Located in the Midwestern region of the United States, an area often referred to as “America’s Heartland,” Iowa is comprised of 145,741 square kilometers of land and over three million people. The state is located west of Chicago, Illinois, and bordered by the Mississippi River on the east and the Missouri River on the west.

For businesses seeking to expand or relocate, Iowa offers a tremendous set of advantages and attributes to help businesses of all sizes grow and succeed!

The state’s central geographic location and abundance of transportation options and intermodal services make it a quick and easy place to distribute product and manufacturing resources. Investments in basic infrastructure components such as airports, railroads, highways and ports – as well as communication infrastructure such as broadband and wireless – keep Iowa businesses well-connected.

The major American metropolitan areas of Chicago, Milwaukee, St. Louis, Kansas City, Omaha and Minneapolis/St. Paul are only a few hours’ drive from Iowa’s borders. Three of the nation’s main interstate highways pass through Iowa. Interstate 35 goes north and south from the Canadian to the Mexican borders, Interstate 80 runs east and west from New York to California and Interstate 29 provides integral access to markets in western Iowa and beyond.

Iowa is widely recognized for its leading position in the agricultural sector, particularly corn, soybean, pork and egg production. As a result, the state is known for its food processing and commodity industries. But the state’s economy is diversified and also has core strengths in advanced manufacturing, biosciences and financial services.
Advanced manufacturing is a major driver of the Iowa economy, and the critical mass of expertise here is well worth investigating for a competitive advantage.

- Advanced manufacturing is Iowa’s largest industry contributing $31 billion annually to the state’s economy.
- Iowa has ten times the concentration of agricultural and construction equipment manufacturing compared to the rest of the nation.
- Approximately 23.1% of Iowa’s manufacturing GDP comes from the food processing industry, and the state is said to produce 7% of the nation’s food supply.
- In 2021, Iowa launched its Manufacturing 4.0 initiative to accelerate industry growth amid the technology revolution. ([iowamfg.com](http://iowamfg.com))

Iowa’s top performing industry divisions hold a strong position in the United States. Industrial metal processing, automation precision machinery, environment control systems, digital and electronic devices and power generation equipment are highly specialized, surpassing the national trend.

<table>
<thead>
<tr>
<th>Other key industries include:</th>
<th>Commercial and industrial motor vehicles</th>
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</thead>
<tbody>
<tr>
<td>Aerospace and defense</td>
<td>Food and food ingredients</td>
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<tr>
<td>Industrial chemicals</td>
<td>Printing and packaging</td>
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<tr>
<td>Construction components</td>
<td>Medical drugs and devices</td>
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A growing number of manufacturing companies in Iowa appreciate being able to access a portion of their electricity from wind energy. Iowa boasts some of the nation’s most efficient wind resources. In addition, five proposed transmission lines are slated to converge in Iowa to allow Midwestern wind power to be distributed into various regional transmission systems.

- Iowa is first in the nation in renewable energy production with a percentage of total power output at 58%. (American Clean Power, 2022)
- Iowa ranks third among the 50 U.S. states in current wind generation output, with 12,334 MW installed. (American Clean Power, 2021)
ADVANCED MANUFACTURING REPRESENTS 17% OF IOWA’S GROSS STATE PRODUCT

MACHINERY MANUFACTURERS HAVE OVER 38,000 EMPLOYEES AND CONTRIBUTE OVER $6 BILLION TO IOWA’S ECONOMY

IOWA CONSISTENTLY RANKS AMONG THE TOP 10 STATES IN PERCENTAGE OF GDP FROM THE MANUFACTURING SECTOR

SOURCE: BUREAU OF ECONOMIC ANALYSIS, 2021
BIOSCIENCE R&D EXPENDITURES IN IOWA PER CAPITA
26% HIGHER THAN THE NATIONAL AVERAGE
SOURCE: BIOTECHNOLOGY INNOVATION ORGANIZATION, 2016

IOWA HAS THE HIGHEST CONCENTRATION OF EMPLOYEES IN VACCINE AND IMMUNOTHERAPY BIOLOGICAL MANUFACTURING IN THE U.S.
SOURCE: BUREAU OF LABOR STATISTICS, 2020

IOWA IS THE #1 PRODUCER OF ETHANOL AND BIODIESEL
SOURCE: U.S. ENERGY INFORMATION ADMINISTRATION, 2020
Iowa is capitalizing on its success in agriculture and its research capabilities in plant, animal and human biosciences to build a thriving biosciences industry. From startup companies to globally respected industry leaders in research and development, Iowa’s bioscience enterprises are discovering the innovations that will spur future economic growth.

Iowa’s preeminence in the bioeconomy platform stems from not only having some of the most fertile land in the nation but is also a result of leveraging its natural strengths. Consequently, the state has become a world leader in the use of biotechnology to enhance the value of crops and to supply value-added, plant-based materials to new and expanding markets.

- Iowa exported $405 million in pharmaceutical products to 77 countries. (WISERTrade, 2021)
- Iowa leads the nation in ethanol production with 41 operating ethanol plants that have a capacity of 4.5 billion gallons [17 billion liters]. (Iowa Renewable Fuels Association, 2022)
- Iowa is the nation’s leading biodiesel producer with 11 biodiesel refineries producing a combined capacity of approximately 410 million gallons [1.9 billion liters]. (Iowa Renewable Fuels Association, 2022)
- Iowa has production capacity to produce nearly 15% of the total U.S. biodiesel capacity. (Energy Information Administration, 2019)
- Iowa provides the nation’s second-largest supply of biomass with the ability to harvest 14.4 million dry tons [about 13.3 million metric tons] of biomass per year (total cellulosic and crop biomass). (National Renewable Energy Laboratory)
- Iowa is leading the way in developing and expanding the market for value-added biomass-based fuels and chemicals because of the state’s concentration of raw material and abundant agricultural resources.
- In 2016, Iowa signed into law the Renewable Chemical Production Tax Credit program – the first of its kind in the U.S. This program aims to incentivize the production of high-value “building block” chemicals that can be processed into end-use consumer products.
Iowa has built an environment that fosters success for insurance and finance companies. In Iowa, the insurance industry accounts for 11% of the state’s GDP. For insurance companies, Iowa’s value proposition is quite compelling – with one of the lowest premium tax rates in the nation, no premium tax on sales of annuities or qualified life insurance plans, plus a dedicated supply of highly trained and productive workers, it’s no accident that Iowa is a powerhouse in this industry.

- Iowa’s insurance industry output as a percent of gross domestic product ranks first in the U.S. (Bureau of Economic Analysis, 2020)
- Iowa is acknowledged as a leader in insurance regulation.
- Iowa’s insurance division has earned a reputation for promoting efficient, responsive and fair policies.

In addition, Iowa’s commitment to the information solutions arena is most clearly demonstrated in recent data center investments by globally recognized companies. These companies invest in Iowa to take advantage of its:

- Low utility costs
- Low incidence of catastrophic natural disasters
- Access to renewable energy
IOWA’S INSURANCE PREMIUM TAX IS ONE OF THE LOWEST RATES IN THE NATION

IOWA HAS THE HIGHEST CONCENTRATION OF COMMERCIAL BANKING EMPLOYEES IN THE U.S.

SOURCE: BUREAU OF LABOR STATISTICS, 2020

HOME TO 182 INSURANCE COMPANY HEADQUARTERS

SOURCE: IOWA INSURANCE DIVISION, 2022
COMPANIES AT WORK IN IOWA
EDUCATION AND INNOVATION

Top educational institutions are the foundation of Iowa’s thriving economy. A dedicated commitment to education contributes to Iowa’s high school graduation rate, which is among the highest in the country. Over 98% of Iowa’s workforce finished high school, with 81% obtaining some further technical training or attending a college or university.

Iowa consistently earns high marks among education experts, including a top ranking for best education climate by Business Facilities magazine. Iowa is also one of the smartest states in the nation with its students consistently outperforming its counterparts on national standardized tests.

With renowned research capabilities at Iowa’s three public universities — along with research parks near both Iowa State University (Ames) and the University of Iowa (Iowa City) — Iowa’s strong educational foundation also supports innovation for Iowa companies. Adding resources from the fiber-optic linked network of 15 community colleges and a variety of public-private partnerships, Iowa offers comprehensive R&D resources to develop and transfer new technologies to business operations throughout the state.

A skilled, industrious and available workforce is typically one of the most crucial factors for company success and a top priority in Iowa’s effort to assist business growth. Iowa’s community colleges and industry-driven workforce development programs provide technically skilled worker training and services to support Iowa businesses by increasing the skills of an already productive Iowa workforce. The combination of a Midwest work ethic and a leading education system results in one of the most enviable workforces anywhere.

QUALITY OF LIFE

Iowans enjoy a luxury difficult to find in many places…life balance. Iowa is a great place to live, work, play and raise a family. Iowans are hard-working and friendly people with unyielding compassion and character. The state offers quality public education, endless entertainment opportunities, safe communities and short commutes. Iowa is a place to meet not only company objectives but financial goals.
BUSINESS ADVANTAGES

Iowa’s economic climate has never been more favorable. In fact, the state ranks No. 1 for jobs in the U.S. In addition, few states match Iowa’s outstanding record of fiscal responsibility. Companies operating in Iowa benefit from a business-friendly state government, business-minded tax incentives and a skilled and productive workforce.

The following key business advantages make Iowa the ideal destination for investors:

- Low cost of doing business – lower industrial leasing, insurance, electricity, real estate and construction costs
- Right-to-work state (law guarantees no person can be required, as a condition of employment, to join or not to join, nor to pay dues to a labor union)
- One of only a few states in the U.S. to consistently offer a refundable research and development activities tax credit
- Iowa is ranked as the lowest-risk, highest resilience economy of any state. (The Council of State Governments, 2020)

Iowa’s Favorable Tax Climate

- Iowa corporate income tax
  - Single-factor (based only on the percentage of total sales income within the state of Iowa)
  - Non-unitary tax (only the Iowa facility’s sales income may be subject to tax) means a lower tax rate
  - Numerous Iowa income tax credits available depending upon investment and job creation
  - Gradually being lowered to culminate in one of the most competitive rates in the nation at 5.5% by 2026
- No sales or use taxes on manufacturing machinery equipment and computers
- No sales or use taxes on energy used in the manufacturing process
- No personal property (inventory) tax
  - Personal property is not assessed for tax purposes
- No property tax on industrial machinery and equipment
3% LOWER CONSTRUCTION COSTS FOR INDUSTRIAL SPACE IN IOWA
SOURCE: CRAFTSMAN NATIONAL BUILDING COST MANUAL, 2022

IOWA IS THE #1 STATE IN THE U.S. FOR OPPORTUNITY — BASED ON AFFORDABILITY, ECONOMIC OPPORTUNITY AND EQUALITY
SOURCE: U.S. NEWS AND WORLD REPORT, 2021

IOWA ELECTRICITY RATES FOR ALL SECTORS ARE 18% LOWER THAN THE NATIONAL AVERAGE
SOURCE: U.S. ENERGY INFORMATION ADMINISTRATION, 2021
IOWA: AT A GLANCE

Geography and Demographics

- Population: 3,190,369 (U.S. Census Bureau, 2020)
- Population of 36 million in a seven-state regional market
- Land size: 145,741 sq. km including 1,036 sq. km of inland water area
- 85% (12.3 million hectares) of the state’s land is arable – one of the highest U.S. percentages

Economy

- Gross State Product: $180.3 billion (Bureau of Economic Analysis, 2021)
- Income per capita: $56,973 (Bureau of Economic Analysis, 2021)
- Iowa is the second-wealthiest of agricultural states with total farm cash receipts of $26.4 billion. (USDA, 2020)

Business Climate

- Iowa ranks No. 1 for jobs in the U.S. (Zippia, 2019)
- Iowa ranks No. 1 in workforce quality. (Chief Executive, 2018)
- Three of Iowa’s Metropolitan Statistical Areas are listed as Best Places for Business by Forbes magazine; Des Moines was ranked tenth in the nation. (Forbes, 2019)
- Iowa consistently has one of the lowest costs of doing business in the country. (CNBC, 2021)
- Iowa’s average industrial electricity cost per kWh is 8% below the U.S. average. (U.S. Energy Information Administration, 2021)

International Trade

Iowans understand that we all live and compete in a global economy. That’s why Iowa’s businesses are constantly working to develop or expand into international markets by offering products, services and expertise worldwide.

- In 2021, Iowa exported over $23 billion in manufactured and value-added goods. (WISERTrade)
- 82% of Iowa exporters are considered small- to medium-sized companies.
- Iowa’s top five export markets are Canada, China, Mexico, Japan and South Korea.
- The state’s top export product categories include: oil seeds, cereals, meat, machinery and food waste/animal feed.
LEARN MORE

The Iowa Economic Development Authority (IEDA) works with businesses and communities to bolster Iowa’s economy and position the state for growth. IEDA can assist businesses by providing the following:

- Direct financial assistance, tax credits and job training funds for job creation and new capital investment projects
- Confidential location reviews and site location assistance to businesses considering Iowa
- Technical assistance for Iowa businesses or businesses considering expansion, as well as new companies to Iowa and foreign direct investment
- Access to a free searchable database of information on existing buildings, available sites and Iowa communities
- Regulatory process assistance provided to businesses considering Iowa

Please visit iowaeda.com for more information on how Iowa can assist you, and to learn more about Iowa’s business climate, assistance and expansion programs, available buildings, sites and more.

CONTACT US

Contact IEDA anytime at fdi@iowaeda.com or phone 1.800.245.4692 or +1.515.348.6200 (international). All inquiries will be handled confidentially.