REGIONAL ASSESSMENT

Focus Groups, Interviews, Surveys and Data Sources

Market Street consultants completed a regional assessment report on behalf of partners in the *Regional Vision Rising* project and CRDS 2040 process – much of this is assessment is drawn directly from the report (a full copy of the report is included in Appendix A). A series of focus groups and interviews with individuals from the region's public, private, and non-profit sectors was conducted in February 2016. In addition, an online survey was open to the public for three weeks in February 2016. While the results of the survey are not considered a scientific sample, Market Street was confident that the perspectives not captured by the survey were informed by the one-on-one interviews. Market Street also cited a variety of public and private sources to develop the regional assessment. A great deal of information is drawn from the Census Bureau, and noted in the Chapter 2. Other public data sources include the Bureau of Labor Statistics (BLS), the Bureau of Economic Analysis (BEA), the National Center for Education Statistics (NCES), the Iowa Department of Education (IDoE), Federal Bureau of Investigation (FBI) and the Internal Revenue Service (IRS). Proprietary data covering economic composition (employment, wages, exports, etc.) are provided by Economic Modeling Specialists, Inc. (EMSI).

These focus group meetings, interviews, surveys, and data analyses allowed Market Street to complete a thorough assessment of the region's strengths, weaknesses, opportunities, and challenges described in this chapter.

The Creative Corridor Story

Trends and current conditions in the Creative Corridor were presented in this report through the lens of six "stories" designed to leverage a narrative format to communicate competitive realities and issues. The appendix includes the original report delivered Market Street in 2016. The following key stories for the region are taken from this report. They include:

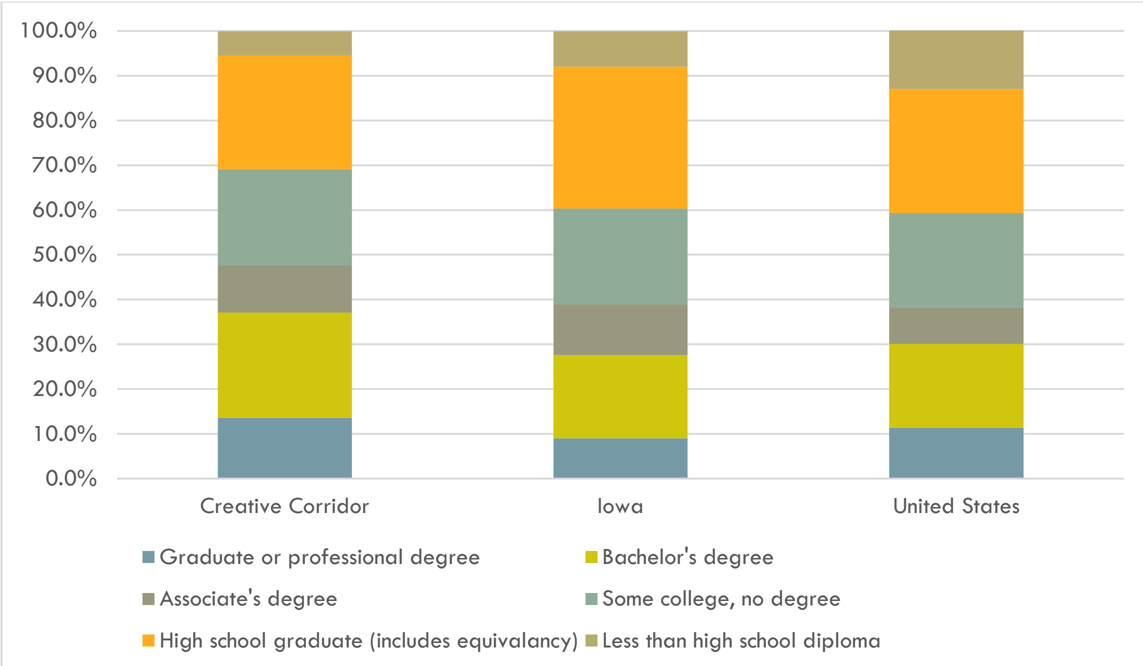
Strong, but uneven population growth and change

- When viewed against its benchmark regions, the Creative Corridor's population trends compare favorably, though population growth in the seven counties varied widely.
- Like some of the national trends, the Creative Corridor is becoming more diverse, however, it remains predominantly White, non-Hispanic.
- The age distribution of the Creative Corridor shows that roughly half of residents are younger than age 35 and half are age 35 and older. However, a closer look at age-related growth trends shows that the Creative Corridor's percentage of prime working age residents is growing at a slower rate than the percentage of those over the age of 65, which is comparable to the State of Iowa as a whole.
- The region's in-migrant profile shows that the Creative Corridor has been able to attract young, educated workers, but not in numbers sufficient to allay concerns over workforce sustainability.

Quality, but constrained workforce with strong resident wellbeing

- Educational attainment rates show that the Creative Corridor has a well-educated workforce, with nearly half of adults possessing an associate's degree or higher. The Creative Corridor's educational attainment rate of residents between the ages of 25 and 44 (Figure 3-1) rivaled that of the state and nation.
- Performance outcomes and measures support input regarding the Creative Corridor's strong PreK-16 talent pipeline. High proficiency rates and high school graduation rates coupled with low dropout rates make the Corridor's public systems competitive, although intra-regional performance is divergent.
- Higher education capacity is a regional strength in the Creative Corridor. Output of graduates is high, with the number of degrees and certificates awarded greater than those of the state and nation – see Figure 3-2. Additionally, the University of Iowa acts as a strong attractor of talent.
- Workforce capacity and availability are top concerns for the region. Growth in the Creative Corridor labor force, detailed in Figure 3-3, has rebounded over the past ten years, after trailing the State of Iowa and nation.
- Population and employment growth trends have translated into higher wages and incomes in the Creative Corridor, and impressively low and slow-growing rates of poverty. These also indicate a more equitable wealth distribution than in the State of Iowa and nation as a whole, as shown in Figure3-4.

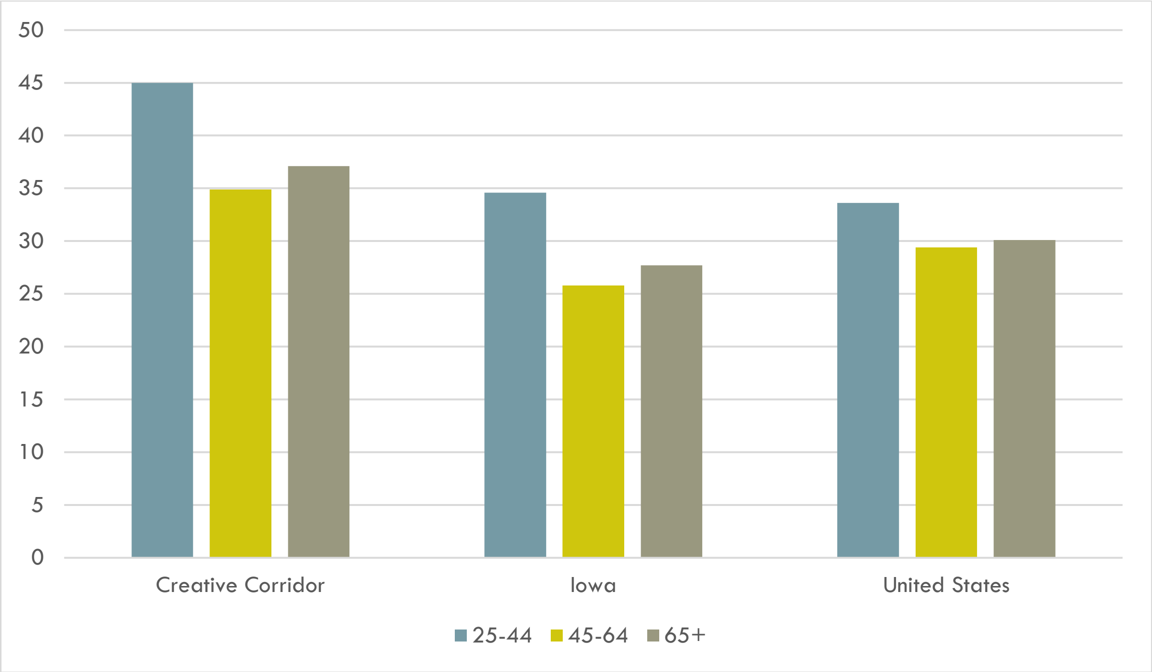
Figure 3-1: Educational Attainment, 2014



Source: United States Census Bureau, American Community Survey, 1 yr. estimates

Nearly half of the adults in the Creative Corridor possess an Associate's Degree or higher, which is a greater percentage than the State of Iowa and the nation.

Figure 3-2: Share of the Population with a Bachelor's Degree or Higher by Age Group, 2014



The educational attainment rate of residents between the ages of 25 and 44 are particularly higher than those in the state or nation, that higher education capacity is a regional strength.

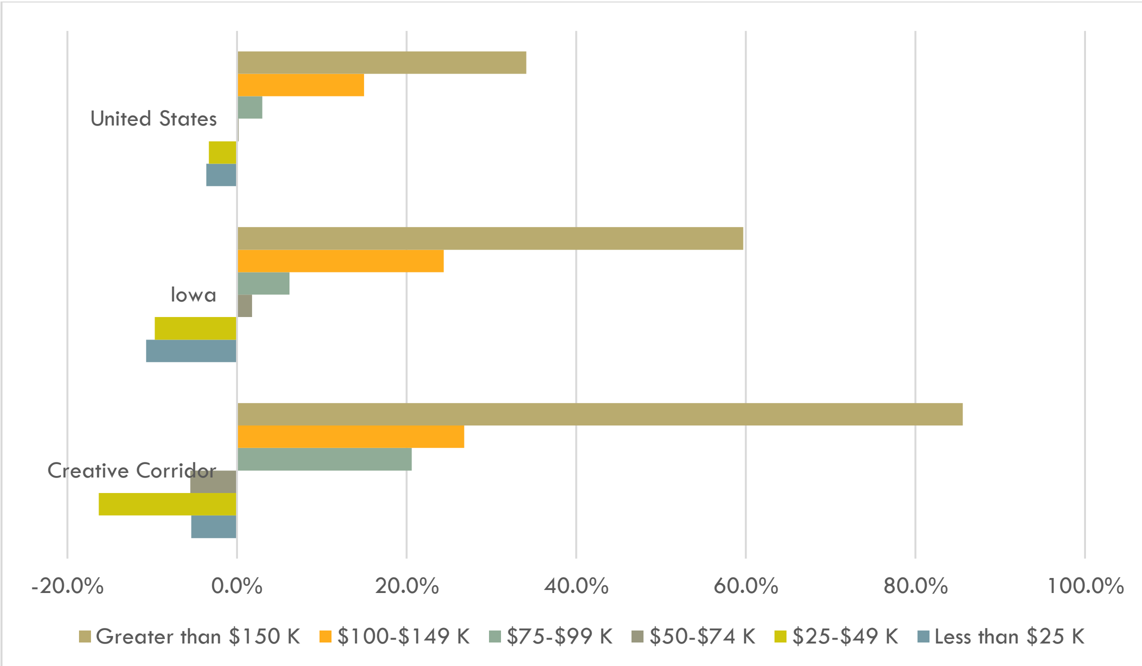
Source: United States Census Bureau, American Community Survey 1 yr. estimates

Figure 3-3: Labor Force, 2004-2014

				5-year change (2009-2014)		10-year change (2004-2014)	
	2004	2009	2014	#	%	#	%
Creative Corridor	243,202	257,911	261,478	3,566	1.4%	18,275	7.5%
Iowa	1,626,857	1,677,918	1,707,126	29,208	1.7%	80,269	4.9%
United States	149,153,917	153,850,000	156,986,250	3,136,250	2.0%	7,832,333	5.3%

Source: Bureau of Labor Statistics (BLS)

Figure 3-4: Household Income Distribution Change, 2009-2014



Household income distribution change over the five-year period indicates a more equitable distribution of wealth in the Creative Corridor when compared to the state and nation.

Source: United States Census Bureau, American Community Survey, 1 year estimates

Resilient, diverse local economy and competitive business climate

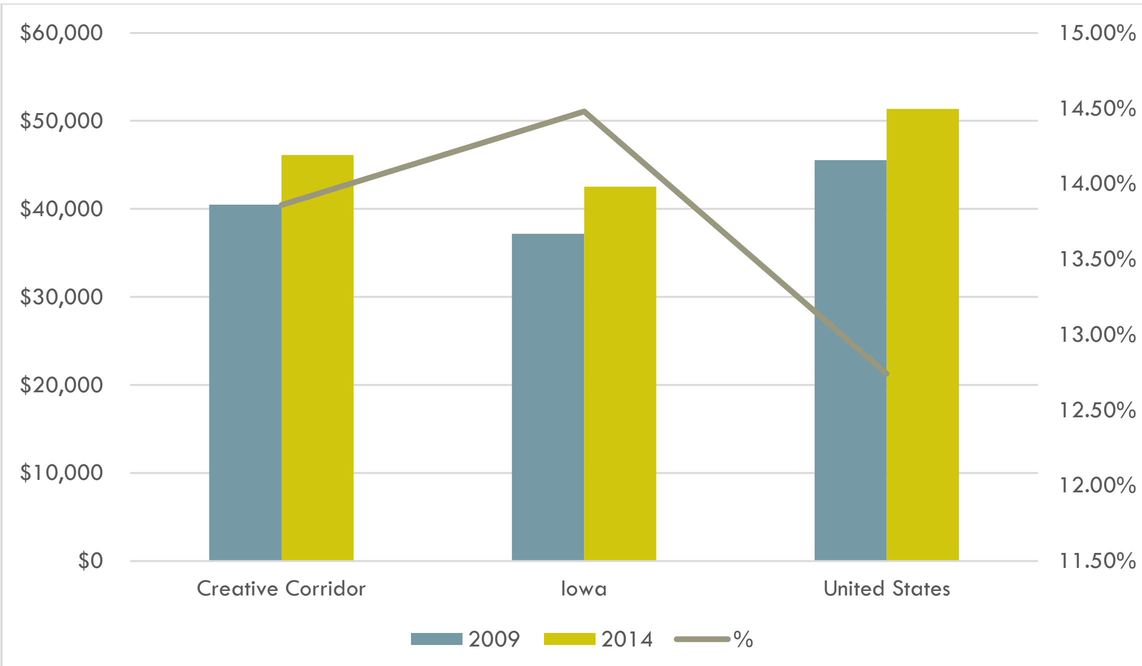
- The Creative Corridor's diverse economy proved resilient throughout the recession, while nearly every business sector has continued to add jobs since 2009 (see Figure 3-5).
- The low unemployment rates put upward pressure on average wages in the region (shown in Figure 3-6), which increased at 13.96%, a faster rate than the nation (12.74%) but not as fast as the State of Iowa's increase of 14.48%.
- The Creative Corridor has a competitive business climate to offer new and potential companies. Regional business leaders are optimistic about future hiring, but worry about the supply of available labor.

Figure 3-5: Total Jobs, 2005-2015

	2005	2010	2015	5-year change		10-year change	
				#	%	#	%
Creative Corridor	246,799	256,993	270,927	13,934	5.4%	24,128	9.8%
Iowa	1,644,967	1,629,819	1,735,685	105,866	6.5%	90,718	5.5%
United States	148,660,331	144,442,383	156,106,469	11,664,086	8.1%	7,446,138	5.0%

Source: Economic Modeling Specialists, Inc. (EMSI), economicmodeling.com

Figure 3-6: Average Annual Wage



Source: BLS QCEW

The average annual wage in the region has increased over the five-year period, and at a rate faster than the nation, but not as quickly as in the state

Strong entrepreneurial legacy with a still-evolving startup ecosystem

- The Creative Corridor has a slightly less robust base of small businesses as the state, nation, and Des Moines, and notably less capacity than acknowledged national startup hubs in Fort Collins, Colorado and Madison, Wisconsin, as noted in Figure 3-7. Seen broadly, the small business momentum in the Creative Corridor in recent years has also been declining based on data examined.
- Creative Corridor entrepreneurs and small business owners ranked many of the components related to the entrepreneurial climate as “strong” or “very strong” and felt that many of the pieces were in place to advance a growing startup ecosystem.
- Lack of available tech talent and investment capital were the top challenges identified by Creative Corridor entrepreneurs and small businesses. Lack of external perception of the Creative Corridor’s entrepreneurial sector was also noted as a deficit.

Figure 3-7: Employees by Firm Size, Q4 2009-Q4 2014

	Q4 2014 Jobs		5-year % Change	
	At establishments with Fewer than 500 employees	At establishments with more than 500 employees	At establishments with Fewer than 500 employees	At establishments with More than 500 employees
Creative Corridor	97,356	104,947	1.2%	12.8%
Des Moines	134,888	168,988	7.3%	9.6%
Fort Collins, CO	67,746	43,688	11.8%	15.3%
Madison, WI	156,238	135,899	8.7%	10.5%
Iowa	677,402	613,908	2.0%	13.3%

Source: United States Census Bureau, Quarterly Workforce Indicators (QWI)

A nice place to live but not without challenges

- Young professionals (YPs), one of the most coveted demographics by communities, are pleased with changes being made to Creative Corridor downtowns and other amenities, but identified the lack of affordable housing and the need for more entertainment options as challenges in the retention and recruitment of YPs. Vacancy rates, the age of the housing stock, and the median value of owner-occupied units are significant housing indicators.
- Existing residents responding to the online survey feel confident they will stay in the Creative Corridor, but are less sure their children will locate in the region when grown.
- Quality health care, public safety, low cost of living, and arts and culture capacity were all identified as quality of life strengths in the Creative Corridor.
- Challenges were said to be a lack of housing diversity, insufficient comparative shopping and nightlife amenities, and few viable mobility options besides driving.

Necessary, but elusive regionalism

- Despite being a Combined Statistical Area by the United States Office of Management and Budget, a lack of perceived regionalism in the Creative Corridor can be a problem.
- Certain differences between Cedar Rapids and Iowa City are quantifiable, while others are based on perceived variations by stakeholders in both communities.
- Examples of intra-regional coordination are occurring more frequently, while many in the Creative Corridor feel that even the differences between Cedar Rapids and Iowa City are a positive because they provide residents and businesses with choices.

Assessment Conclusions

The assessment of a community's competitive position always leads to identification of opportunities to be leveraged and challenges to be addressed. Key conclusions from these narratives paint the picture of a Creative Corridor moving forward successfully but facing challenges that threaten to dampen or derail that success. However, strong, diverse economic fundamentals, stable anchor employers, dynamic institutional assets, an educated and motivated workforce, competitive demographic and quality of life factors, and the great, untapped potential of a unified regional presence bode well for a continued dynamism in the Creative Corridor for years to come.