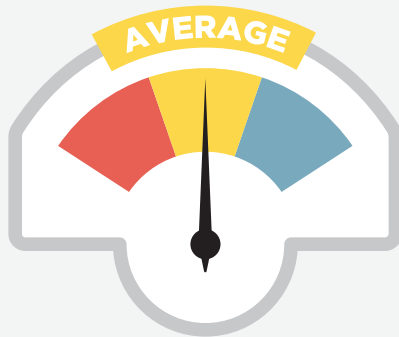
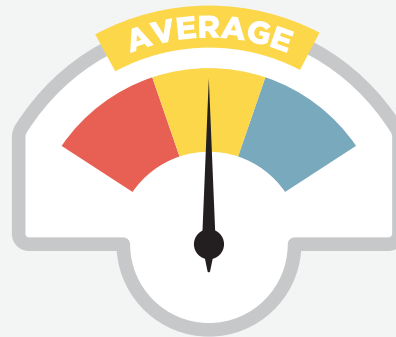


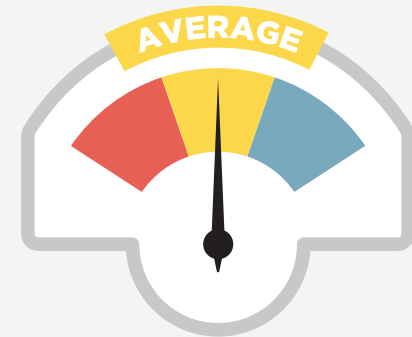
**Economic
Growth**



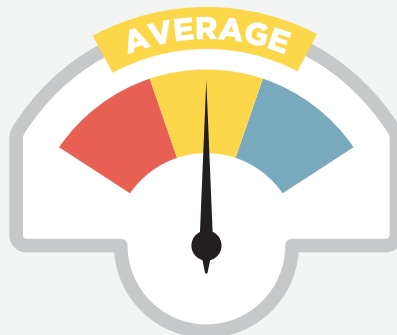
**Education &
Workforce**



Governance



**Health &
Wellness**



**Demographics
& Diversity**



Overall Performance: ■ Competitive ■ Average ■ Poor

IBC's Recommended Actions

Economic Growth

For businesses to locate, expand, and thrive in Iowa, we must create an economic climate that fosters growth statewide and offers an expanding labor pool from which businesses of all sizes can hire. The IBC recommends developing and implementing strategies to both up-skill Iowans and attract others into the workforce. This includes continuing the implementation of the state's Future Ready Iowa initiative and funding this program's Last Dollar Scholarship and Employer Innovation Fund. Additionally, as part of a holistic approach to economic growth, it will be critical to address communities' workforce housing challenges which currently stifle business expansion and hinder efforts to attract new workers to both rural and urban areas. The IBC supports an increased investment in the State Housing Trust Fund and Workforce Housing Tax Credit programs and the development of a collaborative strategy to align resources to meet workforce housing needs.

Governance

The IBC applauds lawmakers for passing tax reform during the 2018 legislative session, and we support the continued efforts to make Iowa's tax code more competitive for all taxpayers. A modernized tax system with competitive tax rates and rules would promote growth throughout Iowa resulting in greater investment, higher wages, and the creation of more jobs, which will ultimately help us retain and increase our population.

Health & Wellness

To increase the number of healthy Iowans, we need to reinvigorate our efforts to support and engage in the healthiest state initiative by taking a more proactive approach to well-being, moving beyond the focus of providing coverage to inspiring individuals to adopt healthier habits. It will be critical for employers to take an active role in this process by fostering environments that promote health and overall well-being. Additionally, it is important to note that workforce issues impact a variety of metrics in our Competitive Dashboard, including access to primary care physicians. We need to train, attract, and retain more physicians to meet the health needs of Iowans.

Education & Workforce

To build Iowa's talent pipeline, we must better inform students and parents regarding the career opportunities available in our state, particularly related to middle skill jobs. It is essential that we increase the number of work-based learning partnerships, internships, externships, and apprenticeships available throughout all of Iowa. Additionally, it will be critical to continue to implement the state's Future Ready Iowa initiative and fund the program's student scholarships and Employer Innovation Fund. To address businesses' high-demand workforce needs, the IBC's Business Education Alliance (BEA) will continue to bring business and K-20 educational institutions together to develop scalable, sustainable solutions. The implementation of the BEA's strategies will strengthen the state's talent pipeline.

Demographics & Diversity

It is critical that all of Iowa – rural, suburban, and urban – see population growth, otherwise a shortage of workers will constrain the state's long-term economic vitality. The Iowa Business Council will convene a public-private partnership to conduct research and develop initiatives to attract and retain a diverse population across Iowa. Additionally, employers' ability to recruit and retain talent from other countries is a key factor for both business and population growth. Therefore, we must advocate for and advance policies that modernize the U.S. immigration system and deliver certainty for businesses, workers, and their families.

Iowa Business Council Members

Mary V. Andringa | Chair

Chair of the Board,
Vermeer Corporation

Terry Handley | Vice Chair

President & CEO,
Casey's General Stores, Inc.

John K. Sorensen | Treasurer

President & CEO,
Iowa Bankers Association

Georgia Van Gundy | Secretary

Executive Director,
Iowa Business Council

Jim Brannen

CEO,
FBL Financial Group, Inc.

Reynolds W. Cramer

President & CEO,
Fareway Stores, Inc.

Randy Edeker

Chairman, President & CEO,
Hy-Vee, Inc.

John D. Forsyth

Chairman & CEO,
Wellmark Blue Cross Blue Shield of Iowa

Tim Glenn

EVP & Chief Commercial Officer,
Corteva Agriscience

Daniel J. Houston

Chairman, President & CEO,
Principal Financial Group

J. Brooks Jackson

Vice President for Medical Affairs,
University of Iowa Health Care

Phil Jasper

President, Missions Systems,
Collins Aerospace

Gage Kent

Chairman & CEO,
Kent Corporation

Douglas R. Kopp

SVP of Operations & President,
Interstate Power & Light Company

Steve Lacy

Executive Chairman of the Board,
Meredith Corporation

Jeff Lorenger

President & CEO,
HNI Corporation

Benjamin J. McLean

CEO,
Ruan Transportation Management Systems

Cory J. Reed

President,
John Deere Financial

Robert P. Ritz

President & CEO,
Mercy Health Network

Mike Tousley

EVP & General Manager,
The Weitz Company

Kevin E. Vermeer

President & CEO,
UnityPoint Health

Michael Wells

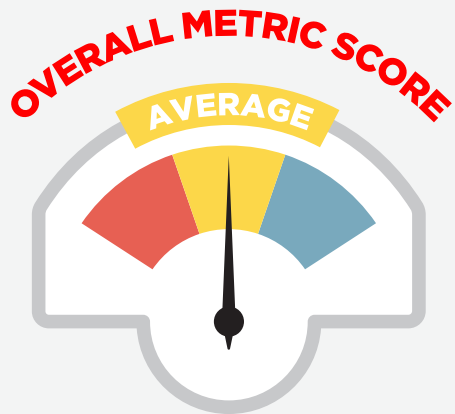
President & CEO,
Wells Enterprises, Inc.

Adam Wright

President & CEO,
MidAmerican Energy Company

W. Timothy Yaggi

President & CEO,
Pella Corporation

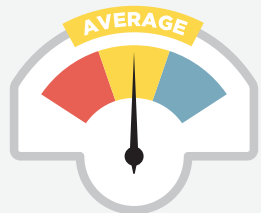


Economic Growth

Iowa is experiencing economic growth, as evidenced in the \$11 billion increase in Gross State Product and the increase in median household income of over \$2,000. The state continues to have a strong labor force participation rate despite our shift in the rankings from 4 to 7, which was primarily the result of other states experiencing increases. It is important to note that while our competitive labor force participation rate supports business growth, when paired with our historically low unemployment rate, these factors also present a challenge in the shortage of available workers for Iowa businesses large and small.

Unfortunately, we saw a slight decline in our State Technology & Science Index. This index assesses five key factors, one of which is Technology and Science Workforce, which measures the share of the state's employment connected to science and technology occupations. While Iowa did not see a major decline in the prevalence of these occupations, our drop in this factor indicates other states saw increases in science and technology employment opportunities, which ultimately resulted in a decline in our overall index ranking.

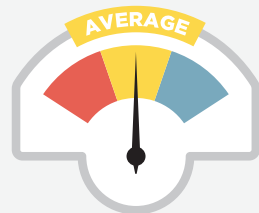
Median Household Income



Metric Measurement

2017	2018
\$56,247	\$58,570
State Rank: 26	State Rank: 25

Gross State Product (GSP)



Metric Measurement

2017	2018
\$179 billion	\$190 billion
State Rank: 30	State Rank: 29

Manufacturing Value

(as a % of GSP)



Metric Measurement

2017	2018
18.3%	18.1%
State Rank: 7	State Rank: 8

Labor Force Participation Rate



Metric Measurement

2017	2018
69.2%	68.4%
State Rank: 4	State Rank: 7

Unemployment Rate

November Rolling Average
Last 12 Months

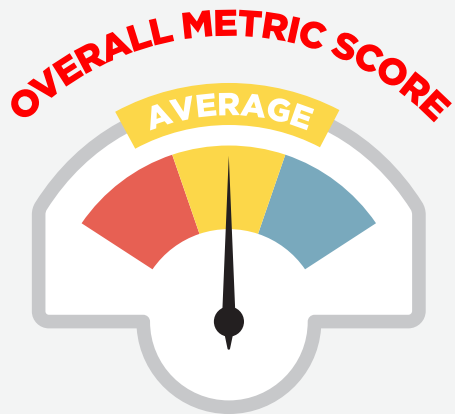
3.3%	2.8%
------	------

State Technology & Science Index



Metric Measurement

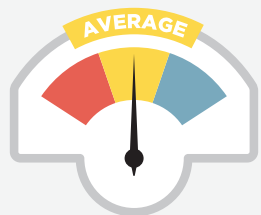
2017	2018
43.5	38.82
State Rank: 35	State Rank: 36



Education & Workforce

While the number of Iowa students considered proficient in 8th grade reading and math remained rather consistent with last year's report, other states outperformed and bumped us in the rankings due to their gains in these two measures. Iowa remains a leader in ACT scores and continues to see improvements in our high school graduation rate. However, we see a disconnect between these two factors and the number of Iowans pursuing education and training beyond high school. We saw a slight improvement in the two education attainment figures, but ultimately the percentage of our population with education and training beyond high school, and of those obtaining a BA, continues to be outpaced by other states. These metrics indicate that the state is not keeping up with the talent demands of today nor properly preparing for the workforce needs of the future.

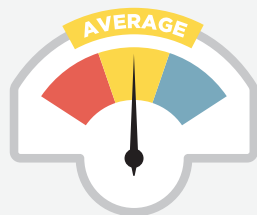
8th Grade Reading Proficiency



Metric Measurement

2017	2018
36.0%	37.0%
State Rank: 17 (8-way tie)	State Rank: 18 (3-way tie)

8th Grade Math Proficiency



Metric Measurement

2017	2018
37.0%	37.0%
State Rank: 14 (2-way tie)	State Rank: 18 (2-way tie)

ACT Scores 50% Participation



Metric Measurement

2017	2018
21.9	21.8
State Rank: 2	State Rank: 2

Education Attainment High School+



Metric Measurement

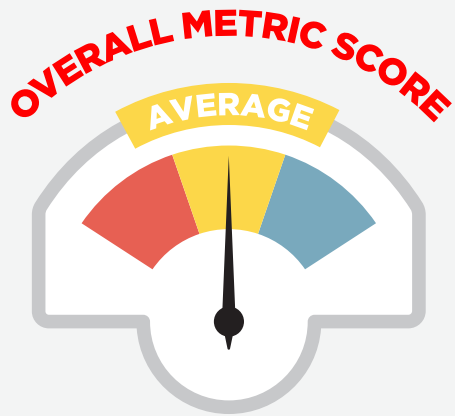
2017	2018
91.8%	92.1%
State Rank: 11	State Rank: 10 (2-way tie)

Education Attainment Bachelor Degree+



Metric Measurement

2017	2018
28.4%	28.9%
State Rank: 34	State Rank: 38



Governance

Iowa continues to receive recognition as one of the best run states, maintaining our position as a top five state in this metric. While improvements were made to Iowa's tax code following comprehensive reforms passed in 2018, most of the reductions rely on triggers and will be phased in over time. This is important to note as the benefits of this reform cannot be measured yet and are not reflected in our rankings for the corporate and individual income tax rates.

Iowa's percentage of budget allocated to Medicaid is less than the national average and we improved in our ranking from last year despite a slight increase in this spending. Nevertheless, the percentage of Iowa's budget dedicated to Medicaid is significant and rising more rapidly than any other segment of the State budget. The growing Medicaid expenditures is of concern as it may stifle investment in other critical areas of Iowa government services. Also, despite the decline in our state public-pension funding ratio, Iowa improved its ranking in this metric as a result of other states falling further behind in their respective funding.

Best Run States in America



Metric Measurement

2017	2018
3	5
State Rank: 3	State Rank: 5

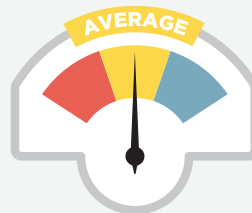
State Public-Pension Funded Ratio



Metric Measurement

2017	2018
85.0%	81.6%
State Rank: 13	State Rank: 10

Medicaid Expenditures (as % of Total)



Metric Measurement

2017	2018
21.7%	21.9%
State Rank: 14	State Rank: 13
All States	
29.0%	29.7%

Corporate Tax Rate



Metric Measurement

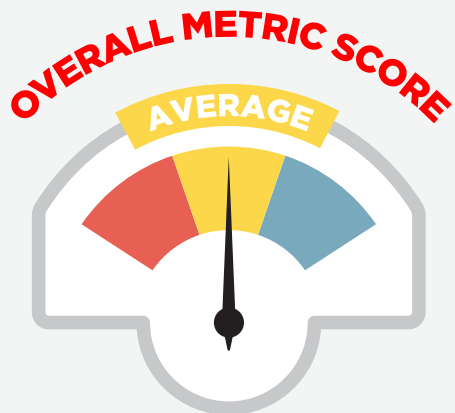
2017	2018
3.75	3.75
State Rank: 48	State Rank: 48

Individual Income Tax Rate



Metric Measurement

2017	2018
4.60	4.61
State Rank: 33	State Rank: 33



Health & Wellness

Despite the fact that over 95 percent of Iowans have access to health care coverage, our state saw declines in its health measures. The most concerning change from 2017 was the four percent increase in the percentage of Iowans classified as obese, which resulted in a substantial drop in our rankings and places us as one of the four most obese states in the nation. Unfortunately, this uptick in obesity is part of a longer trend for the state that started back in 2010 due to unhealthy eating habits and physical inactivity.

The percentage of Iowans who smoke increased slightly this year, however, when looking at the broader trend for this metric, we continue to move in the right direction. Overall, fewer Iowans are smoking, as the percentage of the smoking population is down from 23.5% in 2000. It will be important to monitor this data point moving forward, but currently it is not a cause for concern.

Active Primary Care Physicians per 100,000



Metric Measurement

2017	2018
84.8	82.8
State Rank: 34	State Rank: 35

Percent Obese



Metric Measurement

2017	2018
32.0%	36.4%
State Rank: 37	State Rank: 47

Percent of Smokers 18 years+



Metric Measurement

2017	2018
16.7%	17.1%
State Rank: 22	State Rank: 25

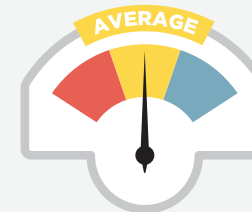
Percent Lacking Health Insurance



Metric Measurement

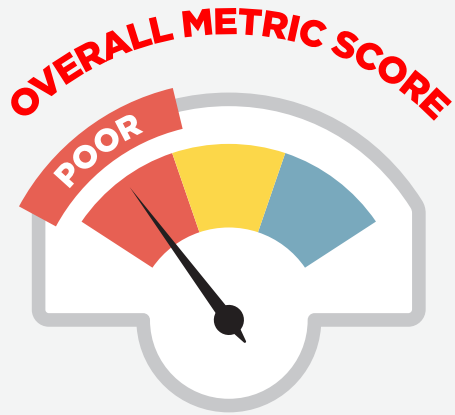
2017	2018
4.7%	4.5%
State Rank: 5	State Rank: 5

Gallup-Healthways Well-Being Index



Metric Measurement

2017	2018
62.6	61.7
State Rank: 19	State Rank: 21



Demographics & Diversity

Iowa's slow population growth, and the continuation of this trend, threatens Iowa's long-term growth and prosperity. Growing Iowa's overall population – and doing so throughout the entire state – will be critical to increasing school populations, strengthening our workforce, and expanding state revenues. It is important to note that while Iowa's net migration was positive this year, it was outpaced by other states and still does not meet businesses' growth needs.

Additionally, Iowa consistently ranks in the bottom six states for the ethnic diversity of our population. Over the last five years we diversified our state on pace with the national average growth rate – 1.6%. Though, to improve this metric, we must diversify our population more quickly than the national rate given our existing lack of diversity. Ultimately, the growth and diversification of Iowa's population must be accelerated in both urban and rural communities to ensure continued economic growth for our state.

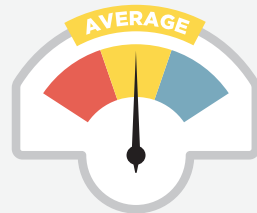
Total Population



Metric Measurement

2017	2018
3,134,693	3,145,711
State Rank: 30	State Rank: 30

Population 5-Year Change



Metric Measurement

2017	2018
2.4%	2.3%
State Rank: 28	State Rank: 26

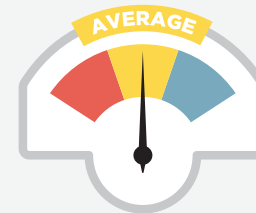
Ethnic Diversity of Population



Metric Measurement

2017	2018
13.6%	14.1%
State Rank: 46	State Rank: 45

Median Age of Population



Metric Measurement

2017	2018
38	38.3
State Rank: 23	State Rank: 25
All States	
37.9	38.1

Net Overall Migration



Metric Measurement

2017	2018
2,944	4,112
State Rank: 25	State Rank: 32

Glossary

Active Primary Care Physicians: Includes general practice, family practice, obstetrics and gynecology, pediatrics, geriatrics and internal medicine.

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

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

Gallup-Healthways Well-Being Index: This report examines well-being across the nation as determined by five elements. The five elements include: purpose (liking what you do each day and being motivated to achieve your goals); social (having supportive relationships and love in your life); financial (managing your economic life to reduce stress and increase security); community (liking where you live, feeling safe and having pride in your community); and physical (having good health and enough energy to get things done daily).

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

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

Labor Force Participation Rate: The ratio of the labor force to the working age population, expressed in percentages.

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

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

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

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

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

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

Smoking: Percentage of adults who are smokers (reported smoking at least 100 cigarettes in their lifetime and currently smoke every or some days).

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

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

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

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

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

Appendix

Economic Growth

1. Median Household Income: U.S. Census Bureau (Table S1903 – Median Income in the Past 12 Months 2017 ACS 1-year estimates).
2. Gross State Product: U.S. Dept. of Commerce Bureau of Economic Analysis, under Interactive Data – Regional Data – GDP & Personal Income – Annual Gross Domestic Product (GDP) by State – SAGDP2.
3. Manufacturing Value as a percentage of Gross State Product: Refer to source provided under Gross State Product (under Economic Growth). (Numbers calculated from various data points by the University of Northern Iowa's Institute for Decision Making.)
4. Labor Force Participation Rate: Iowa Workforce Development, "Labor Force Summary Data Tool" (The metric uses a 12 month rolling average.)
5. State Technology and Science Index: Milken Institute Center for Jobs and Human Capital, "2018 State Technology and Science Index"

Education & Workforce

1. Proficiency in 8th Grade Reading: National Center for Educational Statistics, National Assessment of Educational Progress, "The Nation's Report Card"
2. Proficiency in 8th Grade Math: Refer to the source provided under Proficiency in 8th Grade Reading (under Education & Workforce).
3. ACT Scores with 50% Participation: ACT, "Average ACT Scores by State Graduating Class 2018"

4. Education Attainment High School Plus: U.S. Census Bureau (Table S1501 – Educational Attainment 2017 ACS 1-year estimates).
5. Education Attainment Bachelor Degree Plus: Refer to the source provided under Education Attainment High School Plus (under Education & Workforce).

Governance

1. Best Run States in America: 24/7 Wall St., "Best and Worst Run States in America: A Survey of All 50"
2. State Public-Pension Funded Ratio: The PEW Charitable Trusts, "The State Pension Funding Gap: 2016"
3. Medicaid Expenditures as a Percentage of Total Expenditures: National Association of State Budget Officers, "State Expenditure Report," page 56 (Table 29).
4. Corporate Tax Rate: Tax Foundation, "2018 State Business Tax Climate Index," page 21 (Table 3).
5. Individual Income Tax Rate: Tax Foundation, "2018 State Business Tax Climate Index," page 29 (Table 4).

Health & Wellness

1. Active Primary Care Physicians per 100,000 Population: Association of American Medical Colleges, "2017 State Physician Workforce Data Report"
2. Percent Obese: America's Health Rankings (AHR), "AHR 2018 Annual Report," page 64.

3. Percent of Smokers 18 years+: America's Health Rankings (AHR), "AHR 2018 Annual Report," page 68.
4. Percent Lacking Health Insurance: America's Health Rankings (AHR), "AHR 2018 Annual Report," page 86.
5. Gallup-Healthways Well-Being Index: "State of American Well-Being: 2017 State Well-Being Rankings"

Demographics & Diversity

1. Total Population: U.S. Census Bureau (Table B01003 - Total Population 2017 ACS 1-year estimates) or (Table S0101 - Age and Sex 2017 ACS 1-year estimates).
2. Population 5-Year Change: U.S. Census Bureau (Numbers calculated from various census statistics by the University of Northern Iowa's Institute for Decision Making.)
3. Ethnic Diversity of Population: U.S. Census Bureau (Table DP05 – Demographic and Housing Estimates 2017 ACS 1-year estimates).
4. Median Age of Population: U.S. Census Bureau (Table S0101 - Age and Sex, 2017 ACS 1-year estimates).
5. Net Overall Migration: U.S. Census Bureau (Table PEPTCOMP – Estimates of Components of Resident Population Change 2017 Population Estimates).

		Baseline Year	Baseline Rank	2017 Rank	2018 Rank	Baseline Metric	2017 Metric	2018 Metric
	Median Household Income	2000	21	26	25	\$42,993	\$56,247	\$58,570
	Gross State Product (GSP)	2000	29	30	29	\$93 billion	\$179 billion	\$190 billion
	Manufacturing Value (as a % of GSP)	2001	8	7	8	23.4%	18.3%	18.1%
	Labor Force Participation Rate	2000	10	4	7	71.2%	69.2%	68.4%
	State Technology & Science Index	2002	31	35	36	42.5	43.5	38.82

	8th Grade Reading Proficiency	2003	11	17 (8-way tie)	18 (tie with VA & KS)	36.0%	36.0%	37.0%
	8th Grade Math Proficiency	2003	12	14 (tie with CO)	18 (tie with MT)	33.0%	37.0%	37.0%
	ACT Scores with 50% Participation	2004	3	2	2	22.0	21.9	21.8
	Education Attainment High School+	2000	9	11	10 (tie with UT)	86.1%	91.8%	92.1%
	Education Attainment Bachelor Degree+	2000	22	34	38	21.2%	28.4%	28.9%

	Best Run States in America	2010	3	3	5	3	3	5
	State Public-Pension Funded Ratio	2000	29	13	10	97.7%	85.0%	81.6%
	Medicaid Expenditures (as a % of Total Expenditures)	2000	9	14	13	13.0%	21.7%	21.9%
	Corporate Tax Rate	2010	45	48	48	4.27	3.75	3.75
	Individual Income Tax Rate	2010	42	33	33	3.89	4.60	4.61

	Active Primary Care Physicians per 100,000 Population	2000	46	34	35	71.3	84.8	82.8
	Percent Obese	2000	39	37	47	21.5%	32.0%	36.4%
	Percent of Smokers 18 Years+	2000	30	22	25	23.5%	16.7%	17.1%
	Percent Lacking Health Insurance	2000	4	5	5	6.9%	4.7%	4.5%
	Gallup-Healthways Well-Being Index	2009	7	19	21	67.8	62.6	61.7

	Total Population	2000	30	30	30	2,926,324	3,134,693	3,145,711
	Population 5 Year Change	2000	34	28	26	4.5%	2.4%	2.3%
	Ethnic Diversity of Population	2000	45	46	45	6.1%	13.6%	14.1%
	Median Age of Population	2000	40	23	25	36.6	38	38.3
	Net Overall Migration	1990-1999	33	25	32	5,609	2,944	4,112