

# In Education and Economics: Iowa Makes The Grade

by Michleen Collins



Des Moines skyline.

**I**n Iowa, outlooks and economic indicators are up. Aggressive development programs and a concerted effort to diversify the economy have paid off in productivity and profits.

From 1985 through mid-1989, Iowa outpaced the nation's manufacturing growth rate by 600 percent. Bank profits are at an all-time high, and employment is on the rise, too. Last year alone, nearly 60,000 new jobs were created in Iowa, and personal income is projected to grow 4.5 percent this year.

Iowa is making an impressive rebound. Over the past 18 months, farm land values jumped 35 percent and residential building permits rose 33 percent. Entrepreneurism and expansion reflect a shared spirit of optimism. Iowa

leads the nation in rate of small business starts, and 40 percent of businesses indicate plans for expansion.

Iowa Governor Terry E. Branstad is encouraged by the state's economic comeback. "Iowa has made economic development and diversification our top priority, and our commitment is getting results. Iowa is a great place to do business."

## BUSINESS LEADERS CALL IOWA HOME

Long-term investors in Iowa are not surprised by the many signs of economic success. There are more than 200 *Fortune 500* and *Service 500* companies in Iowa. The long list of leading national Iowa-based or Iowa-operated companies includes Amana (Division of Raytheon);

American Home Products; Borden; Deere & Company; DuPont; Eastman Kodak; FMC; General Electric Co.; Maytag; Meredith Corporation; The Principal Financial Group; Quaker Oats; Rockwell International; Rubbermaid; Tenneco, Inc.; and Upjohn Co.

The Iowa Business Council represents major Iowa employers who firmly believe Iowa is an ideal place to do business. Robert Burnett, an Iowa Business Council leader, is chairman of the board of Des Moines-based Meredith Corporation which publishes *Better Homes and Gardens* magazine and owns numerous other print and broadcast operations. "There isn't any doubt in my mind that Iowa has achieved a terrific turnaround," says Burnett. "We have made a lot of progress, and the numbers show it. The economic climate in Iowa continues to grow and prosper. Iowa's future is bright."

## STATEWIDE SUCCESS STORIES

Throughout Iowa there is evidence of the spirit that is revitalizing and diversifying Iowa's economy. Main street and metropolitan Iowa are seeing new signs of a *better businessphere*.

Des Moines, Iowa's capital city, enjoys a revitalized downtown connected by climate-controlled skywalks. An additional \$230 million worth of new commercial construction projects are underway. The newest investment is a 44-story office complex that will rede-



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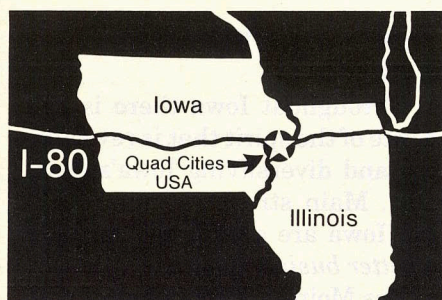
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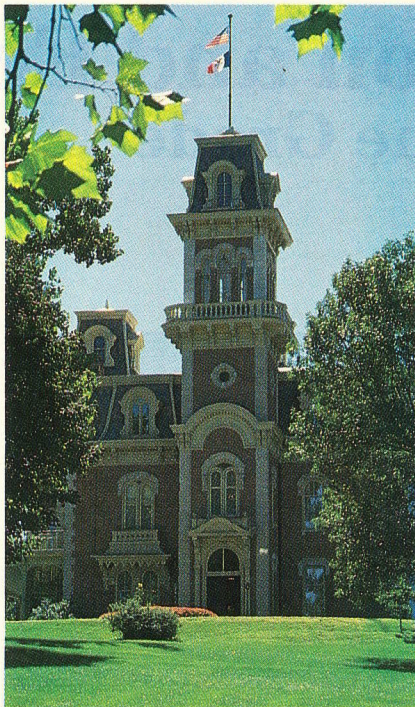
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*Iowa, rich in history and tradition.*

fine the Des Moines skyline. The building is scheduled for completion in 1990 by the Principal Financial Group, which employs more than 5,300 Iowans.

Teleconnect\*USA, a Cedar Rapids-based telecommunications company, has achieved phenomenal growth. Founded in 1980 with three employees, Teleconnect\*USA now employs 2,100 Iowans and approaches \$200 million in annual revenues.

## BETTER BUSINESS BENEFITS

Iowa is serious about creating an environment where business can prosper. The Iowa legislature recently cut individual income tax rates for all Iowans and reduced top bracket taxes by 25 percent. Unemployment taxes were cut and workers' compensation rates have also been kept low.

Iowa is one of three states that offers single-factor, non-unitary corporate income tax. Iowa businesses pay no state income tax on profit from sales outside of Iowa. The state has also eliminated personal property tax and sales and use taxes on industrial machinery, equipment and computers.

## OUTSTANDING PRODUCTIVITY

Often counted as Iowa's greatest resource, the people of Iowa are intelligent, friendly and motivated. "I believe Iowa's number one strength is the supply of available, well-educated workers," says Robert Burnett, chairman of the board of Meredith Corporation. "Iowa's productive work force is the result of a work ethic that has prevailed in this state forever."

Iowa workers are among the most productive in the nation. Department of Commerce data

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indicate that Iowa workers produce the equivalent of 48.1 hours of value for every 40-hour work-week—a rate 20 percent higher than the national average.

“In Iowa, a job well-done is its own reward,” says Timmerman. “Iowans are bright and ambitious, and they take pride in their work. Employees get up to speed faster, turnover is low, and absenteeism rates of 1 percent or less are common.”

Iowa manufacturers see a return of \$5.05 for every dollar invested in wages. Iowa’s high productivity and innovative job training program are a hard-to-beat combination.

The nationally recognized Iowa Industrial New Jobs Training Program makes Iowa employees job-proficient sooner. The program

offers comprehensive, customized instruction and direct compensation for training in electronic communications, computer sciences, industrial electronics, energy technologies, statistical process control and other areas. It provides funds for screening, skills assessment, testing, training and on-the-job training.

### HIGH TECH PARTNERSHIPS

The scholars and scientists of Iowa’s world-class research universities are on the cutting edge of breakthrough technology. Researchers at The University of Iowa (UI) in Iowa City are pioneers in space physics, hydraulics, educational testing and speech pathology. Today, they lead the way in biocatalysis, neurosciences, biomedical engineering and other

disciplines. The Ames Laboratory of the U.S. Department of Energy, a major national research facility is located on the campus of Iowa State University in Ames.

The University of Iowa is 11th among the nation’s universities in funding from NASA. Galileo’s September 1990 launch will be the 49th space mission with UI research packages aboard since James Van Allen provided instrumentation for the first American satellite. Van Allen, emeritus professor of physics and astronomy, is interdisciplinary research scientist for the Galileo mission and recipient of countless awards including the 1989 Crafoord prize of the Royal Swedish Academy of Sciences.

The University of Iowa’s College of Pharmacy Division of

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Pharmaceutical Services, the only FDA-approved drug manufacturing facility at an American University, handles some 100 investigational new drugs each year, including new anti-cancer drugs for the National Cancer Institute.

At Iowa State University (ISU), a \$30 million molecular biology complex is under construction. In 1988, ISU was the first university to field test a genetically engineered plant. In 1989, ISU achieved another biotech first, receiving state and federal approval for the first field test in the nation of a genetically engineered tree.

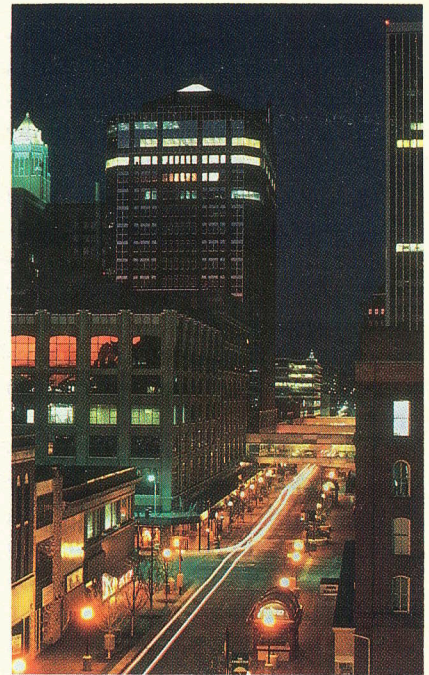
### A TRANSPORTATION HUB

Iowa's strategic, central location was the reason Amoco chose Iowa as the home of their Customer Service Center. In 1988, the

Amoco Oil Company Administrative Center and Amoco Motor Club dispatching services moved to West Des Moines. Employment at Amoco's Customer Service Center is now approximately 1,200.

Similarly, 3M, which employs 1,060 people in three Iowa communities, located its national distribution center in Forest City because of Iowa's central location.

By road, rail, air and water, business reaches markets efficiently from Iowa's central location. The nation's border-to-border, coast-to-coast interstates, I-35 and I-80, intersect in Iowa. Iowa's 9,600 miles of highways are well-maintained and guaranteed to stay that way. The state's transportation network is backed by funds from Iowa's *Transportation 2000* program.



City lights aglow in Iowa.

**T**ake a look at the advantages Iowa offers as your new business site.

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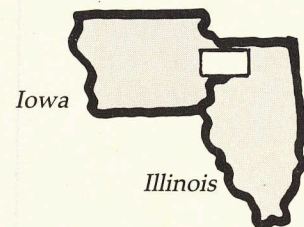
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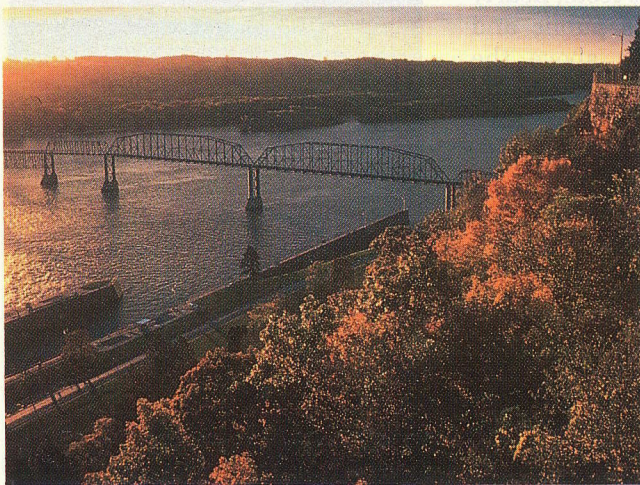
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Business Facilities/November





Mississippi River, Eagle Point Park, Dubuque.

Motor freight carriers reach Chicago, Kansas City, St. Louis, Milwaukee or Minneapolis/St. Paul within a few hours. And, the proposed four-lane freeway from St. Louis to St. Paul, the *Avenue of the Saints*, will further streamline access to major U.S. markets.

Major corporations such as Wal-Mart recognize the value of distributing from Iowa. Each year, Wal-Mart exceeds 151,000 trucks in and out of Mt. Pleasant, a southeastern Iowa town of fewer than 10,000 people.

Iowa's central location is also a factor in railroad distribution. Major east/west and north/south lines provide access to regional gateways in Chicago, St. Louis, Kansas City and Omaha.

Fifteen short-line and regional railroads operate 30 percent of Iowa's track miles, offering low cost, customized switching, feeder and line-haul service. An Iowa assistance program is available to provide up to 80 percent of the cost of rail construction or rehabilitation to create or preserve jobs.

A network of 280 airports, with service classifications from Commercial Service I to General Aviation II, puts every city within 30-minutes driving time of an airport. Seven national and nine regional commuter airlines serve Iowa's dozen commercial and international airports. Hundreds of direct flights

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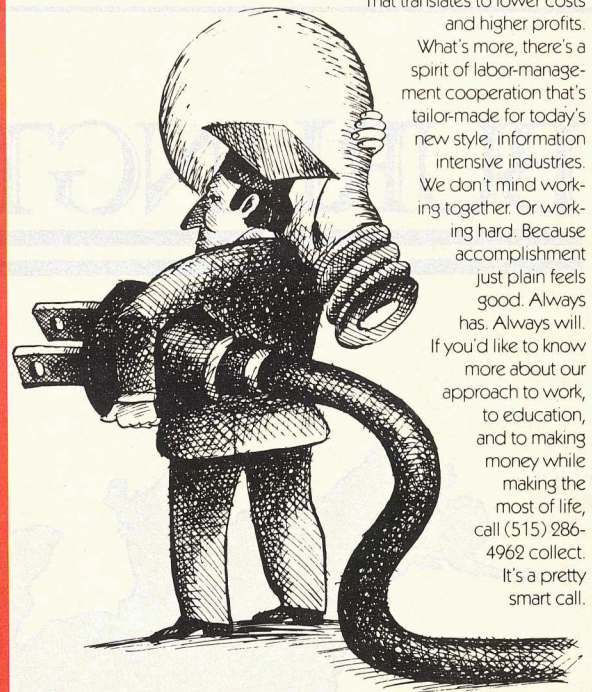
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### AT THE HEAD OF THE CLASS

From kindergarten through college, Iowa schools are always on the honor roll. On nationally

normed achievement tests, nearly 93 percent of Iowa's public and private schools rank above the national median. Iowa consistently leads the nation in ACT and SAT scores.

Iowans are the most literate Americans. The state graduates

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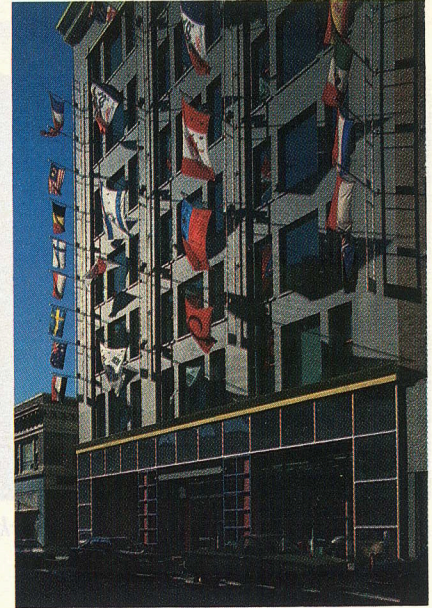
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*A growing international presence in Iowa.*

23 percent more students than the national average, and more than 60 percent of Iowa's high school graduates pursue a higher education.

Iowa is committed to creating America's best educated work force. "Iowa's educational system is a national leader in almost every recognized indicator of student achievement," says Dr. William Lepley, executive director, Iowa Department of Education. "At the same time, we recognize the dramatic changes that need to be made to meet an international, global society. We have multiple new initiatives in place to sustain Iowa's leadership position in education."

### THE GOOD LIFE, FOR LESS

Iowa's housing costs are lower than most other states. According to a national Realtor survey, people are pleasantly surprised about how much more home they get for the money in Iowa. A new 1,600-plus-square-foot home in a desirable Des Moines neighborhood sells for \$90,000 compared with \$115,000 in Seattle and \$315,000 in Boston. The \$55,600 median price of a home in Des Moines

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ranks as the third least expensive of 53 metropolitan areas measured in a 1989 report by the National Association of Realtors. The median price of a home in Chicago is \$90,800; in Minneapolis, it's \$80,500.

Iowa homes increase in value when considered in the context of their clean, safe cities and friendly towns. The violent crime rate in Iowa is 62 percent lower than the national average.

From commerce to culture, "the good life" is alive and well in Iowa. Lifestyles here offer the best of city dynamics and rural relaxation. Iowa's economy is diversified and strong, and Iowans are determined to continue their progress on the path to prosperity.

### CONTACTS:

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