



ANNUAL REPORT OVERVIEW 2018

Based on the interviews completed with companies from across Iowa, the following issues were identified as critical for economic growth and development for Iowa moving forward:

- Iowa must elevate efforts to enhance and grow our workforce.
- Site, building and infrastructure development must be supported at the local and state level.
- Innovation by Iowa companies must continue to be encouraged and supported.
- A variety of public policy decisions are adversely affecting Iowa companies.

EXPANSION PLANS

PLANS
TO EXPAND

356
Companies

NO ROOM FOR
EXPANSION

148
Companies

COMMUNITIES
NOT CONSIDERED

89
Companies

WORKFORCE

- Nearly half of the companies interviewed (49.3%) rated the availability of workforce in their area as low (a 3 or less out of 7).
- 73.1% of the companies stated they were experiencing workforce recruitment problems.
- The companies interviewed reported having 5,747 unfilled positions.
- More than half of the companies have plans to expand over the next three years and 25.6% of those companies stated their community in Iowa may not be considered due to workforce related issues.
- Workforce related issues were the most frequently identified barriers to growth for their communities.

529 Companies stated they had introduced a new product or service over the past five years.

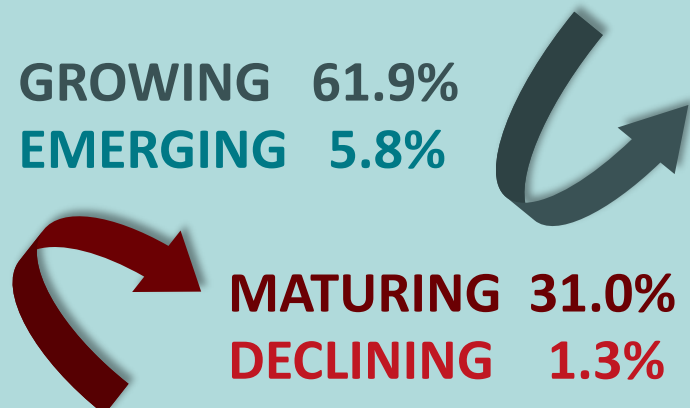
496 Companies stated they anticipated introducing a new product or service in the next two years.

118 Companies stated they had not introduced a new product or service over the past five years and do not anticipate doing so in the next two years.

PRODUCT LIFE CYCLE

GROWING 61.9%
EMERGING 5.8%

MATURING 31.0%
DECLINING 1.3%



RESEARCH AND DEVELOPMENT

248
Companies
(46.1%)

DO NOT
invest in R&D

136
Companies
(46.9%)

Spent 1-2% of
sales on R&D

92
Companies
(31.7%)

Spent 3-4% of
sales on R&D

AVERAGE PERCENT SPENDING ON R&D BUDGET

40.2%

NEW PRODUCT
DEVELOPMENT

35.6%

PRODUCT
IMPROVEMENTS

24.1%

PRODUCTION
IMPROVEMENTS

MARKET

Nearly half (49.9%) of the companies interviewed stated their primary market was a national market. 30.7% stated regional, 11.9% international and 8.0% local.

Nearly all of the companies stated their company's market share was either increasing (50.9%) or stable (48.2%).

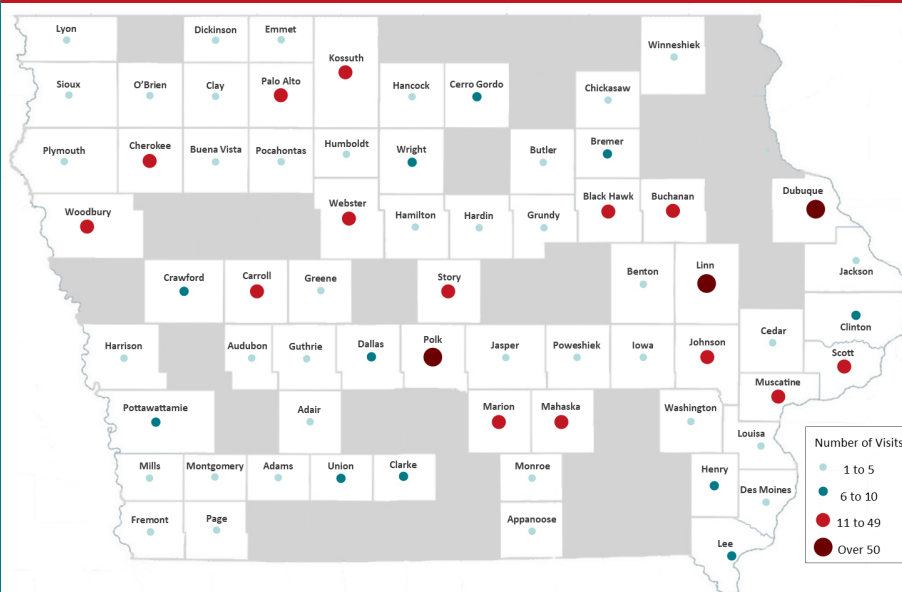
- Among the companies with a growing market share, 73.6% said their primary product/service was growing in its life cycle.
- The vast majority of the companies with a growing market share stated they had introduced a new product/service in the last five years (82.4%) and anticipated introducing a new product/service in the next two years (79.9%).
- 40.8% of companies who stated their market share was stable said their primary product/service was maturing in its life cycle.

PUBLIC POLICY

47.6% of companies surveyed anticipate federal, state or local legislative and regulatory changes that will adversely affect business in the next five years.

- Top legislative and regulatory concerns related to trade tariffs, labor and workplace rules, EPA and environmental regulation, tax reform and Healthcare.
- Over half of respondents in the following industry clusters anticipate being adversely affected by legislative or regulatory changes: Primary Metals, Health Services, Heavy Machinery, Avionics and Communications and Renewable Energy.

DEMOGRAPHIC OVERVIEW



726

Companies

66

Counties

163

Communities