The Economic Value of the Iowa Industrial New Jobs Training Program

EXECUTIVE SUMMARY

Emsi economic impact study | February 2020

Why we are sharing this study

This is the most comprehensive statewide analysis available of 260E's economic and fiscal impact. It addresses questions about jobs created, return on investment, tax revenue, and the program's role in business expansion and attraction. We are sharing it to document economic value while distinguishing modeled results from outcomes the study did not measure.

What the study examined

The analysis covered 542 businesses participating between FY2013 and FY2018: 471 Iowa expansion businesses and 71 businesses attracted to the state. It used community college data, industry information, an input-output model, and a 71% employer-reported attribution factor.

Key findings referenced in the legislative review

- **Job creation.** 29,367 gross jobs by FY2018; 20,808 net jobs after attribution.
- **Economic impact.** $14.7 billion in present-value added income and $42.9 billion in sales impact.
- **Tax revenue.** $1.272 billion in net added state and local tax revenue after withholding used for bond repayment.
- **Business type.** Expansion businesses generated $12.6 billion of added income; attraction businesses generated $2.1 billion.
- **Sensitivity.** At 35% attribution, estimated impact remained $7.3 billion in added income and $0.6 billion in taxes.

How to interpret the findings

The study provides strong evidence of substantial statewide economic activity and tax revenue. It is an economic impact model, not an experimental evaluation. Attribution came from employer responses, and industry averages were used when business financial data were unavailable. It did not measure employee wage progression, retention, credentials, or training quality. These gaps support stronger longitudinal outcome data.

Source: Emsi, The Economic Value of the Iowa Industrial New Jobs Training Program at Iowa's Community Colleges, February 2020.