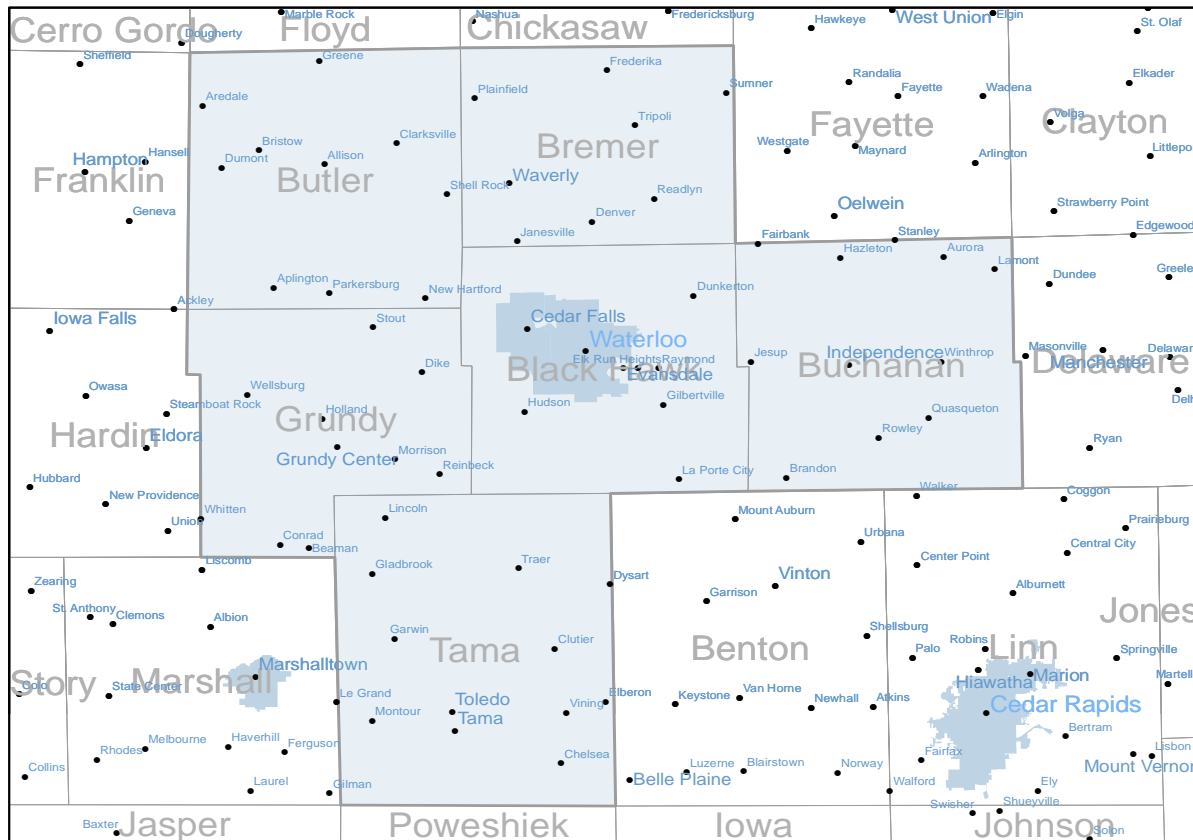


# Economic Profile for ISU Extension Region 9



## IOWA STATE UNIVERSITY University Extension

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Many materials can be made available in alternative formats for ADA clients. To file a complaint of discrimination, write USDA, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410 or call 202-720-5964.

**This profile was prepared by:**

Liesl Eathington  
Regional Capacity Analysis Program  
Department of Economics  
Iowa State University  
phone: (515) 294-2954  
email: leathing@iastate.edu

8/5/2009

# Urbanization Level

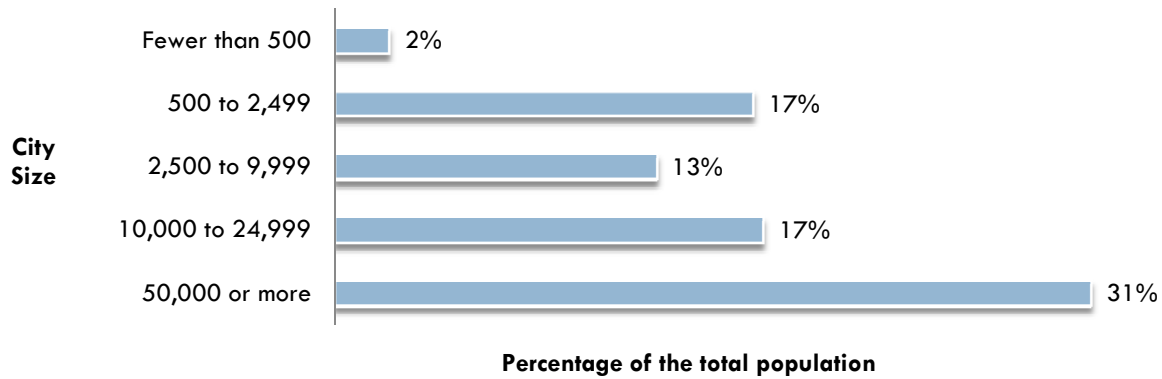
## Population in Cities

Over time, a region's population tends to consolidate into larger cities and their surrounding areas. This process is called "urbanization."

This section describes the distribution of the region's residents by city size.

### City Size

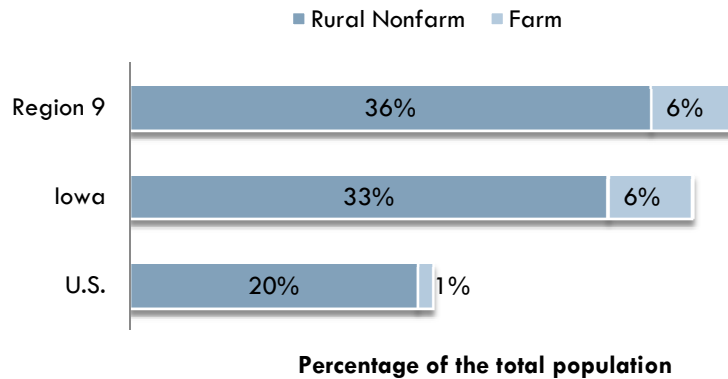
City Size	Region 9
Total population living in cities.....	173,547
Cities with fewer than 500 residents.....	4,726
500 to 2,499 residents.....	36,684
2,500 to 9,999 residents.....	28,167
10,000 to 24,999 residents.....	37,583
50,000 or more residents.....	66,387
Population in unincorporated areas.....	43,224
Total population in 2007.....	216,771



## Rural Population

In 2000, nearly 40 percent of Iowa's residents lived in rural areas, including 6 percent who lived on farms.

The chart at right compares the region's farm and rural nonfarm population shares with state and national averages.



## Definitions

The **farm** population, as defined in the 2000 Census, includes people living in a single family home or mobile home located on a property of 1 acre or more and having least \$1,000 of agricultural product sales in 1999.

The **rural nonfarm** population includes all people living in rural areas who do not live on farms. The U.S. Census Bureau defines rural areas using specific population density criteria. Some small cities may be included in the definition of rural space.

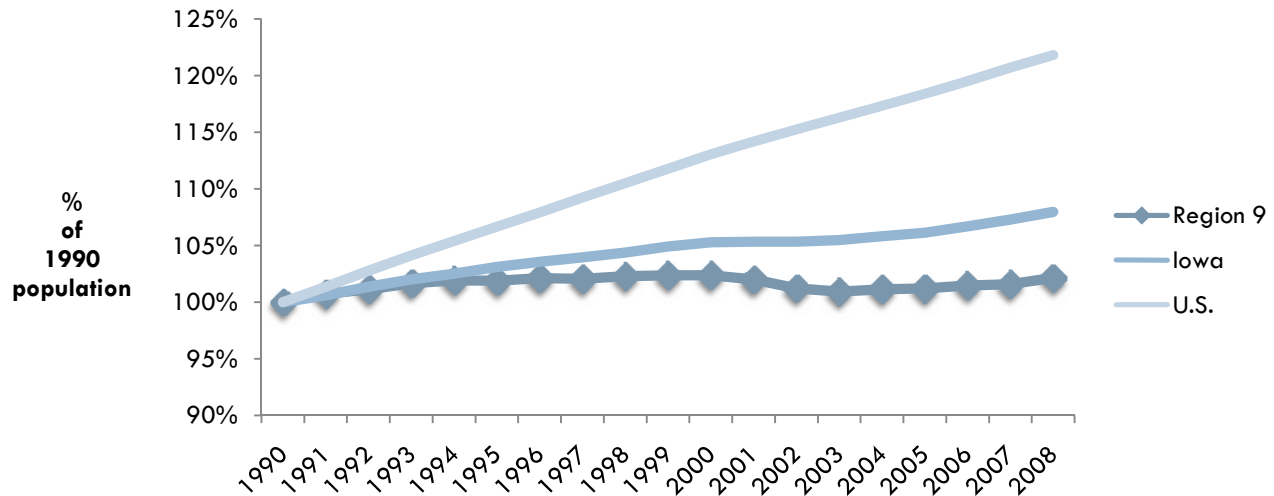
Source Data: 2007 Population Estimates and 2000 Census, U.S. Census Bureau

## Overview of Recent Trends

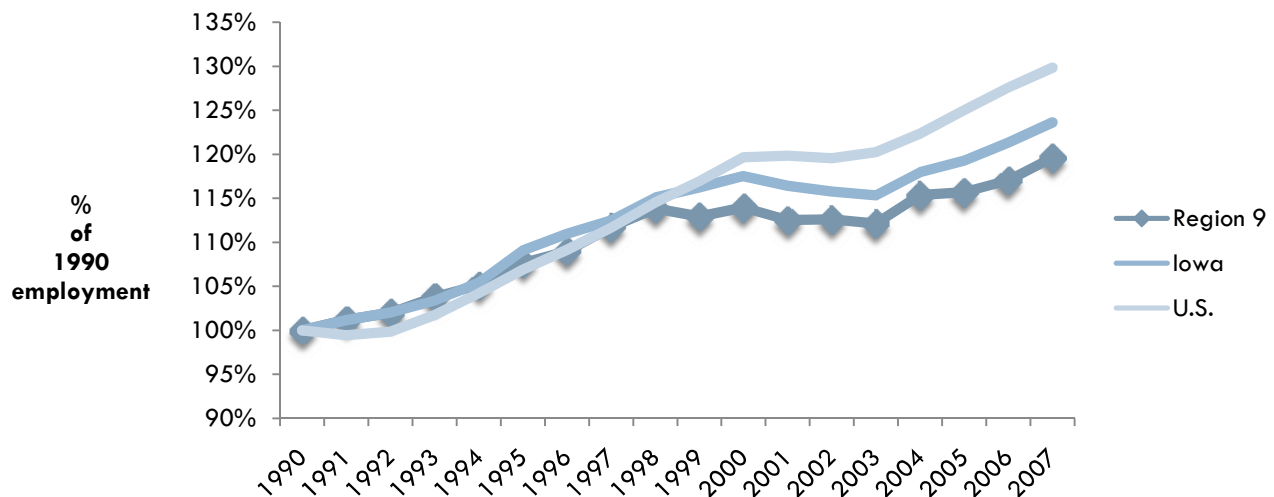
This page highlights changes in total population and total employment in the region, with comparative trend data for Iowa and the United States. In both graphs, the annual values are expressed in percentage terms compared to the base year of 1990. For example, an index value of 105% would suggest a 5% growth rate in the indicator since 1990.

Sometimes a region's employment and population growth trends don't seem to align. The relationship between employment growth and population growth can be influenced by high rates of workers commuting into (or out of) the region for work and by the mix of part-time versus full-time jobs that are being added in the regional economy.

### Population



### Employment



### Definitions

**Employment** measures the total number of jobs in the region. It includes farm employment, self-employment, private sector wage and salary employment, and public sector employment. Full-time and part-time jobs are counted equally.

Source Data: Local Area Unemployment Statistics, U.S. Bureau of Labor Statistics

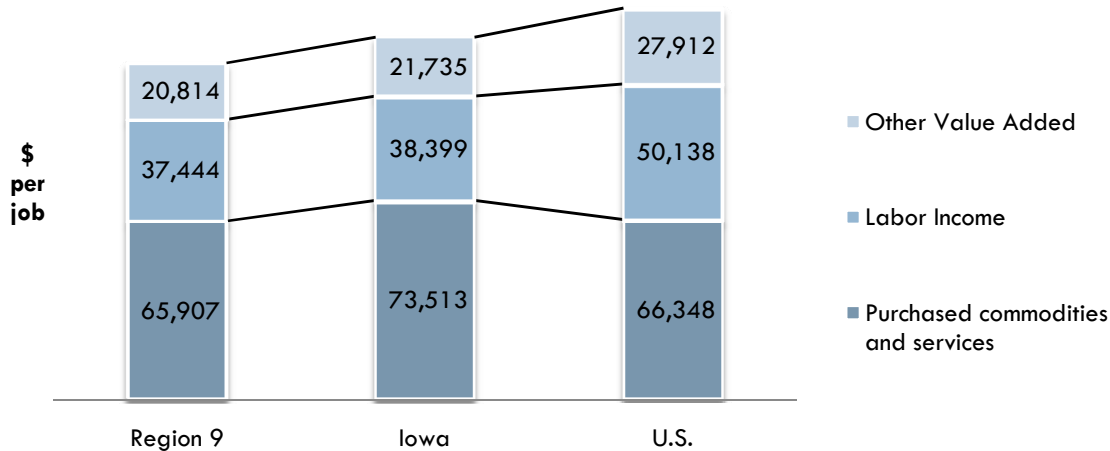
# Regional Industrial Summary, 2007

## Key Measures of Industrial Activity

The size of the region's economy can be measured in terms of its jobs, industrial output, or the value added components of industrial output.

	<b>Region 9</b>
Total employment in number of jobs..... <sup>1</sup>	133,876
Labor income in \$billions.....	5.01
Other value added in \$ billions.....	2.79
Total value added (gross regional product) in \$ billions..... <sup>2</sup>	7.80
Value of purchased commodities and services in \$ billions..... <sup>3</sup>	8.82
Total industrial output (sales) in \$ billions..... <sup>4</sup>	16.62

Standardizing these measures on a per-job basis lets us compare industrial activity levels across different regions. The figure below illustrates the major components of industrial output in average values per job in the region, the state, and the nation.



## Defintions

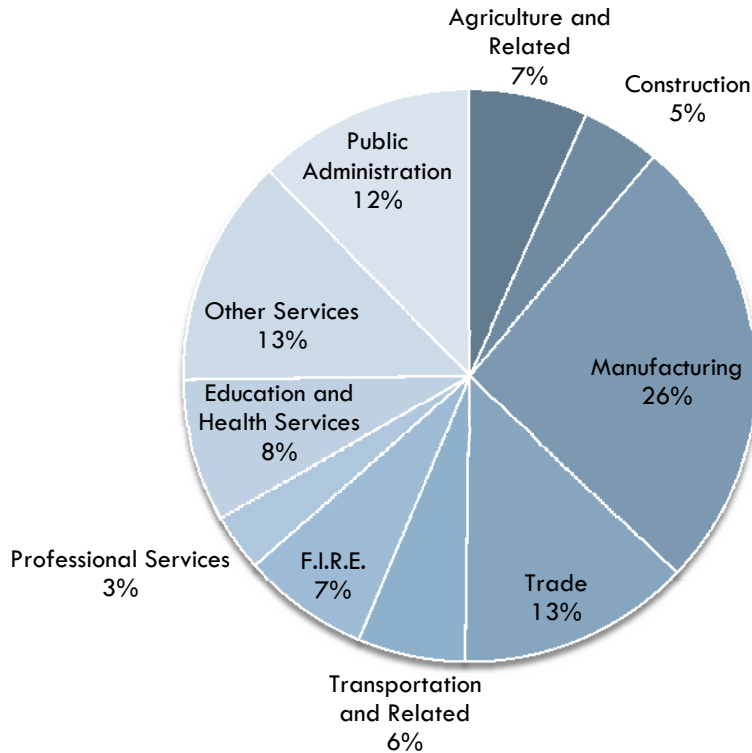
- 1) **Total employment** measures the number of full-time and part-time jobs in the region. All jobs are counted equally, so people who hold more than one job are counted twice. This measure does not include the jobs of residents who commute to a workplace outside of the region. It does include the jobs of non-residents who commute into the region for work.
- 2) **Value added** is also referred to as "gross regional product." Value added represents the contribution of the region's labor and capital to production. This is the preferred measure of industrial activity. Total value added has two components: labor income, which includes employee compensation plus proprietors' income; and other value added, which consists of other property income and indirect business taxes paid to governments.
- 3) **Purchased commodities and services** include the value of all production inputs that are purchased from local suppliers or imported from outside the region.
- 4) **Total industrial output** is the dollar value of sales by all firms and industries in the region. Total output is equivalent to the dollar value of commodity and service inputs purchased by firms in the region, plus the value added by these firms during the production process.

Source Data: IMPLAN Regional Input-Output Models compiled at Iowa State University

## Regional Industrial Summary, continued

### Gross Regional Product by Industry

*This section describes the percentage of the gross regional product, or total value added, that is contributed by each of the region's major industrial sectors.*



	Region 9	State of Iowa	United States
Percentage of Gross Regional Product (Total Value Added).....	100.0	100.0	100.0
Agriculture, Forestry, Fishing, Hunting, and Mining.....	6.7	6.6	3.1
Construction.....	4.5	4.9	5.0
Manufacturing.....	25.9	19.0	11.4
Wholesale and Retail Trade.....	13.2	12.6	12.0
Transportation, Information, Warehousing, and Utilities.....	6.1	9.5	10.1
Finance, Insurance, and Real Estate (F.I.R.E.).....	7.2	10.9	14.8
Professional, Scientific, and Technical Services.....	3.3	3.5	7.3
Education, Health Care, and Social Assistance.....	8.1	7.4	7.7
Other Services.....	12.9	14.0	16.3
Public Administration.....	12.3	11.5	12.2

### Definitions

**Gross regional product** is a term that is analogous to "value added." Value added represents the contribution of the region's labor and capital inputs to total industrial production. This is the preferred measure of regional industrial activity.

Source Data: IMPLAN Regional Input-Output Models compiled at Iowa State University

## Nonfarm Jobs and Firms

### Distribution of Firms and Jobs in Region 9

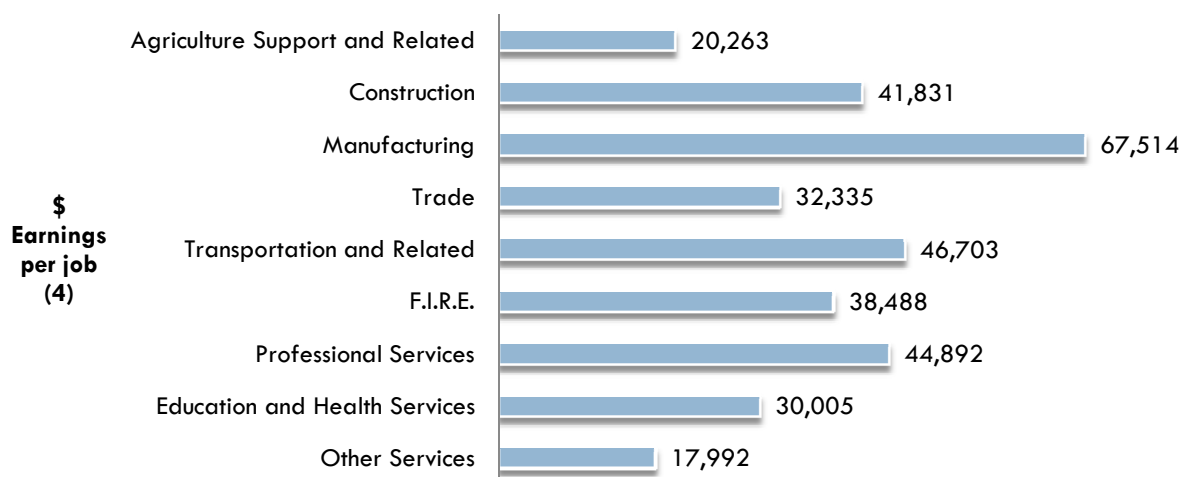
#### By Employment Size

	Firms	
	number	%
All Private, Nonfarm Businesses.....	18,488	100.0
Non-employer firms..... <sup>1</sup>	12,992	70.3
Employer establishments..... <sup>2</sup>	5,496	29.7
Fewer than 10 workers.....	3,955	21.4
10 to 49 workers.....	1,259	6.8
50 to 500 workers.....	269	1.5
500 or more workers.....	13	0.1

#### By Sector

	Firms		Jobs (3)	
	number	%	number	%
All Private, Nonfarm Businesses.....	18,488	100.0	114,747	100.0
Agriculture Support, Forestry, Fishing, Hunting, and Mining.....	325	1.8	8,305	7.2
Construction.....	2,249	12.2	6,906	6.0
Manufacturing.....	511	2.8	19,129	16.7
Wholesale and Retail Trade.....	3,182	17.2	19,503	17.0
Transportation, Information, Warehousing, and Utilities.....	1,410	7.6	6,172	5.4
Finance, Insurance, and Real Estate (F.I.R.E.).....	2,278	12.3	8,246	7.2
Professional, Scientific, and Technical Services.....	1,402	7.6	5,027	4.4
Education, Health Care, and Social Assistance.....	2,296	12.4	18,184	15.8
Other Services.....	4,835	26.2	23,275	20.3

### Region 9 Average Earnings Per Job By Major Sector



### Defintions

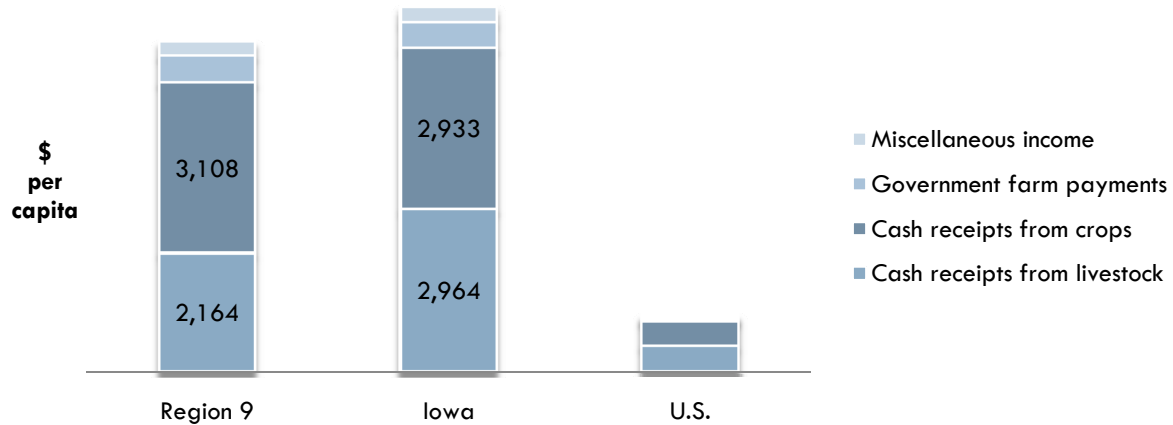
- 1) **Non-employer firms** are sole proprietors and partnerships with no paid employees other than the principals.
- 2) **Employer establishments** are the physical locations of businesses with wage and salary workers on payroll.
- 3) **Jobs** measures the number of positions, not employed persons. Full-time and part-time jobs are counted equally.
- 4) **Earnings** include wages and salaries, all employer-paid benefits and payroll taxes, and self-employment income.

Source Data: County Business Patterns and Nonemployer Statistics, U.S. Census Bureau; IMPLAN Regional Input-Output Models compiled at Iowa State University

# Farms

## Gross Farm Income

The major sources of gross farm income include cash receipts from the sale of livestock and crops, government farm payments, and miscellaneous sources that include machine hire, custom work, and an imputed value for livestock and crops that are produced and consumed on the farm.

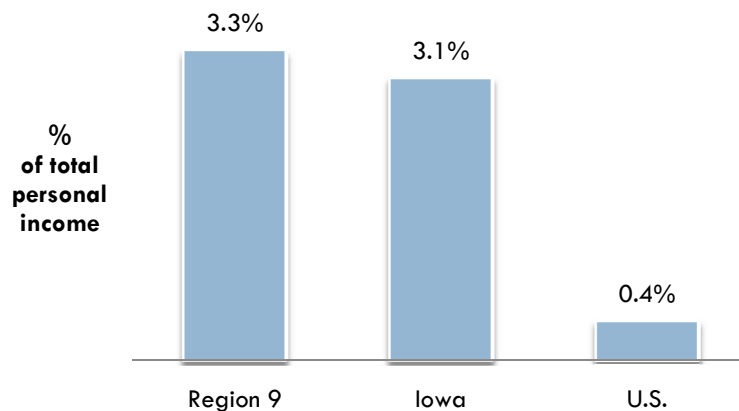


- Government farm payments in Region 9 averaged \$491 per capita, per year during 2005-2007.
- Miscellaneous farm income in Region 9 averaged \$263 per capita during that period.
- In Region 9, total receipts from farming averaged \$6,027 per person per year from 2005-2007.
- The region's average farm receipts were lower than Iowa's statewide average of \$6,655 per capita.

## Farm Earnings

Farm earnings include the net income of farm proprietors, plus the value of wages and salaries paid to farm laborers.

This chart shows the percentage of the region's total personal income that was accounted for by farm earnings during the years from 2005-2007.



## Definitions

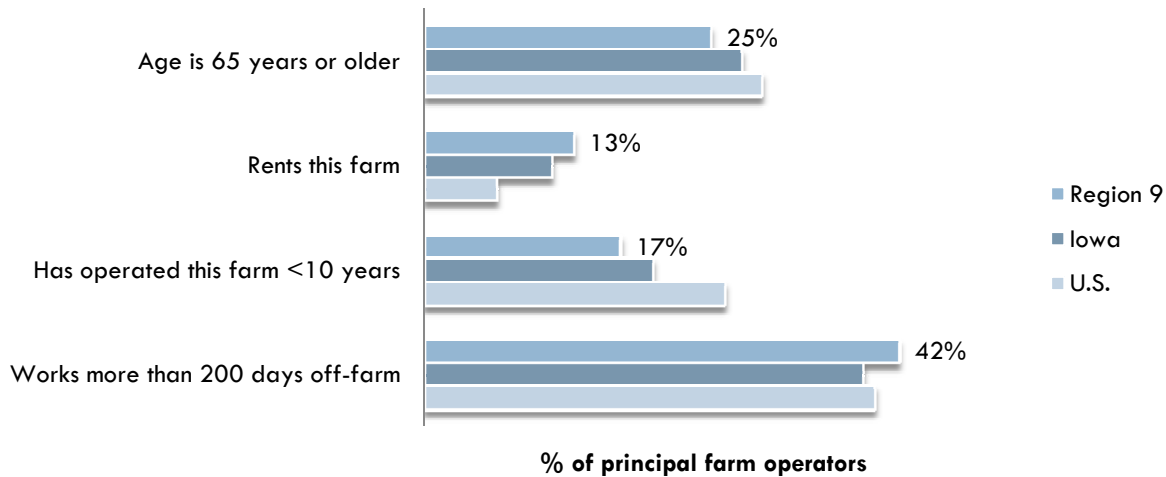
**Farm proprietors' net income** is equal to gross farm receipts net of production expenses, less net income of corporate farms.

Source Data: U.S. Bureau of Economic Analysis

## Farms, continued

### Characteristics of Farm Operators

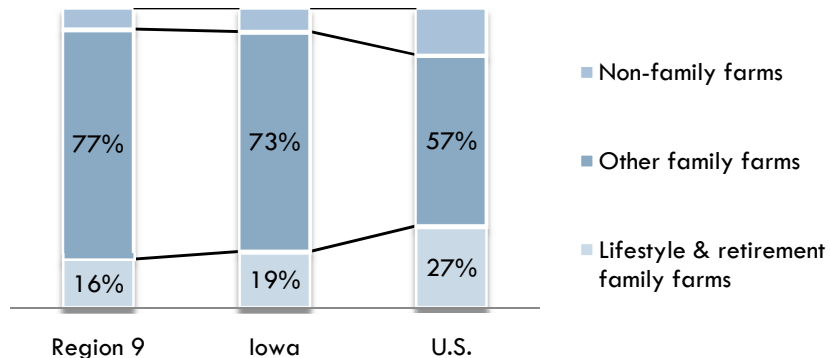
Many farm communities are in transition as older farmers retire, farm operations change hands, and remaining farmers grow increasingly dependent on off-farm employment. Below are several indicators of current or impending change in the region's farm communities, including the fraction of farmers who are near typical retirement age, the percentage of farms that are operated on a cash rent basis, the percentage having had a change in operator within the previous 10 years, and the percentage of farmers who work more than 200 days per year working off of the farm.



### Land in Family Farms

The term "family farm" can describe a broad range of farm operations, from very small lifestyle farms to very large operations organized as family-owned corporations.

The chart at right shows the distribution of farm acres by type of farm.



### Definitions

A **principal operator** is the person primarily responsible for the on-site, day-to-day operation of the farm, and may be a hired manager or business manager.

**Lifestyle and retirement farms** have sales <\$250,000 and a principal operator who has a primary occupation other than farming, is retired, or whose total household income is below \$20,000 per year.

**Other family farms** include all other family farm operations, including small, large, and very large farms.

**Non-family farms** include non-family corporate farms and farms that are operated by a hired manager.

Source Data: 2007 Census of Agriculture, U.S. Department of Agriculture



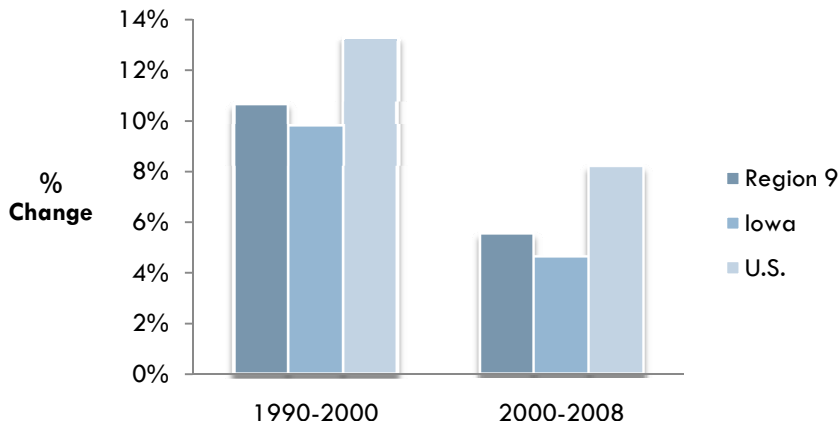
# Labor Force

## Labor Force Size

Region 9 had a total of 105,178 labor force members in 2008.

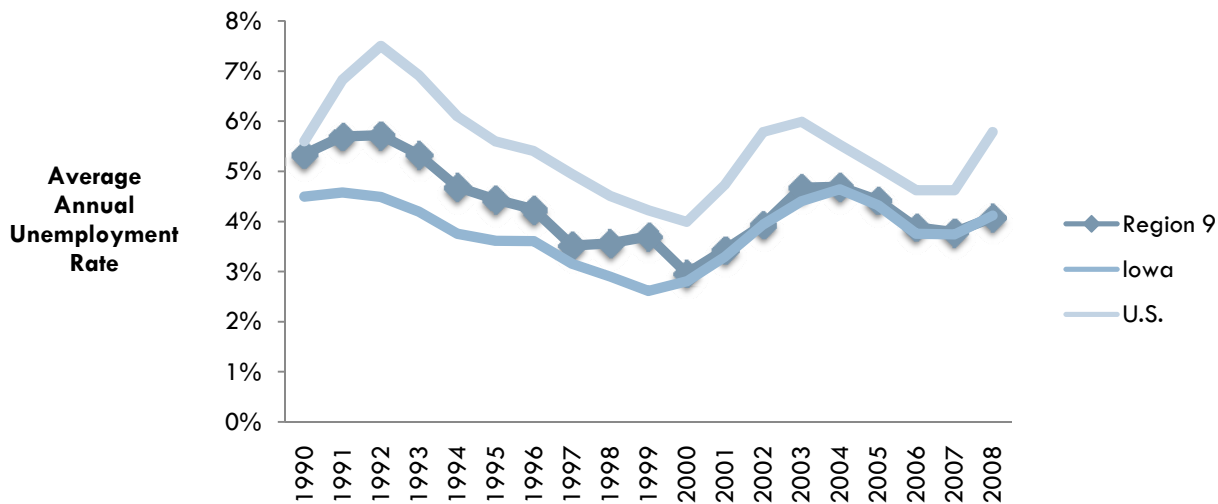
A region's economic growth potential is closely tied to its ability of attract and retain labor force members.

The chart at right shows recent rates of growth in the region's labor force size compared to average rates for Iowa and the United States.



During this decade, the region's labor force size has grown by 5.5%. This is faster than the 4.6% rate for the state of Iowa, and slower than the 8.2% average rate for the United States.

## Unemployment Rate



## Definitions

The **labor force** includes all persons in the civilian, non-institutionalized population who are either employed or unemployed.

**Unemployment** includes all persons who had no employment during a specific reference week, were available for work, except for temporary illness, and made specific efforts to find employment some time during the last month.

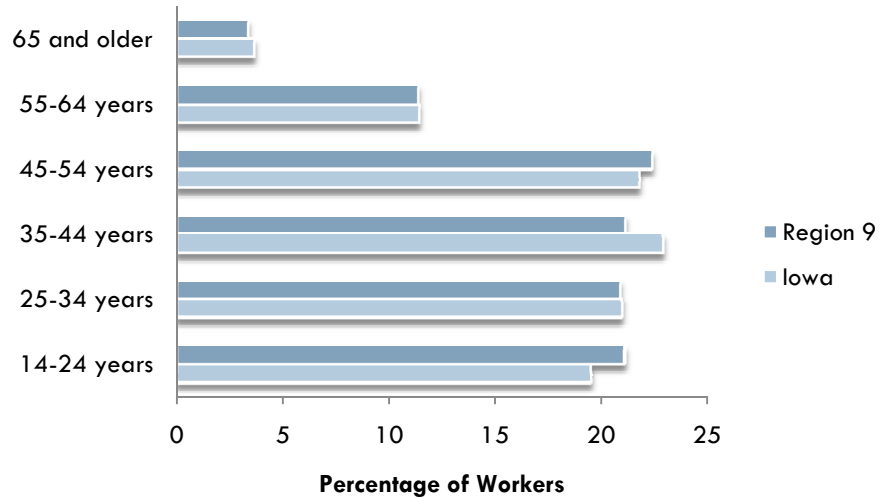
Source Data: Local Area Unemployment Statistics, U.S. Bureau of Labor Statistics

## Labor Force, continued

### Age Distribution of the Work Force

*The aging of the workforce is a concern across the state of Iowa.*

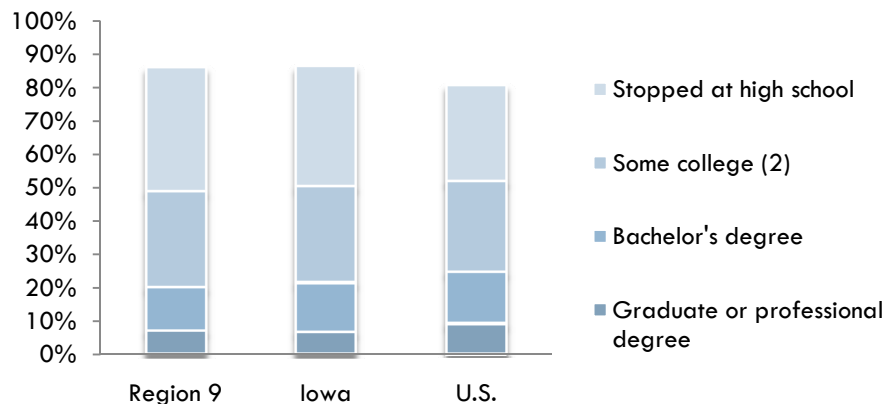
*The chart at right shows the percentage of workers by age group in 2004, for the region and for the state.*



14.6% of the region's workers were age 55 years or older in 2004, compared to 15.0% in the state of Iowa. Statewide and national data indicate that Iowa's fraction of older workers exceeds the U.S. average.

### Educational Attainment of the Adult Population

*This chart shows the percentage of the adult population (1) who have obtained their high school diploma or equivalent. Additional detail is provided to show the percentage who have gone on to achieve higher levels of educational attainment.*



- 85.9% of the region's adult population has at least a high school diploma or equivalent, compared to 86.1% of the adult population in Iowa. The average for the United States is 80.4%
- 19.8% of the region's adult population has a bachelor's degree or higher. This is below the statewide average of 21.2% and lower than the U.S. average of 24.4%

### Defintions

1) The **adult population**, as defined for measuring educational attainment, includes persons who are ages 25 years and older.

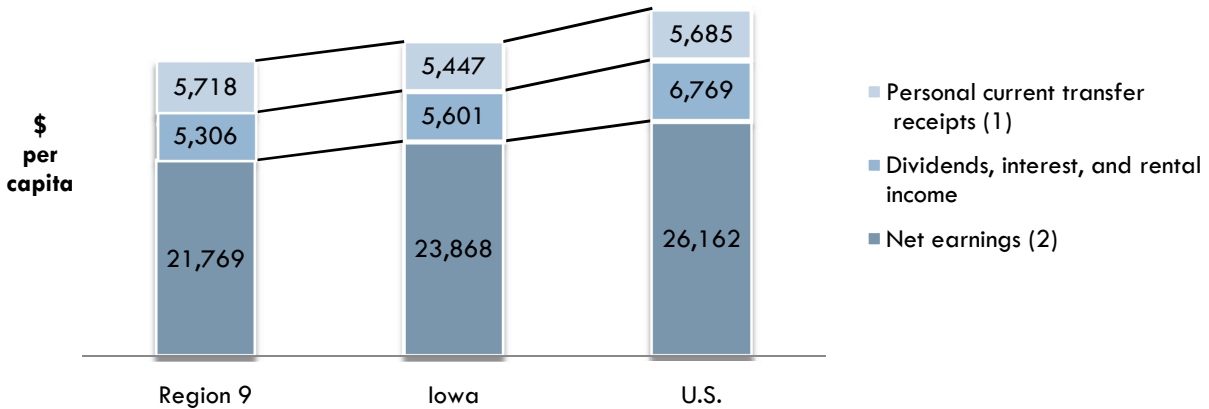
2) The **"some college"** category includes persons who have obtained an associate or other 2-year degree.

Source Data: 2000 Census and Local Employment Dynamics, U.S. Census Bureau

# Personal Income

## Average Personal Income by Major Source

The major sources of personal income include net earnings from work; income from savings and investments including dividends, interest, and rents; and payments received from governments, which are referred to as transfer receipts. Per capita average values for these payments are detailed below for the region, the state, and the nation in 2007.

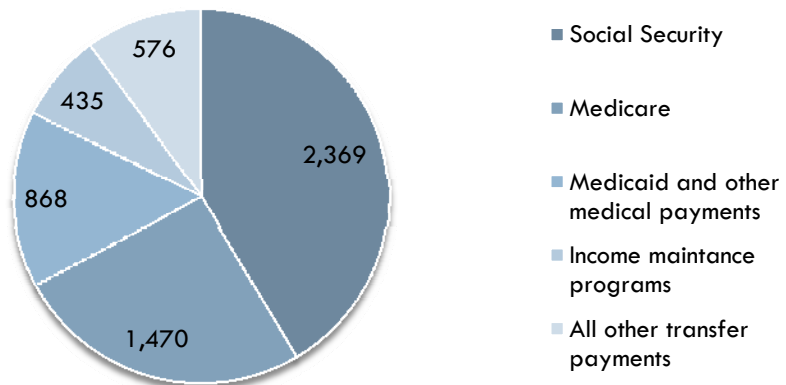


In Region 9, total personal income averaged \$32,793 per person in 2007. This was lower than Iowa's statewide average of \$34,916 per capita, and 84.9% of the average per capita personal income in the United States.

## Per Capita Transfer Receipts by Type

Transfer payments represent an important source of regional personal income.

The chart at right details the types and dollar amounts of transfer payments into the region in per capita average values for 2007.



## Definitions

1) **Personal current transfer receipts** include government payments to individuals (retirement and disability insurance benefits, Medicare and Medicaid and other medical benefits, income maintenance benefits, unemployment insurance compensation, veterans benefits, and other miscellaneous payments to individuals and non-profit institutions).

2) **Net earnings** are workers' earnings net of contributions for government social insurance.

Income Source Data: U.S. Bureau of Economic Analysis

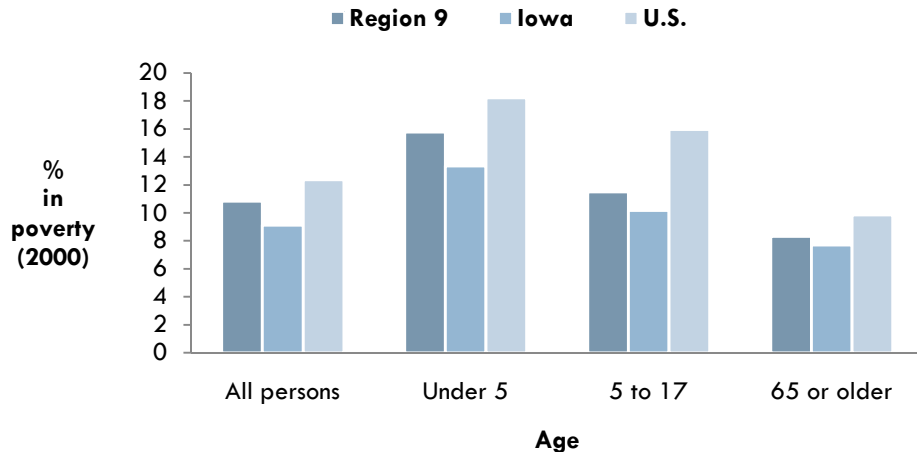
# Poverty

## Poverty Status

The U.S. Census Bureau determines poverty status based on family size and income level. If a family's total annual income is below the threshold level appropriate for that family size, every member of the family is considered poor.

The chart at right shows poverty rates for the region, state and nation in 2000. The poverty rate measures the percentage of the population in poverty status.

Detail is provided for all persons, for very young children, for school-aged children, and for the elderly.



More recent (2007) poverty estimates for Region 9 show an overall poverty rate between 11.4% and 15.7%. The region's estimated range is higher than the 10.7% to 11.3% estimated range for the state of Iowa.

## Government Assistance

The government provides financial assistance to individuals and families through a variety of income maintenance programs. The dollar value of payments for key programs are detailed below as per capita averages for 2007.

	Region 9	State of Iowa	United States
Income maintenance payments per capita.....	\$435	\$388	\$563
Supplemental Security Income (SSI) benefits..... <sup>1</sup>	95	78	140
Temporary Assistance to Needy Families (TANF).....	44	36	62
Food Stamps.....	96	91	103
Other income maintenance benefits..... <sup>2</sup>	199	183	258

## Definitions

- 1) **SSI benefits** are received by the aged, the blind, and the disabled from both the Federal and state governments.
- 2) **Other income maintenance** payments include earned income tax credits, energy assistance, foster care and adoption assistance, the value of WIC vouchers, and general state and local assistance to low-income individuals and families.

Poverty Source Data: SF3 Table PCT50 from the 2000 Census and 2007 Small Area Income and Poverty Estimates, U.S. Census Bureau

Income Data: U.S. Bureau of Economic Analysis

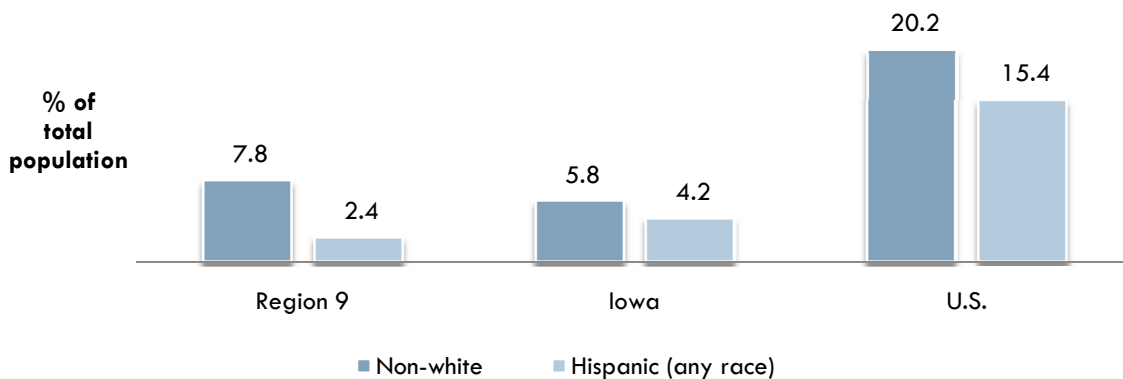
## Racial and Ethnic Diversity

### Population by Race, Ethnicity, and Age

Region 9	All ages	Under 20 years	20 to 44 years	45 to 64 years	65 years or older
Total Population.....	217,586	57,004	70,734	56,189	33,659
White alone.....	200,606	49,877	65,048	53,221	32,460
Black alone.....	10,997	4,365	3,700	2,085	847
Asian alone.....	1,922	494	913	384	131
Other race alone..... <sup>1</sup>	1,714	771	530	294	119
Two or more races.....	2,347	1,497	543	205	102
Hispanic (of any race)..... <sup>2</sup>	5,161	2,441	1,924	596	200

% of Total Population (All Ages)	Region 9	State of Iowa	United States
Total Population.....	100.0	100.0	100.0
White alone.....	92.2	94.2	79.8
Black alone.....	5.1	2.7	12.8
Asian alone.....	0.9	1.6	4.5
Other race alone.....	0.8	0.5	1.2
Two or more races.....	1.1	1.1	1.7
Hispanic (of any race).....	2.4	4.2	15.4

The chart below compares the overall "minority" group shares of population the region, state, and nation. As defined here, minority groups include people of any race other than white and all people of Hispanic or Latino origin, regardless of race.



### Definitions

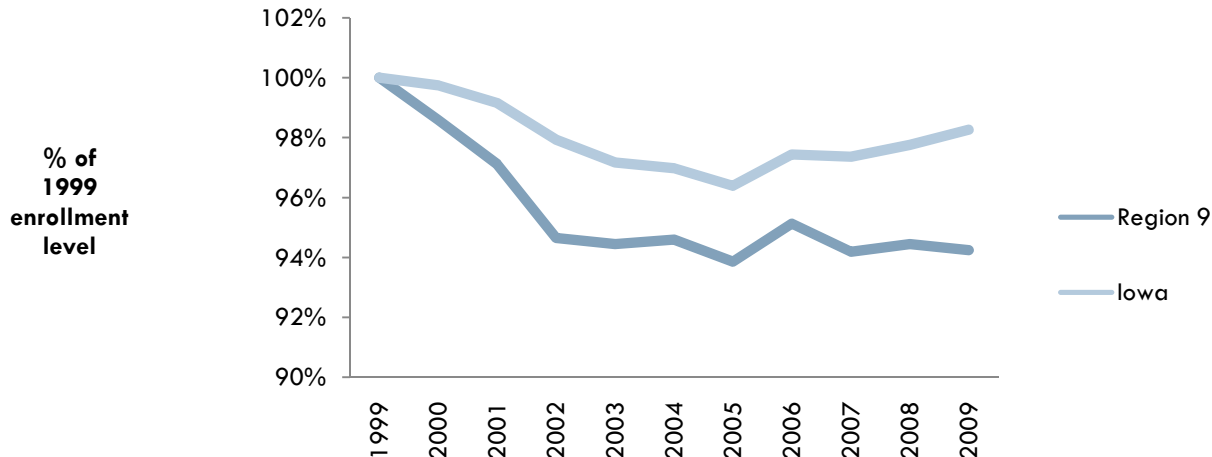
- 1) The **Other race alone** group includes Native American, Alaska Native, Native Hawaiian, or Other Pacific Islander alone groups.
- 2) The U.S. Census Bureau defines **Hispanic** as an ethnicity not a race. Individuals of Hispanic origin may be of any race.

Source Data: 2008 Population Estimates, U.S. Census Bureau

# Public Schools

## Enrollment Trends

The chart below shows changes in total public school enrollment during the previous decade. The region's total enrollment in each year is expressed as a percentage of the enrollment level in the 1998-1999 academic year. Comparative trend data are included for the state of Iowa.

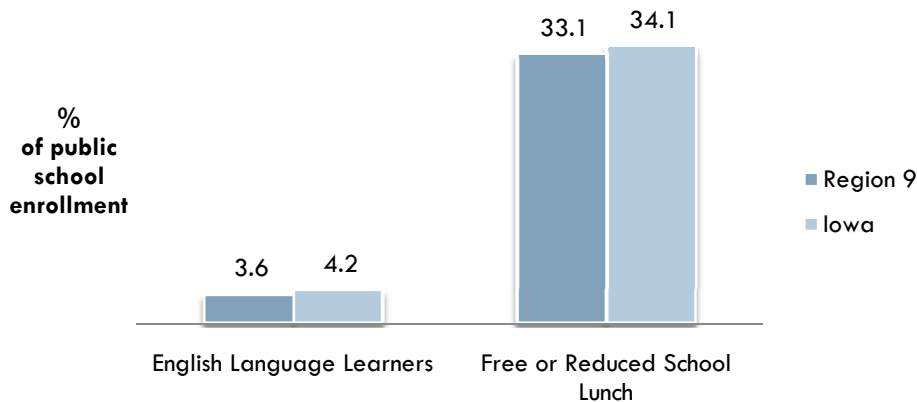


## Language and Income Barriers

Region 9 had a total of 32,539 students enrolled in public schools during the 2008-2009 academic year.

Schools must be attentive to special needs of children who are not proficient in English and children from lower-income families

The chart at right shows the percentage of public school students who are classified as "English Language Learners" and the percentage who qualify for the Free or Reduced School Lunch Program.



## Definitions

**English Language Learners** are students whose language background is in a language other than English, and their proficiency in English is such that the probability of their academic success in an English-only classroom is below that of an academically successful peer with an English language background.

**Free or Reduced School Lunch:** Children in households with incomes at or below 130 percent of the poverty level are eligible for free school meals. Children in households with incomes between 130 percent and 185 percent of the poverty level are eligible for reduced-price school meals.

Source Data: Local Area Unemployment Statistics, U.S. Bureau of Labor Statistics

# Property Tax Base

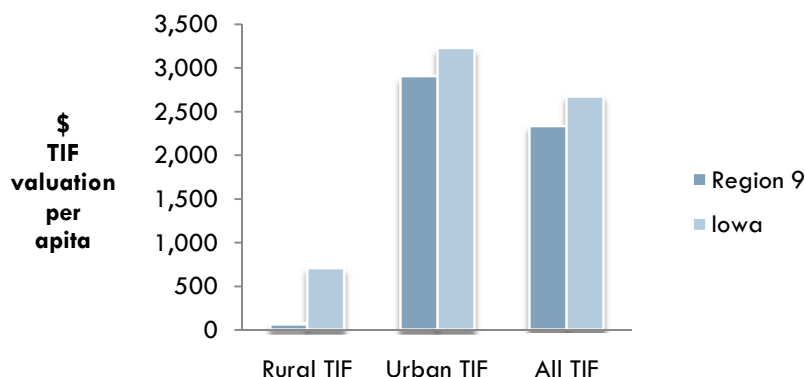
## Urban and Rural Values and Taxes

### Budget Year 2008-2009

	Region 9	Iowa
Average taxable valuation per capita.....	\$36,179	\$39,531
Average valuation per rural resident.....	63,125	65,417
Average valuation per urban resident.....	29,437	32,295
Average total property taxes per capita.....	1,242	1,352
Average property taxes per rural resident.....	1,668	1,770
Average property taxes per urban resident.....	1,135	1,352
Agricultural Extension property taxes per capita.....	\$4.94	\$5.19

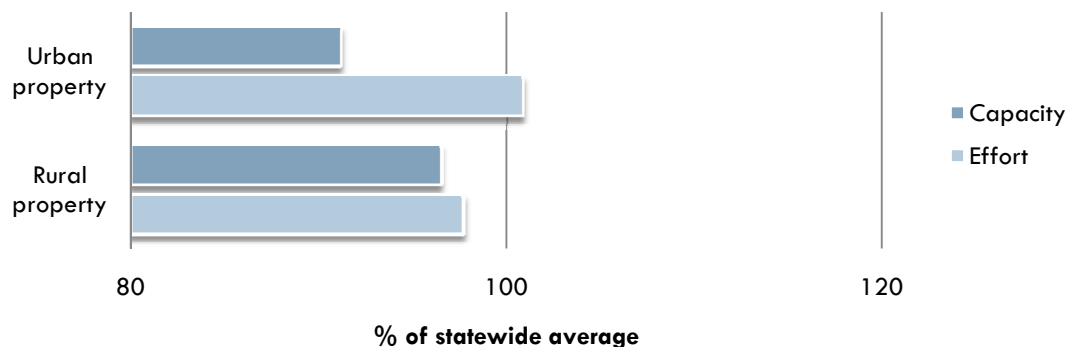
Tax increment financing (TIF) has become a popular economic development mechanism for communities across Iowa.

The chart at right shows the average value of rural and urban property in TIF increments on a per capita basis for rural, urban, and all residents.



## Urban and Rural Tax Capacity and Effort

Regions vary in how much property tax revenue they are able and willing to generate from their local property tax base. The figure below illustrates the region's relative property tax capacity and effort for rural and urban properties. **Capacity** measures the region's ability to generate property taxes based on the amount and value of land in the region. **Effort** describes the region's actual per capita tax yield compared to an expected value that is based on statewide average per capita taxes equalized to reflect the region's capacity. For both measures, the expected value is 100.



## Definitions

**Taxable valuations** are based on the assessed value after rollback of all rural and urban property, excluding electric and gas utilities.

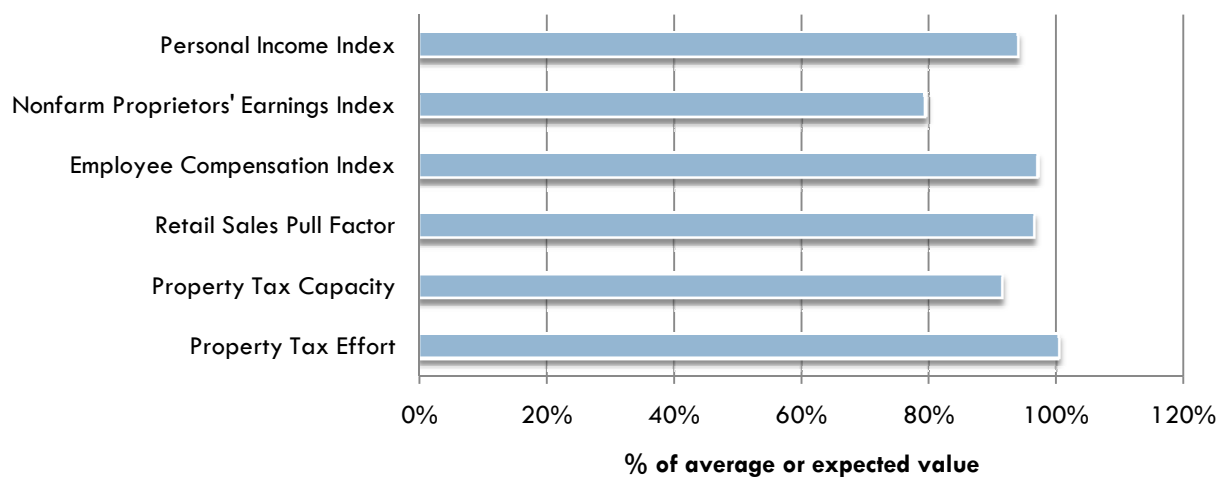
Source Data: U.S. Bureau of Economic Analysis; and Iowa Department of Management data compiled by Iowa State University

## Comparative Measures

The following indicators show average levels of regional income or capacity on a per person or per job basis.

<b>Income and Earnings</b>	<b>Region 9</b>	<b>Iowa</b>	<b>U.S.</b>
Personal income per capita, 2007.....	\$32,793	\$34,916	\$38,615
Average earnings per nonfarm proprietor, 2007.....	\$15,888	\$20,038	\$29,740
Average compensation per wage & salary worker, 2007..... <sup>1</sup>	\$41,881	\$43,191	\$53,892
<b>Retail Sales</b>			
Average taxable retail sales per capita, 2008..... <sup>2</sup>	\$10,054	\$11,091	
<b>Property Taxes</b>			
Total taxable valuation per capita for FY 2008-2009..... <sup>3</sup>	\$36,179	\$39,531	
Total per capita property taxes levied for FY 2008-2009.....	\$1,242	\$1,352	

The above indicators can be translated into indexed values that compare regional levels of activity with expected values. The expected values are usually statewide averages, with or without adjustments to reflect regional income levels. In the figure below, a value of 100 indicates that the region is at the expected level for that indicator.



### Definitions

1) **Compensation** includes wage and salary disbursements, employer contributions to employee pension and insurance funds, and employer contributions to government social insurance. This measure is determined on a place of work basis, and thus might differ from average earnings levels that are determined on the basis of where employees live.

2) Regional and state per capita sales and income data can be used to construct a measure called a **pull factor**. This pull factor is a ratio of actual to expected retail sales in the region. A value below 1.00 suggests that the region is leaking retail sales to surrounding areas. A value greater than 1.00 suggests the region attracts shoppers from surrounding region.

3) Total taxable valuation is the assessed value after rollback of all rural and urban property, excluding electric and gas utilities and other exemptions. Property tax **capacity** is the ratio of regional to state per capita valuation. **Effort** is the ratio of regional to state per capita taxes with an adjustment for local tax capacity.

Source Data: U.S. Bureau of Economic Analysis; and Iowa Department of Management and Iowa Department of Revenue data compiled by Iowa State University