

Iowa Northland Regional Economic Development Commission

2017 Comprehensive Economic Development Strategy (CEDS) Overview

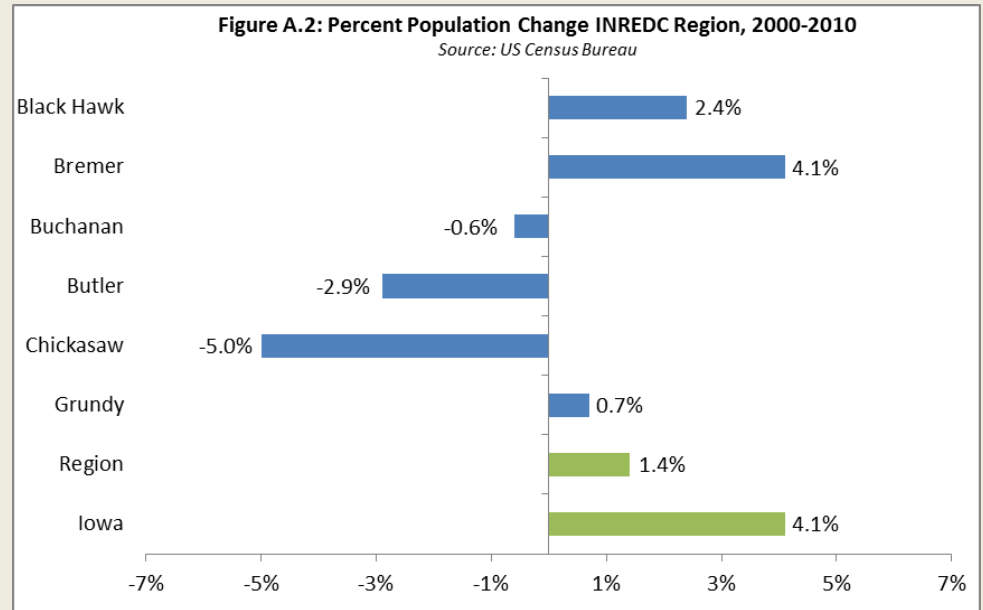
INREDC Special Meeting
April 20, 2017 / 10:30 am / INRCOG Board Room

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Population & Demographics

Between 2000 and 2010

- 3 counties experienced population growth and 3 decline
- Overall the region grew at a slower rate (1.4%) than the State (4.1%)



Between 2010 and 2015

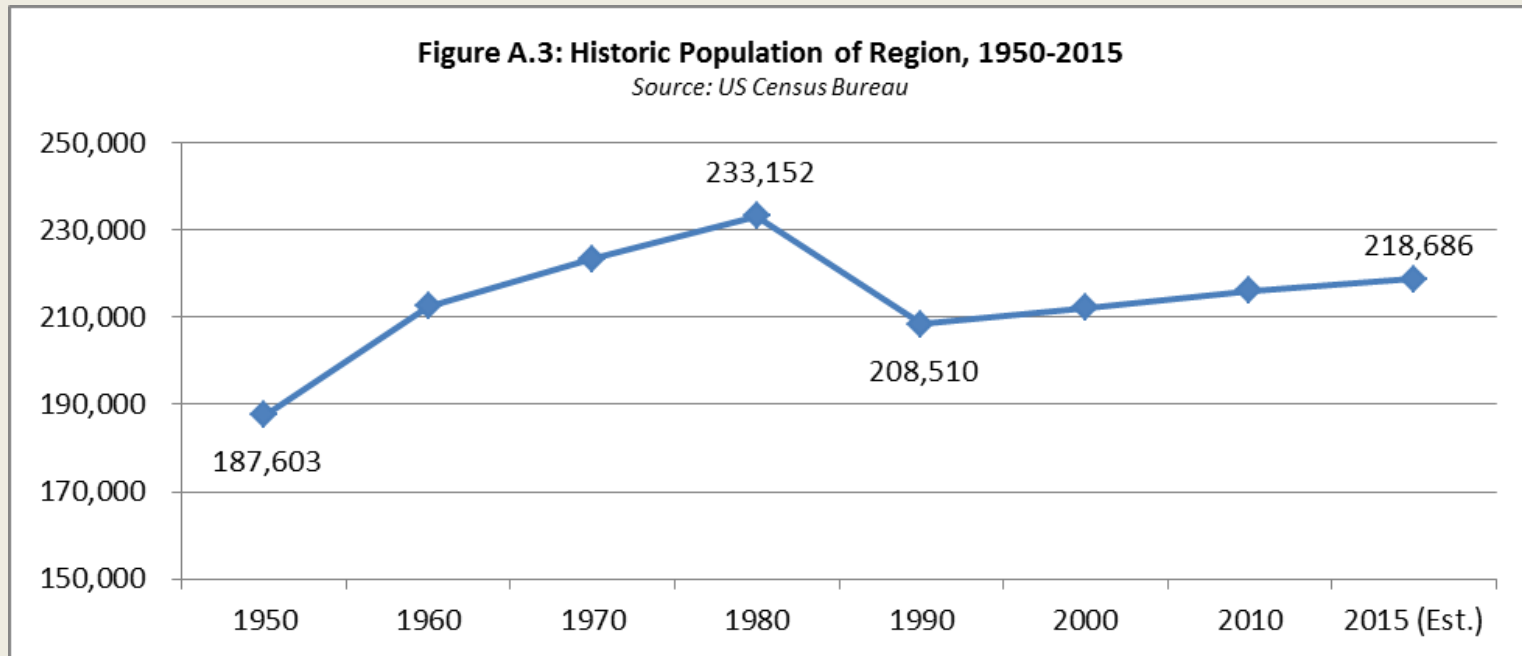
- The region's population grew by 1.2%
- Bremer and Black Hawk saw the greatest increases at 1.8%

Figure A.1: Population of INREDC Region

	2010 Census	2015 Est.	% Change
Black Hawk County	131,090	133,455	1.8%
Bremer County	24,276	24,722	1.8%
Buchanan County	20,958	21,062	0.5%
Butler County	14,867	14,915	0.3%
Chickasaw County	12,439	12,097	-2.7%
Grundy County	12,453	12,435	-0.1%
Region Total	216,083	218,686	1.2%
State of Iowa	3,046,355	3,121,997	2.5%

Source: 2010 US Census & US Census Annual Estimates of Residential Populations as of 7/1/2015

Population & Demographics



The region's population has grown from 208,510 in 1990 to an estimated 218,686 in 2015

- This represents a 4.9 percent increase over this 25-year period
- 0.2 percent annual growth (2% decennial growth)

Based on this historic growth trend

- The region can anticipate an estimated population growth of approximately 2 percent between 2010 and 2020
- Using this projection, applied the region's 2015 estimate, the region's projected population is estimated to be....
 - 221,766 persons in 2022 (expiration of this CEDS)
 - 222,654 persons in 2024 (for reference in later workforce projection slides)

Population & Demographics

A significant percentage of the population lives in one of the seven largest cities in the region.

- In 2010, these seven cities, (Figure A.5) represented 62 percent of the region’s population. Combined, these communities grew at a rate of 2.9 percent – faster than the region’s overall growth rate.
- The largest city, Waterloo, experienced a slight population decrease between 2000 and 2010.
- Cedar Falls, the region’s second largest city, grew at a rate of nearly 9 percent between 2000 and 2010
- The City of Waverly also experienced a high rate of growth at 10 percent.
- Combined, Cedar Falls and Waverly’s populations grew by 4,021 persons between 2000 and 2010. This is greater than the region’s net population growth of 3,884 for the same period.

Figure A.4: Population Distribution by County, 2010

Source: US Census Bureau

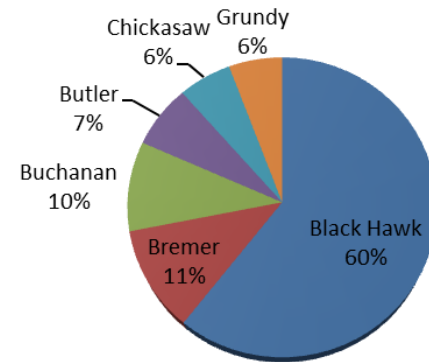


FIGURE A.5: POPULATION OF METRO AND COUNTY SEAT CITIES, 2000-2010

City	2000	2010	% Change
Cedar Falls	36,145	39,260	8.6%
Evansdale	4,526	4,751	5.0%
Grundy Center	2,596	2,706	4.2%
Independence	6,014	5,966	-0.8%
New Hampton	3,692	3,571	-3.3%
Waterloo	68,747	68,406	-0.5%
Waverly	8,968	9,874	10.1%
7-City Total	130,688	134,534	2.9%
Rest of Region	81,511	81,549	0.05%
Region Total	212,199	216,083	1.4%

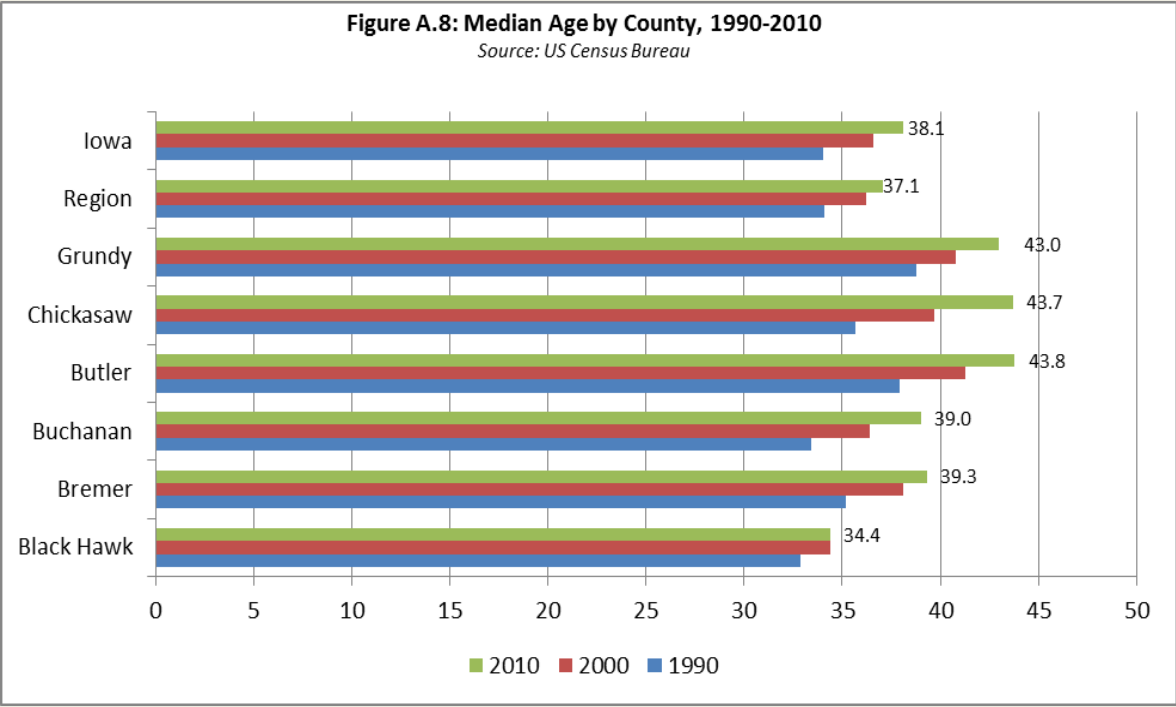
Source: U.S. Census Bureau

Population & Demographics

The region has an aging population

- The region’s overall median age of 37.1 is younger than the state median of 38.1.
- However, in 5 of the 6 counties, the median age is older than the state’s.

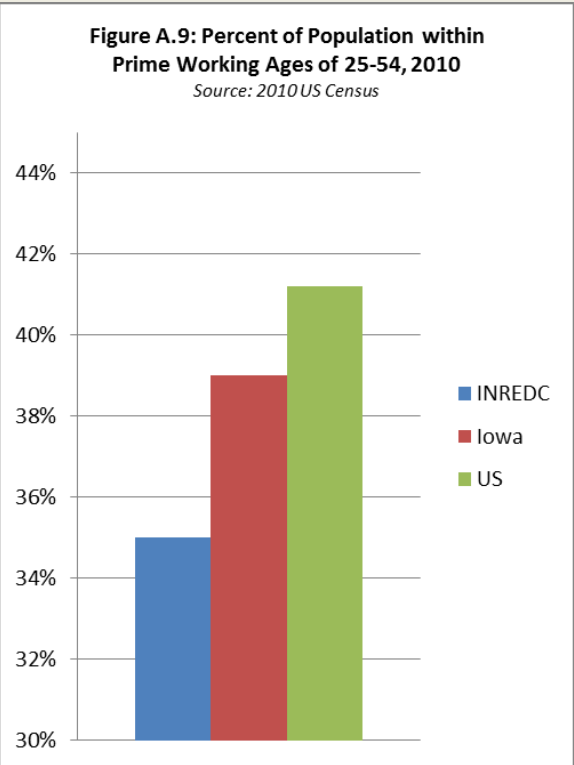
Figure A.8: Median Age by County, 1990-2010
Source: US Census Bureau



According to 2010 Census data

- 35 percent of the region population is between the ages of 25-54
- This is a lower percent than state and national averages

Figure A.9: Percent of Population within Prime Working Ages of 25-54, 2010
Source: 2010 US Census



Population & Demographics

FIGURE A.11: REGIONAL POPULATION BY RACE

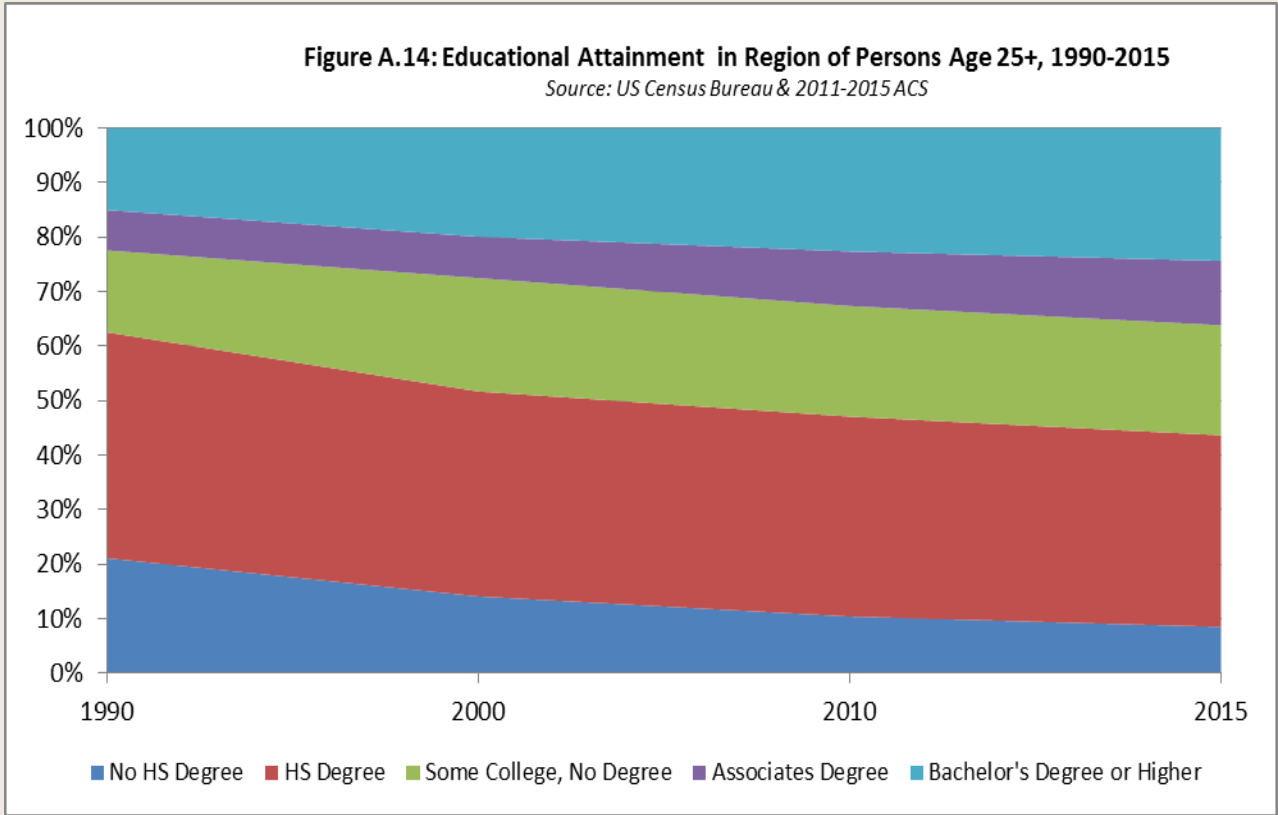
Race	2000		2010		2000-2010 Change	
	Population	% of Pop.	Population	% of Pop.	Population	% Change
White	197,178	92.5%	195,345	90.4%	-1,833	-0.9%
Black or African American	10,378	4.9%	11,993	5.6%	+1,615	+15.6%
American Indian or Alaska Native	303	0.1%	380	0.2%	+77	+25.4%
Asian	1,562	0.7%	2,073	1.0%	+511	+32.7%
Hispanic or Latino Origin	2,863	1.3%	5,913	2.7%	+3,050	+106.5%

Source: 2000 and 2010 U.S. Censuses

The INREDD is becoming more racially and ethnically diverse.

- Between 2000 and 2010 the region’s white, non-Hispanic population decreased by 1 percent .
- Black or African American, American Indian or Alaskan Native, Asian, and persons of Hispanic of Latino origin all experienced double digit percent population growth

Educational Attainment



The percent of the population that has attained a Bachelor's Degree or Higher has steadily increased since 1990.

- **In 1990, 22.4 percent** of the Region's population age 25 or older had obtained an associate, bachelor, or graduate/ professional degree.
- **In 2015, 36.2 percent** of the Region's population age 25 or older had obtained an associate, bachelor, or graduate/ professional degree.

Educational Attainment

- In 2015, 44 percent of persons had achieved education attainment of only a high school degree or less.
- In 1990, 63 percent of the region had only attained high school education or less.
- Persons with only a high school degree have continued to represent the largest portion of the Region's population (35 percent).
- Need to improve general education and "soft skills" as well as specific workplace skills or trades

Figure A.15: Educational Attainment Comparisons, 2015

	INREDC	Iowa	U.S
Less than 9th grade	3.2%	3.3%	5.7%
9th to 12th grade, no diploma	5.3%	5.2%	7.6%
High school graduate	35.2%	32.2%	27.8%
Some college, no degree	20.2%	21.5%	21.8%
Associate degree	11.8%	11.1%	8.1%
Bachelor's degree	16.8%	18.2%	18.5%
Graduate or professional degree	7.6%	8.5%	11.2%

Note: Of population age 25 years and over; Source: 2011-2015 ACS 5-year Average

Income & Cost of Living

FIGURE A.16 : COST OF LIVING COMPARISONS

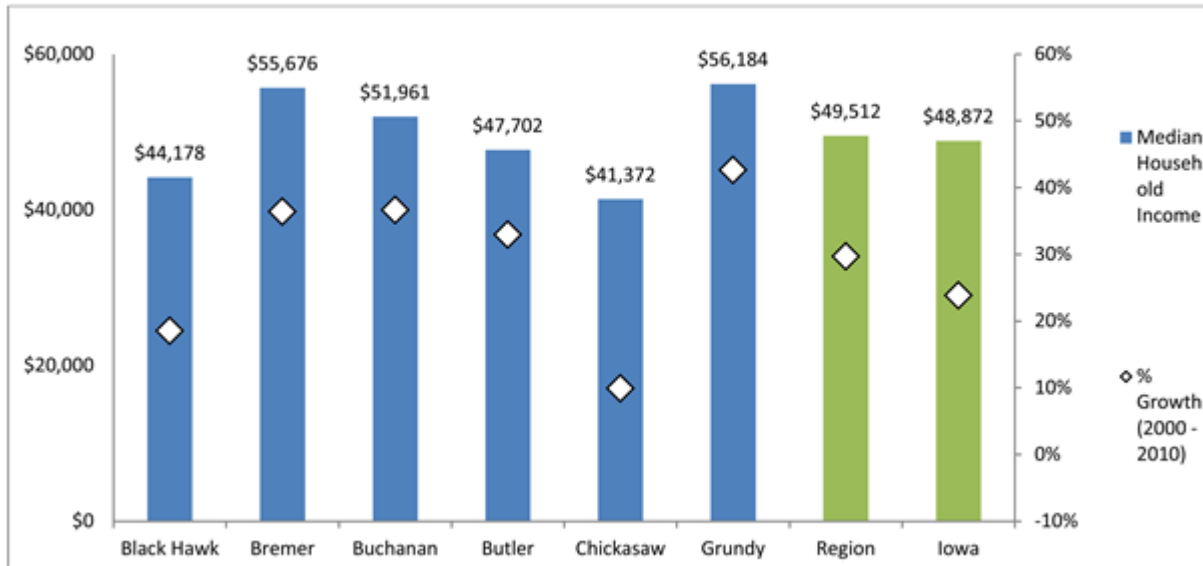
Place	Salary	Groceries	Housing	Utilities	Transportation	Healthcare
Waterloo/Cedar Falls	\$50,000	-	-	-	-	-
Chicago	\$62,540	+20%	+47%	+30%	+14%	-1%
Davenport / Moline	\$53,337	+4%	+9%	+22%	+2%	-3%
Des Moines	\$48,924	-1%	-9%	+16%	-5%	-3%
Kansas City	\$51,292	-1%	-1%	+15%	-6%	-3%
Madison	\$56,674	+11%	+21%	+17%	+3%	+19%
Minneapolis	\$58,127	+14%	+22%	+15%	+6%	+5%

Source: CNN Money; www.money.cnn.com/calculator/pf/cost-of-living/

The Cedar Valley has a competitive cost of living – even when only compared to other Midwest cities

FIGURE A.17: MEDIAN HOUSEHOLD INCOME IN REGION, 2010

Source: U.S. Census

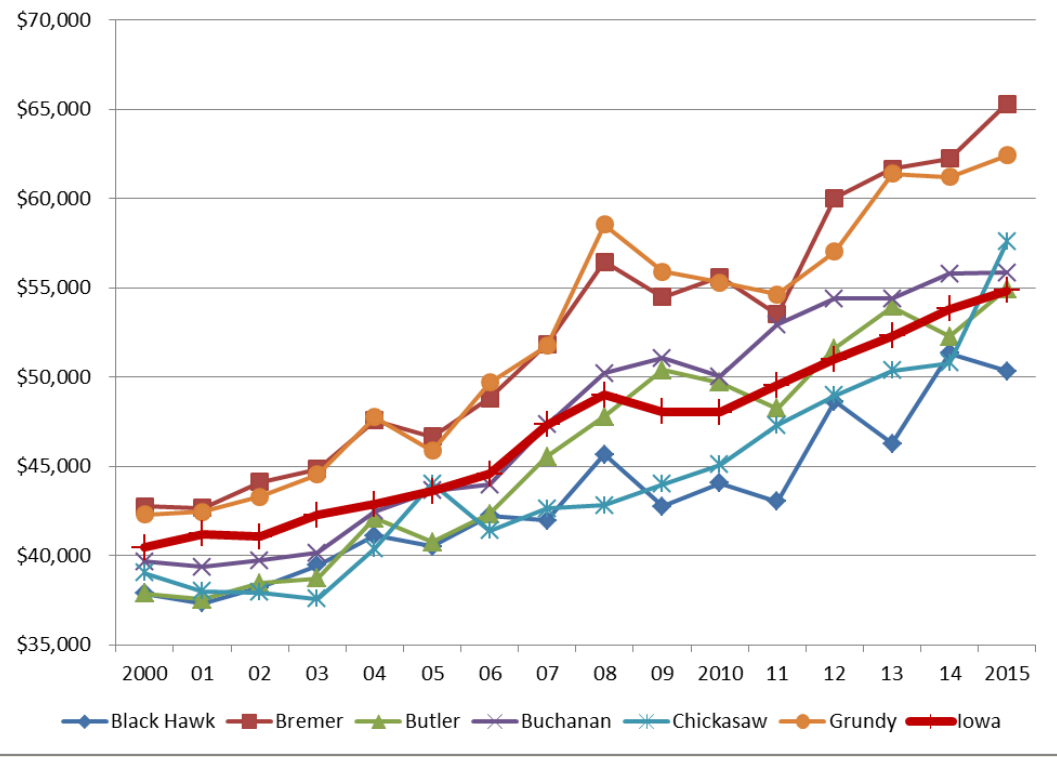


In 2010, the Region's Median Household Income

- Was greater than the state median
- Grew at faster rate (between 2000-2010) than the state.

Income & Cost of Living

Figure A.18: Median Household Income Growth, 2000-2015
 Source: Iowa Data Center



Median Household Income, 2000-2015

- The Median Household Income (MHI) from 2000-2015, for our six counties and the state is shown in Figure A.18
- In general, the region’s MHI has grown at a rate similar to the state.
- In 2015, Bremer, Buchanan, Butler, Chickasaw, and Grundy counties all had MHI above the state’s figure.

Median Household Income, 2011-2015

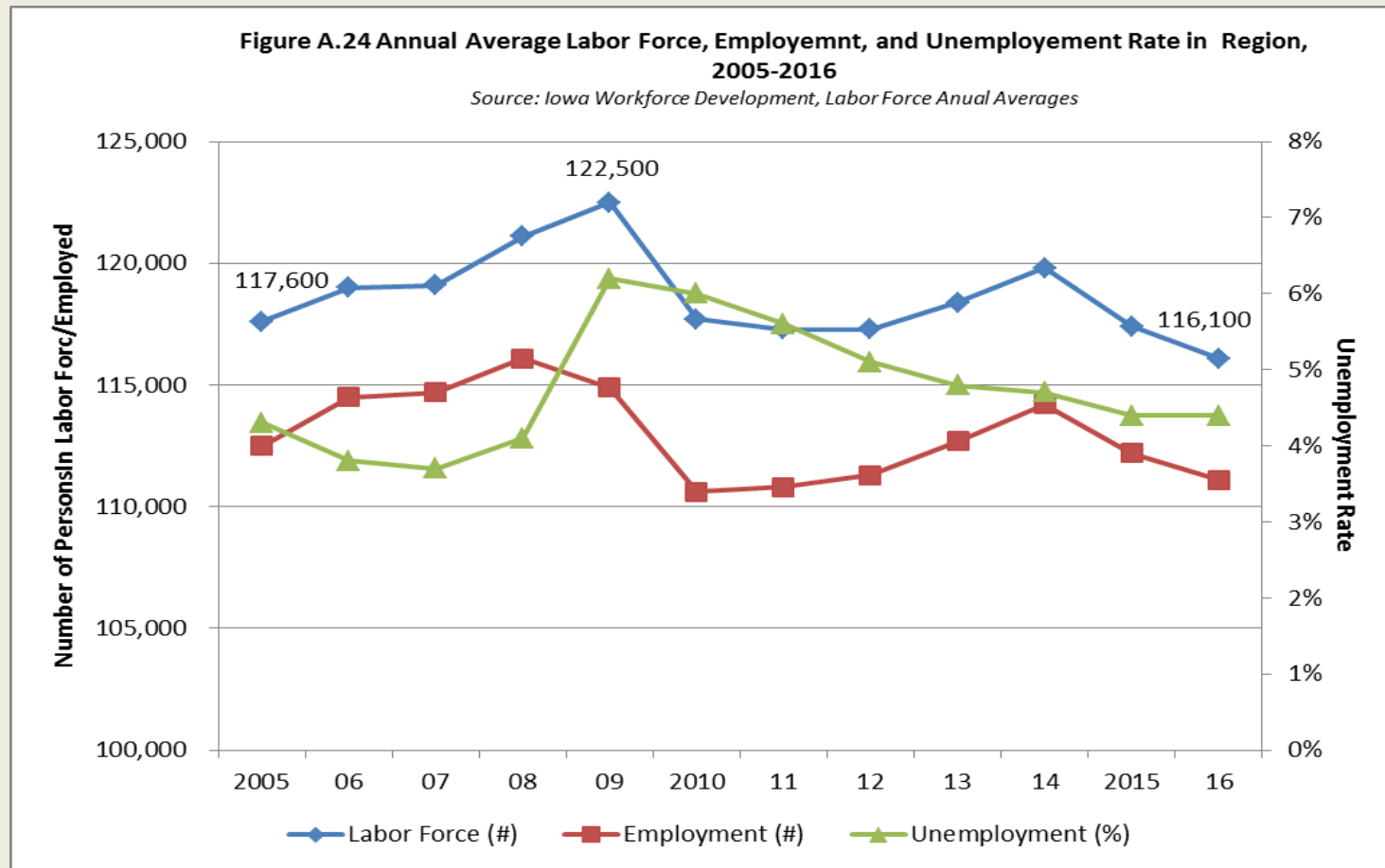
- The state’s median income grew by 10.7% during this time period
- From 2011-2015, 5 of 6 Counties saw greater growth in MHI than the state
- Black Hawk County MHI grew 16.9% percent compared to the state’s 10.7%. This is a positive sign considering Black Hawk County’s MHI is slightly lower than that of the state and represents 60% of the region’s population

Figure A.19: Median Household Income Growth, 2011-2015

	2011	2015	% Growth
Black Hawk	\$43,037	\$50,335	16.9%
Bremer	\$53,499	\$65,295	22.0%
Butler	\$48,243	\$54,947	13.9%
Buchanan	\$52,930	\$55,848	5.5%
Chickasaw	\$47,311	\$57,559	21.7%
Grundy	\$54,645	\$62,423	14.2%
Iowa	\$49,545	\$54,843	10.7%

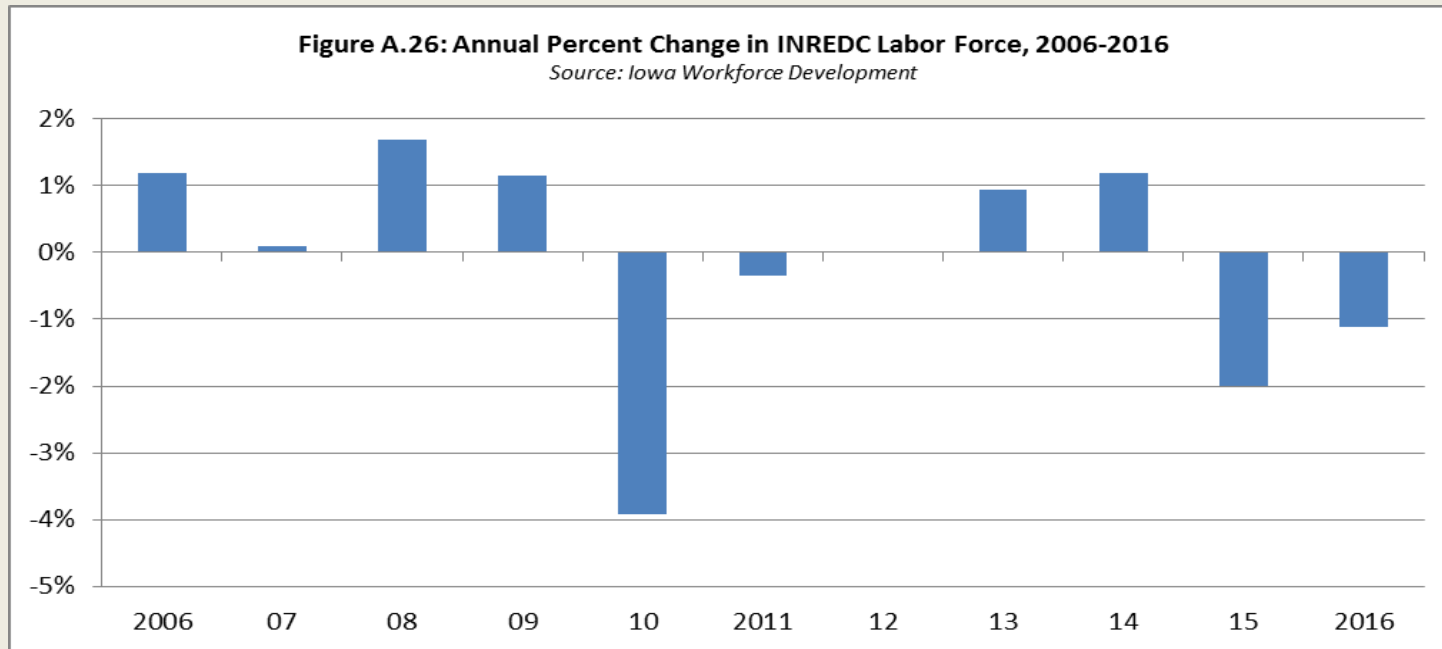
Source: Iowa Data Center, Median Household Income
www.iowadatecenter.org/data/saipe/saipe-income

Labor Force and Employment



- The number of persons in the region's labor force peaked in 2009 with an average of 122,500 persons per month.
- Once the effects of the economic downturn began to be realized, the number of persons participating in the region's labor force dropped by 3.9 percent, to 117,700, between 2009 and 2010.
- In 2016, Iowa Workforce Development reported the monthly labor force for the region to be 116,100 – the lowest in the previous 10 years.
- The region's annual unemployment rate spiked in 2009 at 6.2 percent.
- In 2015, the unemployment level decreased to 4.4 percent and has held steady through 2016.

Labor Force and Employment



- Over the past ten years, the region has experienced fluctuations in the number of persons in the labor force.
- The greatest decrease in labor force, in terms of percentage, occurred in 2010 with a 3.9 percent drop. This decrease is likely due to discouraged workers dropping out of the labor force after struggling to find work as a result of the economic downturn which started in 2008.
- During the most recent five-year period (2012-2016) the number of workers in the region's labor force decreased by 1.02 percent.

Labor Force and Employment

Figure A.25: Annual Unemployment Rate Comparison, 2005-2016

Source: Iowa Workforce Development & Bureau of Labor Statistics

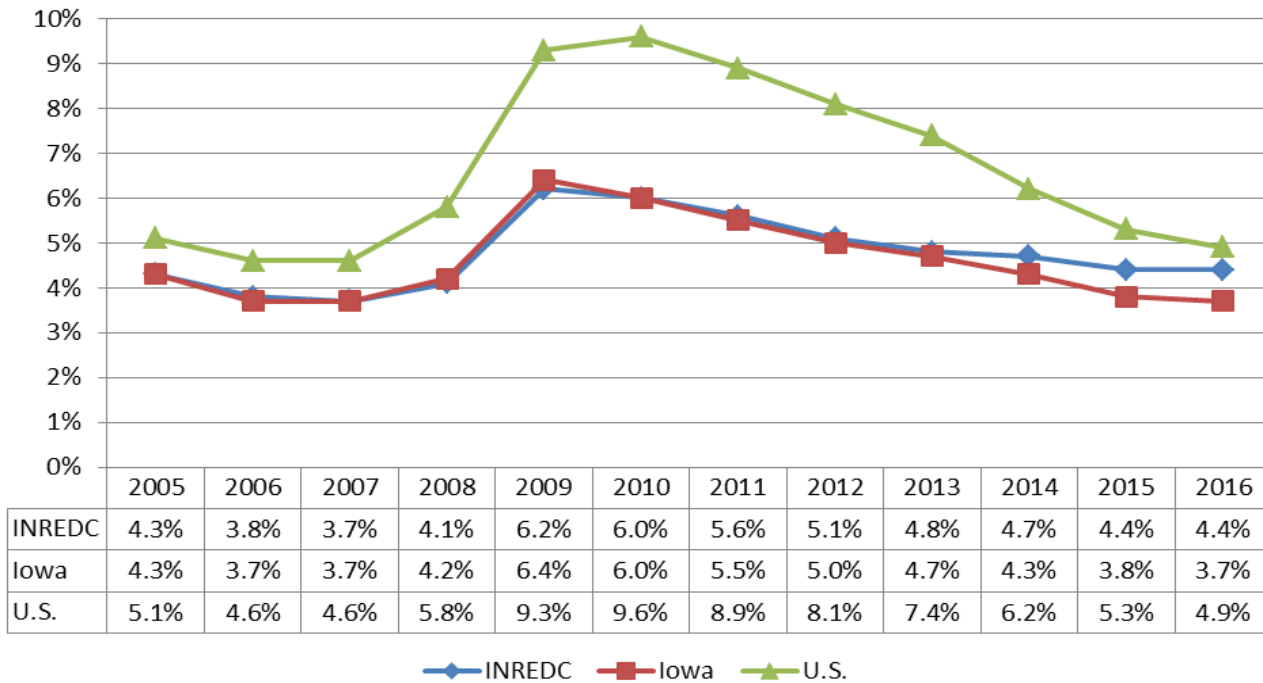


Figure A.25 compares the annual unemployment rates of the INREDC region, State of Iowa, and United States.

- The state and region have consistently had unemployment rates below the national average.
- In region's unemployment peaked in 2009 at 6.2 percent has been steadily declining since
- In general, the region's unemployment rate has closely followed the state's unemployment rate.
- Since 2015, the state's rate continued to fall below four (4) percent while the region's rate held steady at 4.4 percent.

Figure A.37: Employment by Industry, 2015

Industry	INREDC Region		Iowa	U.S.
	# of Person	Percent of Workforce	Percent of Workforce	Percent of Workforce
Educational services, and health care and social assistance	27,690	25.2%	24.3%	23.1%
Manufacturing	20,643	18.8%	15.2%	10.4%
Retail trade	13,280	12.1%	11.7%	11.6%
Arts, entertainment, and recreation, and accommodation and food services	8,367	7.6%	7.5%	9.6%
Professional, scientific, and management, and administrative and waste management services	6,762	6.1%	7.2%	11.0%
Finance and insurance, and real estate and rental and leasing	6,350	5.8%	7.4%	6.6%
Construction	6,341	5.8%	6.2%	6.2%
Other services, except public administration	5,147	4.7%	4.2%	4.9%
Transportation and warehousing, and utilities	4,485	4.1%	4.6%	5.0%
Agriculture, forestry, fishing and hunting, and mining	4,032	3.7%	3.9%	2.0%
Wholesale trade	3,110	2.8%	2.8%	2.7%
Public administration	2,468	2.2%	3.2%	4.8%
Information	1,415	1.3%	1.8%	2.1%
Total	110,090	100%	100%	100%

Note: Of civilian employed population 16 years and over;

Source: ACS 5-Year Averages, 2011-2015, Income: Selected Economic Characteristics

Industry/Workforce

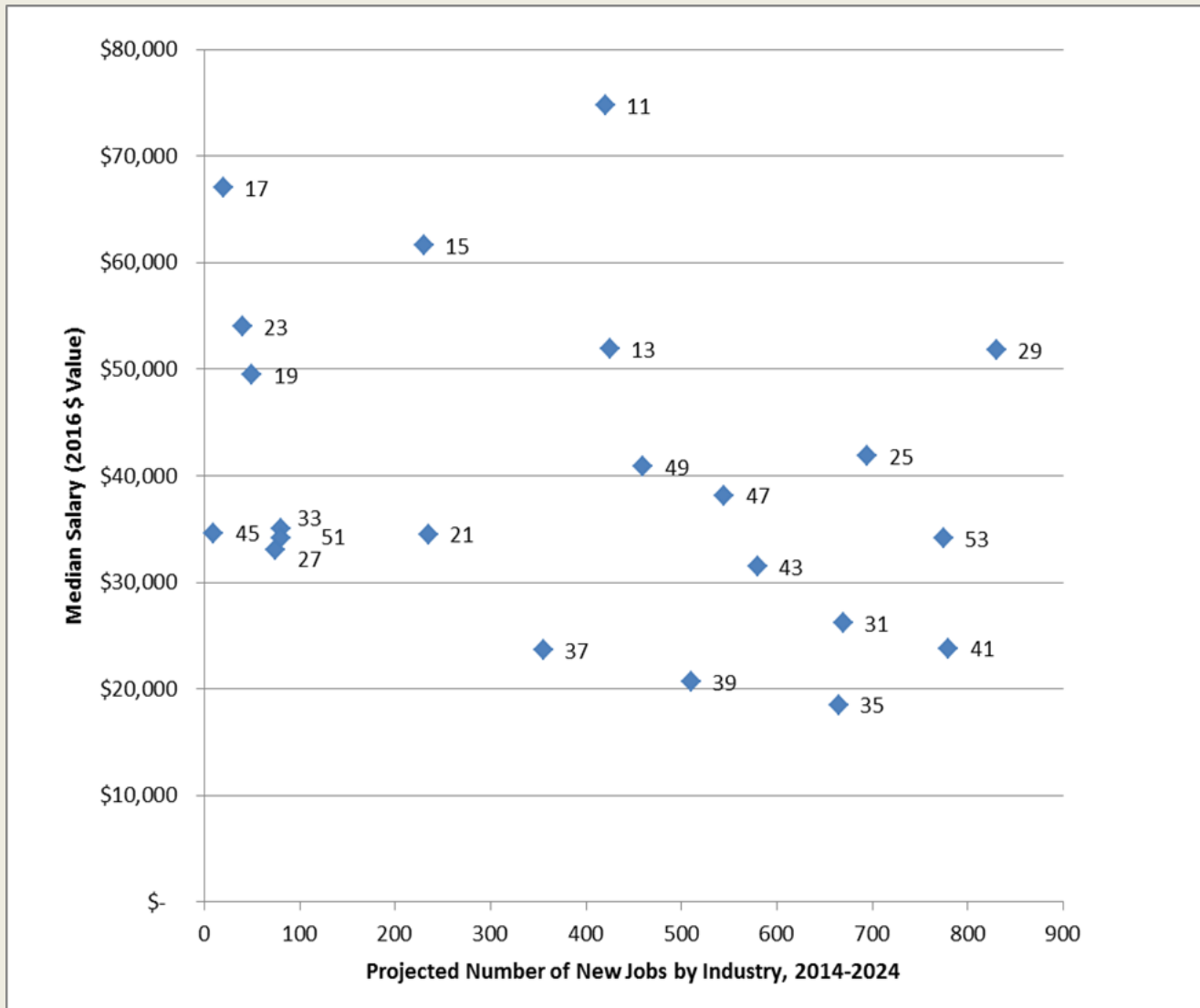
Figure A.40 shows the number of new jobs, by occupation expected to be added between 2014 and 2024 in IWD Region 7

Figure A.40: Projected Industry Job Growth in IWD Region 7 by Projected Number of New Jobs, 2014-2024

NAIC	Occupation	# of New Jobs (2024)	Median Salary (2016)	% of New Jobs
29	Healthcare Practitioners and Technical Occupations	830	\$51,794	9.7%
41	Sales and Related Occupations	780	\$23,816	9.1%
53	Transportation and Material Moving Occupations	775	\$34,133	9.1%
25	Education, Training, and Library Occupations	695	\$41,842	8.1%
31	Healthcare Support Occupations	670	\$26,204	7.9%
35	Food Preparation and Serving Related Occupations	665	\$18,514	7.8%
43	Office and Administrative Support Occupations	580	\$31,493	6.8%
47	Construction and Extraction Occupations	545	\$38,173	6.4%
39	Personal Care and Service Occupations	510	\$20,667	6.0%
49	Installation, Maintenance, and Repair Occupations	460	\$40,844	5.4%
13	Business and Financial Operations Occupations	425	\$51,873	5.0%
11	Management Occupations	420	\$74,775	4.9%
37	Building and Grounds Cleaning and Maintenance Occupations	355	\$23,618	4.2%
21	Community and Social Service Occupations	235	\$34,511	2.8%
15	Computer and Mathematical Occupations	230	\$61,650	2.7%
33	Protective Service Occupations	80	\$35,048	0.9%
51	Production Occupations	80	\$34,133	0.9%
27	Arts, Design, Entertainment, Sports, and Media Occupations	75	\$33,036	0.9%
19	Life, Physical, and Social Science Occupations	50	\$49,437	0.6%
23	Legal Occupations	40	\$54,014	0.5%
17	Architecture and Engineering Occupations	20	\$67,008	0.2%
45	Farming, Fishing, and Forestry Occupations	10	\$34,634	0.1%
	Total	8,530	-	100%

*Iowa Workforce Development Region 7, includes all INREDC counties except Chickasaw

Industry/Workforce



NAIC	Occupation
29	Healthcare Practitioners and Technical Occupations
41	Sales and Related Occupations
53	Transportation and Material Moving Occupations
25	Education, Training, and Library Occupations
31	Healthcare Support Occupations
35	Food Preparation and Serving Related Occupations
43	Office and Administrative Support Occupations
47	Construction and Extraction Occupations
39	Personal Care and Service Occupations
49	Installation, Maintenance, and Repair Occupations
13	Business and Financial Operations Occupations
11	Management Occupations
37	Building and Grounds Cleaning and Maintenance Occupations
21	Community and Social Service Occupations
15	Computer and Mathematical Occupations
33	Protective Service Occupations
51	Production Occupations
27	Arts, Design, Entertainment, Sports, and Media Occupations
19	Life, Physical, and Social Science Occupations
23	Legal Occupations
17	Architecture and Engineering Occupations
45	Farming, Fishing, and Forestry Occupations

According to 2024 IWD Region 7 Projections

- Nearly one-quarter (23.6 percent) of new jobs in the IWD Region 7 will be in the healthcare industry
 - Healthcare Practitioners and Technical Occupations: 9.7 percent of new jobs (largest of any occupation)
 - Healthcare Support Occupations: 7.9 percent of new jobs
 - Personal Care and Service Occupations: 6.0 percent of new jobs
- Home Health Aids and Personal Care Aids are expected to be the two fastest growing occupations in the region
- Registered nurses are expected to see the greatest increase in total number of jobs of any single occupation, adding 365 new jobs in the region.

Industry/Workforce

As discussed in the **Population** section

- The region's historic annual population growth rate has been 0.2 percent since 1990.
- In 2015, the region's population was estimate to be 218,686.
- Using the historic annual average population growth rate over the past 25 years applied to the 2015 population, it can be estimated the region's 2024 population will be 222,654 – a 3,968 person increase.

As discussed in the **Job Growth** Section, by 2024 there will be demand for 8,530 additional jobs in the region

- The numbers of persons needed to meet the anticipated job demand do not exist as things currently stand.
 - Not all persons in the anticipated growth will be eligible for or participate in the labor force;
 - For those that do, some skills gaps will exist.
- This anticipated labor shortage is compounded by the fact that
 - The region already has a low unemployment rate (below 5 percent for three years)
 - Anticipated Baby Boomer retirements in coming years

SWOT

SWOT Planning Sessions were held with economic developments groups in the INREDC throughout 2016. Using the input received, a regional SWOT analysis was developed.

Strengths are the region's relative competitive advantages and are often internal in nature

Weaknesses are the region's relative competitive disadvantages and are also often internal in nature

Opportunities are chances or occasions for regional improvement or progress, often external in nature

Threats are chances or occasions for negative impacts on the region or regional decline and are also often external in nature

Weaknesses

Business Climate

- Region's overall lack of growth compared to other areas
- Businesses having to invest greater resources on recruitment of workforce from outside the region or additional on-the-job training due to workforce shortage
- Lack of succession planning despite retirement age nearing for a significant number of business owners and leaders
- Uneven economic growth across region
- Business development/retention for existing small companies

Workforce

- Stagnant population growth
- Aging workforce
- Current and projected workforce shortages for both skilled and non-skilled laborers

Infrastructure

- Lack of diverse and affordable (workforce) housing options throughout the region
- Aging Infrastructure in need of updates (water/sewer/roads/ bridges/housing stock, etc.)

Other

- Negative perceptions people outside the region may have

Threats

Business Climate

- Influence fluctuating agricultural markets have on regional economy
- Competition with and influences of a global economy
- Increasing rules and regulations on business at local, state, and federal levels
- Maintaining and growing Main Street businesses (market shift to online retail)

Workforce

- Lack of population growth
- Impending retirements of “Baby Boomer” generation
- Pressures on public school funding
- Technology advancements which require fewer, higher skilled workers
- Workforce reduction as automation and technology advancements continue to replace laborers in certain industries

Infrastructure

- Communities facing declining populations potentially leading to decreased tax base
- Projected needs for medical workforce and resources to support and care for an aging population
- Inadequate federal and state funding for infrastructure

Strengths

Business Climate

- Regional business hub of Northeast Iowa
- Strong and diverse set of existing manufacturers (type and size)
- The region's position to be a leader in advanced manufacturing
- Quality of Iowa's land supporting crop production and agricultural economy
- Low cost of doing business and living

Workforce

- Low unemployment rate
- K-12 Education systems & Higher Ed. Institutions (UNI, Wartburg, HCC)
- Increasing demand for skilled laborers leading to increase in employee pay

Infrastructure

- High quality utility services at competitive prices (water, natural gas electric, broadband, etc.)
- Access to markets through highway and rail systems
- Access to high quality medical care throughout the region

Other

- Regional economic development collaboration
- Quality of life amenities across the region

Opportunities

Business Climate

- Retain and support expansion of existing businesses
- Increase support for entrepreneurial community

Workforce

- Support and develop the next generation of business owners
- Attract and retain younger families to grow communities and meet workforce demands
- Expand apprenticeship and other technical training programs/partnerships

Infrastructure

- Further develop industrial parks and create “shovel ready” sites
- Maintain and expand competitive utility and technological infrastructure and services
- Implement sustainable land and water programs to improve water quality and mitigate flooding
- Continue to grow air service at Waterloo Regional Airport (ALO)

Other

- Further develop quality of life amenities to attract and retain workforce
- Market, as a region, to attract potential new employers and draw persons to support workforce demands

Goals and Objectives

Eight Goals were developed that seek to strengthen our regional economy and address the SWOT findings

Goal 1: Maintain and Improve the Economic Vitality of the Region

- 1) Attract, Retain and Expand Businesses in the Region
- 2) Maintain and Further Develop Identified Regional Industry Clusters
 - 1) Advanced Manufacturing
 - 2) Food Processing
 - 3) Distribution and Logistics
 - 4) Information Technology
 - 5) Agra-based Biotechnology and Bioscience
- 3) Expand Entrepreneur Development
- 4) Diversify the Region's Economic Base
- 5) Facilitate Sustainable Economic Growth

Goal 2: Address Regional Workforce Needs

- 1) Increase number of persons in workforce
- 2) Up-skill and increase education levels of existing workforce
- 3) Develop local pipeline of general and skilled laborers
- 4) Improve the quality of life experience and attractiveness of region in order to retain and recruit workforce

Goals and Objectives

Goal 3: Provide adequate housing options for all members of the community

- 1) Increase availability of workforce and affordable housing
- 2) Provide a variety of housing types and options to support diverse and ever-changing lifestyles

Goal 4: Maintain and Expand utility and public infrastructure to support of economic growth

- 1) Maintain, update, and invest in new infrastructure improvements for sanitary sewer, storm water, drinking water, waste facilities, broadband, as well as energy development and transmission
- 2) Maintain and upgrade community facilities

Goals and Objectives

Goal 5: Foster an Effective and Efficient Transportation Network

- 1) Prioritize transportation initiatives that strategically support economic development and movement of freight
- 2) Provide safe, reliable, and efficient transportation network for the movement of persons and goods
- 3) Provide transportation infrastructure that supports the high-use of trucks and farm equipment
- 4) Increase availability of funds and revenue options to maintain and modernize regional transportation infrastructure.
- 5) Improve public health and quality of life experience through transportation networks

Goal 6: Build Disaster and Economic Resilience

- 1) Mitigate the risk natural and human-caused disasters pose to the region's population
- 2) Reduce risk to and protect public (roads, utilities, structures, etc.) and private (businesses, etc.) infrastructure

Goals and Objectives

Goal 7: Protect and Enhance our Natural Resources and Environment

- 1) Protect and Enhance the Region's Land (farm ground, natural areas, etc.) and Water (rivers, aquifer, etc.) Resources

Goal 8: Maintain INREDC's Economic Development District Status

- 1) Review and update CEDS plan on an annual basis
- 2) Develop new CEDS every five years
- 3) Maintain partnerships with US Department of Commerce Economic Development Administration and the Iowa Economic Development Authority to assist communities in our region
- 4) Continue positive working relationships with the local economic development commissions, organization, and other partners
- 5) Provide economic development assistance to businesses, industries, and local governments within the region

Evaluation Framework

In order to monitor the general trajectory of the region, a secondary list of economic performance indicators was developed. These selected indicators are listed in Figure D.2.

Along with the stated performance goal, a benchmark (current condition) for each indicator was established which can be linked back to the background data presented in Section A.

While no single jurisdiction or entity has control on whether these goals are met, the identified measures will provide insight as to whether or not the region is growing in ways that address the population, income, housing, education, and workforce concerns identified in the SWOT analysis.

Figure D.2: Other Economic Growth Indicators	
2022 Performance Indicators	2017 Benchmarks
Population, Income, & Housing	
Grow region’s population by 2.5 percent to 224,153	2015 Population Estimate: 218,686; 2000-2010 Population Growth: 1.4%
Increase median household incomes by 15 percent	IA Median Household Income Growth, 2011-2015: 10.7%; INREDC 2000-2010 HH income growth: 29%
Increase number of housing units by 7.5 percent to 99,147	Number of housing units in region: 92,661, 2010 Census estimate
Education Attainment & Workforce Development	
Reduce the percent of population without at least a high school degree to 4 percent or lower	9% as of 2015
Increase percent of population with some college or an associate’s degree to 37 percent	32% as of 2015
Increase percent of population with bachelor degrees or higher to 39 percent	24% as of 2015
Grow region’s labor force by 2.5 percent to 119,000	2012-2016: -1.02% growth; 2016 INREDC Annual Avg. Labor Force: 116,100
Increase percent of region’s population within “prime” working ages of 25-54 to above the statewide average of 39 percent	35% of region’s population between ages of 25-54 as of 2015