ITA Annual Tax Symposium
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BUSINESS

COMMUNITY

PEOPLE
IOWA IS HOME TO MORE THAN 170 INSURANCE COMPANY HEADQUARTERS

SOURCE: IOWA INSURANCE DIVISION

IOWA HAS THE 2ND HIGHEST PERCENTAGE OF GDP FROM INSURANCE IN THE U.S.

SOURCE: BUREAU OF ECONOMIC ANALYSIS, 2017

IOWA HAS THE 5TH HIGHEST CONCENTRATION OF FINANCE WORKERS IN THE NATION

SOURCE: BUREAU OF LABOR STATISTICS, 2019
BIOSCIENCE JOBS PAY 86% MORE THAN THE AVERAGE PRIVATE SECTOR JOBS
SOURCE: BIOTECHNOLOGY INNOVATION ORGANIZATION, 2016

IOWA’S BIOSCIENCE R&D EXPENDITURES ARE 30% HIGHER THAN THE NATIONAL FIGURE
SOURCE: BIOTECHNOLOGY INNOVATION ORGANIZATION, 2014

IOWA RANKS FIRST IN BOTH ETHANOL AND BIODIESEL PRODUCTION
SOURCE: ENERGY INFORMATION ADMINISTRATION, 2018

IN 2019, IOWA EXPORTED $189 MILLION IN PHARMACEUTICAL PRODUCTS TO 64 COUNTRIES
SOURCE: WISERTRADE, 2019
$30.2 BILLION — OR 17% OF IOWA’S GROSS STATE PRODUCT IS GENERATED BY MANUFACTURING

MANUFACTURING EMPLOYS 15% OF IOWA’S TOTAL WORKFORCE

64% OF IOWA’S EXPORTS COME FROM THE MANUFACTURING INDUSTRY
NOW TRENDING...
DIVERSITY/WORKFORCE
IMMIGRANTS COMPRISED 44% OF IOWA’S POPULATION GROWTH FROM 2010 TO 2019
IOWA’S NON-WHITE POPULATION HAS INCREASED BY 32% FROM 2010 TO 2019

SOURCE: CENSUS
10,000 BABY BOOMERS ARE RETIRING EVERY DAY

SOURCE: CNBC
IN AUGUST 2019, IOWA HAD MORE THAN 60,000 JOB OPENINGS, AND JUST 42,800 UNEMPLOYED PEOPLE

ON OCTOBER 20, 2020, IOWA HAD 64,000 JOB OPENINGS, AND 76,600 UNEMPLOYED PEOPLE

SOURCE: IOWA WORKFORCE DEVELOPMENT
29.4% of Iowa women ages 25 or older have a bachelor’s degree or higher compared to 27.4% of Iowa men.

Source: U.S. Census Bureau, United Nations, IMF

Iowa women make up 58.5% of total enrollment at Iowa’s universities and colleges.

Source: U.S. Census Bureau, United Nations, IMF

The majority of people with graduate or professional degrees in Iowa are women (51%).

Source: U.S. Census Bureau, United Nations, IMF

Yet only 15 states have a larger pay gap than Iowa.
“SMART TEAMS WILL DO AMAZING THINGS, BUT TRULY DIVERSE TEAMS WILL DO IMPOSSIBLE THINGS.”

- Claudia Brind-Woody, IBM
64% OF MILLENNIALS WON'T WORK FOR A COMPANY THAT DOESN'T HAVE STRONG CORPORATE SOCIAL RESPONSIBILITY COMMITMENTS. MILLENNIALS OVERTOOK BABY BOOMERS AS THE LARGEST GENERATION IN 2019.

SOURCE: U.S. CENSUS BUREAU
MORE THAN HALF OF GEN Z SAY THEY WOULD PAY EXTRA FOR A SUSTAINABLE PRODUCT

SOURCE: STOREBRANDS
"THREATS TO LAND, WATER AND CLIMATE HARM OUR BUSINESS AND COMPROMISE OUR ABILITY TO FEED A GROWING POPULATION. IT IS NO LONGER ENOUGH TO SUSTAIN OUR PLANET. WE MUST REGENERATE THE NATURAL SYSTEMS UPON WHICH WE ALL DEPEND."

- JEFFREY HARMENING
CHAIRMAN AND CEO OF GENERAL MILLS
Sustainability is both the cost of doing business and the key to attracting workforce.
AUTOMATION
DIGITALIZATION IS EXPECTED TO BOOST FACTORY PRODUCTIVITY BY 25%
23% of current work hours will be automated by 2030. Automation is also expected to create an additional 15 million jobs.

Source: McKinsey
EVERY COUNTY IN IOWA HAS BETWEEN 50% AND 61% OF JOBS WITH POTENTIAL FOR AUTOMATION

SOURCE: BALL STATE UNIVERSITY CENTER FOR BUSINESS AND ECONOMIC RESEARCH
In the era of automation, companies that don’t adapt will be left behind.
INFRASTRUCTURE
You can live and connect anywhere, if the infrastructure is there.
IOWA’S INTERNET SPEED IS SECOND-SLOWEST IN THE NATION

SOURCE: BROADBANDNOW
IOWA RANKS 45TH IN BROADBAND ACCESS

SOURCE: BROADBANDNOW
26.1% of all Iowa housing units were built before 1940 and Iowa has the sixth-lowest housing vacancy rate of any state

Source: Census
The most common housing problem in Iowa is housing cost burdens, with 20% of renters and 13% of homeowners spending greater than 30% of their income on housing costs.

Source: Iowa Profile, 2020
IOWA’S HOUSING DEMAND IS EXPECTED TO GROW BY APPROXIMATELY 47,000 HOUSEHOLDS BY THE YEAR 2030, INCREASING THE NEED FOR INNOVATIVE SOLUTIONS

SOURCE: IOWA PROFILE, 2020
HOUSING PROBLEMS ARE DISPROPORTIONATE BY RACE IN THE STATE, WITH 10.7% OF WHITE HOUSEHOLDS HAVING A SEVERE HOUSING PROBLEM COMPARED TO 39.6% OF PACIFIC ISLANDER AND 30.9% OF BLACK HOUSEHOLDS

SOURCE: IOWA PROFILE, 2020
“THE OUTLOOK FOR HOUSING TRANSACTIONS, CONSTRUCTION ACTIVITY AND EMPLOYMENT IN THE SECTOR IS LOOKING MUCH BETTER THAN WHAT LOOKED POSSIBLE JUST A COUPLE OF MONTHS AGO.”

- James Knightley, ING
UNCERTAINTY
THROUGH JULY 2020, IOWA EXPORTS WERE DOWN 9% COMPARED TO 2019, WITH SOYBEANS DOWN 22%, ELECTRONICS EQUIPMENT AND INDUSTRIAL MACHINERY DOWN 18% AND TRACTORS DOWN 37%

SOURCE: WISERTRADE
RENEWABLE FUEL STANDARD WAIVERS HAVE ELIMINATED DEMAND FOR 1.4 BILLION BUSHELS OF CORN AND 825 MILLION BUSHELS OF SOYBEANS.

THE COVID-19 PANDEMIC HAS FURTHER ELIMINATED DEMAND FOR 90 MILLION BUSHELS OF CORN.

SOURCE: DES MOINES REGISTER, AUGUST 2020

SOURCE: ENERGY INFORMATION ADMINISTRATION AND IOWA ECONOMIC DEVELOPMENT AUTHORITY
THE AUGUST 10, 2020 DERECHO CAUSED NEARLY $4 BILLION IN DAMAGE TO IOWA, INCLUDING 850,000 ACRES OF IOWA’S CORN AND SOYBEAN CROPS AND MORE THAN 8,000 HOMES

SOURCE: OFFICE OF THE GOVERNOR AND WASHINGTON POST
Black Swan \blak swän\ 

2. An unpredictable or unforeseen event, typically one with extreme consequences.

LEXICO.com/Oxford
MANUFACTURING SECTOR UNEMPLOYMENT CLAIMS INCREASED FROM 626 ON MARCH 7TH TO 9,218 ON APRIL 4TH. AS OF SEPTEMBER 19TH, MANUFACTURING UNEMPLOYMENT CLAIMS REACHED 1,483

SOURCE: IOWA WORKFORCE DEVELOPMENT
REAL GDP % CHANGE FROM PREVIOUS QUARTER

2016
Q4

2017
Q1
Q2
Q3
Q4

2018
Q1
Q2
Q3
Q4

2019
Q1
Q2
Q3
Q4

2020
Q1
Q2
Q3

33.1%

-28.2%

-31.4%

* IOWA GDP FIGURES FOR Q3 HAVE NOT BEEN RELEASED

UNPRECEDENTED SHOCK
UNPRECEDENTED SHOCK

NATIONAL vs. IOWA UNEMPLOYMENT RATE

NATIONAL UNEMPLOYMENT RATE

IOWA UNEMPLOYMENT RATE

0%
5%
10%
15%

UNPRECEDENTED SHOCK

2018
2019
2020

*NOVEMBER UNEMPLOYMENT RATE NOT AVAILABLE UNTIL LATE DECEMBER, 2020
The only thing certain about the economy is its uncertainty
OPPORTUNITY
Building up our Biosciences

- Precision and Digital Agriculture
- Biobased Chemicals
- Vaccines and Immunotherapy
- Medical Devices
Biosciences Opportunity

• Iowa has earned a reputation as a bioscience epicenter

• The pandemic has underscored the need to commit to a long-term bioscience strategy and reshoring of critical supply chains
  • Includes pharmaceuticals, medical testing supplies, therapeutics and vaccines

• **Proposal:** Provide $4 million annually to the Regents institutions to support biosciences platform development
Manufacturing 4.0 Opportunity

Support Adoption of Automation

- A fourth industrial revolution, Industry 4.0, emphasizes automation and smart technology
- Iowa must adapt and support industry investments and incentives to help the state’s manufacturers remain competitive
Manufacturing Proposals

• Adapt Iowa’s incentive structure, including a flexible menu of tax credits and matching grants deployed selectively by size of firm, need, technology maturity, and other factors

• Modify accelerated depreciation rates for production-enhancing capital investments

• Consider look-through corporate tax structure for small and medium-sized manufacturers
Housing Opportunity

• National and state housing leaders agree housing is the largest opportunity for rapid economic recovery and growth for families and communities
• Iowa faces widespread demand for quality, affordable housing
• 2021 Housing Omnibus Bill: Advance housing supply to meet the projected demand and provide Iowans with critically needed housing support
Housing Proposals

Provide funding to develop and preserve housing across the continuum, with priority to housing for low-income households

- Expand the Workforce Housing Tax Credit program for 3 years to address pent-up demand
- Establish a State Housing Tax Credit program
- Remove the current cap from the Real Estate Transfer Tax as State Housing Trust Fund funding mechanism
- Create a Main Street Guarantee program and State Housing Construction Fund
- Use innovative and inexpensive building materials and methods, such as 3D printed homes, tiny homes, and shipping containers, to provide more housing solutions for Iowans
Creative Placemaking Opportunity

- Creative placemaking is about communities working together and playing to their strengths to transform spaces, such as downtown districts, into unique places where people want to be.
- Benefits: Builds a stronger sense of community engagement, fosters a distinct sense of place and helps communities attract and retain talent.
Creative Placemaking Proposal

- Develop a creative placemaking and transformational quality of life initiative modeled after key components of current programs, such as Vision Iowa
- Focus these programs on development of entire districts rather than single projects
Broadband Opportunity

The pandemic underscored broadband is critical infrastructure, not a luxury. Broadband access and speed are lagging, and Iowa must fully invest.

Building out broadband will support:
• Iowans as they work, learn and access essential services, such as health care, online
• Economic growth and progress in Iowa’s high-tech jobs, manufacturing, precision agriculture, education system, and local economies
The key to economic growth is to build a highly skilled workforce. And yet too many working parents struggle to find quality, affordable child care.

Iowa must develop a comprehensive strategy to address Iowa’s child care crisis.