



IOWA'S CREATIVE CORRIDOR

THE 2014 REGIONAL EXISTING INDUSTRY REPORT
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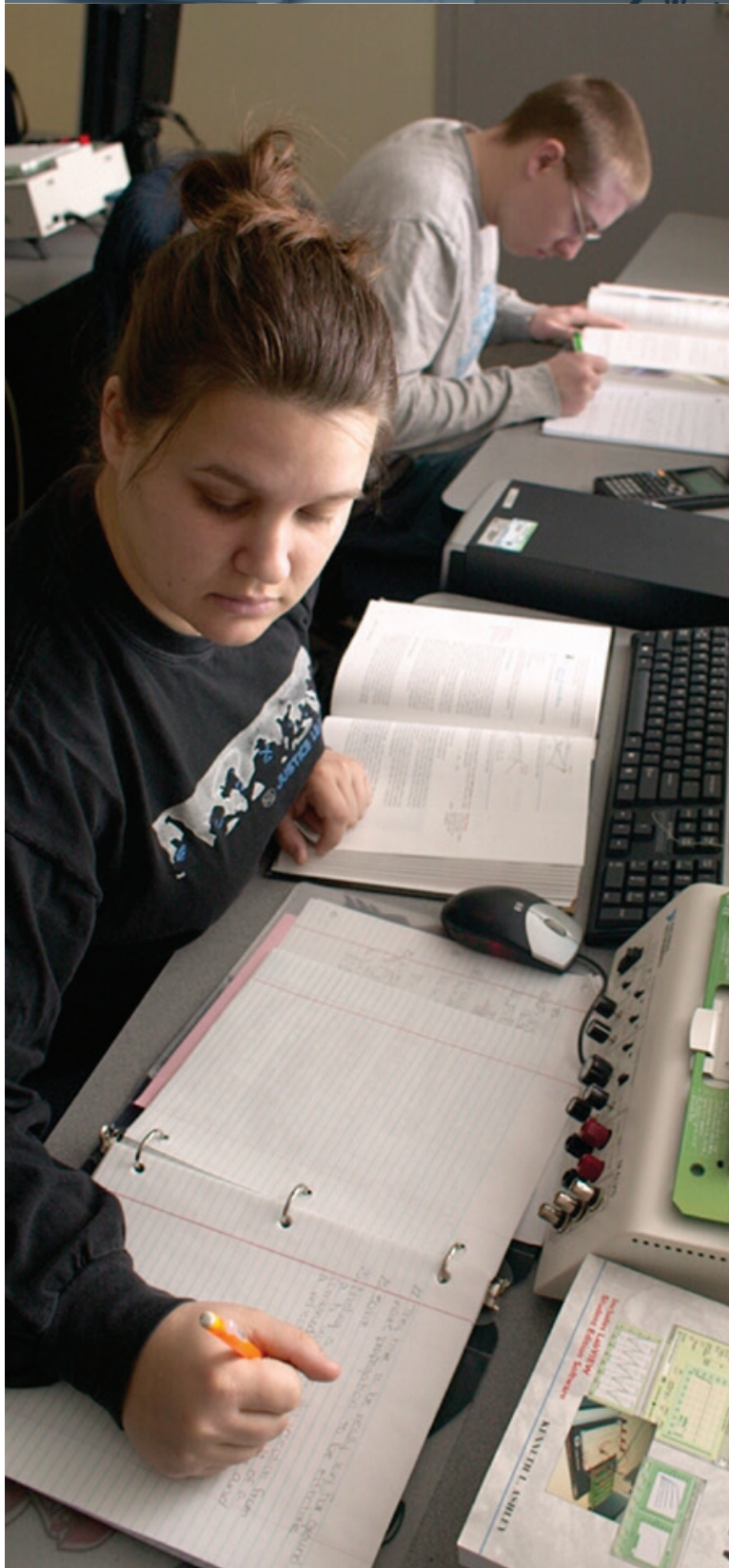
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A NATIONAL TREND WITH LOCAL IMPACT



EXECUTIVES SHOW STRONG SATISFACTION

and support of the local business climate, community infrastructure and quality of place. Most cited strengths were the quality of the educational systems to provide capable workers. One ongoing need expressed is for more direct flight options from the Eastern Iowa Airport. The ability to reach the coasts would be seen as a great benefit to regional companies.

THE LARGEST BARRIER TO GROWTH

continues to be the shortage of skilled workers. Area companies' hiring appetite is drastically outpacing population growth, especially in the 18-24 range as more Baby Boomers are looking to retire from the workforce. This issue is directly impacting all sectors of industry, with the hardest hit being manufacturing and transportation. Engineering talent at all levels continues to be a challenge nationwide. Executives appreciate efforts to expand STEM education statewide, but urge there needs to be more than minor tweaks to existing educational systems in these disciplines.

THE IMPACTS OF THE AFFORDABLE CARE ACT

are top of mind when asked about policies impacting business. There is almost equal parts concern and confusion as to the true bottom line impacts of health care reform. Execs are hoping 2015 provides more concrete answers or changes to this wide sweeping bill.

BOTTOM LINE SEEMS TO BE THAT THIS REGION

has the assets and infrastructure to compete globally, however we lack talent in sufficient numbers. There is much excitement about the Regional Workforce Plan which was developed with significant private sector input. Efforts to market the region externally while working internally to encourage diversity, housing, transportation, capital access for emerging companies and innovation in education will be critical to our shared success moving forward.

This year, the Iowa City Area Development Group and the Cedar Rapids Metro Economic Alliance conducted on-site interviews with 147 executives in Iowa's Creative Corridor using the Blane, Canada Ltd, Synchronist® Business Information System.

These confidential interviews review business activities, discuss economic development issues, and forecast trends and opportunities for our seven-county area. This existing industry program helps develop an accurate picture of our economic climate in relation to national information and state trends.

This report provides insight into workforce strengths and challenges, job growth, overall satisfaction with community services and the area, and stability and growth of existing companies.

BUSINESS SECTORS INCLUDE (LISTED BY NUMBER OF COMPANIES):

Industrial / Manufacturing	62
Information Tech / Software	29
Financial / Insurance	14
Transportation / Warehousing	14
Health / BioTech	12
Educational Services	10
Agricultural	6

This represents 28,491 jobs.

EMPLOYMENT SATISFACTION INDEX (SCALE 0-7)

	14 National	14 Iowa	14 Creative Corridor
Employee Availability			
Note: this was 5.1 locally in 2009	4.7	4.1	4.3
Quality of Local Workforce	4.8	4.8	5.2
Employee Stability	5.1	5.3	5.3
Productivity of Workforce	5.6	5.6	5.6

WORKFORCE

Hardest to Fill Positions

- Skilled Trades / Production 21%
- Engineering 20%
- Management/marketing/sales 18%
- Software Dev / Engineering 17%
- Truck Drivers/ Forklift 10%
- Entry Level Production 10%
- Admin / Clerical 4%

	14 National	14 Iowa	14 Creative Corridor
Is the Company Experiencing Recruitment Problems Filling Positions	52%	55%	66%
Hiring Difficulty More attributable to community than industry	49%	42%	59%

EMPLOYMENT PROJECTIONS

	14 National	14 Iowa	14 Creative Corridor
Company plans to expand in the next three years	57%	46%	62%
Company has plans to increase employment	42%	42%	44%

Unfilled Positions 1471

Anticipated Net New Jobs 1969

Executives made 54 comments relating to lack of talent being a significant barrier to growth and limiting expansion potential

59 Executives also noted the strength of the incumbent workforce as reasons for success.

Good work ethic, affordable, stability

WORKFORCE STRENGTHS AND CHALLENGES

JOB GROWTH



SATISFACTION WITH COMMUNITY ATTRIBUTES INDEX (SCALE 0-7)

Category	NADS 2014	IA 2014	Corridor 14
Educational Opportunities	5.7	5.7	6.1
Health and Safety	5.8	5.7	6.0
Utilities	5.6	5.6	5.8
Transportation Assets	4.9	4.7	5.1
Telecom (Voice / Data)	5.2	5.3	5.1
Governmental Services	5	4.9	5.0
Business Support	5.4	5.2	5.7

COMMUNITY STRENGTHS

- Quality of life
- Educational opportunities
- Location

BARRIERS TO GROWTH

- Lack of workforce
- Need to be more welcoming of diversity
- Need additional investment capital to spur innovation & entrepreneurship
- More direct flights

LEGISLATION EXECs ARE MOST CONCERNED WITH

- Affordable Care Act 42%
- Increased Regulations 18%
- Industry Specific Items 21%
- Increases in Taxes 11%
- Specific to DOT Rules 8%

STABILITY/GROWTH PROJECTIONS

	14 National	14 Iowa	14 Creative Corridor
Company saw total sales increase	74%	65%	72%
Company saw an increase in market share	56%	49%	65%
	14 National	14 Iowa	14 Creative Corridor
Company has introduced new products / services in the last 5 years	77%	78%	87%
Company plans to introduce new products and services in the next two years	71%	72%	82%

Interstate Commerce Companies in the Corridor continue to outpace state and national averages for innovation with new products, growing market share, and are showing more sales growth than their Iowa peers.

OVERALL SATISFACTION WITH COMMUNITY

STABILITY AND GROWTH OF COMPANIES