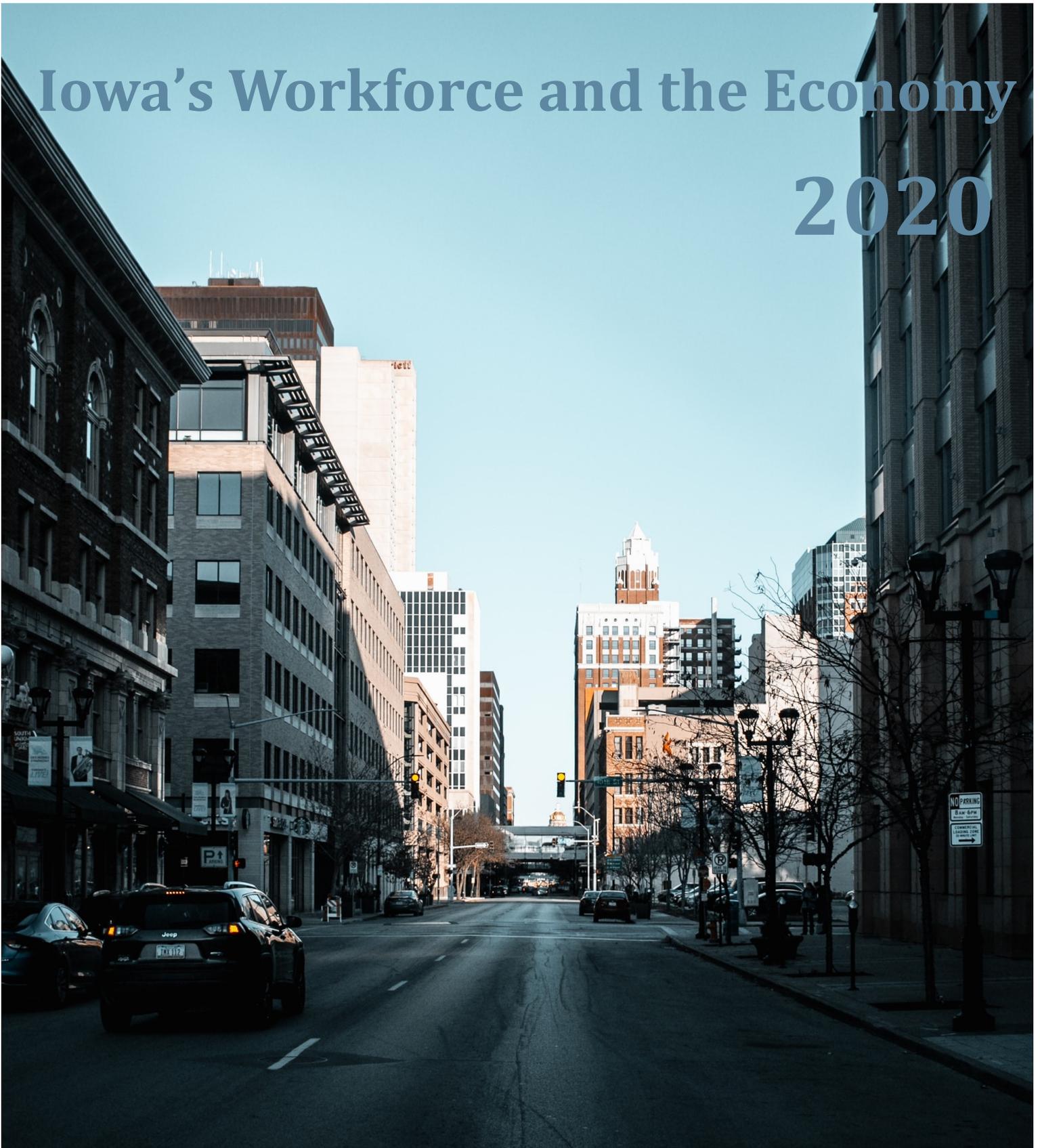


Iowa's Workforce and the Economy 2020



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Executive Summary

by James Morris

Coronavirus Updates:

- Pandemic related layoffs caused the number of unemployment insurance initial claims to reach a record 126,040 in March 2020 and 157,324 in April 2020. The previous record was 51,841 in December 2008. Leisure and Hospitality employees were impacted first as restaurants and bars closed or were limited to take out service and made up 18.0 percent of all claims. Health care and social assistance also comprised 18.0 percent of all layoffs followed by manufacturing with 17.7 percent.
- About two-thirds of initial claims were filed by males during 2019. However, females accounted for 55 percent of initial claims filed from March 15, 2020 through May 30, 2020.
- Efforts to contain the Coronavirus really started to emerge in April in the Current Employment Statistics (CES) survey. A total of 176,900 jobs were lost in April which easily dwarfed any movement in the history of the series. Leisure and hospitality shed almost half of all the super sector jobs.
- Quarantine and social-distancing efforts immediately took a toll on the state's labor force which was extremely tight leading up to April. However, while the rise in unemployment was sharp in April, spiking at 11.0 percent, the state's unemployment rate was still 3.7 percent lower than that of the U.S. as a whole (14.7 percent for the U.S.).

Other Highlights:

- The state's economy generally fared well in 2019. Iowa's unemployment rate remained historically low at 2.7 percent and the local labor force showed signs of expansion. Unemployment increased slightly from 44,300 to 47,800; however, one would still need to search back almost 20 years to find similar labor market conditions.
 - Metropolitan areas fared better in 2019 versus rural areas. In total, 4,000 jobs were added in areas defined by the Bureau of Labor Statistics (BLS) as Metropolitan Statistical Areas (MSAs). Conversely, 1,700 jobs were shed in the remaining rural areas.
 - The number of unemployed persons in the state averaged 47,800 in 2019, up from the prior year's 44,300. Men accounted for 59 percent of the unemployed compared to 41 percent for women. Minorities and youth continued to experience the highest rates of unemployment: youth, 16 to 19 years (6.9 percent), Black or African American (9.3 percent) and Hispanic (4.0 percent).
 - Workers with less education continued to experience a higher unemployment rate than more educated members of the labor force: those with less than a high school diploma (7.9 percent), high school graduates with no college (2.7 percent), some college or associate's degree (2.1 percent) and Bachelor's degree and higher (2.0 percent).
-

- Unemployment rates stayed the same or increased in all of the state's MSAs in 2019. County unemployment rates dropped in 17 counties, increased in 60 and remained the same in 22. The Ames MSA was the lowest of the nine major labor market areas at 1.9 percent.
 - Most age groups did not experience a large change in their unemployment rates between 2018 and 2019, with the exception of the 25 to 44 year olds. These prime working age groups experienced a two percent over-the-year increase.
 - Iowa's employment level continued to expand through 2019. The rate of expansion, however, has declined in all but one of the last 9 years. In 2019 the rate dropped back to 0.14%, a -0.53% change from the 0.67% gain seen in 2018. This resulted in a 2019 seasonally adjusted annual average of 1,585,900, gaining 2,300 jobs from the average for 2018.
 - Industry employment in Iowa is projected to add 142,730 nonfarm jobs in the next 10 years: 2018-28. The total will increase to 1,872,455 over the 10 years, from the 2018 total of 1,729,725, which accounts for an 8.3 percent increase. The U.S. is expected to add 8.4 million jobs in the same decade. The nationwide employment is expected to grow by 5.2 percent, equating to an increase of 169.4 million jobs by 2028, according to U.S. Bureau of Labor Statistics (BLS) 2018-28 industry projections.
 - Employment in the healthcare and related industries are expected to add the most jobs in the next ten years driven by the increasing aging population. Solid jobs gains are expected from professional and business services, transportation and warehousing, and educational services. Because of structural changes and demographic shifts: slow birth rate and an aging population, Iowa's labor force participation rate is expected to decline.
 - Iowa's Accommodation and Food Services sector is the fifth largest sector for employment in Iowa, with an annual average for 2019 of 123,661 employees.
 - ◇ Within restaurants and other eating places, the largest number of the employees held an educational attainment of high school or equivalent, with the next highest, having some college or an associates degree.
 - ◇ Those that reported a bachelor's degree or an advanced degree were earning an average monthly wage of \$1,800, while those with less than a high school diploma were earning an average monthly of wage of \$1,707, for the fourth quarter of 2018.² The disparity in the average monthly wages between education attainments is minimal, in fact the difference between the highest, a bachelor's degree or an advanced degree, and the lowest, less than high school, was only \$93 per month.
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2019 Overview of the Iowa Economy and A Look Ahead to 2020

by James Morris

At the time of this writing, virtually all economies worldwide have experienced dramatic changes versus the past several years as the world attempts to curtail the spread of COVID-19. While it makes sense to discuss the shifts in the state's economic landscape given the gravity of the situation, it also is worthwhile to examine 2019 and how Iowa's economy fared compared to prior years.

2019: A Brief Look Back

The state's economy generally performed well in 2019. Iowa's unemployment rate remained historically low at 2.7 percent and the local labor force showed signs of expansion. The number of unemployed increased slightly from 44,300 to 47,800; however, one would still need to search back almost 20 years to find similar labor market conditions. While an unemployment rate this low is generally welcomed news, it can also lead to a "tight" economy that can inhibit growth from firms looking to expand. This may help explain why the establishment survey revealed little growth in 2019². (see figure below)

Iowa Economic Indicators					
General Statistics:	2015	2016	2017	2018	2019
Gross Domestic Product - Iowa (billions)	\$178.5	\$179.5	\$181.8	\$189.7	\$194.8
Exports (millions)	\$13,238.4	\$12,330.3	\$13,422.4	\$14,377.1	\$13,186.8
Personal Income (billions)	\$144.3	\$145.4	\$149.2	\$158.2	\$166.1
Per Capita Personal Income	\$46,232	\$46,437	\$47,490	\$50,243	\$52,636
New Residential Housing Units Authorized	12,097	14,317	13,948	11,518	11,372
Iowa New Vehicle Registrations	147,447	137,451	140,636	137,209	128,749
Employment Statistics:	2015	2016	2017	2018	2019
Total Nonfarm Employment	1,561,300	1,570,900	1,573,100	1,583,600	1,585,900
Urban Areas	885,000	895,000	901,000	909,000	913,000
Rural Areas	676,300	675,900	672,100	674,600	672,900
Manufacturing Employment	216,200	214,000	216,000	222,600	226,200
Financial Activities Employment	106,000	108,400	109,400	110,000	109,700
Retail Trade Employment	180,500	182,600	181,600	178,600	175,000
Labor Force Statistics:	2015	2016	2017	2018	2019
Total Unemployment	63,800	61,100	52,200	44,300	47,800
Percent Unemployed	3.8%	3.6%	3.1%	2.6%	2.7%
Total Employment	1,628,700	1,628,700	1,620,400	1,646,700	1,691,000
Unemployment Insurance Statistics:	2015	2016	2017	2018	2019
Weeks Compensated	1,176,537	1,147,806	1,062,805	946,846	963,111
Average Duration (weeks)	12.7	13.0	13.4	12.8	12.2
UI Regular Benefits Paid (millions)	\$417.6	\$423.5	\$402.6	\$364.7	\$381.8

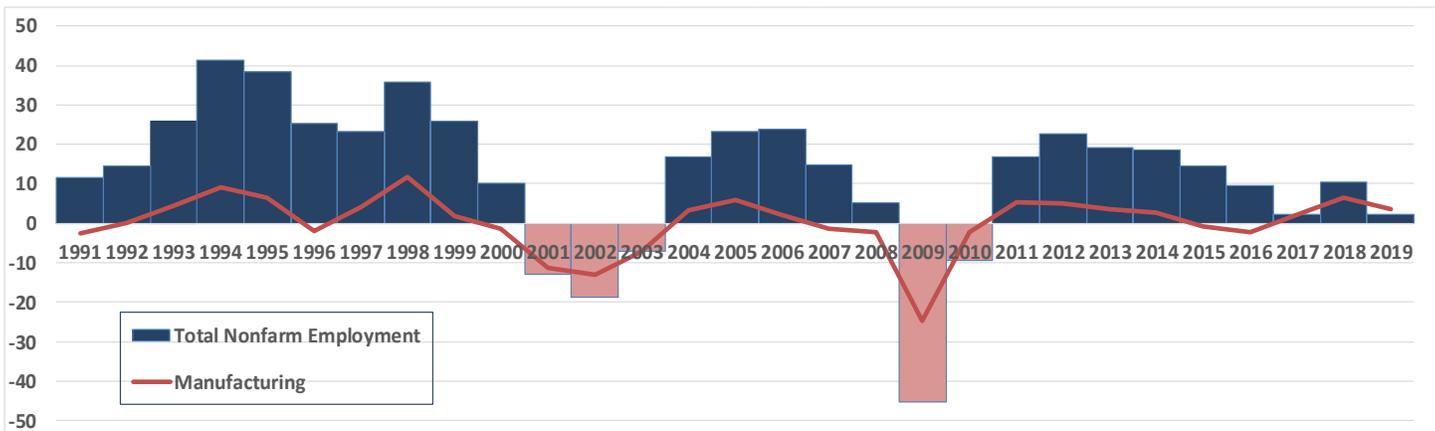
Source: Labor Market Information Division, Iowa Workforce Development, Iowa Economic Development Authority, Bureau of Economic Analysis, Iowa Association of Realtors
(Data may be subject to annual revision)

One side effect of Iowa's low unemployment is the premium employers must pay to attract workers when they expand. This is evident when one looks at per capita income which increased by almost \$2,400 in 2019, following a gain of \$2,800 in 2018.

Metropolitan areas fared better in 2019 versus rural areas. In total, 4,000 jobs were added in areas defined by the Bureau of Labor Statistics (BLS) as Metropolitan Statistical Areas (MSAs). Conversely, 1,700 jobs were shed in the remaining rural areas. This was the third loss in the last four years for rural areas and highlights a trend that is not uncommon in most of the country: workers are generally leaving rural areas to find more opportunities in their professional and social lives. In 1990, 50.6 percent of Iowa jobs were in urban areas. That number increased to 52.3 percent in 2000, and then to 55.7 percent in 2010. Through 2019, 57.6 percent of Iowa jobs now reside in metropolitan areas.

Manufacturing has fueled much of the growth around the state with 3,600 jobs added versus 2018 and 6,600 jobs added in the year prior to that. Other sectors, such as financial activities, have shown little to no movement over the past two years. (see figure below)

Iowa Total Nonfarm & Manufacturing Employment Annual Growth (thousands)



Other indicators used to gauge consumer spending painted a picture of an increasingly budget-minded consumer. New vehicle registrations in Iowa trended down for the second year in a row, falling to the lowest annual totals since 2011³. Additionally, new residential housing units authorized fell for the third consecutive year following a recent high in 2016⁴.

Exports trailed following two years of growth. While not necessarily troubling given a large jump in 2018, the past year exhibited a significant decrease in exports of corn, tractors, and other agricultural commodities. Canada and Mexico are the state's largest destinations for shipped products and typically combine for slightly less than half of all Iowa's exports. In 2019, these values slipped by 11.0 percent. China is fourth in terms of Iowa's exports, representing only 5.8 percent of products shipped. This past year, China increased their purchases of Iowa's exports by 21.1 percent ahead of tariff restrictions⁵.

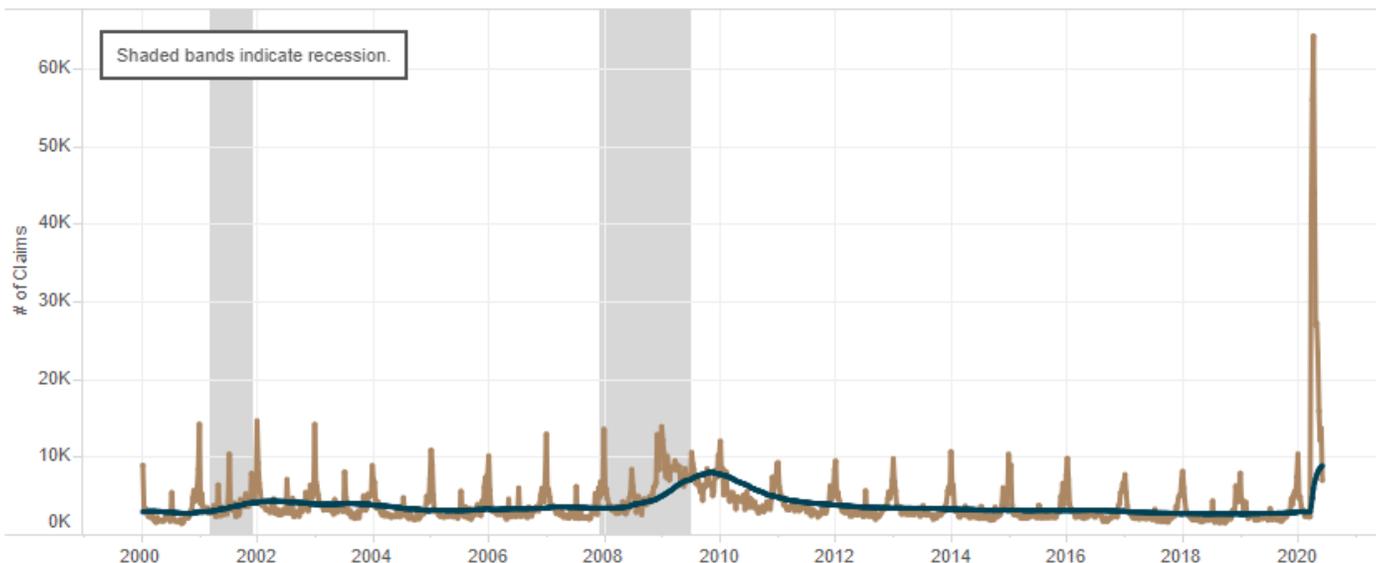
2020: An Economy in Transition

Through April, unprecedented efforts are underway to stop the spread of COVID-19. This response led to historic declines in jobs and a spike in the unemployment rate. While the recovery should begin to take place in the summer months as businesses reopen, the lingering economic impacts will need to be measured. Iowa's total nonfarm employment has trended down for six consecutive months. Additionally, manufacturing—the state's largest segment of the economy and a driver of job growth—has pared jobs stretching back to November of 2019.

Further, economic systems were being tested as global market agreements were renegotiated. The effects of these actions were straining Iowa's factories prior to the April quarantines.

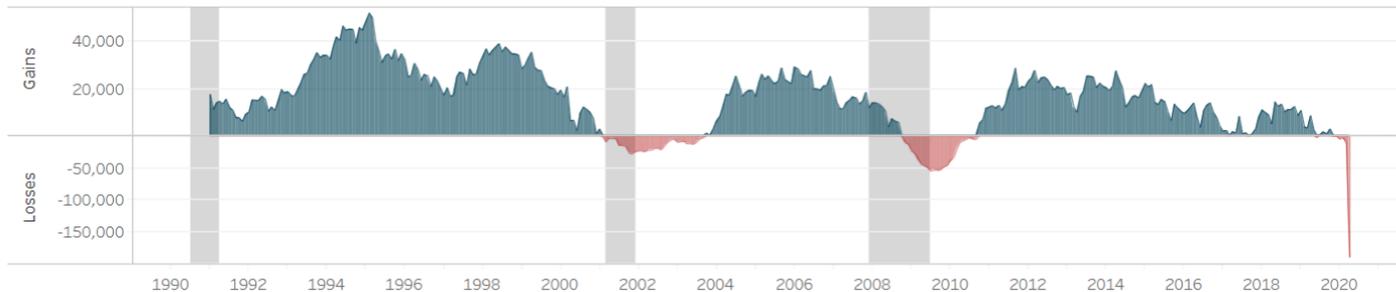
The first economic indicator to outline the effects of COVID-19 and the response to contain it was unemployment claims. Social distancing efforts were implemented in mid-March by Governor Kim Reynolds. These efforts included the closing of many non-essential businesses such as restaurants, bars, gyms, and salons. Such endeavors were common throughout the country. In Iowa, this led to a spike in claims beginning in the latter part of March. Initial claims hit the 40k mark on March 21st and continued adding over 40k for almost a month before trending down to 20k in the beginning of May. The spike in unemployment claims was beyond anything our nation has ever experienced⁶.

Iowa Unemployment Insurance Claims by Week, through May 2020



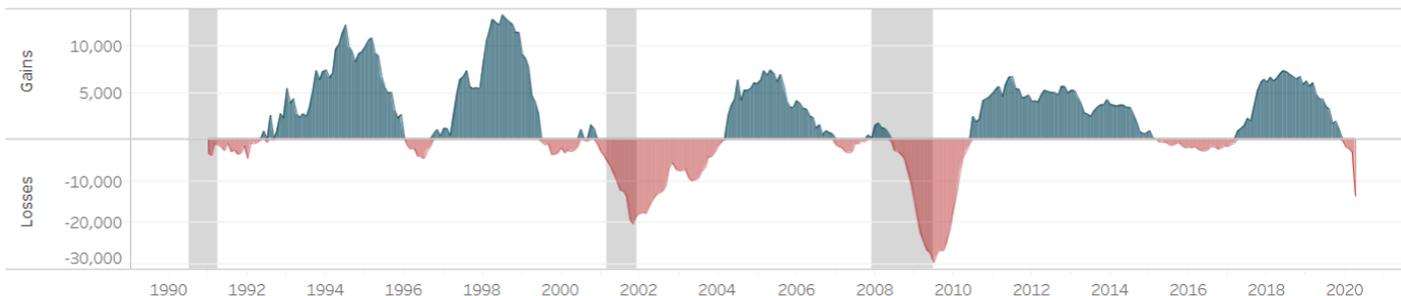
Unsurprisingly, these layoffs and furloughs were reflected a few weeks later in the establishment survey. These showed up and easily dwarfed anything seen before within the payroll survey. A total of 176,900 jobs were lost in April (see chart below).

Iowa Total Nonfarm Employment Yearly Growth (Adjusted)



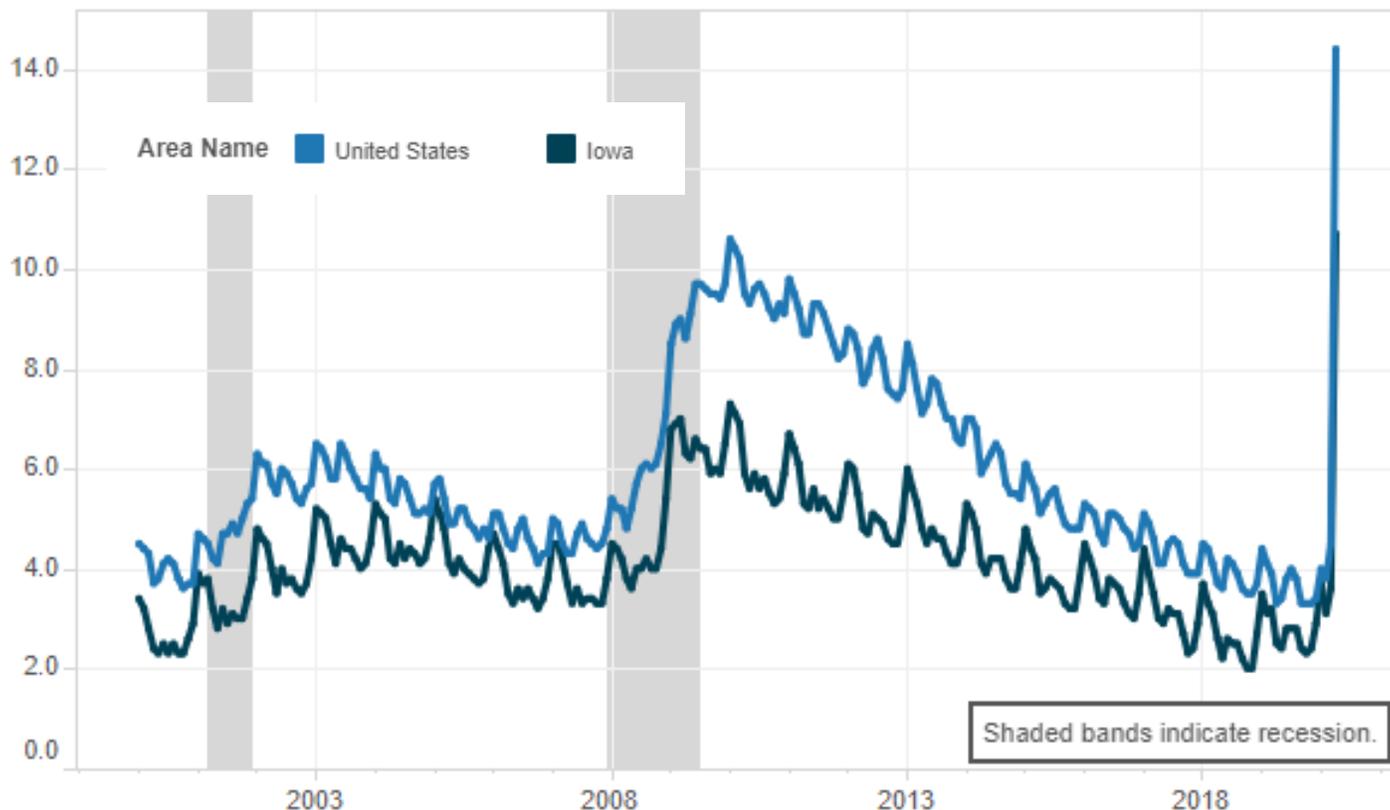
Additionally, these losses started to appear before social distancing efforts in Iowa factories, although in much smaller magnitude. The chart below shows manufacturing losing employment before quarantine efforts, the 10,800 being shed in April also left factories down almost 14,000 jobs versus the prior year. (see chart below)

Iowa Manufacturing Employment Yearly Growth (Adjusted)



These efforts immediately took a toll on the state's labor force which was extremely tight leading up to April. However, while the rise in unemployment was sharp in April, spiking at 11.0 percent, the state's unemployment rate was still 3.7 percent lower than that of the U.S. as a whole (14.7 percent for the U.S.).

Iowa Unemployment Rate by Month (Seasonally Adjusted)



Moving On From Social Distancing

Much of the historic level of job loss that began in March and carried over into the following months in many ways can be classified as temporary, but the extent at which jobs will return remains to be seen. There are several factors which could influence how quickly the economy returns to pre-quarantine levels.

Even prior to the quarantine, one of the more significant issues Iowa has been dealing with is a decline in demand for goods, such as farm commodities or big-ticket machinery. There is no single industry that has been more affected by this concern than Iowa's manufacturing industry, which has steadily trended down over the past several months. This is especially troubling as manufacturing returns a relatively high wage and covers the largest percentage of unemployment insurance-covered employment of any sector. New trade agreements with Mexico and Canada may help ease some of these concerns long-term, but may not immediately inject demand for factory and farm goods in the short run.

Second, retail trade has steadily trended down along with manufacturing over the past several months. While this has largely been the result of shifting consumer preferences away from brick and mortar establishments, COVID-19 may have hastened layoffs and business closures that might have otherwise occurred several months later. It will be important to track which layoffs are permanent or temporary.

Third, leisure and hospitality will need to adapt as time passes and businesses reopen. On the one hand, consumers are eager for life to return to normal and to attend sporting events, concerts, recreation, and restaurants as they did prior to sequestration. However, caution must still be exercised to prevent a second wave of infection. Firms reopened with reduced capacities and new restrictions on how food and beverages are served⁷. Firms that were operating on razor-thin margins may have had to rely on government assistance to stay afloat, and those funds may or may not have been enough.

Finally, oil prices plunged before social distancing efforts took effect. While Iowa has very little oil and natural gas employment, it could create a ripple effect from oil-producing states and lower demand nationally for all products and services as no state's economy exists in a silo from another. Early evidence suggests prices may rebound, which has led to some recalls, but not to the levels prior to the oil price drop. Staffing levels may fluctuate very fluidly through 2020 as prices and oil demand changes⁸.

Given the unprecedented nature of the past few months on the economy, it may be a few years until we determine the lasting effects of COVID-19, the resulting economic fallout, and which industries struggled versus which industries adapted and thrived in the wake of the pandemic.

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- 1.) Local Area Unemployment Statistics (LAUS). April 2020. Bureau of Labor Statistics (BLS), U.S. Department of Labor. <https://www.bls.gov/data/>
- 2.) Current Employment Statistics (CES). April 2020. Bureau of Labor Statistics (BLS), U.S. Department of Labor. <https://www.bls.gov/data/>
- 3.) Iowa Department of Transportation (IDOT). New Vehicle Registrations.
- 4.) Annual Building Permits by State. United States Census Bureau. U.S. Department of Commerce. <https://www.census.gov/construction/bps/stateannual.html>
- 5.) Foreign Trade—State Exports from Iowa. United States Census Bureau. U.S. Department of Commerce. <https://www.census.gov/foreign-trade/statistics/state/data/ia.html>
- 6.) Iowa Workforce Development, Unemployment Insurance Statistics, Labor Market Division. 6 June 2020. <https://www.iowalmi.gov/unemployment-insurance-statistics>
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- 8.) Hiller, Jennifer and Kumar, Devika Krishna. “U.S. shale producers begin restoring output as oil prices turn higher.” *Reuters*. 2 June 2020. <https://www.reuters.com/article/us-global-oil-shale-resumption/us-shale-producers-begin-restoring-output-as-oil-prices-turn-higher-idUSKBN2392UG>

Characteristics of Initial Claims During the Pandemic-Related Shutdown Period

by *Patrick Callan*

Pandemic related layoffs caused the number of unemployment insurance initial claims to reach a record 126,040 in March 2020 and 157,324 in April 2020. The previous record was 51,841 in December 2008.

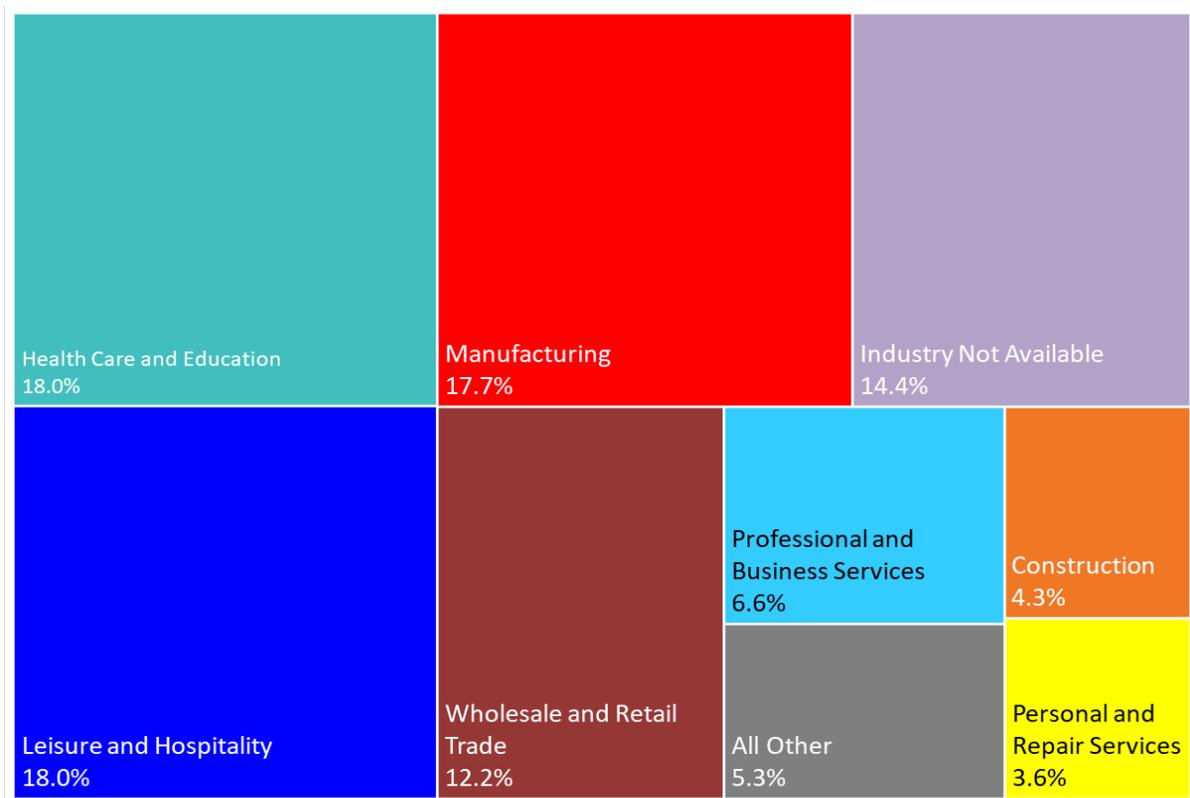
The Unemployment Insurance claims data are used in current economic analysis of unemployment trends in the nation, and in each state. Initial claims measure emerging unemployment and continued weeks claimed measure the number of persons claiming unemployment benefits each week. An initial claims occurs when a person applies for unemployment benefits at the beginning of a new spell of total or partial unemployment.

This article reports on initial claims between March 15, 2020 and May 30, 2020. Pandemic related initial claims in Iowa began the week of March 15. Related closures changed the industry distribution of UI initial claims. Last year was a fairly typical year. Manufacturing accounted for 31 percent of initial claims in 2019 followed by construction with 24 percent.

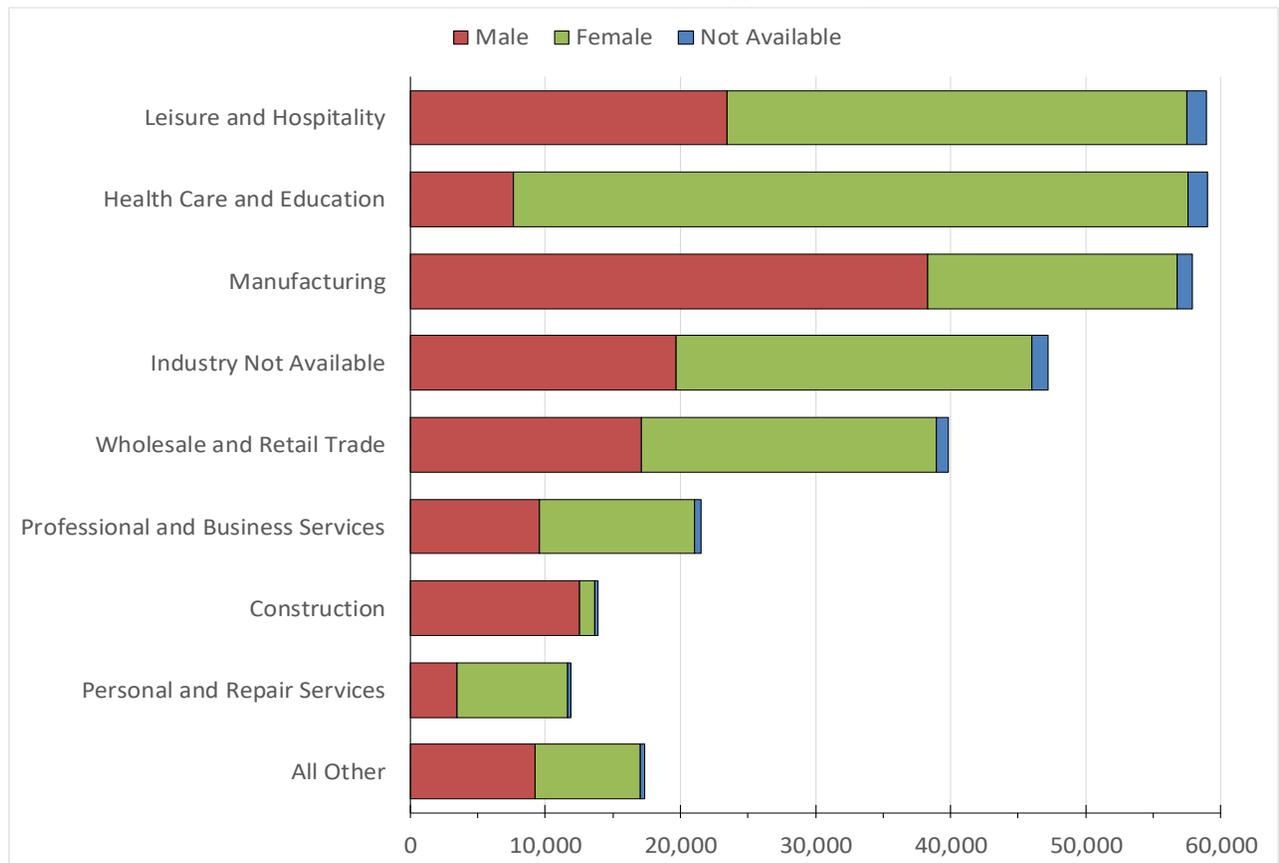
The industry mix during the March 15, 2020 through May 30, 2020 report period was significantly different. Health Care and Education accounted for 18 percent of initial claims. Health care initial claims were dominated by hospitals, physicians’ offices and dentists’ offices. Education initial claims were primarily from elementary and secondary school employees followed by college employees.

Leisure and Hospitality also accounted for 18 percent of initial claims. About two-thirds of leisure and hospitality claims were food service and drinking places. This was followed by accommodation and amusement, gambling, and recreation industries.

Unemployment Insurance Initial Claims by Industry March 15, 2020 through May 30, 2020



Unemployment Insurance Claims by Gender and Industry March 15, 2020 through May 30, 2020



About two-thirds of initial claims were filed by males during 2019. However, females accounted for 55 percent of initial claims filed from March 15, 2020 through May 30, 2020. This change is primarily the result of changes in the industry distribution of initial claims due to pandemic related layoffs.

According to the Bureau of Labor Statistics, 2019 national employment figure, women accounted for 10 percent of construction employment and 29 percent of manufacturing employment. Some of the industries hit hardest by pandemic layoffs had a higher percentage of females. Women accounted for 75 percent of workers in education and health services and 51 percent of workers in leisure and hospitality.

The initial claims data followed this pattern. The industry groups with the greatest number of initial claims were predominately female. Education and health services claimants were 85 percent female and leisure and hospitality claimants were 58 percent female.

Weekly initial claims peaked at 64,194 for the week ending May 4, 2020. Initial claims declined to 6,449 for the week ending May 30, 2020. The number of new spells of unemployment has decreased.

To receive payments after filing an initial claim, a claimant must confirm eligibility every week using the claims reporting system. This process generates a continued week claimed. Continued weeks claimed peaked at 189,643 for the week ending May 9, 2020 and declined to 162,562 for the week ending May 30, 2020. Continued claims are a better indicator of the number of eligible claimants who remain unemployed each week. Characteristics of continued claims may be a topic for a future article.

During June the number of initial claims increased averaging approximately 8,600 per week. The number of continued weeks declined gradually to 141,748 for the week ending June 27, 2020. Some businesses were able to open up in June and recall their laid off workers. Other businesses laid off employees in June as the effect of the pandemic makes its way through the supply chain.

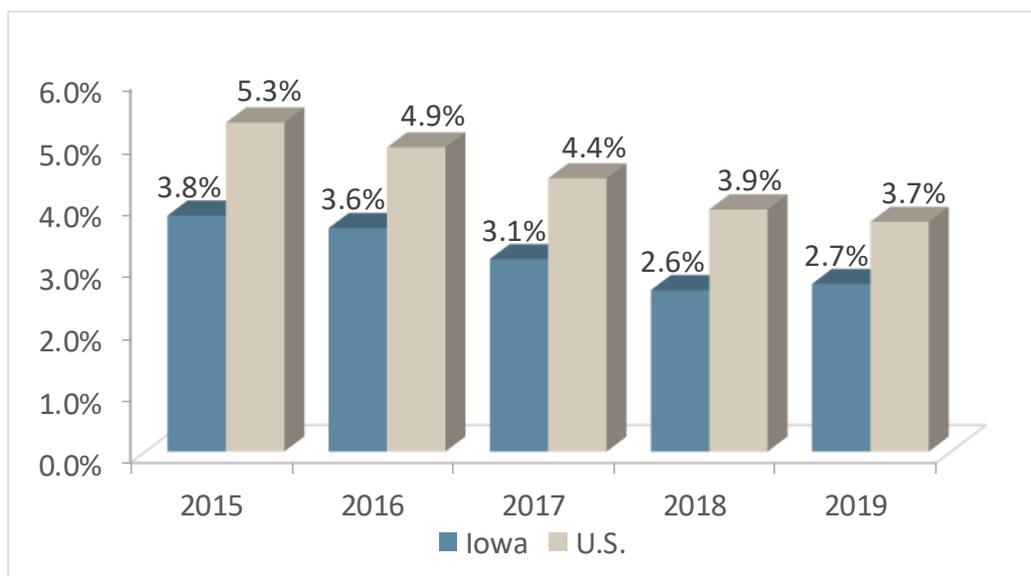
**All data from Iowa Workforce Development, Labor Market Information Division, Unemployment Insurance Statistics program.*

State and Local Labor Force Trends

by Kris Henze

During 2019, Iowa's labor force continued to grow and finished the year with a labor force participation rate of 70.9 percent. This caused a slight increase in the unemployment rate. The statewide annual average unemployment rate increased slightly to 2.7 percent in 2019 from 2.6 percent in 2018. The U.S. rate for 2019 showed improvement, dropping to 3.7 percent from 3.9 percent for the prior year. Based on the state rankings for 2019, North Dakota and Vermont had the lowest unemployment rate among the states at 2.4 percent. Iowa ranked fifth (tied with Hawaii), while Alaska had the highest at 6.1 percent.

Iowa and U.S. Unemployment Rates, 2015-2019



Source: Labor Market Information Division, Iowa Workforce Development, in cooperation with the Bureau of Labor Statistics, U.S. Department of Labor

The number of unemployed persons in the state averaged 47,800 in 2019, up from the prior year's 44,300. Men accounted for 59 percent of the unemployed compared to 41 percent for women. Minorities and youth continued to experience the highest rates of unemployment: youth, 16 to 19 years (6.9 percent), Black or African American (9.3 percent) and Hispanic (4.0 percent). Workers with less education continued to experience a higher unemployment rate than more educated members of the labor force: those with less than a high school diploma (7.9 percent), high school graduates with no college (2.7 percent), some college or associate's degree (2.1 percent) and Bachelor's degree and higher (2.0 percent).

Unemployment Rates Up Slightly in Most Metropolitan Statistical Areas (MSAs)

Unemployment rates stayed the same or increased in all of the state's Metropolitan Statistical Areas (MSAs) in 2019. County unemployment rates dropped in 17 counties, increased in 60 and remained the same in 22. The Ames MSA was the lowest of the nine major labor market areas at 1.9 percent. The Davenport-Moline-Rock Island MSA had the highest unemployment rate at 4.2 percent. Unemployment rates for all 99 counties ranged from a low of 1.6 percent in Lyon County to a high of 4.5 percent in Marshall County.

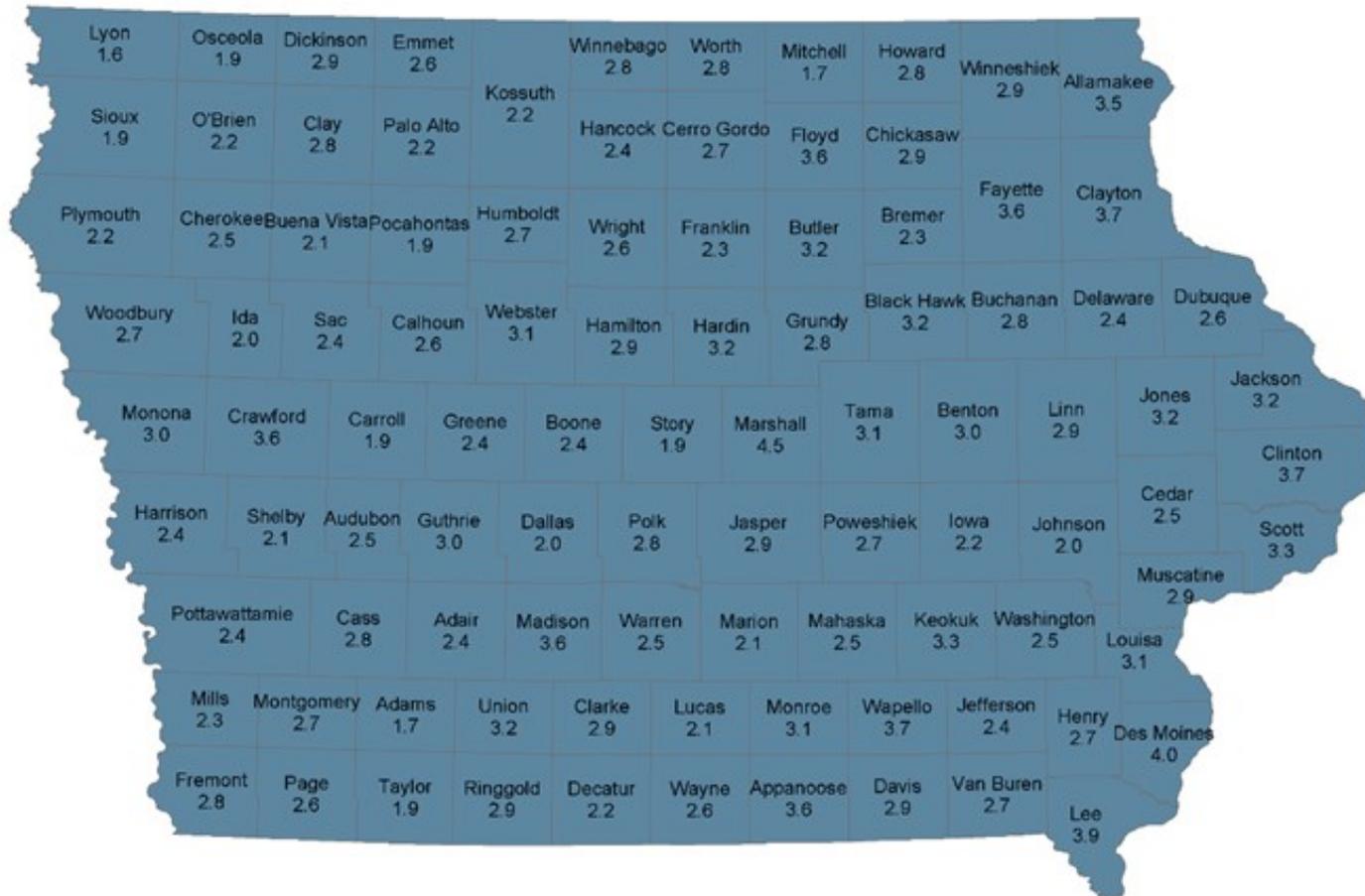
Metropolitan Statistical Area (MSA) Labor Force Summary 2019 Annual Averages

Metropolitan Statistical Area (MSA)	Labor Force	Employed	Unemployed	Unemployment Rate	
				2018	2019
Ames	59,200	58,100	1,100	1.7	1.9
Cedar Rapids	148,900	144,500	4,400	2.9	2.9
Davenport-Moline-Rock Island*	196,000	187,800	8,200	4.1	4.2
Scott County (Iowa Portion)	90,700	87,700	3,000	3.0	3.3
Des Moines-West Des Moines	367,200	357,300	10,000	2.5	2.7
Dubuque	56,900	55,400	1,500	2.5	2.6
Iowa City	99,900	97,900	2,100	2.1	2.1
Omaha-Council Bluffs*	516,000	500,200	15,800	3.0	3.1
Harrison County (Iowa portion)	7,500	7,300	200	2.3	2.4
Mills County (Iowa portion)	7,500	7,300	200	2.2	2.3
Pottawattamie County (Iowa portion)	49,300	48,100	1,200	2.4	2.4
Sioux City*	93,900	91,200	2,700	2.7	2.9
Woodbury and Plymouth Counties (Iowa portion)	71,500	69,700	1,900	2.5	2.6
Waterloo-Cedar Falls	88,900	86,400	2,400	2.7	3.1

Source: Labor Market Information Division, Iowa Workforce Development.

*Metropolitan Statistical Area includes counties in a neighboring state.

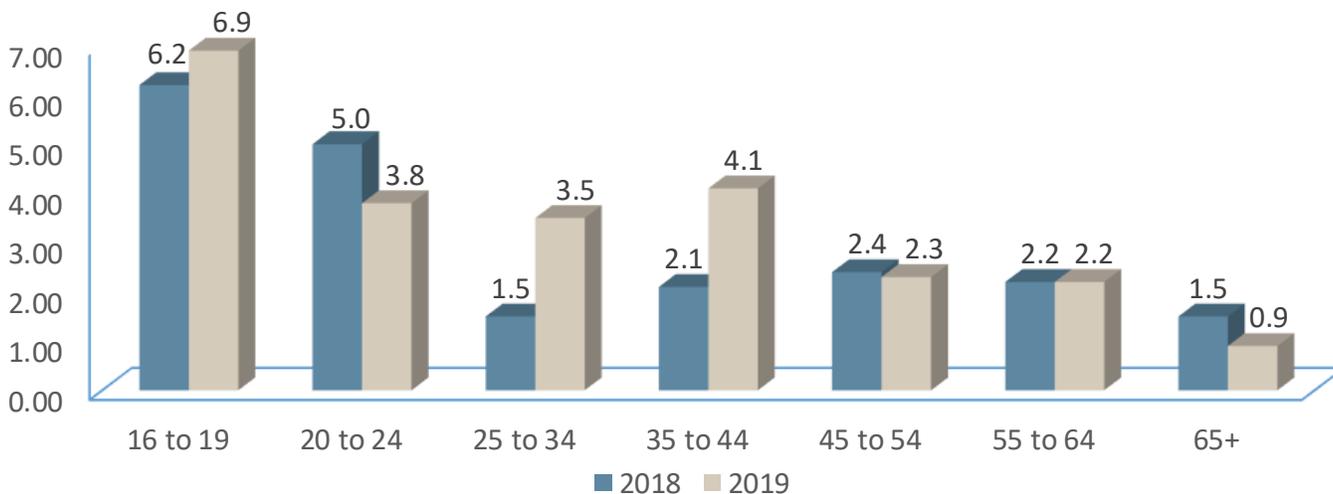
2019 Annual Average Unemployment Rates by County



Source: Labor Market Information Division, Iowa Workforce Development.

Most age groups did not experience a large change in their unemployment rates between 2018 and 2019, with the exception of the 25 to 44 year olds. These prime working age groups experienced a two percent over-the-year increase.

Unemployment Rates by Age Group



Source: Current Population Survey, U.S. Census Bureau

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- 1.) Local Area Unemployment Statistics (LAUS). Bureau of Labor Statistics (BLS), U.S. Department of Labor. <https://www.bls.gov/data/>
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2019 Iowa Total Nonfarm Employment Summary

by Dennis Schwartz

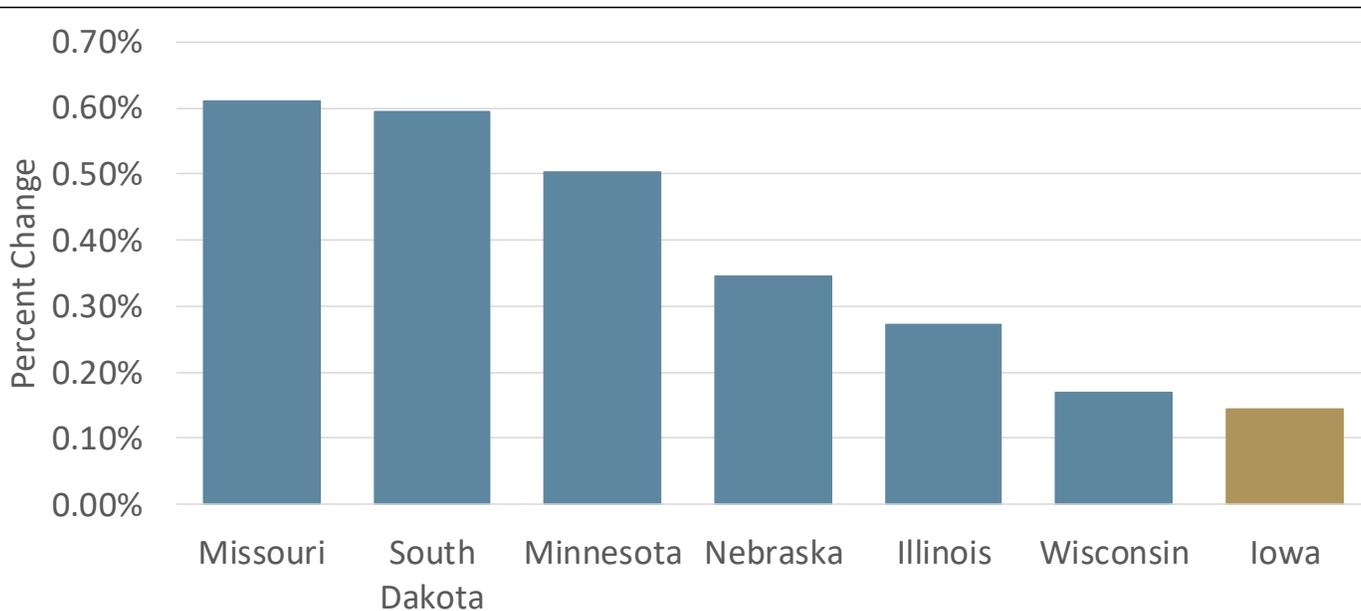
The Year at a Glance

Iowa's employment level continued to expand through 2019. The rate of expansion, however, declined in all but one of the last 9 years. In 2019 the rate dropped back to 0.14%, a -0.53% change from the 0.67% gain seen in 2018. This resulted in a 2019 seasonally adjusted annual average of 1,585,900, gaining 2,300 jobs from the average for 2018.

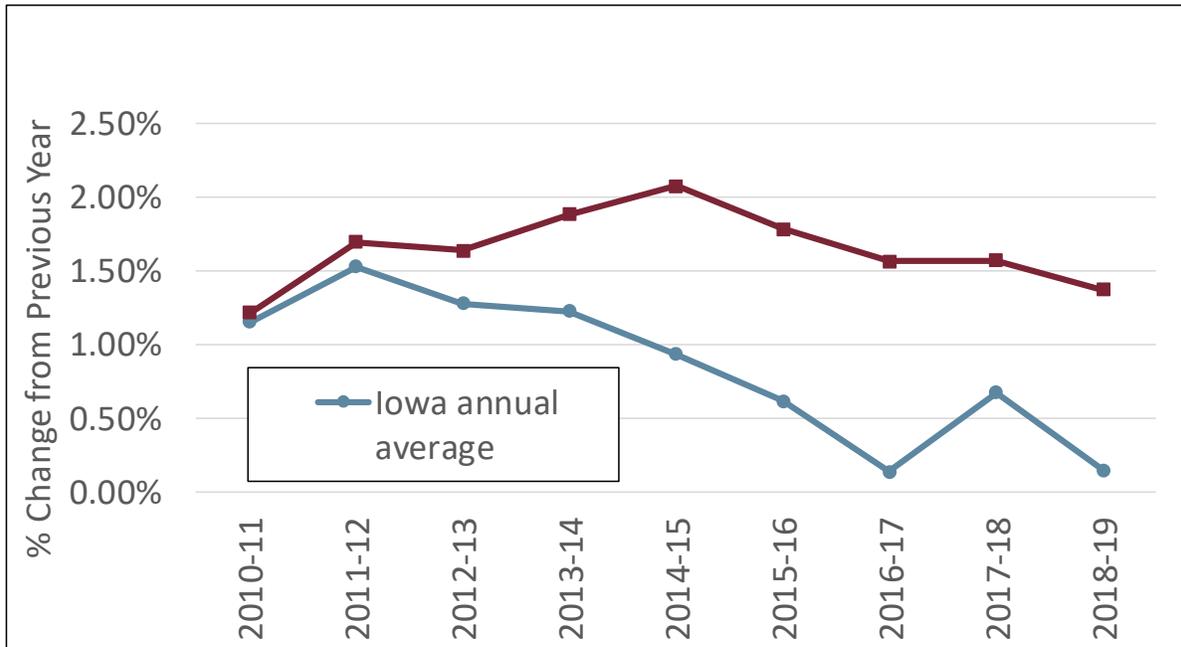
Overall, 2019 employment demonstrated a downward trend. Through the year, employment declined in 8 of the 12 months. The loss of 5,700 jobs from January to February set the level for the year with marginal month-to-month fluctuation from that point resulting in an employment difference from February to December of +200 jobs.

When compared to surrounding states, Iowa's rate of employment growth was well below the 2019 average of 0.38%, and trailed all surrounding states, as it has in four of the past five years. The only state in the area with an increase in the rate of gain from 2018 is Missouri, with a growth of +0.61%, an increase of 0.15% from 2018. The southern border state leads among Iowa and surrounding states in 2019 employment percentage gain, followed closely by Illinois (0.60%).

Figure 1: Employment Percent Change 2018 to 2019



The gap between Iowa's annual employment growth rate and that of the U.S. has grown substantially over the last three years. In 2011, Iowa's growth rate was 1.15% which compared favorably with the national growth rate of 1.22%, for a difference of 0.07%. From 2018 to 2019 Iowa's growth rate was 0.14%, compared to the national rate of 1.37%, resulting in a difference of 1.23%.

Figure 2: Iowa/U.S. Total Nonfarm Employment

Nonfarm Employment Industry Movement

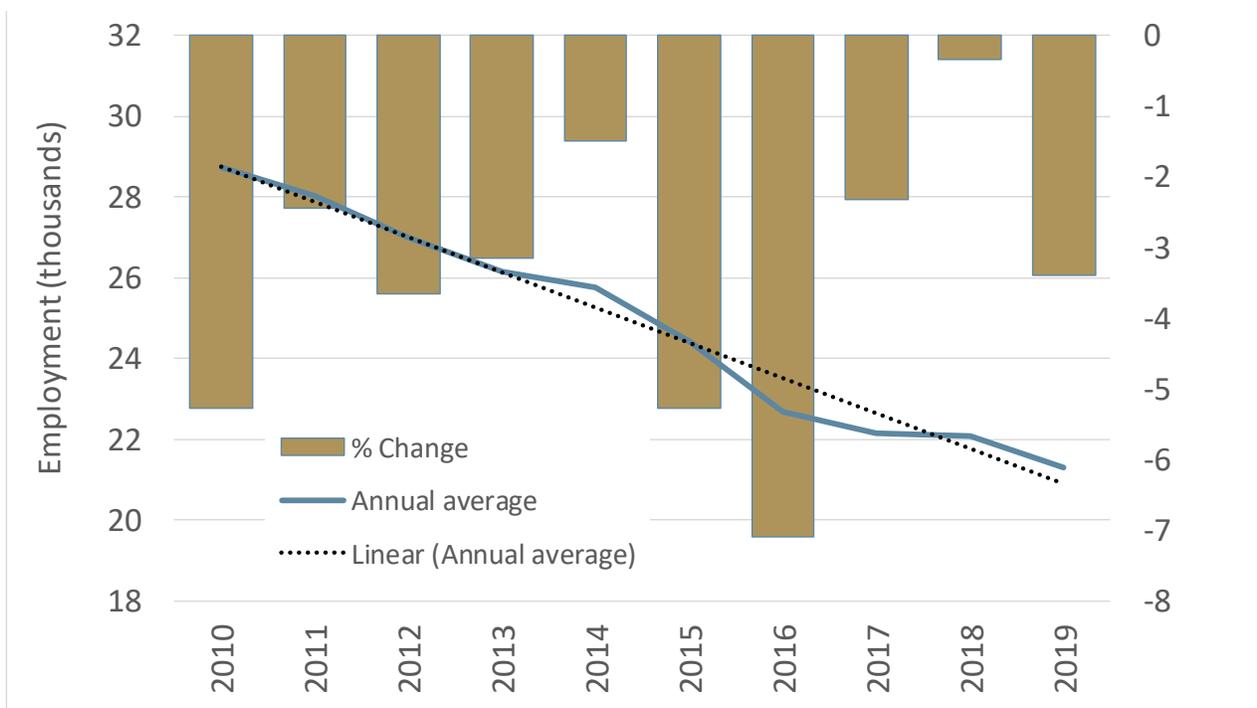
Only five of the state's super-sectors experienced gains in nonfarm employment from 2018 to 2019. Industries adding jobs included: construction, manufacturing, education and health services, leisure and hospitality, and other services.

Other services led all super-sectors with a 1.65% rate of growth. This is the sector's highest annual employment growth rate since 2012 (+1.73%) and follows three consecutive years of steady or declining employment. Other services includes employment in areas such as private households, automotive, electronic, commercial machinery and household item repair services, and membership associations and organizations. The sector gained jobs over ten consecutive months, February through November, and closed the year with 1,800 more jobs.

Coming in second, manufacturing also made employment gains from the previous year, with nearly identical gains in both durable (1.58%) and non-durable goods manufacturing (1.57%). Through the year, however, the sector contracted as gains in non-durable goods manufacturing were not sufficient to offset the losses in durable goods. Non-durable goods manufacturing demonstrated a slight upward trend and ended the year with 1,900 more jobs than the start of the year. Durable goods manufacturing experienced a slight downward trend, ending 2019 with 2,400 fewer jobs.

Construction rounded out the top three sectors for jobs gains, adding 800 jobs (1.11%) compared to the previous year.

Six sectors pared jobs compared to the previous year. They include: mining and logging (-1.67%), trade, transportation and utilities (-0.70%), professional and business services (-0.24%), government (-0.12%), information (-3.40%), and financial activities (-0.30%). It is noteworthy that the information sector has declined for 12 consecutive years, although there was minimal gain over the final three months of 2019 (Figure 3). Financial activities pared jobs for the first time since 2011.

Figure 3: Information Employment

Other Economic Indicators

Grain prices offered little relief for the agriculture industry through the year based on Iowa State University Extension & Outreach data (annual averages). The price Iowa farmers received for corn averaged \$3.71 per bushel in 2019, up just \$0.30 from 2018. This marked the second consecutive year of gains and the highest annual average value since 2014. The current value is 44.4% below the all-time high annual average of \$6.67 per bushel, achieved in 2012, and 53.0% below the all-time monthly high of \$7.89 per bushel in August of 2012. Soybean values trended slightly upward through the year, though the annual average declined 7.6% from the previous year, ending the year at \$8.69 per bushel, the lowest annual average of the past decade.

According to the Iowa Association of Realtors, home sales in Iowa increased 1.3% from 2018 to 2019. The number of closed sales ebbed from 41,716 in 2018 to 42,208 in 2019. The average sale price of homes, \$196,830, represents an increase of 4.3% from 2018.

Preliminary 2019 data from the U.S. Census Bureau Building Permits Survey, showed the total number of new privately owned housing units authorized in Iowa, including single and multiple unit structures, decreased 1.3% (146 units). This marks three consecutive years of decline in permits issued (all structures). The total value of permits issued increased 5.9%.

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Revitalizing Iowa's Economy

by Brent Paulson

Iowa and the nation are dependent upon many public institutions in their economic recovery efforts from Covid-19. Many of these institutions have long been established yet continue to evolve to serve current challenges. These encounters, almost entirely economic in nature, are not the common run of the mill, short term market dips that typify a normal business cycle every few years. Rather, the most critical hardship facing today's employer and independent business person is future uncertainty, a hardship born from an unseen villain that they have little or no control over. These are the times public assistance is not only necessary but counted on.

What are some of these public entities that are serving the Iowa business community? They exist as state departments and state universities as well as state/local conglomerations and associations. Each has a mandate to get Iowa going and growing. Stretched beyond any previous calling in their history, these organizations include state agencies (namely Iowa Workforce Development and Iowa Economic Development Authority), state universities (Iowa State University, University of Northern Iowa, and University of Iowa), and state/local economic associations such as the Iowa Business Council and regional economic corridors. Their combined efforts are critical in revitalizing Iowa's economy.

A brief overview of these entities and institutions will provide a clearer picture as to their function and purpose in serving the business community.

Iowa Workforce Development

Iowa Workforce Development (IWD) is the state of Iowa's connection to all things workforce related including identifying opportunities for workers and providing employers with labor services and solutions. Regarding services provided to businesses, IWD offers assistance through its many statewide IowaWORKS locations. The recruitment, testing, assessing, and receiving/screening of worker applications and resumes are conducted at these locations and also the matching of skills to posted jobs.

Finding the right match for a position is critical for any organization's future success and building a talent pipeline requires some assistance. Among many incentives IWD offers an employer are tax credits and programs related to on-the-job-training. Tax credits are designed to enhance the hiring of target groups that face significant barriers to employment. Through the federal Work Opportunity Tax Credit (WOTC), for example, employers hiring eligible workers from specific target groups (i.e., veterans, ex-felons, Iowa Vocational Rehabilitation Services referrals, and others) are claiming a federal income tax liability between \$2,400 and \$9,600 per employee. Similar incentivized initiatives in educational and skills advancement, on-the-job training, and federal bonding exist for both worker and employer.

Registered Apprenticeship (RA), Future Ready Iowa (FRI), Home Base Iowa (HBI), and Empowering Women in Work and Life (EPIC) Corporate Challenge serve to reach underutilized groups and build an organization's talent pool. For employers seeking future trained professionals in high demand occupations to work in their business, for example, state assistance is available to start RA programs. FRI is an initiative designed to promote greater worker educational and skill advancement for individuals tapped out of needed funding. Similarly, HBI and EPIC offer program incentives to employers willing to hire veterans and women. Each of these programs cater to the advancement in employment of population groups needing assistance.

Online access to these programs including additional resources for employers seeking current labor market information and/or advisement in starting and growing a business can be found at:

<https://www.iowaworkforcedevelopment.gov/business-services> and <https://www.iowaworkforcedevelopment.gov/resources> .

Iowa Economic Development Authority

Known for a strong work ethic and solid business climate, the Iowa Economic Development Authority (IEDA) seeks to build and capitalize on Iowa's strengths by exploring and creating effective ways to bolster the partnership between public and private resources to enhance the business climate and attract industry. Advanced manufacturing, agriculture, and financial services form Iowa's economic foundation with world-renowned expertise from its university research centers (namely biosciences) constituting major building blocks. Efforts in making Iowa a premier plant, animal, and human bioscience capital as well as reinvigorating existing industries through dynamic innovation and leveraged public-private resources are key to moving the state forward.

In achieving its mission of strengthening Iowa's economic and community vitality, IEDA administers several programs and initiatives. The following is a listing and description of some of the major packages as found at:

<https://www.iowaeconomicdevelopment.com/Business#Business%20Incentives>:

Business Incentives Programs:

**Economic Development Set-Aside (EDSA):* Provides financial aid to Iowa businesses and industries to create or retain job opportunities, especially for low and moderate income workers.

**High Quality Jobs (HQJ):* Provides qualifying assistance to off-set costs incurred to locate, expand, or modernize business facilities in Iowa that promote high-quality jobs.

**New Jobs Training (260E) Program:* Provides a one-time corporate income tax credit for businesses to provide additional training to workers and expand workforce.

**Renewable Chemicals Production Tax Credit:* Incentivizes the production of thirty high-value chemicals derived from biomass feedstocks with the goal of making Iowa a renewable chemicals leader.

**Research Activities Credit:* Provides a refundable research activities credit for businesses engaged in research and development investments.

**Targeted Jobs Withholding Tax Credit:* Allows a diversion of withholding funds paid by an employer to be matched by a designated pilot city to create economic growth and expansion incentives.

Entrepreneur & Innovation Support

**Demonstration Fund:* Provides assistance to businesses with market-ready innovative technologies and/or products that have a clear potential for commercial viability and success.

**Iowa Innovation Acceleration Fund:* Promotes formation and growth of businesses that engage in the accelerated transfer of technology to competitive, profitable companies seeking capital expansion and the creation of high-paying jobs.

**Proof of Commercial Relevance (POCR):* Designed to define and articulate the opportunity for businesses that demonstrate a proof-of-concept for innovative technology.

**Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Outreach Program:* Reviews ideas and offers professional proposal assistance and matching funds.

International Business/Trade Assistance

**Foreign Direct Investment, International Trade Assistance (ITO), International Directories, International Financial Assistance, Int'l Marketing Assistance, International Training & Consulting, and International Update:* Foreign trade offices serving global organizations seeking international business assistance.

Investor Tax Credits

**Angel Investor Tax Credits:* Increases the availability and accessibility of venture capital, particularly for ventures at the seed capital investment stage.

**Innovation Fund Tax Credit:* Stimulates venture capital investment in innovative Iowa businesses.

Site Location Assistance

**Business Development Contacts, Certified Sites, and Property and Community Search:* IEDA's business development team works on existing industry expansions, site searches/confidential site location reviews, financial/technical assistance, and liaison aid with state agencies and local groups.

Workforce

**Accelerated Career Education (ACE):* Assists Iowa's community colleges to either establish or expand programs that train individuals in the occupations most needed by Iowa businesses.

**Community College Consortium (260F):* Provides funding assistance for community college-sponsored employee training projects in which two or more businesses participate.

**Iowa Apprenticeship Programs:* Supports Registered Apprenticeship as a proven approach to preparing workers for in-demand jobs and meeting the needs of business for a highly skilled workforce.

**Iowa Industrial New Jobs Training (260E):* Assists businesses creating new positions with new employee training.

**Iowa Jobs Training Program (260F):* Provides job training services to current employees.

**Iowa Student Internship Program:* Provides grants to small and medium-sized companies in targeted industries to support internship programs with a goal of transitioning interns to full-time employment.

**Science, Technology, Engineering and Mathematics (STEM) Internship:* Provides grants to Iowa companies for internship programs with a goal of transitioning interns to full-time employment.

Business Resources (including COVID-19 assistance)

**Business Expansion and Strategic Trends (BEST of Iowa):* Statewide business retention and expansion program in collaboration with the local developer, MidAmerican Energy, Alliant Energy, Black Hills Energy, Iowa Area Development Group and the Iowa Economic Development Authority.

**COVID-19 Targeted Small Business Sole Operator Fund:* Supports Targeted Small Business (TSB) with zero employees that have been economically impacted by the COVID-19 pandemic.

**COVID-19 Iowa Business Recovery Assistance:* Information and resources for affected businesses.

**IA Source Link:* Connecting entrepreneurs and small businesses to hundreds of Iowa resource providers.

**Small Business Administration (SBA) Disaster Assistance Loans:* The SBA issued a disaster declaration for the state of Iowa as of March 21, 2020 due to the COVID-19 pandemic. The declaration allows pandemic-impacted small businesses to apply for low-interest support loans.

**Targeted Small Business (TSB):* Designed to help women, individuals with minority status, service-connected disabled veterans, and individuals with disabilities overcome some of the hurdles to start or grow a small business in Iowa.

State Universities

Iowa State University (ISU)

ISU's Office of Economic Development and Industry Relations (EDIR) is the one stop point of contact for individuals and businesses seeking assistance in all things business related. EDIR can make connections to ISU's technical, research and development, facilities (including the ISU Research Park, laboratories, and equipment), and workforce services. Among the connections that EDIR provides are the following as found at:

<http://www.econdev.iastate.edu/> .

**America's Small Business Development Centers (SBDC) Iowa:* Provides free, confidential, customized business assistance to small employers.

**Center for Industrial Research and Service (CIRAS):* Serves Iowa companies in growth, leadership, productivity, technology, and workforce.

***CyBIZ Lab**: Engages ISU students in real world business solutions projects including industry research, client surveys, market/financial/feasibility/supply chain analysis, information systems, and other.

***ISU I-Corps Site**: Focuses on customer discovery to support the transition of ideas, devices, processes, or intellectual activities into the marketplace.

***ISU Research Foundation**: Protects and enhances the value of discoveries, inventions, creations, and similar works conducted at ISU.

***ISU Research Park**: Provides an environment where established technology-related organizations and science and technology entrepreneurial ventures can develop and prosper in Iowa.

***ISU Startup Factory**: Provides intensive training for students, faculty and staff to create businesses.

***Office of Intellectual Property and Tech Transfer**: Seeks to transfer embryonic research discoveries to the marketplace with private sector entities willing to invest in commercial development and marketing.

***Pappajohn Center for Entrepreneurship**: Provides assistance and resources to aid the development process and support the entire launch of a new venture.

***Regents Innovation Fund Proposals**: Funds the development of ISU technology and innovations with commercial potential to reach the marketplace for new and/or existing Iowa companies.

University of Northern Iowa (UNI)

Business and Community Services (BCS) is UNI's one stop contact for businesses, citizens, and entrepreneurs to reach out for business assistance. Providing a wide array of services from marketing research and business incubation, to environmental compliance assistance and economic development, BCS strives through its many business and economic programs to serve Iowa's business community. The following programs found at <https://bcs.uni.edu/about-us> exemplify UNI's commitment:

***Advance Iowa**: Focuses on pairing owners with trusted business advisors for guidance analyzing growth opportunities and operations review.

***America's Small Business Development Centers (SBDC) Iowa**: Provides free, confidential, customized business assistance to small employers.

***Business Concierge**: Seeks to connect entrepreneurs with UNI business research capacities to provide no charge, actionable, market research intelligence.

***Dream Big Grow Here**: Provides thousands of dollars in grants and customized technical assistance to help entrepreneurs start or expand their business endeavors.

***Innovation Incubator**: Provides promising ventures with the latest in technology resources, classroom and office space, and priority access to business experts and UNI professors across a diverse selection of industries.

***Institute for Decision Making (IDM)**: Delivers tailored and innovative planning, technical assistance, applied research, and training to organizations throughout Iowa and beyond.

***Iowa Waste Reduction Center**: Provides education, demonstration, and technical assistance for businesses seeking to reduce waste.

***Strategic Marketing Services**: Collects market intelligence for business entities to make improved business strategies and effective decision making.

University of Iowa (UI)

UI's Office of Outreach and Engagement acts as a hub for supporting and promoting community and economic development work conducted across campus. The following business assistance programs can be found at <https://outreach.uiowa.edu/> and <https://uiventures.uiowa.edu/> :

**America's Small Business Development Centers (SBDC) Iowa*: Provides free, confidential, customized business assistance to small employers.

**Business Solutions Center (BSC)*: Brings together cross-functional teams of MBA students to deliver unique solutions to businesses, backed by extensive research and innovative ideas.

**Entrepreneurial Management Institute (EMI)*: Consults with Iowa employers to solve problems, educate professionals, and provide recruitment opportunities.

**Institute for International Business (IIB)*: Provides international business consulting services to small- and medium-sized Iowa companies.

**Pappajohn Entrepreneurial Center*: Provides assistance and resources to aid the development process and support the entire launch of a new venture.

**Protostudios*: Assists in developing fully functional prototypes of ideas, allowing for testing, redesigning, determining manufacturing paths, and demonstrating usability to investors.

**UI Economic Development*: Invites businesses to explore UI resources for budding entrepreneurs and Iowa small businesses, including: finding a consultant, starting a business, recruiting students, pursuing professional development, relocating, commercializing technology, mentoring, and finding IT support.

**UI Research Foundation (UIRF)*: Assists UI faculty researchers in the transfer of technology from the lab to the global marketplace.

**UI Research Park*: Offers corporations convenient access to UI's extensive research resources.

**Venture School Program*: Instructs entrepreneurship and innovation for startups, small businesses, non-profits, and corporate innovation teams.

State/Local Resources and Associations

Several other resources at the state and local levels offer business and economic development assistance, including:

**Economic Corridors*: Offers multi-county approach to economic development:

Creative Corridor: <http://iowascreativecorridor.com/home/>

Cultivation Corridor: <https://www.cultivationcorridor.org/>

Iowa Lakes: <http://www.lakescorridor.com/>

North Iowa Corridor: <http://www.northiowacorridor.com/>

**Iowa Area Development Group*: Provides site and building identification, financial incentive packaging, marketing, community resource assessment and other tools. <https://www.iadg.com/>

**Iowa Business Council*: Serves as a catalyst for economic vitality. <https://www.iowabusinesscouncil.org/>

**Iowa Directory of Economic Development Organizations*: State, regional, and local directory. <https://businessfacilities.com/site-selection-directory/iowa/>

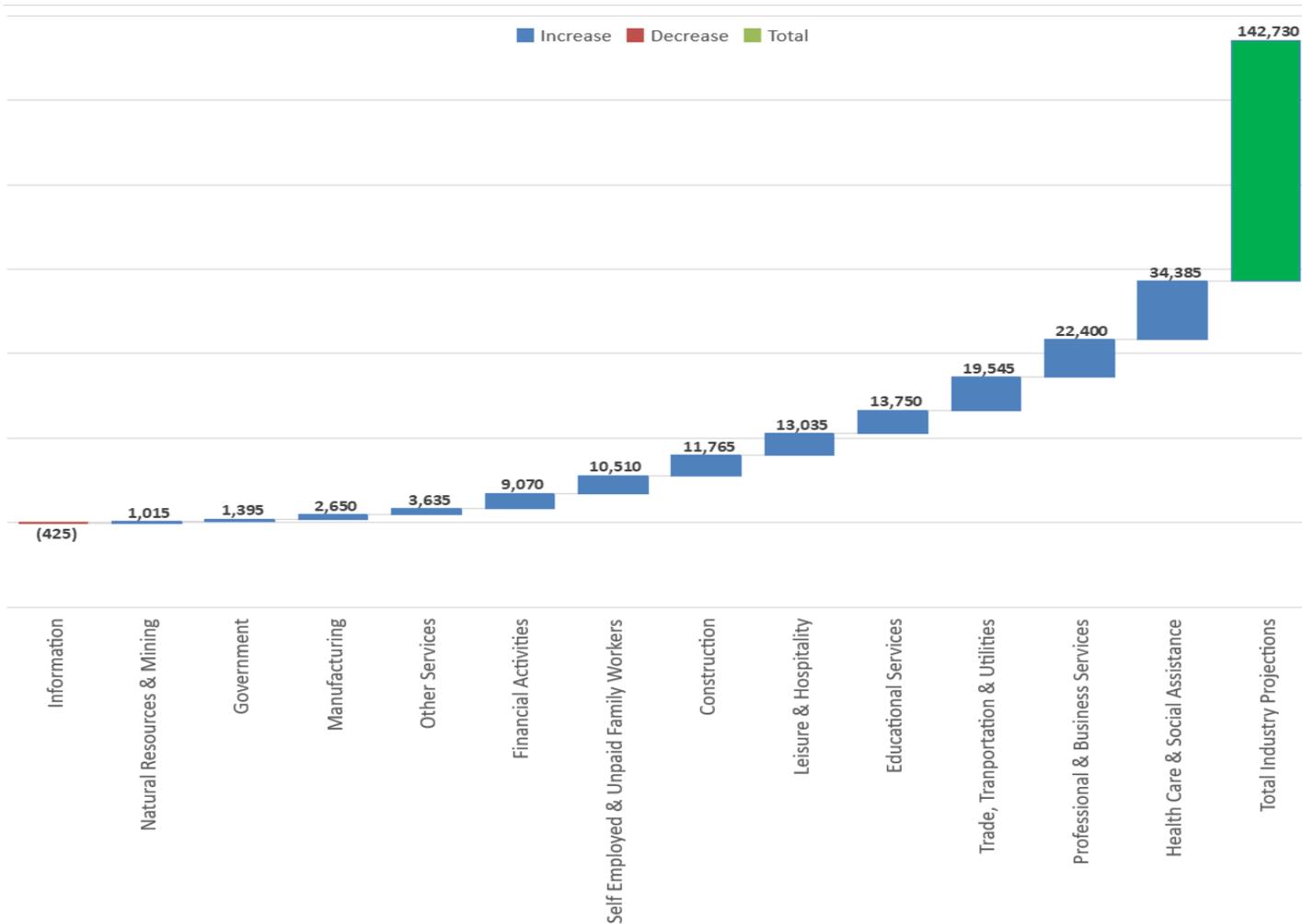
Iowa Long-Term Industry Projections, 2018-2028

by Chap P. Deit

Industry employment in Iowa is projected to add 142,730 nonfarm jobs in the next 10 years: 2018-28. The total will increase to 1,872,455 over the 10 years, from the 2018 total of 1,729,725, which accounts for an 8.3 percent increase. The U.S. is expected to add 8.4 million jobs in the same decade. The nationwide employment is expected to grow by 5.2 percent, equating to an increase of 169.4 million jobs by 2028, According to the U.S. Bureau of Labor Statistics (BLS) 2018-28 industry projections.

Employment in the healthcare and related industries are expected to add the most jobs in the next ten years driven by the increasing aging population. Solid jobs gains are expected from professional and business services, transportation and warehousing, and educational services. Because of structural changes and demographic shifts: slow birth rate and an aging population, Iowa's labor force participation rate is expected to decline.

Figure 1: Projected Growth by Industry Sector, 2018-28



Source: Labor Force and Occupational Analysis Bureau, Iowa Workforce Development

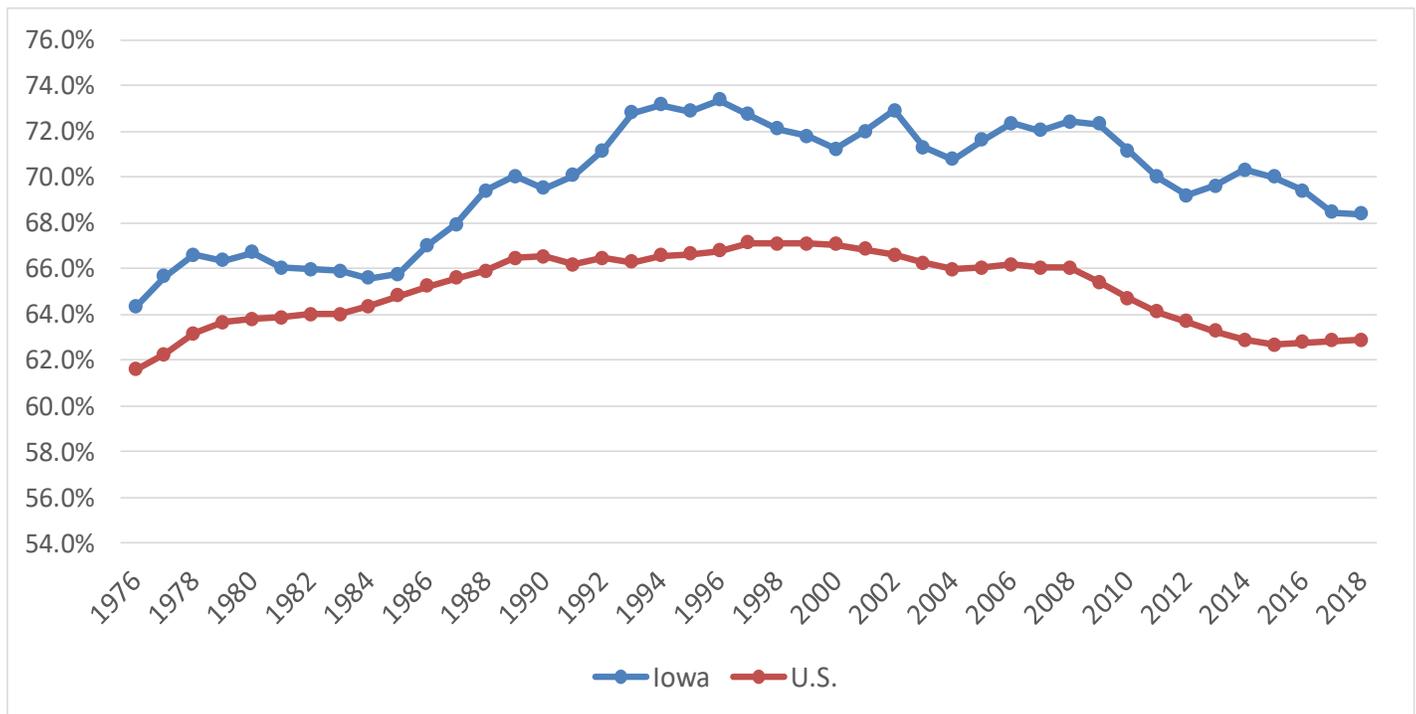
Iowa Labor force participation rate

Labor demand is strong in Iowa: the unemployment rate averaged 2.6 percent in 2018, while it averaged 3.6 percent nationally in the same time period. Many businesses in Iowa are struggling to fill openings due to a lack of workers at all skill levels, especially for work that requires higher-skilled workers.

The Iowa labor force participation rate* peaked in 1996 at 73.4 percent. Iowa generally ranks in the top of the nation for the labor force participation rate. The U.S. labor force participation rate hit an all-time high in 2000 at 67.1 percent, Iowa was higher at 71.2 percent in the same time period.

**Labor Force Participation Rate is defined as the percentage of non-institutionalized people, aged 16 and over, who have jobs or are available for work, or seeking jobs*

Figure 2: Labor Force Participation Rate



Source: Labor Force and Occupational Analysis Bureau, Iowa Workforce Development

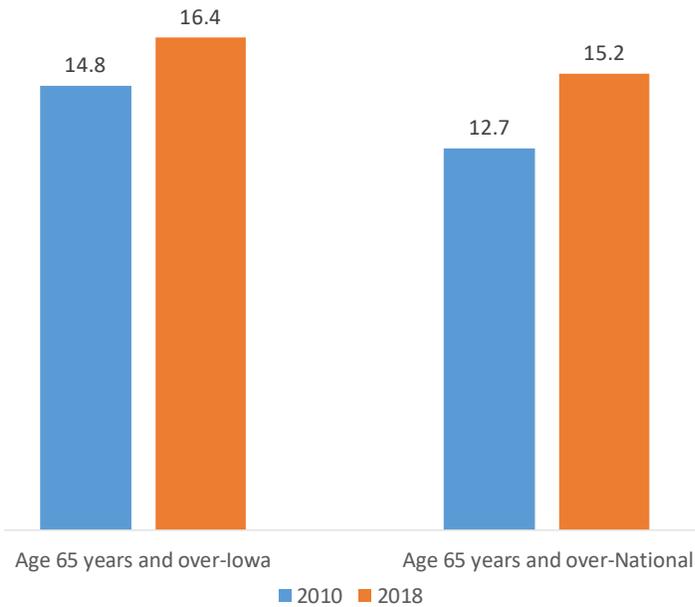
The share of the prime working population, ages 25 to 54, is expected to decline, while the share of the older population, ages 65 and up, is projected to increase over the 10 year period from 2018 to 2028. Furthermore, a growing cohort of elderly population relative to working-age population is expected to continue to rise for the next ten years as baby boomers continue to retire. In addition, the participation rate among the school aged population is projected to decrease given the increased time spent in school as school enrollment increases and students invest more time obtaining and furthering their education. Participation rates for ages 16 to 24 is expected to decrease.

Iowa Population and the Effect on Growth

According to the national Census Bureau, from 2010 to 2019, Iowa population is estimated to have increased by 109,199 people or 3.6 percent since 2010 census. The net natural change, which is defined as births minus deaths accounted for 83 percent of the growth, while the net migration, which is defined as difference between people that moved out and people that moved into Iowa accounted for 17 percent of the growth. Iowa population growth has been below the national average. The national population increased by 19.48 million people or 6.3 percent; 60 percent of the growth is attributed to natural increase and 40 percent attributed to net immigration. From 2010-2019, Iowa's population growth rate ranked 29th among the States. In comparison, Minnesota's population growth ranked 25th and the population grew by 335,705 or 6.3 percent.

Seventy-four percent of the growth was attributed to natural increase and 26 percent is accounted for by net migration.

Figure 3: Change in Estimated Population by Percentage 65 years and Over (2010 and 2018)



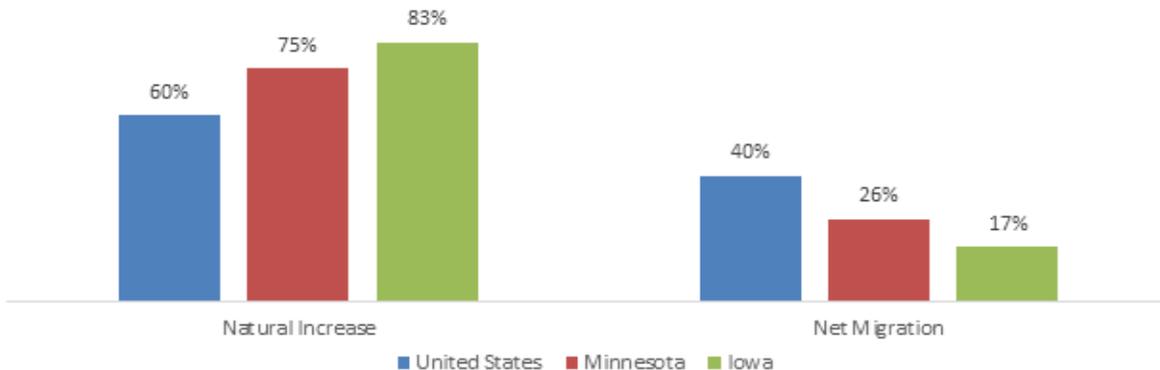
Source: American Community Survey 2010 and 2018, U.S. Census Bureau

Figure 4: Estimates of Population Change, April 1, 2010 to July 1, 2019

TOTAL POPULATION CHANGE, 2010-2019



Components of Change



Source: Annual Estimates of the Population for the U.S. and States, U.S. Census Bureau

Implications

Demographic shifts impact the labor force participation rate. The growing cohort of elderly population relative to working-age population will place a burden on Social Security and other social services. As the share of people in their 60s and beyond become a larger share of the whole population, the labor force participation rate will decrease. A lower participation rate may reduce tax revenues and potentially governmental spending ability.

In 2018 Iowa's labor force participation rate was 68.4 percent. This suggests that Iowa will not see a substantial gain in the labor force participation rate without major structural changes or reform, particularly given the aging of the population.

The labor force participation rate is a derivative of the population; therefore, Iowa will need to grow its population to increase its labor force participation rate and to provide economic support for retired employees and those in the education population.

To improve workforce growth, Iowa may need to facilitate child care programs that can support working families and transportation systems that provide mobility to families that need transportation to get to work. This would draw more people into the workforce and incentivize marginally attached workers to stay in the workforce. For the long-term, workforce growth will require strategies that increase birth rate and net migration. In addition, Iowa may need to enhance its human capital formation by improving early-childhood literacy and rewards educational achievement that increases capabilities for the digital economy.

Conclusions

Sustainable economic growth is driven by a growing workforce population and by the increase in worker productivity. The best way to ensure sustainable increases in productivity is to have an educated workforce. Persistently low unemployment may constrain potential economic growth. To generate dynamic growth, Iowa may need to expand its current workforce and enhance its human capital development. Also, the State will need to increase its birth rate and net migration to expand its population that will support sustainable economic growth.

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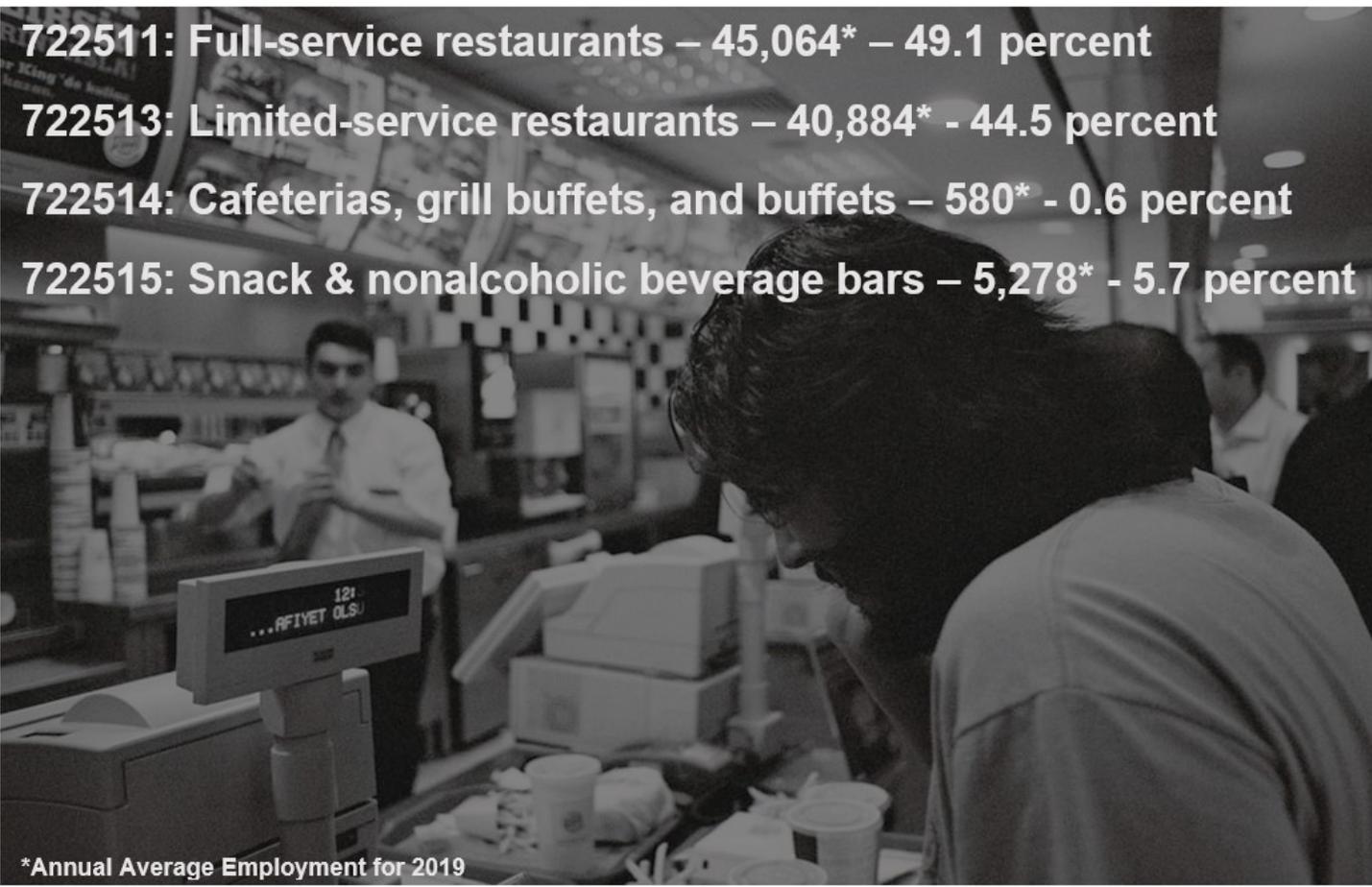
Demographic Analysis of the Food Service Industry: Restaurants and Other Eating Places

by Jonathan Clayton Mostert

The service industry is a large section of our economy in Iowa, of which food service is a significant part. This article will be looking at the economics of different demographic groups, namely sex, age, and education levels, within the Restaurant and Other Eating Places subsection of the Accommodation and Food Services sector of the North American Industry Coding System (NAICS).

The Accommodation and Food Services sector is the fifth largest sector for employment in Iowa, with an annual average for 2019 of 123,661 employees.¹ The subsector Restaurant and Other Eating Places has an annual average employment of 91,668 for 2019, which is 74.7 percent of the whole Accommodation and Food Services sector, which effectively places this subsector as a larger employer than fourteen of the twenty major industry sectors in Iowa.¹

The Restaurant and Other Eating Places subsector is further broken down into four subsectors. In the table below is a breakout of the subsectors, with the average annual employment and percentage of the Restaurant and Other Eating Places subsector for 2019.



722511: Full-service restaurants	– 45,064*	– 49.1 percent
722513: Limited-service restaurants	– 40,884*	- 44.5 percent
722514: Cafeterias, grill buffets, and buffets	– 580*	- 0.6 percent
722515: Snack & nonalcoholic beverage bars	– 5,278*	- 5.7 percent

*Annual Average Employment for 2019

Source: Bureau of Labor Statistics. (2019). QCEW-Iowa Annual Average Employment Data for NAICS: 722511: Full-Service Restaurants; 722513: Limited-Service Restaurants; 722514: Cafeterias, grill buffets, and buffets; 722515: Snack and nonalcoholic beverage bars. QCEW-Bureau of Labor Statistics

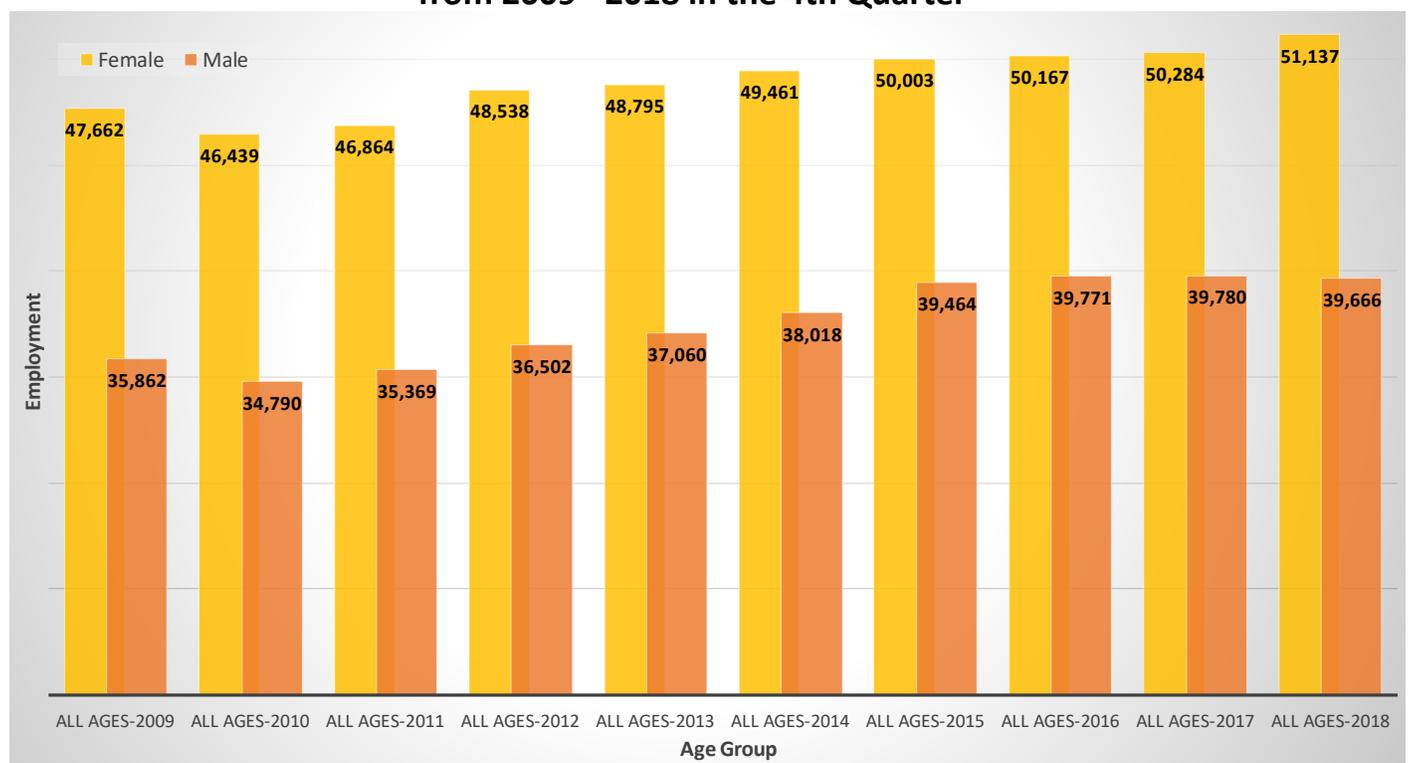
Economic comparison between Sexes in Iowa:

Employment

When examining all age groups of workers within the NAICS subsector for Restaurants and Other Eating Places, female workers made up the majority of the employment. During the fourth quarter of 2018 there were 51,137 females employed, which accounted for 56.3 percent of all workers within the subsector. This compared to 39,666 males.²

In the 10 year period from 2009 to 2018, female workers had been the majority of those employed in the subsector.² During the fourth quarter of 2018 there were 12.6 percent more female workers in the Restaurant and Other Eating Places than male workers.² The largest percentage difference in employment between the sexes, as reported in the fourth quarter, was in 2012, with 14.2 percent more female workers than male workers.² In contrast, the smallest percentage difference between the sexes was in 2016, with a 11.6% more female workers than male.² The graph below shows the comparison between the two sexes between 2009 and 2018 for all age groups 14 to 99.

Employment Comparison Between Male and Female Workers (NAICS subsector 7225) from 2009 - 2018 in the 4th Quarter



Source: Center for Economic Studies, LEHD 2019, U.S. Census Bureau. LED-Iowa Economic Data for NAICS Sector 7225: Restaurants and Other Eating Places.

Wages

Female workers were the majority of the employees in the subsector Restaurants and Other Eating Places, however, on average they did not make more in wages than their male counterparts. In the fourth quarter of 2018, male workers of all ages received an average monthly wage of \$1,534, compared to female workers with an average monthly wage of \$1,283.² This trend is seen throughout the ten-year period from 2009 to 2018 in the graph below. Even when age groups are compared, male workers earn a higher average monthly wage than female workers. The disparity in wages did rapidly increase with age. Starting with the age group of 14 to 18, the average monthly wage for males that was 9.0 percent higher than their female counterparts started to widen the disparity. The largest average monthly wage difference was in the age group 45 to 54, where males earned an average monthly wage that was 30.9 percent higher than that of females in the same age group.² The wage differences between the sexes did reduce, if only slightly, between the two older age groups, 55 – 64 and 65 – 99, in which males earned an average wage that was 23.4 and 21.7 percent higher than their female counterparts in each age group, respectively.² Overall, for all age groups, male workers earned an average monthly wage that was 19.6 percent higher than female workers.

Wage Comparison Between Male and Female Workers (NAICS subsector 7225) from 2009 - 2018 in the 4th Quarter



Source: Center for Economic Studies, LEHD 2019, U.S. Census Bureau. LED-Iowa Economic Data for NAICS Sector 7225: Restaurants and Other Eating Places.

Economic comparison between working age groups:

Employment

The distribution of employment for workers in the NAICS subsector for Restaurants and Other Eating Places, based on age, follows the societal perception, that the food service sector is mostly a young person's profession. The age group with the majority of the employment in this subsector, is those aged between 14 and 24 years old, which is consistent through the ten-year period from 2009 to 2018, for the fourth quarter.² This age group, in the fourth quarter of 2018, held 43.9 percent of all the jobs, or 39,881 employees.² The second largest group employed in this subsector, are those aged between 25 to 34 years. This age group in the same quarter made up 22.1 percent, or 20,091 employees of the subsector workforce.² The other four combined age groups, 35-44, 45-54, 55-64, and 64-99, for the fourth quarter of 2018 accounted for only 34.0 percent, or 30,830 of the total 90,802 employees in the subsector. Overall, the majority, 66.0 percent, of employees in this subsector are aged between 14 and 34 years old for the fourth quarter of 2018.

As seen in the table below, comparing the employment change between 2009 and 2018 in the fourth quarter, all age groups had an increase in employment over the ten-year period. The overall employment for all ages between 2009 and 2018 in the fourth quarter increased by 7,279 employees, which equated to an 8.7 percent increase.² The largest percentage increase in employment of all the age groups, was the age group of employees aged 55 to 64. Between the fourth quarter 2009 and 2018² the employment rose by 53.3 percent and the employment level increased from 3,844 to 5,891 employees. The other two age groups with significant employment growth for the same time period, were those 35 to 44 and 65 to 99, with 26.6 percent (2,779 employees), and 38.1 percent (824 employees) employment increase, respectively.²

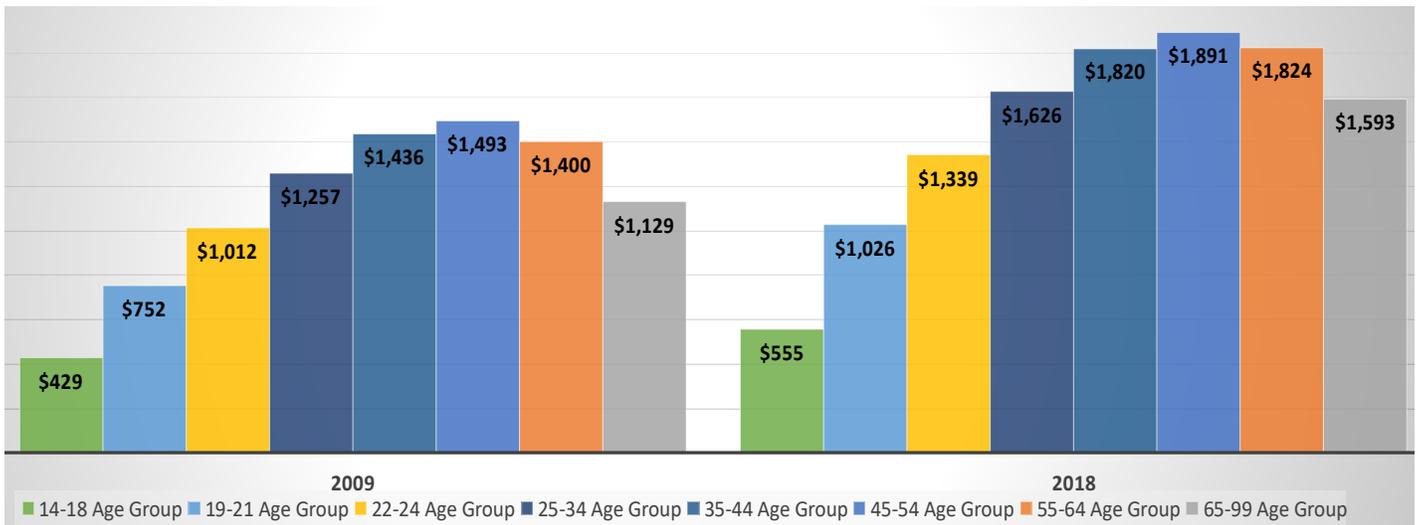


Source: U.S. Census Bureau, Center for Economic Studies, LEHD. (2019). LED-Iowa Economic Data for NAICS Sector 7225: Restaurants and Other Eating Places.

Wages

Wages in all age groups improved over the 10-year period between 2009 to 2018, for the fourth quarter.² The average monthly wage increased for all age groups by \$341, a 32.4 percent increase.² As seen in the graph below, the age group with the highest average monthly wage increase between 2009 and 2018, for the fourth quarter, were those between 65-99, with an increase of \$464, a 41.1 percent increase.² Overall the age group with the highest wage for both 2009 and 2018, for the same quarter, were those aged 45-54, with an average monthly wage of \$1,493, and then \$1,891 respectively.² This age group had an increase in their average monthly wage of \$398, which was a 26.7 percent growth.²

Average Monthly Earnings per Age Group for all Sexes (NAICS Subsector 7225) Comparison Between 2009 and 2018 4th Quarter



Source: U.S. Census Bureau, Center for Economic Studies, LEHD. (2019). LED-Iowa Economic Data for NAICS Sector 7225: Restaurants and Other Eating Places.

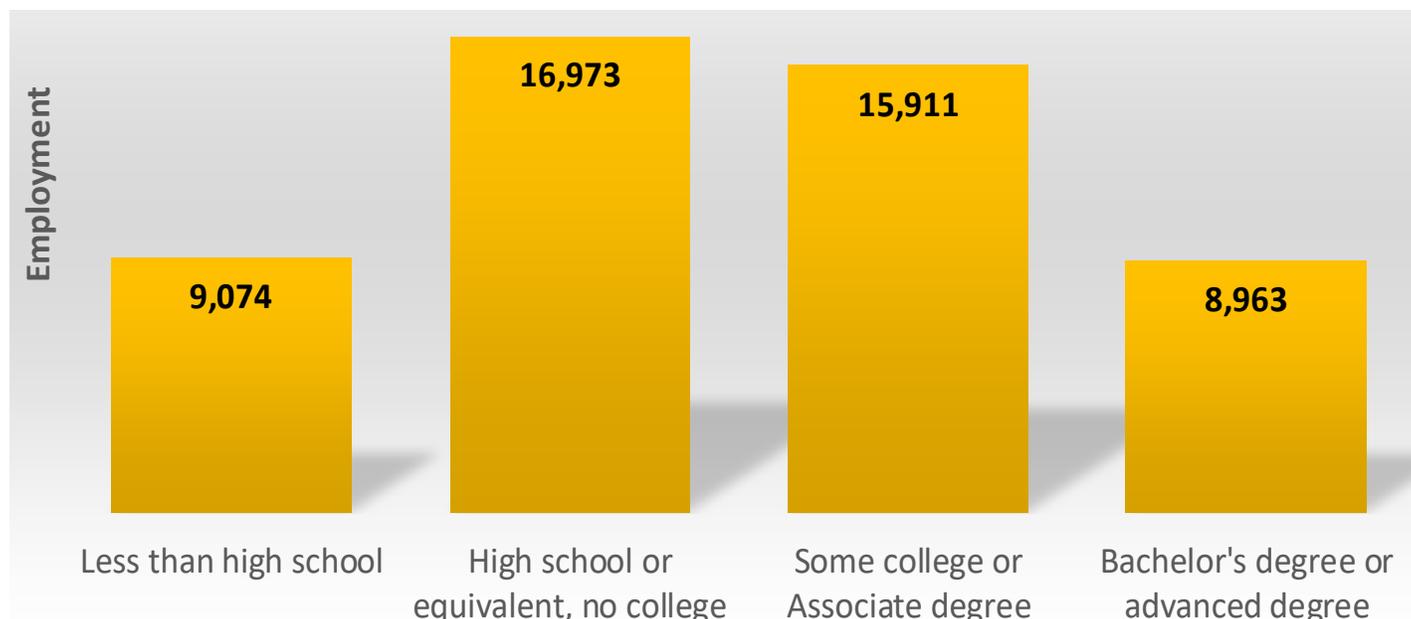
Economic comparison based on educational attainment: *

Employment*

When comparing employment by educational attainment within the NAICS subsector for Restaurants and Other Eating Places, the largest number of the employees held an educational attainment of high school or equivalent, with the next highest, having some college or an associates degree.² As shown in the graph below, these two groups, had 16,973, and 15,911 employees respectively.² The smallest number of employees in the subsector, 8,963, held a bachelor's degree or an advanced degree, which was only slightly less than employees that had an educational attainment that was less than high school, 9,074.²

Employment Comparison by Educational Attainment for All Sexes 2018 4th Quarter*

*Does not include data where educational attainment was not available (workers aged 24 or younger)



Source: Center for Economic Studies, LEHD 2019, U.S. Census Bureau. LED-Iowa Economic Data for NAICS Sector 7225: Restaurants and Other Eating Places.

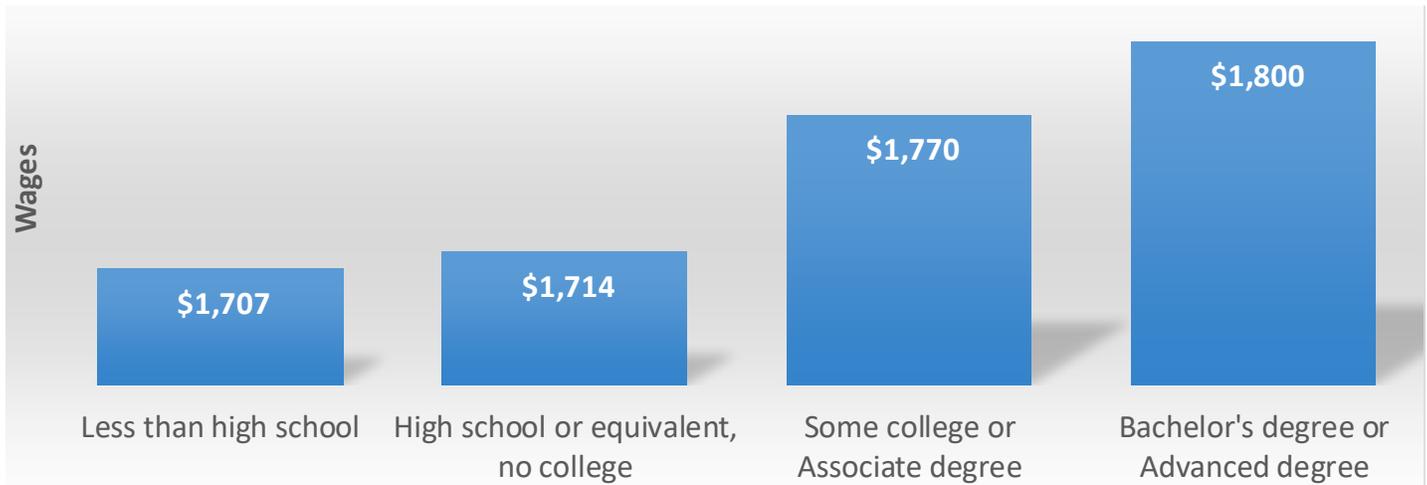
Wages*

As seen in the following graph, the average monthly wages reported by educational attainment for the fourth quarter of 2018 show that the higher the educational attainment the higher the wages are.² Those that reported a bachelor's degree or an advanced degree were earning an average monthly wage of \$1,800, while those with less than a high school diploma, were earning an average monthly wage of \$1,707, for the fourth quarter of 2018.² The disparity in the average monthly wages between the differing education attainments is minimal, in fact the difference between the highest, a bachelor's degree or an advanced degree, and the lowest, less than high school, was only \$93 per month.²

*It should be noted that the available data is based on those employees that reported educational attainment

Wage Comparison by Educational Attainment for All Sexes 2018 4th Quarter*

**Does not include data where educational attainment was not available (workers aged 24 or younger)*



Source: Center for Economic Studies, LEHD 2019, U.S. Census Bureau. LED-Iowa Economic Data for NAICS Sector 7225: Restaurants and Other Eating Places.

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