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Governor, IPEP release findings of 2014 Battelle Report, a new economic development roadmap for Iowa

December 18, 2014 (*DES MOINES*) – Governor Terry Branstad joined representatives from the Iowa Partnership for Economic Progress (IPEP) -- the state’s CEO-level, industry-led advisory board co-chaired by the Governor and Lt. Governor Kim Reynolds – to release the findings of the 2014 Battelle Report: Iowa’s Re-envisioned Economic Development Roadmap. The Battelle Technology Partnership Practice was commissioned by IPEP and the Iowa Business Council to conduct this comprehensive analysis.

“Thanks to the IPEP board and the Iowa Business Council, we now have a roadmap for the future,” said Governor Branstad. “These business leaders – in addition to their day jobs of running Iowa’s top businesses – have given of their time and resources to make sure Iowa has a focused plan to achieve success. We are grateful for their leadership.”

Battelle is the world’s largest nonprofit independent research and development organization. The Technology Partnership Practice (TPP) assists local, state, and regional organizations, universities, nonprofit technology organizations, and others in designing, implementing, and assessing technology-based economic development programs. Over the past 18 months, researchers from Battelle have been working with the Iowa Economic Development Authority (IEDA) and regional economic development organizations around the state to conduct the study. The comprehensive report reviews Iowa’s industry drivers and potential growth opportunities. It also looks at how the state has fared in advancing innovation, job attraction and retention since the last roadmap was developed in 2004-2005.

“IPEP is charged with advising the state on economic trends that will affect Iowa’s economy and to create a long-term strategy to keep Iowa ahead of the pack,” said Bill Fehrman, president and CEO of MidAmerican Energy and IPEP board member. “With a third-party analysis of the state’s resources, assets and existing gaps, IPEP now has both the qualitative and quantitative foundation on which to base our strategy development. Further, the Battelle Report gives us a call-to-action that will help our elected officials, policymakers, economic developers and business leaders know what strategic priorities we must embrace if we are to achieve economic success over the next decade.”

The executive summary and full report can be downloaded at iowaeconomicdevelopment.com/battelle. Some key findings identified in the report are below:

The Battelle Report takes a look at Iowa's current position, as compared to the nation and benchmarked states. Due in part to the focused work over the past several years, Iowa is faring well. Some identified successes include:

- Restructuring of IEDA and streamlining of funding programs
- Creating better private/public partnerships
- Better collaboration of stakeholders
- Improved marketing of Iowa and its assets

Iowa has made substantial economic progress over the last decade, resulting in positive trends in Iowa's top-line measures of success:

- Productivity is high -- As of 2013, Iowa's economic output, in real, inflation-adjusted terms, was 5.9% higher than the pre-recession levels of 2007, outpacing the national growth of 4.7% during the same period.
- Job growth and workforce are strong -- Iowa outperformed the nation in the growth of both middle and high-skilled jobs. At the same time, the number of low-skill jobs has actually declined as both employers and employees transition to a more skilled workforce.
- Wages are rising -- Iowa substantially outpaced national gains in private sector average wages. This is consistent with the rising workforce skill levels in Iowa and an increase in the number of higher quality jobs.
- Per capita income is growing -- While record farm incomes have driven a substantial increase in per capita income during the last decade, from 2007 to 2013, Iowa's nonfarm personal income also grew 20%, eclipsing national growth of 14% over the same period.

The Battelle Report makes recommendations for strategic priorities that Iowa must adopt to competitively position the state in a global economy.

Recommendations (Strategic Priorities) include:

- Build on the competitiveness and growth of Iowa's industry clusters through innovation, retention and attraction.
- Generate and attract skilled workforce in demand by Iowa's businesses.
- Accelerate the development of Iowa's emerging entrepreneurial eco-system.
- Advance Iowa's physical infrastructure and regional development capacities to realize Iowa's economic potential.

"This report is such a valuable resource for the IEDA, economic developers and policymakers around our state," commented Debi Durham, director of the IEDA. "It truly is a data-driven look at where we are at, while at the same time, it gives a clear picture of what we could achieve with the right kind of resources focused on targeted priorities."

The Battelle study was funded through support from private-sector entities at a cost of approximately \$400,000.

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