

# Updated study validates Iowa's economic strategies

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By Rod Boshart/SourceMedia Group News

DES MOINES – Advanced manufacturing has been a “powerhouse” of economic growth and good-paying jobs in Iowa in recent years even while global recession and competition have posed significant challenges, according to a research consultant who assessed innovation strategies state officials adopted in 2005.

Agriculture-based bioscience and biomedical advancements also have been growth areas but could become a key worldwide engine if north-central U.S. states could devise a one-stop process that could nurture business opportunities in a region that is home to a mix of big U.S. and multi-national manufacturing companies, top-notch research universities and the most productive farm land in the world, said Simon Tripp, senior director at the Pennsylvania-based Battelle Memorial Institute.

“You are the Silicon Valley of the ag bioscience realm,” Tripp said while making a presentation to the Iowa Economic Development Authority and the Iowa Innovation Council.

Tripp delivered a generally upbeat assessment of Iowa's progress in three strategic clusters – advanced manufacturing, bioscience and information technology – that were identified as key areas to pursue for unlocking the state's economic potential and nurturing a climate for converting state university research into successful Iowa businesses.

He noted that advanced manufacturing employs 13 percent of all Iowa private-sector jobs. It also accounts for 33 percent of Iowa's private-sector economic output and generates 78 percent of its patents.

“It's clear that Iowa is an ongoing and well-positioned manufacturing hub,” he said.

Iowa's advanced manufacturing cluster employed about 156,000 people in 2009, Tripp said. He noted the sector shed about 11 percent of its jobs during the worldwide recession – which was lower than the nation as a whole – but remains significantly diversified and not overly dependent on any single industry.

Because of that, Tripp said, Iowa is very well positioned to move forward once the recession is over.

“We believe in the next year to two you're going to see some pretty robust growth come from this sector even more so,” said Debi Durham, director of the newly reconfigured Iowa Economic Development Authority.

She noted that the information technology sector has not grown and developed as expected as a stand-alone business cluster, but is significant as a cross section in supporting the advanced manufacturing and insurance/finance platforms.

Durham said the updated studies suggest Iowa has laid the foundation for a “great uptick” in the targeted strategy areas and will help her agency formulate new proposals to present to state lawmakers next session for business and job-creation incentives that play to the strengths identified in the report.

“What you're going to see is a really creative pallet of incentives coming forward that solve problems

that, if implemented correctly, will actually drive the kind of behavior we want — which is the growing, well-paying jobs or keeping what we have here strong,” Durham added. “I think there’s a lot to celebrate (in the latest Battelle studies), but I do think there are some ‘ah-ha things’ in there to say, OK, maybe now we need to readjust things and relook at things differently.”

Tripp said key challenges to Iowa’s future growth opportunities include the availability of investment capital, tight state budgets that inhibit funding for university research and science, technology, engineering and math (STEM) programs, and flat funding for research and development at the federal level.

Jack Harris, vice chairman of the Iowa Innovation Council, said he believed the study results validated Iowa’s strategic plan.

Article found at: <http://easterniowagovernment.com/2011/10/05/updated-study-validates-iowas-economic-strategies/>