

February 26, 2026

Debi Durham

Director
Iowa Economic Development Authority
Iowa Finance Authority

***Economic Development
Budget Subcommittee***





BUSINESS

COMMUNITY

PEOPLE



***Workforce/
Talent Attraction***

State of the Workforce

67.7%

IOWA'S LABOR FORCE PARTICIPATION RATE IS THE FIFTH-HIGHEST IN THE NATION

Source: Iowa Workforce Development, December 2025

UNEMPLOYMENT RATE

3.5%

Source: Iowa Workforce Development, December 2025

INITIAL UNEMPLOYMENT INSURANCE CLAIMS ARE

Lower
YEAR-OVER-YEAR

Source: Iowa Workforce Development

IN 2024, IOWA SAW A

3.6%

INCREASE IN PRODUCTIVITY —RANKING 9TH IN THE U.S.

Source: Bureau of Labor Statistics



GOAL

Make Iowa the
choice for people:
visitors and residents

Consumers Are Open to Relocating



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.”

7 in 10

people are likely to consider moving for the right opportunity

Likelihood is highest among
30-somethings

Top quality of life factors for considering a move:

- **Cost of living**
- **Safety**
- **Culture**

Talent Attraction Strategies



#1

Workforce Research

Study workforce supply and demand within Iowa's key industries

#2

Marketing

Refine target audience, strategy and call to action; generate more leads

#3

Partnerships

Partner with organizations to target/recruit workers

#4

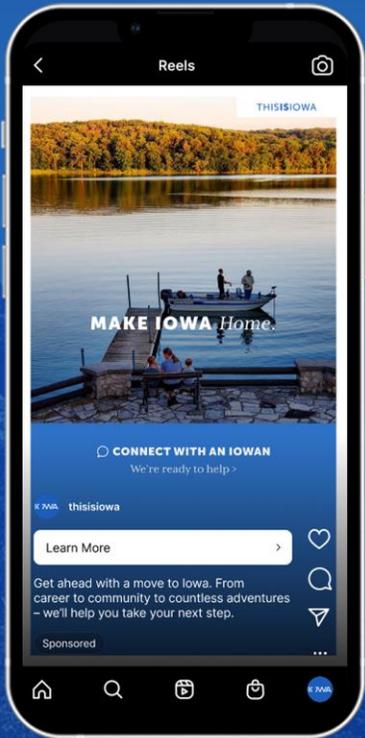
Lead Nurturing

Connect leads directly with communities to help the prospective Iowans find opportunities that match their career goals and interests, making it easier to move

ThisIowa.com

Highlights Iowa's unmatched quality of life and opportunities

Talent Attraction – Lead Nurturing



Total Leads Captured To Date

13,610

Total Leads Requesting to Connect

3,930

Economic Impact
(June 2024 – January 2026)

\$8.8M

MOVES: \$3M

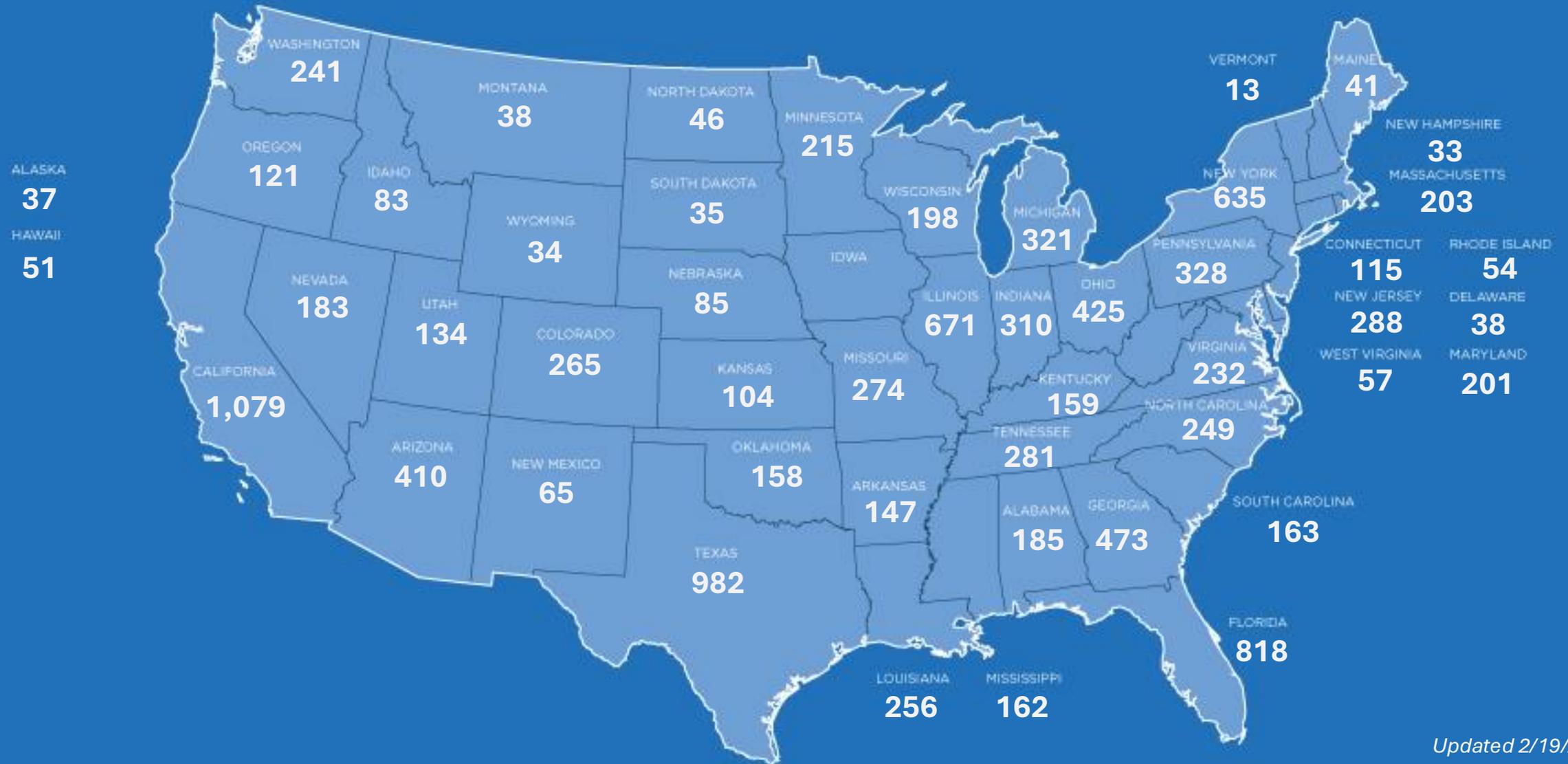
Households that reported their move through Connect With An Iowan

TRAVEL: \$5.8M

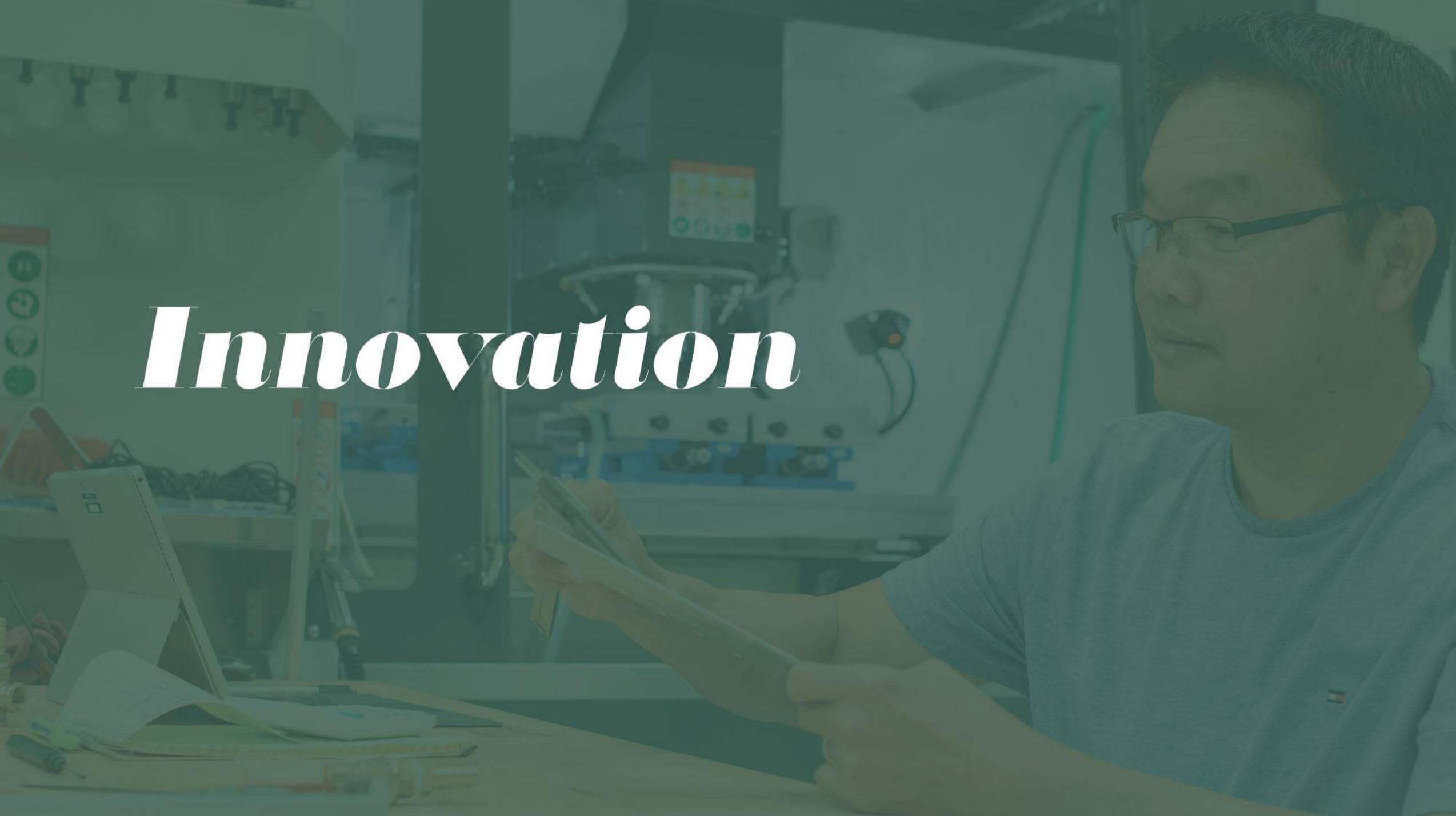
Travel as part of talent attraction marketing/initiatives

“We moved all the way from NYC! Got a state job, can finally afford a two bedroom in quiet West Burlington. My daughter actually has space to run, play and stay safe! The question then becomes, ‘why wouldn’t you move here?’”

Where are leads coming from?



Innovation

A man with glasses and a blue t-shirt is sitting at a workbench in a workshop, examining a prototype. The background shows various tools and equipment, including a computer monitor and a large machine. The entire image has a teal overlay.

Advanced Manufacturing

IOWA'S LARGEST INDUSTRY,
MANUFACTURING
EMPLOYS **14.2%**
OF THE WORKFORCE

SOURCE: Bureau of Labor Statistics, 2024

Biosciences

A LARGE AND SPECIALIZED
INDUSTRY CLUSTER,
BIOSCIENCES
EMPLOYMENT IN IOWA IS
23% MORE
CONCENTRATED THAN THE U.S.

SOURCE: Biotechnology Innovation
Organization, 2024

Finance & Insurance

#1 IN THE U.S. FOR
PERCENT OF GDP, IOWA'S
INSURANCE
INDUSTRY ALSO HAS THE
2nd HIGHEST
CONCENTRATION OF EMPLOYEES

SOURCE: Bureau of Economic Analysis,
Bureau of Labor Statistics, 2024

Technology / Innovation

Iowa Manufacturing



**\$35.0
BILLION**
OR 16.9% OF IOWA'S
GROSS STATE PRODUCT
IS GENERATED BY
MANUFACTURING

Source: Bureau Of Economic Analysis, 2024

60% OF IOWA'S EXPORTS
COME FROM THE
MANUFACTURING INDUSTRY

Source: WISERTrade, 2024

MANUFACTURING EMPLOYS
14.2%
OF IOWA'S TOTAL
WORKFORCE

Source: Bureau of Labor Statistics, 2024

MANUFACTURING JOBS PAY
21.4%
MORE THAN THE AVERAGE
PRIVATE SECTOR JOBS

Source: Bureau of Labor Statistics, 2024

WEEKLY HOURS FOR
MANUFACTURING WORKERS
IN AUGUST 2025 TIED THE
Highest Level
SINCE 2021

Source: Bureau of Labor Statistics, 2025

IOWA HAS THE **3rd HIGHEST**
CONCENTRATION OF
MANUFACTURING WORKERS OF ANY STATE

Source: Bureau of Labor Statistics, 2024

Iowa Food Manufacturing and Processing

IOWA ANNUALLY
PRODUCES NEARLY

\$73
BILLION
IN FOOD
PRODUCTS

Source: U.S. Census Bureau, 2023

27%

OF IOWA'S MANUFACTURING GDP
COMES FROM THE FOOD PROCESSING INDUSTRY

Source: Bureau of Economic Analysis, 2024

IOWA PRODUCES

7% **OF THE U.S.**
FOOD SUPPLY

Source: U.S. Department of Agriculture, 2024

1ST

CORN PRODUCTION
PORK PRODUCTION
EGG PRODUCTION

Source: U.S. Department of Agriculture, 2024 & 2025

2ND

SOYBEAN
PRODUCTION

Source: U.S. Department of Agriculture, 2025

IOWA IS
HOME TO

30 OF THE
LARGEST 100
FOOD MANUFACTURERS
AND PROCESSORS

Source: Food Processing, 2024



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 Technology Investment

- Grant program aimed at helping small- and mid-sized enterprises increase productivity, efficiency and competitiveness
 - Eligible projects include the purchase of equipment and specialized hardware or software
- Since 2022, \$9.3 million in grants leveraged \$27.5 million in private investment, resulting in nearly \$37 million in total capital investment
- Latest round for 2026 recently closed

Contact: Anna Lensing at anna.lensing@iowaeda.com or 515.348.6199

Technology Investment Program

Percentage of reported projects that experienced:

Increased number of units produced	71%
Increased annual revenue	84%
Increase in acquired customers	71%
Increase in acquired product lines	78%
Reduction in labor and time per unit	66%
Reduction in cost of goods	66%

Budget: \$2.35 million (Governor's Recommendation)

Iowa Biosciences

A photograph of two men in a laboratory. The man on the left, wearing glasses and a light blue shirt with a striped tie, is smiling and holding a 3D model of a heart. The man on the right, wearing a blue shirt, is looking at the model. In the background, there are laboratory equipment and a sign that says 'FORMACI'.

BIOSCIENCE JOBS ARE

23%

**MORE CONCENTRATED
IN IOWA THAN THE
NATIONAL AVERAGE**

Source: Biotechnology Innovation Organization, 2024

OVER

1,900

**BIOSCIENCE
ENTITIES OPERATE
IN IOWA**

Source: Biotechnology Innovation Organization, 2024

IN 2024,

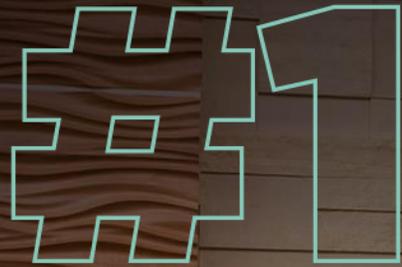
IOWA EXPORTED

\$640 MILLION

**OF PHARMACEUTICAL PRODUCTS TO
74 COUNTRIES**

Source: WISERTrade, 2024

Iowa Insurance and Financial Services



BEA, 2024

STATE FOR
INSURANCE
AS A PERCENTAGE OF
GDP

IOWA HAS THE

2nd

HIGHEST CONCENTRATION
OF INSURANCE EMPLOYEES
IN THE NATION

BLS, 2024

IOWA IS HOME
TO OVER
7,400
FINANCE AND
INSURANCE
COMPANIES

BLS, 2024

Iowa is home to the **Global Insurance Symposium** – the preeminent annual event for industry executives worldwide



Emerging Opportunities

Advanced Manufacturing

FOOD MANUFACTURING

IOWA IS HOME TO

30 OF THE **LARGEST 100**
FOOD MANUFACTURERS
AND PROCESSORS

SOURCE: Food Processing, 2024

AEROSPACE/DEFENSE

NEW AGE OEM, NEW DEFENSE TECH,
COMPONENT SUPPLIERS,
PAYLOAD/SATELLITE SUPPLIERS,
AIRFRAME MROs AND INTERNATIONAL
DEFENSE COMPANIES

Biosciences

MEDICAL INNOVATIONS

BIOBASED PRODUCTS

AGTECH

VACCINES, DIAGNOSTICS,
IMMUNOTHERAPEUTICS &
PHARMACEUTICALS

IOWA HAS THE
HIGHEST CONCENTRATION
OF EMPLOYEES IN VACCINE
AND IMMUNOTHERAPY
BIOLOGICAL MANUFACTURING
IN THE U.S.

SOURCE: U.S. Bureau of Labor Statistics, 2024

Finance & Insurance

INSURTECH/FINTECH

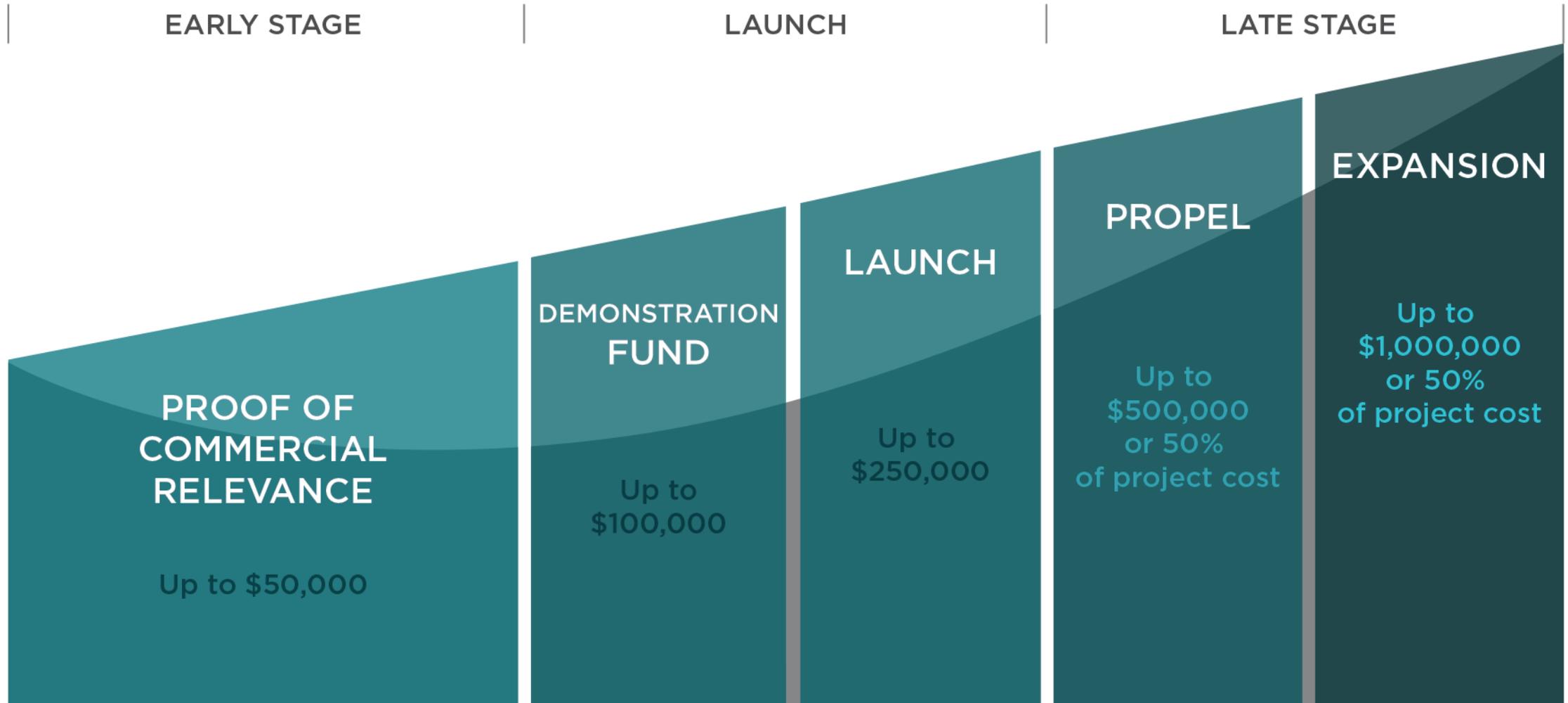
GLOBAL INSURANCE
ACCELERATOR

WORLD'S FIRST
INSURTECH
ACCELERATOR

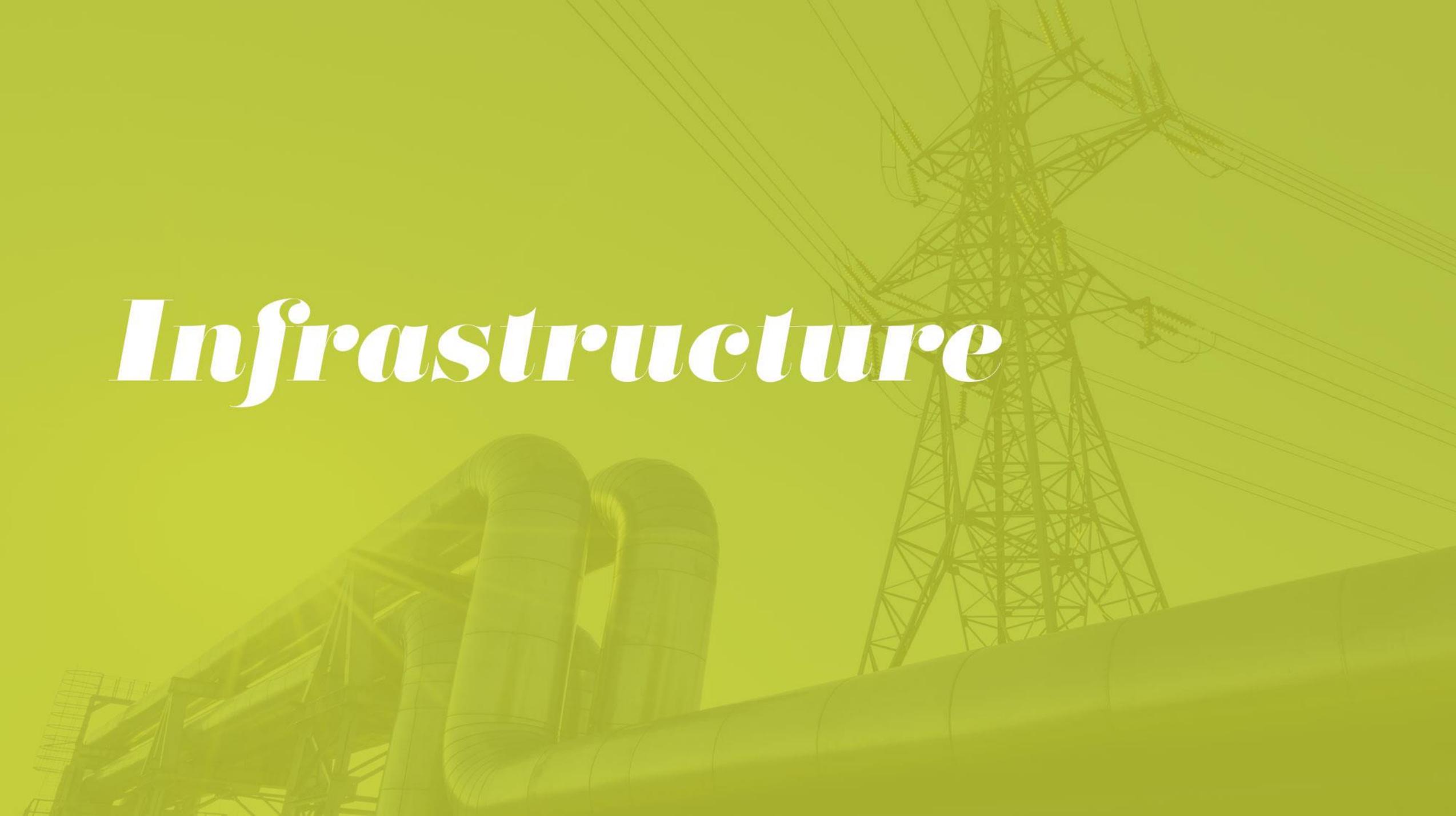
BROKERTECH VENTURES

INDUSTRY'S FIRST
BROKER-LED
ACCELERATOR

Iowa's Innovation Continuum Funding



The continuum is supplemented by SSBCI Venture Capital Innovation Fund to address gaps



Infrastructure



#1

FOR LOWEST
HOUSING COSTS

WalletHub, 2023

SINCE 2023,
\$858 MILLION
IN HOUSING INVESTMENTS
AND A RECORD OF NEARLY

16,000
HOUSING UNITS
IN THE PIPELINE

#1

FOR LOWEST WEEKLY
CHILD CARE COSTS
FOR FAMILIES

Helpadvisor.com, 2023

IOWA IS THE

#1

STATE FOR
**MILLENNIAL
HOMEOWNERSHIP**

U.S. Census Bureau, 2023

IOWA IS THE

#1

STATE FOR A
POSITIVE COMMUTE

WalletHub, 2024

Community Development

▪ Workforce Housing Tax Credits

- Tax benefits to developers to provide housing in Iowa's communities

Contact: Nick Sorensen at nick.sorensen@iowaeda.com or 515.348.6212

▪ Historic Preservation Tax Credits

- Encourages the sensitive rehabilitation and reuse of historic structures (e.g., schools, factories, hotels)

Contact: Nick Sorensen at nick.sorensen@iowaeda.com or 515.348.6212

▪ Redevelopment Tax Credits

- Tax credits to redevelop underused industrial and commercial property on brownfield or grayfield sites

Contact: Bernadette Beck at bernadette.beck@iowafinance.com or 515.452.0427

▪ Community Catalyst Building Remediation

- Grants for redevelopment projects that stimulate economic growth and reinvestment in the community

Contact: Jim Thompson at jim.thompson@iowaeda.com or 515.348.6182

▪ Main Street Challenge Grants

- Grants to redevelop or rehabilitate underused buildings as a way to stimulate economic growth and further investment in Iowa's historic main streets

Contact: Sarah Lembke at sarah.lembke@iowaeda.com or 515.348.6181

Brooklyn
Opera House
Historic
Preservation,
Catalyst



Hotel Maytag
Apartments,
Newton
WHTC

Historic Elks
Building,
Webster City
Catalyst



Uptown Lofts,
Ankeny
WHTC

Empower Rural Iowa (ERI)

The Center for Rural Revitalization is responsible for the day-to-day operations of ERI, implementing task force recommendations, acting as a liaison to rural communities, helping small communities access rural programs and providing technical assistance

FY 2027 Program/Budget Plans	
Innovation – Housing 2.0 Grants	\$300,000
Iowa United First Aid	\$195,000
Rural Housing Readiness Assessment Grants	\$100,000
Child Care Planning Grants	\$100,000
BOOST Grants	\$40,000
Leadership Bootcamp Grants	\$5,000
Other	\$1,000
Total	\$746,000

Contact: Sacha Wise at sacha.wise@iowaeda.com or 515.348.6156

Budget: \$700,000

Iowa United First Aid

Goal: Provide immediate medical intervention during critical window between the onset of an emergency and the arrival of traditional ambulance assistance, especially in rural areas where distance affects response times

3 pilots: Cass, Calhoun and Van Buren counties

Between Dec. 2023 – Sep. 2025, 58 trained/equipped volunteers have responded to approx. 400 calls (*falls, cardiac/respiratory distress, overdose, choking, work accidents, drowning*)

“[The IUFA volunteer]’s professionalism and empathy will never be forgotten, and we will always cherish the comfort provided during such a difficult time.”



Competitive Initiatives

“THE [STATE’S TAX] TRANSFORMATION IS THE TRIUMPH OF **SIMPLICITY OVER COMPLEXITY, GROWTH OVER SPENDING AND BOTTOM-UP ENERGY OVER TOP-DOWN MANAGEMENT.**”

- Governor Kim Reynolds

Historic Tax Reform

- Iowa's Tax Foundation ranking rose from 44th before tax reform to 17th – now up 2 spots from previous ranking
- Lowered corporate tax from 9.8% to 7.1% in 2024, with ultimate target of 5.5%
- Reduced personal income tax rate to flat 3.8% in 2025
- Eliminated retirement income tax in 2023 and inheritance tax in 2025
- Created a capital gains exemption for employees with stock acquired by employment

Manufacturing Tax Initiatives – Federal

- Full expensing of capital equipment and interest deductibility
- Immediate R&D expensing; made permanent
- Estate tax protections for family-owned businesses
- Keeps corporate tax rate at 21%

The
Economist

United States | Cut chemists

A tax-cutting wave is sweeping over America's states

"...Iowa has emerged as America's tax-cutting champion, a paragon of fiscal responsibility."

Major Economic Growth Attraction (MEGA)

- Aimed at securing projects that represent a capital investment of more than \$1 billion through tax credits or refunds
- “MEGA projects” incentive criteria:
 - Advanced manufacturing, biosciences, research businesses only
 - Created jobs must pay at least 140% of the laborshed wage at the time the project is completed
 - Must offer qualified benefits plan
 - Located at certified site (industrial or mega), minimum 250 acres



IEDA requests to extend MEGA program sunset to January 1, 2030, and correct a technical reference to federal code language.

Certified Sites

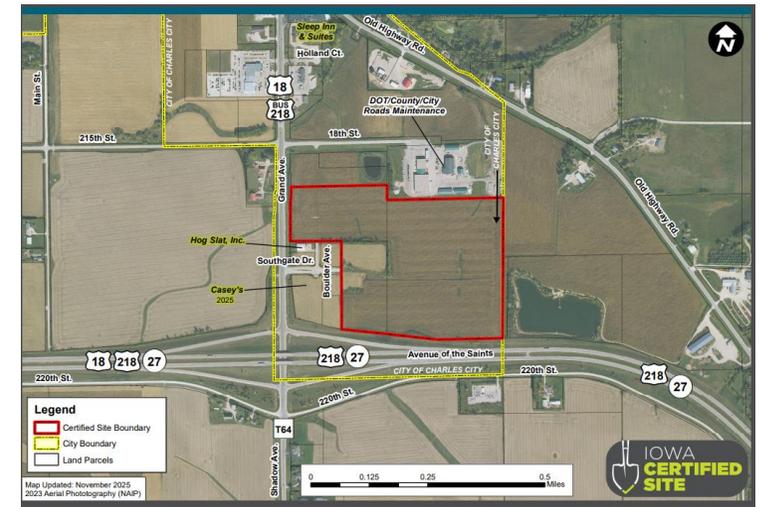


- Established in 2012 – A portfolio of development-ready sites to make Iowa more competitive in site selection projects
- *Area Development* recognized Iowa as a top 10 state for site readiness because of its Certified Sites program
- Program Enhancements
 - Reviewed numerous state certification programs, studied current market trends, evaluated demands of site selection clients, reviewed feedback from program participants to ensure we remain best in class

Rural Certified Sites Initiative

- Facilitate the development of additional certified industrial sites in rural Iowa
- Maximum of \$37,500 per applicant to help counties with a population under 50,000 with due diligence required for certification (at least 2 sites in each congressional district)
- Application now open – deadline April 1, 2026

Contact: Amy Thompson at amy.thompson@iowaeda.com or 515.348.6250



*Avenue of the Saints site, Charles City
GOLD certified – first in the state
75 acres*

Business Incentives for Growth (BIG)

- Applications opened 1/5/26 – High Quality Jobs (HQP) program sunset on 12/31/25
- Cap: \$50 million
- Project eligibility
 - Limited to Iowa's targeted industries: advanced manufacturing, insurance/finance, biosciences, innovation/technology
 - Based on capital investment/quality of jobs
 - Demonstrates impact to state GDP and economic diversification
 - Increase efficiency, productivity and competitiveness
 - Deferred maintenance is not eligible
- Refundable tax credit
- Allows projects in rural communities (counties with a pop. less than 20,000) to receive more incentives (up to 7.5% vs. up to 5%)

IEDA requests to establish a short-term training component within the BIG program

- BIG does not include a short-term training component, and it is expected that some participating businesses will require employee training associated with eligible projects
- Permit businesses receiving BIG awards to receive reimbursement of training costs, in an amount up to 1.5% of employee withholding taxes for a period of up to 3 years
- Funds must be used exclusively for training initiatives tied to the business expansion or new facility, jobs and project(s) supported by the award

New Jobs Tax Credit (NJTC)

This automatic, one-time corporate income tax credit was created in 1983 as an additional benefit

- The program is uncapped and can be carried forward for up to 10 years, creating long-term fiscal liability for the state
- The NJTC has limited utilization and insufficient oversight with no statewide evaluation, which obscures impact measurement for taxpayers

IEDA requests to repeal the NJTC and the employee withholding tax repayment method associated with the 260E program

Headquarters Expansion & Development for Growth & Employment (HQ EDGE) – NEW

Iowa faces increasing competition from states offering aggressive incentive packages with lower corporate tax rates to attract and keep corporate headquarters, which provide value for the state's economy, communities and workforce, including:

- Executives are often tapped for non-profit boards, donations and support.
- Corporate giving is centered where headquarters are located.
- Positioning the bulk of a company's corporate functions centrally improves efficiency and overall business culture.

IEDA requests to create a new headquarter tax credit incentive – HQ EDGE

- Business must be primarily engaged in advanced manufacturing, bioscience, research and development, finance/insurance or technology; have a global presence, significant market share, or national recognition in its industry; and generate 51% of revenues from outside the state
- Incentivize new and/or retained HQ jobs
 - Refundable tax credits are tied to verification of hiring thresholds, confirmation of employees moving to Iowa, and/or retention of jobs

Load Forecasting Center

- Iowa needs an independent source of well-researched and neutral information forecasting Iowa's energy demand to remain competitive
- Energy demand is increasing, and accurate energy forecasts are needed to predict how much energy Iowa needs to produce to meet the growing demand
- Iowans and businesses, particularly the manufacturing sector, depend on affordable and reliable energy. Without it, existing businesses will be hesitant to expand, and it will be harder to attract new businesses to Iowa – ultimately stifling economic growth

IEDA requests to establish a Load Forecasting Report

- The report – to be included in Iowa Code Chapter 15 and developed by Iowa State University (ISU) – will include a load forecast and an analysis of electric system plans
 - IEDA may also commission reports to assess other energy needs, including for natural gas
 - In developing the report, ISU shall solicit the input of residential, commercial and industrial consumers and the electric industry

A person with blonde hair in a ponytail is seen from behind, paddling a kayak on a body of water. The entire image is overlaid with a warm, orange-tinted filter. The text is centered in the lower half of the image.

*Quality Of Life/
Arts & Culture*

#1

FOR LOWEST
COST OF LIVING

CNBC, 2023

Top Ten STATE FOR
MILLENNIALS

BASED ON QUALITY OF LIFE, AFFORDABILITY, SAFETY AND MORE

Real Simple, 2023

NEARLY

53,000

ACRES OF IOWA'S LAND ARE FOR
RECREATIONAL ACTIVITIES

IOWA RANKS

#2

IN THE U.S.
FOR OPPORTUNITY

U.S. News & World Report, 2025

IOWA HAS MORE THAN
80 STATE
PARKS

2,300
MILES OF TRAILS

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

18,000 MILES
OF NAVIGABLE STREAMS



Economic Impact of Tourism – 2024



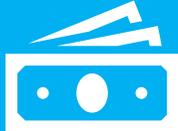
VISITOR SPENDING

\$7.5 billion

direct visitor spending

\$11.2 billion

Total economic impact



TAX REVENUE

\$1.2 billion

State & local tax revenue

\$615 million

State tax

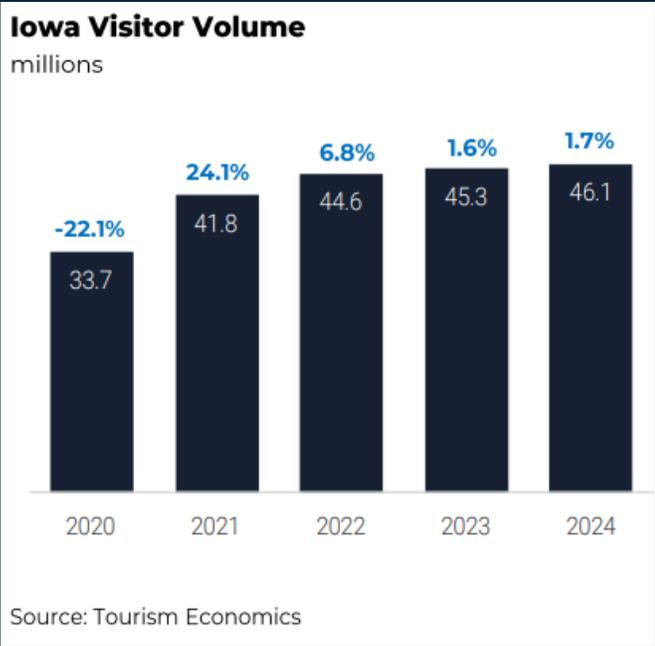
\$543 million

Local tax



VISITOR VOLUME

Iowa welcomed 46.1 million estimated visitors in 2024.



Each Iowa household would pay \$891/year in taxes to replace the dollars generated by tourism



Iowa Tourism Office



Meet Goldie, Travel Iowa's AI chatbot

- Find Goldie on traveliowa.com – speaks 30+ languages, learns from information on the website and provides data to IEDA on what travelers are asking

Agritourism

- Educates visitors about food production, farm technology, sustainability and Iowa's heritage
- Farmers' markets connect communities, residents and visitors to fresh produce and local growers
- Choose Iowa Digital Passport
 - Statewide agritourism digital passport, encouraging visits to farmstands, farmers' markets, working farms, restaurants and more

Inspire Iowa Cultural Tourism

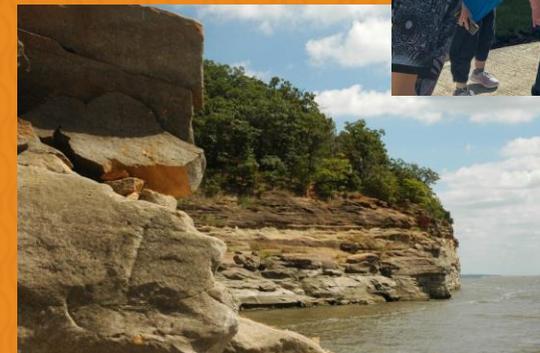
- Provides grants to support highly visible, high-impact arts, culture and heritage events, performances, productions or exhibitions, recognizing them as significant tourism attractions that anchor growing communities

Gray Moon
Public Market,
Newton



Sunset Hills
Bison Ranch &
Lodging,
Malcom

Life-size
Kaleidoscopes,
Pocahontas



Lake Red
Rock

Arts & Culture Impact



\$277.4 MILLION
IN EVENT-RELATED SPENDING BY
ARTS AND CULTURE AUDIENCES

NONPROFIT ARTS AND CULTURE AUDIENCES
SPEND AN AVERAGE OF
\$30.81 PER PERSON
PER EVENT

ARTS & CULTURE PRODUCTION
ACCOUNTS FOR MORE THAN
42,000 JOBS
AND ADDED OVER
\$5 BILLION
TO IOWA'S ECONOMY

NONPROFIT ARTS AND CULTURE
ORGANIZATIONS GENERATED:

- **\$431** MILLION IN PERSONAL INCOME
TO IOWA RESIDENTS
- OVER **\$36** MILLION IN TAX REVENUE
TO IOWA COMMUNITIES
- **\$43** MILLION IN TAX REVENUE
TO THE STATE OF IOWA

Source: Arts & Economic Prosperity 6

Iowa Arts Council

Cultivating creativity, learning and participation in the arts for Iowa's communities

- Funding projects that positively impact the vitality of arts and demonstrate public value
- Building networks and connections between Iowa artists, arts organizations and communities
- Support and champion Iowa's creative sector

The streamlined Arts and Culture Enhancement Fund was established during the 2024 Legislative Session with greater flexibility to help create a more meaningful and impactful arts scene in Iowa

- Approximately \$3 million to establish grants with a focus on two key categories: community art and culture opportunities & art and artist development

Pella Historical Society and Museums



Ankeny Art Festival

Lake View Community Center



Wieting Theatre and Opera House, Toledo

Contact: Jennie Knoebel at jennie.knoebel@iowaeda.com or 515.348.6324

Budget: \$1,771,800

Film Rebate Program

- Rebates to qualified production facilities creating qualified productions in Iowa that provide:
 - Overall long-term positive impact to the state
 - Education, training and recruitment opportunities to residents
- Production facilities may apply for funding for more than one qualified production
 - Maximum rebate of 30% on eligible expenses
- Awarded funds will be paid as a rebate after the project is completed and all contractual requirements have been met
- Application window is open through March 16, 2026

Community Investment

Destination Iowa

- Helps communities move forward on transformational, shovel-ready tourism and quality of life attractions

Community Attraction and Tourism

- Assists projects that improve recreational, cultural, entertainment and educational attractions

Projects attract visitors and new residents to the state, stimulating economic development and bolstering the quality of life in Iowa's communities

Marion Central Plaza, CeMar Trail Connection
Destination Iowa



Living History Farms – Cultivation Center
Destination Iowa

Centennial Park, North Liberty
CAT



Briggs Woods Conference Center, Webster City
CAT

Contact: Alaina Santizo at alaina.santizo@iowaeda.com or 515.348.6162

Budget: Destination Iowa: \$10 million | CAT: \$10 million (RIIF)

Thank You

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