owned subsidiary of E.I. du Pont de Nemours, Inc., is considering an expansion of their current Cedar Rapids site that will support growth in the company's enzyme business, and position the Iowa location to produce and ship additional products for the North American region. The company received direct financial assistance and tax benefits through the High Quality Jobs program for Danisco to create 11 new jobs at a qualifying wage of \$21.73 an hour. The project will have a capital investment of \$19.85 million.
- **CEDAR RAPIDS** – Diamond V, a family-owned business founded in 1943, is headquartered in Cedar Rapids, and provides nutritional products that optimize digestive function and nutrition critical to animal and aqua health, productivity, efficiency and profitability. The company plans to add 56,000 square feet to its manufacturing facilities to meet increasing global demand. The new space and equipment will allow increased production of existing and newly developed fermentation products. The company was awarded tax benefits for this \$30 million capital investment that is expected to create 17 jobs.

- **CEDAR RAPIDS** – General Mills, Inc., is a leading global manufacturer and marketer of branded consumer foods sold at retail stores. They are also a leading supplier of branded and unbranded food products to the food service and commercial baking industries. The company received direct financial assistance from IEDA as well as tax benefits for a proposed project that includes the conversion of warehouse space in their Cedar Rapids facility to food-grade manufacturing space. The \$47 million capital investment is expected to create 41 new jobs.
- **CEDAR RAPIDS** – RuffaloCODY broke ground in September 2013 on a new facility that will allow the company to house all of its Cedar Rapids operations in a single building. The company provides fundraising and enrollment management services and software for colleges, universities and not-for-profit organizations. RuffaloCODY was awarded direct financial assistance as well as tax benefits to lease a build-to-suit facility of 60,000 square feet in southwest Cedar Rapids. The \$700,000 capital investment is projected to create 111 jobs.
- **CORALVILLE** – ConnectFive is a user-experience (UX) design company that provides UX consulting work for other companies' digital products and services. In addition to providing consulting services, ConnectFive is expanding into software development, and will be marketing tools that will generate a new source of revenue for the company. ConnectFive plans to relocate into a larger building in Coralville to accommodate this expansion. The \$647,260 capital investment is set to create 10 jobs.
- **CORALVILLE** – MediRevv, Inc. is a healthcare revenue cycle management company specializing in helping hospitals, health systems, academic medical centers and physician groups improve their cash flow and growth revenue. MediRevv handles all aspects of the revenue cycle from patient access to insurance claim follow-up and patient payment. The company plans to grow operations adjacent to its existing facility in Coralville to create 56 new jobs. Tax benefits for the \$2.4 million capital investment were obtained through the High Quality Jobs program.
- **MARION** – ELPLAST America, Inc. was formed in December 2012 to establish manufacturing operations in the U.S. With more than 30 years of experience in plastics processing, ELPLAST manufactures and supplies the EL-ZIP brand of press-to-close zippers for flexible packaging used by manufacturers in the food, pet food, lawn care, pharmaceutical and other industries. Serving over 700 customers in 50 countries on five continents, the company has had an active presence in North America since 2011. ELPLAST is considering Marion as the location for its North American facility. The company was awarded tax benefits through the High Quality Jobs Program for its \$4.1 million project that will create 10 jobs.
- **MARION** – A Marion manufacturer is considering a \$2.16 million expansion. Freund-Vector Corporation makes a wide range of equipment for the processing of powders, particles, beads, pellets, tables and other solid materials to multiple industries, including the pharmaceutical, nutritional, chemical, powdered metals and automotive. Freund-Vector employs 115 people at its Marion facility, and would add 12 jobs with the

proposed expansion. The company was awarded tax benefits for its plans to add assembly space to their existing facility. Construction would begin this spring with completion in the spring of 2015.

## REGION 11

- **ALTOONA** – Facebook, the social networking company, announced it will build a new, state of the art data center in Altoona. The company proposed a multi-building, multi-phased project of up to three separate, approximately 300,000 square foot data center buildings on a 194-acre site. The project was approved for tax benefits, and will create at least 31 jobs and result in a capital investment of \$299.5 million.
- **AMES** – Global innovator, 3M, manufactures an array of products from electronic devices to industrial equipment. The company was awarded tax benefits to purchase and install equipment to manufacture products that perform much better than products currently on the market. Process and productivity improvement activities over the past few years will allow the facility to consolidate some processes in order to free up space for the additional manufacturing. The \$24 million capital investment is expected to create 75 jobs.
- **AMES** – WebFilings is a cloud-based, software-as-a-service (SaaS) company that develops secure applications for complex business reporting. Founded in 2008, WebFilings is based in Ames and Mountain View, California, and has offices in eight additional U.S. cities as well as in Canada, the U.K. and the Netherlands. The company was awarded \$5 million in direct financial assistance along with tax benefits for a \$15.5 million capital investment that includes new building construction in Ames. The project is expected to create 700 jobs.
- **ANKENY** – Dickten Masch Plastics is a manufacturer of custom engineered thermo-plastic and thermo-set molded components for automotive, industrial and heavy truck industries. The company also performs value-added operations, including the manufacture of metal-stamped components and complex assembly and test processes. The company is planning a \$4.4 million capital investment at its Ankeny facility that includes the building of a high bay warehouse and assembly work cell expansion. This project was awarded tax benefits, and is expected to create 30 jobs.
- **AMES** – The Lauridsen Group, Inc. (LGI) is the holding company of several companies including APC, Inc., Proliant Meat Ingredients and BHJ companies. LGI, Inc. and its subsidiaries operate over 40 facilities primarily engaged in manufacturing edible and non-edible protein products. The company plans to build new office space that connects to the existing corporate office. This \$4.1 million capital investment is expected to create 40 jobs.
- **CLIVE** – Jacobsen Companies, a leading third party logistics company, provides customized, fully outsourced, comprehensive supply chain management solutions, and has extensive national presence with a multi-facility network spanning 149 locations in 26 states. Jacobsen is considering relocation of its headquarters, with Clive among one of its options. This \$2.3 million project will retain 220 jobs, and create an additional 10 jobs.
- **DES MOINES** – The Principal Financial Group is a leading global financial company that provides businesses, individuals and institutions a wide range of financial products and services. The company was awarded tax benefits for its plan to renovate the downtown Des Moines campus. This will create a more collaborative work environment, utilizing the most innovative technology that will attract

and retain the knowledge workers Principal employs. The total capital investment for this project is \$278 million.

- **NEVADA** – Almaco designs and manufactures precision agricultural machinery that is specifically used in agriculture research programs throughout the world. The company plans to expand its operations in an effort to increase its manufacturing capacity to develop new products in the area of agriculture research equipment. The \$1.3 million capital investment is set to create 23 jobs.
- **PELLA** – Castle Metal, Inc., a subsidiary of Kasteel Metaal B.V., a leading Dutch manufacturer of steel and aluminum products, plans to renovate a facility in Pella that will focus on steel working, including stainless steel and aluminum and specialize in laser cutting, automatic bending and robot welding. Machinery and equipment was scheduled to be installed by the end of 2013 with full-scale production reached by mid-2014. The \$3.2 million capital investment project is expected to create 26 jobs.
- **URBANDALE** – Delta Dental of Iowa was awarded tax incentives for the \$9.4 million expansion of its home office in Urbandale. Delta Dental intends to begin construction on a 29,600-square-foot addition in the spring of 2014 for completion in the first half of 2015. The project represents a \$9.3 million capital investment, and is set to create 15 jobs.
- **URBANDALE** – IP Pathways in Urbandale will receive financial assistance for a \$1.7 million project to renovate a vacant 5,000-square-foot data center that will triple the size of its Iowa workforce by adding 53 jobs. The company specializes in data center-related technologies, such as data storage,

virtualization, business continuity and cloud. The project is expected to create 53 jobs.

- **WEST DES MOINES** – Microsoft is investing \$678 million in the expansion of its data center in West Des Moines, to bolster online offerings such as Xbox Live and Office 365. The global company develops, manufactures, licenses and supports a range of software products for computing devices, and has operated a data center in Iowa since 2009. The project was awarded tax benefits, and is expected to create 29 new jobs.
- **WEST DES MOINES** – Microsoft Corporation was awarded tax benefits for a project that consists of building a data center and associated support infrastructure in West Des Moines. The data center will house servers and computer equipment to operate large-scale web portal services as part of Microsoft's online services businesses. The \$1.1 billion capital investment is expected to create 84 jobs.

## **REGION 12**

- **GALVA** – American Natural Processors was founded in Cherokee in 2001. The company is a specialty oilseed and grain processor, and currently has six production lines ranging from nutraceutical flaxseed oil extraction to 100 percent-certified organic lecithin. The company received direct financial assistance as well as tax benefits to retrofit an existing facility in Galva to expand its production capabilities. The project is expected to create 10 jobs, and represents a \$2.4 million capital investment.
- **LE MARS** – BoDeans Wafer Company produces wafers for ice cream products, and has been in operation in Le Mars since 2006. The company was awarded tax benefits to expand its current

facility, and install an additional product line. The \$7.5 million capital investment is expected to create 11 jobs.

- SIOUX CITY – Bomgaars is a family-owned Iowa business that serves farm and ranch customers, homeowners and small businesses. The corporate office and distribution center is located in Sioux City, and has been since its inception. Through both the Enterprise Zone and Targeted Jobs Withholding Tax Credit (TJWTC) programs, benefits were awarded to Bomgaars and Confluent Enterprises to expand Bomgaars' current distribution center. Confluent Enterprises would build and own the building, and Bomgaars would lease the facility. Construction on a 150,000-square-foot addition to the existing warehouse is expected to begin in the spring, with completion expected a year later. The new building will consolidate everything under one roof. The expanded central warehouse will be designed to serve as many as 100 stores, positioning the company for future growth. The \$17 million capital investment is expected to create 15 jobs. The company employs 177 at its Sioux City corporate offices and warehouse and distribution center.
- SIOUX CITY – Dennis Supply Company is a distributor and wholesaler of HVAC equipment and supplies. The company was founded in Sioux City in 1935, and currently has locations in Iowa, South Dakota, Nebraska and Wyoming. The company was awarded tax benefits to assist in adding a new warehouse to the existing corporate headquarters. The \$650,000 capital investment is expected to retain 18 jobs.
- SIOUX CITY – Echo Electric is a distributor/wholesaler of electric products with a customer base consisting mainly of electrical contractors. The company plans to build a distribution facility with office space in Sioux City, and was awarded benefits through the Targeted Jobs Withholding Tax

Credit program. The \$2.7 million capital investment is set to create 13 jobs and retain 24 jobs.

- SIOUX CITY – FEH Associates, Inc. is an architectural and structural engineering firm with locations in Iowa and Wisconsin. The company plans to lease a facility for their operations in Sioux City. FEH was awarded benefits through the Targeted Jobs Withholding Tax Credit program for this \$20,000 capital investment. The project is expected to create four jobs and retain 14 jobs.
- SIOUX CITY – Hirschbach Motor Lines, Inc. is a long-haul, refrigerated trucking company operating in the continental U.S. They primarily haul refrigerated/frozen food for customers that include Farmland Foods, Tyson Foods, JBS, National Beef and Wal-Mart. The company is planning to relocate recruiting and operations personnel from Nebraska to Sioux City. Hirschbach was awarded tax benefits for this \$850,000 capital investment that is expected to create 25 jobs.
- SIOUX CITY – Through the Targeted Jobs Withholding Tax Credit (TJWTC) pilot program, created through legislation enacted in 2006 to assist border communities in competing with neighboring states, the Jackson Recovery Centers was awarded benefits to build its new child and adolescent recovery hospital in Sioux City. The program allows for the diversion of withholding funds paid by an employer to be matched by a designated "pilot" city to create economic incentives that can be directed toward the growth and expansion of targeted businesses located within a pilot city. Due to changes made during the 2013 legislative session, IEDA will now be a party to the withholding agreement, and the IEDA board will approve awards through the program.

The Jackson Recovery Center will result in a

capital investment of \$9.5 million, and will create 25 new jobs.

### **REGION 13**

- **CARTER LAKE** – Owen Industries, Inc. supplies fabricated steel for commercial, industrial and nuclear projects at its Carter Lake facility. The company was awarded direct financial assistance as well as tax benefits for a project to expand operations to a new green-field facility and add several major pieces of processing equipment to meet customer requirements. The \$33.6 million capital investment is expected to create 16 new jobs and retain 72 jobs.
- **COUNCIL BLUFFS** – Founded in 1898, Alter Trading—a privately owned, fourth-generation company—is one of the largest scrap processors in the country with trading offices and processing plants across the central United States. The company received benefits for a \$20 million capital investment that is set to create 15 jobs. The project entails the building of a new non-ferrous plant that will help Alter grow in the central region of the United States as well as make their current operations more efficient.
- **COUNCIL BLUFFS** – Gavilon Ingredients, LLC is a wholly-owned subsidiary of Gavilon Agricultural Holding Company. The company intends to construct an animal feed handling facility in Council Bluffs with attached storage and container loading terminal capabilities. The company was awarded tax benefits for the \$4.5 million capital investment that is set to create 11 jobs.
- **COUNCIL BLUFFS** – Tyson Fresh Meats Inc. in Council Bluffs has been awarded tax credits to help with an expansion that will create close to 140 new jobs.

Tyson owns and operates a prepared food facility in Council Bluffs that produces beef and pork products. For the Tyson expansion approximately 22 jobs are expected to pay more than \$17 an hour. The remainder of the jobs should be in the \$12 to \$15 per hour range. Tyson Foods, based in Arkansas, also plans to spend \$9.5 million on new equipment and the creation of those jobs, another requirement for receiving tax credits.

### **REGION 15**

- **EDDYVILLE** – Ajinomoto Heartland, Inc. (AHI) has operated a production facility in Eddyville since 1986. The company uses a fermentation process to produce feed grade crystalline amino acids for animal feed for the North American market. The production process is based on fermentation technology and the main feed stock is corn sugar produced at the neighboring Cargill plant. The company was awarded AHI tax benefits for its plans to introduce a new fermentation technology to increase production of bulk amino acids and expand the production of value-added amino acids to utilize this new bulk production. The \$33 million capital investment is projected to create 15 jobs.
- **EDDYVILLE** – HF Chlor Alkali LLC was awarded direct financial assistance as well as tax benefits for the development of a new membrane-grade salt conversion manufacturing plant at the Cargill Midwest Bioprocessing Campus in Eddyville. The \$131.5 million capital investment is expected to create 18 jobs.

### **REGION 16**

- **BURLINGTON** – Case New Holland (CNH) is a world leader in the agricultural and construction

equipment businesses. The company has been operating in Iowa since 1937 with the opening of the Burlington facility, and now operates four sites around the state. The CNH Burlington plant is the center of excellence for design and manufacture of tractor loader backhoes, tractor-loaders, and rough terrain forklifts. The proposed project, that will have a capital investment of \$9.3 million, will allow the in-sourcing of components currently purchased from outside supply points, and will occur in three phases. CNH was awarded tax benefits for the project that is expected to create 36 jobs.

*Source: Information provided by the Iowa Economic Development Authority (IEDA).*

