




IOWA FINANCE AUTHORITY

Des Moines Area Association of REALTORS
May 16, 2023


Debi Durham | Executive Director
Iowa Finance Authority | Iowa Economic Development Authority



DIVERSITY/WORKFORCE
INFRASTRUCTURE
SUSTAINABILITY
AUTOMATION/INNOVATION
UNCERTAINTY
COMPETITIVE INITIATIVES
QUALITY OF LIFE





DIVERSITY/WORKFORCE



ADVANCED MANUFACTURING
BIOSCIENCES
FINANCE AND INSURANCE

INNOVATION/TECHNOLOGY

EDUCATIONAL TECHNOLOGY



IN DECEMBER 2019, IOWA HAD **68,000 JOB OPENINGS**, AND **46,600 UNEMPLOYED PEOPLE**
IN FEBRUARY 2023, IOWA HAD **102,000 JOB OPENINGS**, AND **JUST 50,100 UNEMPLOYED PEOPLE**

SOURCE: IOWA WORKFORCE DEVELOPMENT

IN OCTOBER 2019, IOWA'S LABOR FORCE PARTICIPATION RATE PEAKED AT 70.3%

IN MARCH 2023, IOWA'S LABOR FORCE PARTICIPATION RATE WAS 68.2% RANKED 6TH OVERALL IN THE U.S.

SOURCE: IOWA WORKFORCE DEVELOPMENT, FEDERAL RESERVE BANK OF ST. LOUIS



Iowa's Labor Force Participation

- Retirements surged during the pandemic
- Federal Reserve research suggests that much of the remaining gap in labor force participation is due to retirements
- Shifting of dual income workers in a household to sole-earner
- More people upgrading from part-time to full-time work
- Most recent unemployment report saw women ages 25-34 drop out of labor force
- Drop off of men ages 25-34

Child Care Task Force Recommendations

PARTNERSHIPS **CHILD-STAFF RATIOS**
SHARED SERVICES **SLOTS** **BEND THE COST CURVE**

- Over \$500 million invested in Child Care initiatives
- Increase in the number of 2-year-olds and 3-year-olds allowed in the care of an individual provider
- Legislature passed bill that incentivizes providers to accept more families that receive child care assistance by allowing parents to pay the difference between the child care assistance rates and the rates charged to private-pay families.
- Child Care Management System in development to serve as a resource to support business operations
- Iowa Women's Foundation hires employer engagement director in partnership with IEDA

https://governor.iowa.gov/files/default/files/documents/GOV_ChildcareTF_Report_112021.pdf

75% OF CHILDREN UNDER 6 HAVE BOTH PARENTS WORKING OUTSIDE THE HOME

FAMILY WITH SINGLE-PARENT MEDIAN INCOME SPENDS 40.7% OF INCOME ON CHILD CARE

IOWA HAS LOST 33% OF CHILD CARE BUSINESSES OVER THE PAST 5 YEARS

Iowa Women's Foundation

Implementing Workforce Solutions

Iowa Workforce Development – Business Engagement Division

- Share information about available resources – one-stop shop for employers
- Provide specific points of contact to assist employers with workforce needs

IWD Reemployment Case Management System

- Provide one-on-one career coaching at week one and will assist the recipient's work-search requirements on a weekly basis for those receiving unemployment benefits
- Length of unemployment benefits reduced from 26 weeks to 16 weeks (exception for plant closings)
- • Creating unemployment claim-to-work system

iowaworkforcedevelopment.com

IOWA WORKFORCE DEVELOPMENT

VISITOR & TALENT ATTRACTION PLAN
thisisiowa.com

Key Message Pillars



Travel Is the First Step in Thinking About Moving to a New City



TRAVEL FEEDS WORKFORCE

64%

of U.S. adults seriously considered moving to a new place as a result of visiting.

“

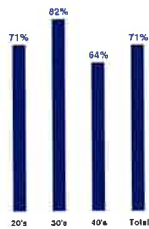
If we can get them to our location, we have a much better sell. They have to see the place to be convinced.”



Consumers Are Open to Relocating



Likelihood to consider moving for the right opportunity
Scale of 0 (not likely at all) to 10 (very likely)



7 in 10 are likely to consider moving for the right opportunity.

Likelihood is highest among **30-somethings**. This is up since we last tested it.

Moving the Needle!

20%↑

The number of positive perceptions has increased by 20%

50%↓

while the number of negative perceptions has halved

Making An Impact

20%↑
"Iowa has fun recreational opportunities" jumped 20%

69%
"Iowa has friendly people" climbed from 51% to 69%

67%
"Iowa has beautiful natural landscapes" increased from 46% to 67%

IOWA NEEDS MORE PEOPLE, BUT THE STATE DOESN'T HAVE ENOUGH HOUSING FOR THOSE WHO ALREADY LIVE HERE

HOUSING DEMAND IS EXPECTED TO GROW BY 42,000 HOUSEHOLDS BY 2030



SOURCE: IOWA PROFILE, 2022

INFRASTRUCTURE

Catalyzing Growth

- Community Catalyst program
 - Grants to help communities redevelop, rehabilitate or deconstruct buildings to stimulate economic growth and reinvestment in the community
 - Intent is to fund amenities that support the vibrancy of a district, for example the space in and around buildings
 - All 941 Iowa cities are eligible
 - City must be the applicant and must provide financial investment
 - 40% of funds must be allocated to cities with populations under 1,500

Contact: Jim Thompson at jim.thompson@iowaeda.com or 515.348.5193

Transforming our Technology Infrastructure

- The Empower Rural Iowa Broadband Program has invested over \$367 million in broadband grants across Iowa, resulting in \$884 million in total investment in the state
- 115,000 Iowa homes, schools, and businesses will receive faster broadband speeds as a result of these projects
- At a minimum an additional \$100 million from the infrastructure Bill will be available to expand broadband service to unserved and underserved homes, schools, and businesses in Iowa

“ We were excited to receive these grants as they will allow us to expand fiber optics to many more rural areas in Iowa. Having access to the services we offer over fiber optics will truly enhance the quality of life for residents in these areas.”


Jeff Rolland
CEO
Western Iowa Network

ocio.iowa.gov/broadband

Workforce Housing Tax Credits

- State tax credit program provides tax benefits to developers to provide housing in Iowa communities.
- \$35 million allocation for FY 2024. Allocation is split equally between Small Cities and Urban areas.
 - Small Cities: Community in the 98 least populated counties OR Community in the 11 most populated counties that meet both of the following criteria:
 - Population of 2,500 or less based on 2020 census data and
 - Population growth of less than 10% as determined by comparing census data from 2020 to 2010
- Maximum award for a project is \$1 million
- Applications due by Friday, June 9 at 11:59 p.m.

Contact: Derek Folden at derek.folden@iowafinanca.com or 515.452.0437



3D Affordable Innovative Technologies Housing



2020 First 3D printed house for sale 3 2 1,407² 3x 40% 6k+ 3



IOWA STATE UNIVERSITY
RESEARCH AND INNOVATION

32,802 OF IOWA'S EXPECTED 2030 HOUSING DEMAND WILL NEED TO BE OWNER-OCCUPIED UNITS, AND 9,355 WILL NEED TO BE RENTAL UNITS.

SOURCE: 2022 WESTERN ECONOMIC SERVICES STUDY

YOUR PAYCHECK GOES FARTHER IN IOWA WHEN PURCHASING A HOME THAN IN ANY OTHER STATE. IOWA HAS AN INCOME TO MORTGAGE RATIO OF JUST 10.6%.

SOURCE: HOMEBUYROOM

IOWA RANKS #1 IN THE US FOR HOUSING AFFORDABILITY

SOURCE: U.S. NEWS & WORLD REPORT, 2022

“IOWA FAMILIES SHOULD HAVE THE ABILITY TO LIVE NEAR THEIR WORK AND BE ENGRAINED IN THEIR LOCAL COMMUNITIES. WE SEE HOUSING SUPPLY AS A KEY ELEMENT TO ATTRACTING AND RETAINING OUR WORKFORCE, BOTH IN RURAL AND URBAN AREAS.”

Reynolds W. Cramer
CEO of Parkview



AS OF OCTOBER 2022, THE MEDIAN HOME AGE IN IOWA WAS 50 YEARS, MAKING IOWA'S HOUSING STOCK THE EIGHTH OLDEST IN THE NATION.

SOURCE: U.S. CENSUS BUREAU

Preserving Owner-Occupied Homes

Iowa Home Repair Pilot Program

- \$10 million allocated through the Iowa Homeowner Assistance Fund to assist eligible homeowners with up to \$25,000 in repairs.
 - Expected to open for applications on a limited basis this summer.



Mortgage and Down Payment Assistance Programs

3 REQUIREMENTS



\$152,600
INCOME



\$427,000
PURCHASE PRICE



REPEAT OR
FIRST-TIME
HOMEBUYER

iowafinance.com/welcomehome

Advancing Financial Literacy
Homebuyer Resource Portal available at iowafinance.com/firsttimehome

Homebuyer Checklist
Your 10-Step Guide to Securing Your Dream Home

BUYING A HOME CAN BE ONE OF THE MOST EXCITING EXPERIENCES OF YOUR LIFETIME AND ALSO THE ONE WITH THE MOST QUESTIONS.

Iowa Finance Authority Down Payment and Closing Costs Assistance

The first step toward your dream home is saving for a down payment and closing costs associated with a home purchase. These costs can range anywhere from 2% to 6% of the total home price.

GET TO KNOW YOUR CREDIT SCORE



FIRST-TIME HOMEBUYING GUIDE

It's no secret that the homebuying process is complex.

SET YOUR HOMEBUYING BUDGET

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IFA Homeownership Program Adjustments

Down Payment Assistance Programs





- FirstHome: The FirstHome program can either give you: A down payment and closing costs assistance grant OR a 2nd Loan program loan
- Homes for Iowans: The Homes for Iowans program offers the 2nd loan down payment and closing costs assistance option


Adjustments to best serve today's homebuyers:

- The 2nd loan will continue to be offered for both FirstHome and Homes for Iowans and will now be up to 5% with no maximum (a change from a maximum of \$5,000)
- The \$2,500 Plus grant will be offered on FirstHome only
- Increased lender compensation to 1% origination fee plus \$1,300 in lender fees

Contact: Rhonda Kintle at rhonda.kintle@iowafinance.com or 515-492-0485

ITG MAKES BUYING A HOME MORE AFFORDABLE FOR ALL IOWANS. OUT OF STATE TITLE INSURANCE PREMIUMS COST HOMEOWNERS:


 TEXAS \$1,808	 NEW YORK \$1,125
 OKLAHOMA \$850	 IOWA \$175*

 The national average premium is **\$911***

*ITG offers a flat rate of \$175 per acre of coverage for \$150,000 and a flat fee of \$175 for additional coverage and other fees.

Military Homeownership Assistance Program

- \$5,000 in down payment and closing costs assistance for eligible military service members and veterans
- Military service members assisted since inception: **6,749**



Contact: Rhonda Kintle at rhonda.kintle@iowafinance.com or 515-492-0485

ITG PARTNERS WITH MORE THAN 1,200 IOWA ATTORNEYS, ABSTRACTORS AND CLOSERS

ITG KEEPS MONEY IN IOWA, PAYING LOCAL PARTNERS NEARLY \$7 MILLION IN 2022 ALONE

ITG REINVESTS PROFITS TO HELP IOWANS PURCHASE HOMES, SUPPORTING AN AVERAGE OF 2,300 HOMEBUYERS A YEAR, TOTALING \$68 MILLION AND COUNTING

2023 IOWA HOMEOWNERSHIP Incubator Competition

A challenge to Iowa lending institutions and real estate professionals to think innovatively about the future of homeownership and advancing financial literacy around homeownership among all Iowans. The winner will receive \$20,000 towards their efforts.

2022 winner: Kelli Eckert, Newtowner Journey

Must include:

- Marketing and advancement of financial literacy initiatives for potential homeowners.
- Community and business/employer partnerships.
- Promotion of FHA and other programs for low to moderate income homeowners.
- Proposal content and format is at the discretion of authors and should be creative in innovation.
- Proposals must be led and submitted by a lending institution or real estate company.
- Submission Deadline: Aug. 1, 2023 at 5:00 p.m.

Contact:
Ashley Jand at ashley.jand@iowafinance.com or 515-452-0474




Carbon and Renewable Hydrogen Opportunities

- o **Governor's Carbon Sequestration Task Force**
 - Vision Statement: Iowa will be the leading state for creating carbon value through agricultural stewardship & energy generation
- o **Positioning for Growth in Hydrogen**
 - Iowa is a great fit for development of renewable hydrogen (H2) & can further maximize our energy and agricultural resources and industry partnerships

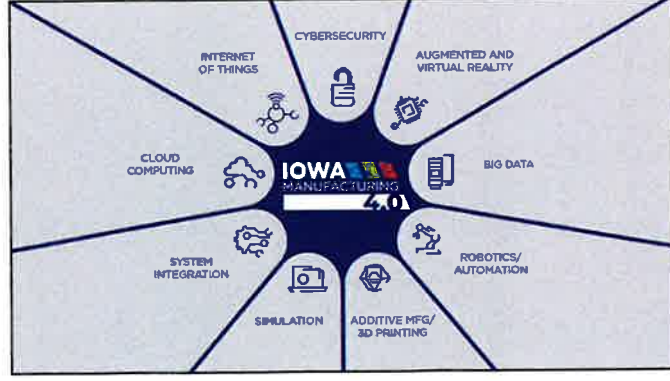
“ The value of our investment decision in Nevada is represented by the operation of our biorefinery continues to deliver dividends for the future... The decision to integrate the production of green hydrogen production reflects the natural evolution of our vision to position Nevada as an advanced renewable energy center. To be successful, this vision is supported by Iowa's leadership to secure a hydrogen hub for the state and its regional state partners - the time is right, and this is the place to be.”

Ging Northing
President & CEO
VERMIL, North America




Renewable Energy Portfolio

- IOWA RANKS 1ST IN ETHANOL AND BIODIESEL PRODUCTION
- IOWA RANKS 2ND IN BIOMASS CAPACITY
- IOWA RANKS 1ST IN ELECTRICITY GENERATED FROM CLEAN POWER SOURCES (WIND, SOLAR AND ENERGY STORAGE)
- 63.8% OF IOWA'S TOTAL POWER OUTPUT COMES FROM RENEWABLE SOURCES



Supporting Adoption of Automation

Iowa is helping manufacturers integrate smart technology into their operations to remain globally competitive through the fourth industrial revolution.

Manufacturing 4.0 Plan - iowamfg.com

- Supplier Connection Portal
- OEM Advisory Council
- Bonus depreciation
- Grants for small to medium size manufacturers that invest in smart technologies
 - Over \$25 million in grant funds awarded
 - Additional \$2 million currently available

"The Manufacturing 4.0 Innovation Grant is allowing Fox River Mills to match our leadership position in the market around product innovation and a progressive business model, with an advanced technology solution that enables agility, speed and efficiency. Through our early work around discovery and our move into the selection phase we have a line of sight now to the game changer this will be for our team, our business and ultimately our community."

Bobby Warren, CEO - Fox River Milk, Osage



BIOSCIENCE JOBS PAY 85% MORE THAN THE AVERAGE PRIVATE SECTOR JOBS

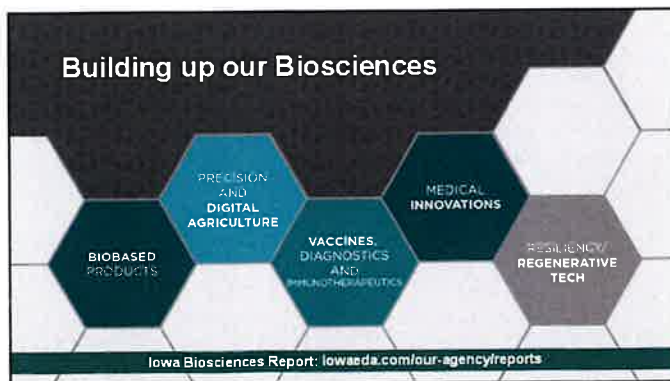
IOWA'S BIOSCIENCE R&D EXPENDITURES ARE 13% HIGHER THAN THE NATIONAL FIGURE

IOWA RANKS FIRST IN BOTH ETHANOL AND BIODIESEL PRODUCTION

IN 2022, IOWA EXPORTED \$468 MILLION IN PHARMACEUTICAL PRODUCTS TO 75 COUNTRIES

"THE US ECONOMY RIGHT NOW IS DOING QUITE WELL — CONSUMERS HAVE A LOT OF MONEY, THEY'RE SPENDING IT. JOBS ARE PLENTIFUL...OUT IN FRONT OF US THERE'S SOME SCARY STUFF. THE LEVEL OF UNCERTAINTY ABOUT WHERE THE ECONOMY IS HEADED IS WORSE THAN USUAL...THE FED'S QUANTITATIVE TIGHTENING, RUSSIA, UKRAINE, OIL, GAS, WAR, MIGRATION, TRADE, CHINA."

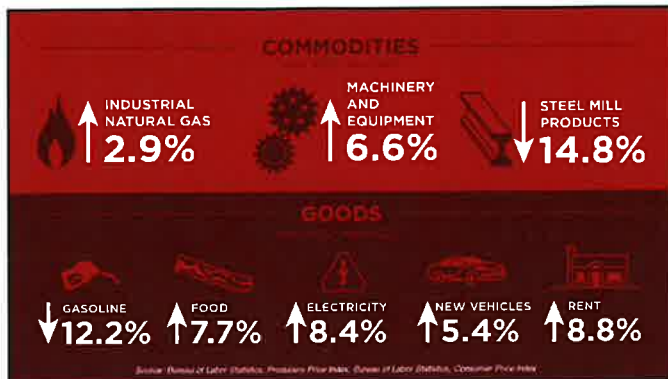
- Jamie Dimon
CEO, JPMorgan Chase & Co.



CONSUMER PRICE INFLATION FELL IN APRIL TO 4.9%, FROM THE HIGHEST RATE IN 41 YEARS OF 8.9%

IN 2022, ANNUAL INFLATION ROSE TO ITS HIGHEST LEVEL SINCE 1981

SOURCE: FEDERAL RESERVE BANK OF ST. LOUIS



IOWA RANKS #1 FOR FASTEST ECONOMIC RECOVERY FROM THE PANDEMIC
SOURCE: THE COUNCIL ON STATE GOVERNMENTS AND NEWS

IOWA RANKS #3 IN THE U.S. FOR OPPORTUNITY
SOURCE: USA NEWS & WORLD REPORT

RECORD NUMBER OF NEW IOWA BUSINESSES LAUNCHED IN 2022
SOURCE: IOWA SECRETARY OF STATE

IOWA RANKS #7 FOR WOMEN'S ECONOMIC AND SOCIAL WELL-BEING
SOURCE: WALLETHub 2023

Historic Tax Reform

- Highlights**
 - Tax Foundation ranking - improvement of 31 places with full phase implementation of reforms
 - Single income tax bracket for all Iowans - reach 3.9% by 2026 (CY 2022 top tax rate was 5.53%, in CY 2023 it is 5%)
 - Lowers corporate tax from 9.5% to 8.4% in 2023, with ultimate target of 5.5% - creates an attractive business environment
 - Corporate tax relief extends two years into 2025, 2026 and 2027
 - Makes changes to the Research and Activities Credit
 - Expands the value of supplies that can qualify for the credit to 200,000
 - Reduces the complexity of the credit to 50% cost base
 - Eliminates the capital gains tax on the sale of ESOP shares of qualified businesses to allow employee owners to receive this retirement benefit tax free
 - Eliminates retirement income tax in 2023
- Addresses the imperative that Iowa needs a competitive tax system

WSJ OPINION
Iowa's Bold Tax Reform

"These moves will help the Hawkeye State keep up amid intensifying Midwest tax competition."

"THE MIDWEST ECONOMY SHOWS SIGNS OF POSITIVE BUT SLOW GROWTH. WE'RE SEEING LESS AND LESS INFLATIONARY PRESSURES NOW AS THE FED IS RAISING INTEREST RATES AND THAT IS PUTTING DOWNWARD PRESSURE ON PRICES. HOWEVER, THE INFLATION READING STILL SENDS A NEGATIVE SIGNAL TOWARD FINANCIAL MARKETS AND THE FED'S INTEREST RATE OUTLOOK 58% OF SUPPLY MANAGERS SURVEYED STILL ANTICIPATE A RECESSION IN 2023. THE RURAL MAINSTREET ECONOMY CONTINUES TO EXPERIENCE SLOW, TO NO, TO NEGATIVE ECONOMIC GROWTH. THE SLOWING ECONOMY, HIGHER BORROWING COSTS AND LABOR SHORTAGES CONTINUE TO CONSTRAIN THE BUSINESS CONFIDENCE INDEX."

*Ernie Goss
Professor of Economics
Graceland University*

State Government – Efficiency and Alignment Efforts

- First comprehensive review of state government structure in 40 years found opportunities to better align resources, services, and programs
- Iowa has more executive branch cabinet members than most states. Alignment effort will reduce agencies from 37 to 16, align agencies with similar missions, operations or constituents
- Three areas impacting IEDA/JFA:
 - Parts of the Department of Cultural Affairs will be merged within IEDA/JFA: Iowa Arts Council, Produce Iowa, State Historic Preservation Office
 - Transition Iowa's official Partner State program from nonprofit Iowa Sister States to IEDA's International Trade Office
 - Iowa Commission on Volunteer Service will move to Iowa Department of Health and Human Services
- Next steps: State agencies working toward July 1 transition

QUALITY OF LIFE

IOWA RANKS IN THE TOP 10 STATES TO LIVE

SOURCE: ENR, 2022

“PLACEMAKING IS ABOUT TURNING A NEIGHBORHOOD, TOWN, OR CITY FROM A PLACE YOU CAN'T WAIT TO GET THROUGH INTO ONE YOU NEVER WANT TO LEAVE.”

— Fred Kent, Project for Public Spaces

iowaseda.com

iowafinance.com

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Debi.durham@iowaseda.com

Unmatched Quality of Life

IOWA HAS MORE THAN 80 STATE PARKS

NEARLY 53,000 ACRES OF IOWA'S LAND ARE FOR RECREATIONAL ACTIVITIES



2,300 MILES OF TRAILS AND 18,000 MILES OF NAVIGABLE STREAMS THROUGHOUT IOWA

IOWA HAS 2,000 COUNTY PARKS, CITY PARKS, NATURAL AREAS AND TRAILS

ThisisIowa.com

Destination Iowa/CAT

- Destination Iowa
 - \$100 million investment in quality of life and tourism
 - Provide grants to help communities move forward on transformational, shovel-ready attractions
 - Four separate funds:
 - Economically Significant Development (\$30 million)
 - Outdoor Recreation (\$40 million)
 - Tourism Attraction (\$10 million)
 - Creative Placemaking - competitive (\$20 million)
- Enhance Iowa - CAT
 - \$10 million appropriated in FY 23
 - Received an unprecedented 22 applications requesting \$14.5 million
 - Set 7 million appropriated to 24 projects to date this FY
 - \$8.5 million for Destination Iowa fund in FY 24

Sustainable Regional Trail System

High Peaks Trail

