

CEDAR RAPIDS

# BUSINESS SURVEY

2017



CEDAR RAPIDS  
**ECONOMIC  
DEVELOPMENT**

FIVE SEASONS. INFINITE SUCCESS.

# STAFF CONTACT

For questions or comments regarding the Cedar Rapids Business Survey, please contact:

**David Connolly, AICP**

*Economic Development Specialist*

PHONE: 319-286-5067

EMAIL: [d.connolly@cedar-rapids.org](mailto:d.connolly@cedar-rapids.org)





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# LETTER FROM THE CITY MANAGER

Dear Cedar Rapids Supporters,

The last twelve months have given us no shortage of examples which show just how well public-private partnership is working in Cedar Rapids. Whether we consider economic recovery from historic flooding, an increasing pace of investment in Cedar Rapids' core urban districts, infrastructure expansion to serve large industrial sites, or new development projects becoming available to meet market demand, the positive effects of economic growth are visible citywide.

Yet because positive change is happening all around us, it's worthwhile to pause for a moment and reflect on what it means to be in Cedar Rapids in 2017. Since its founding, Cedar Rapids has always been a place where great things are possible for business and industry. Today, we live in a community where projects large and small continue that track record of success. We also desire to create a place offering unmatched quality of life. Passion for the potential growth of our City is met with a commitment to work together to ensure Cedar Rapids remains among the most desirable places to live and work in the United States.

Whether we consider our highly productive workforce, central location in the Midwest Region, low utility rates, excellent transportation system and logistics solutions, as well as world class educational resources, the benefits of location in Cedar Rapids are truly exceptional. The many assets found within the City of Cedar Rapids provide a strong framework that allows us to build and sustain competitive advantage. I would invite you to learn more about opportunities to succeed in Cedar Rapids by visiting the City's economic development website: [economicdevelopmentcr.com](http://economicdevelopmentcr.com) for updates on growth and development.

The prosperity we currently enjoy in Cedar Rapids has its foundation in an understanding of current conditions in our economy. With the continued benefit of that knowledge, each day we have a new opportunity to create the kind of economic future we wish to see in our community. So, if we seize the moment by taking action now, I am fully confident the business results we can achieve by working together will surpass even our best expectations of what lies ahead.

Thank you.

Respectfully,

A handwritten signature in black ink that reads "Jeff Pomeranz". The signature is written in a cursive, flowing style.

**Jeff Pomeranz**

City Manager



# **EXECUTIVE** SUMMARY

On an annual cycle, Cedar Rapids Economic Development Services staff administers a coordinated program of outreach to local businesses. Proactive information gathering from existing industry, in the form of the Cedar Rapids Business Survey, constitutes a major component of the City's business retention effort. Formal input given through the survey process is utilized to improve City responsiveness as well as identify needs and priorities for existing industry in Cedar Rapids.

To best capture a representative cross-section of data, the specific types of firms targeted for retention visits vary widely. Companies included in the survey represent different industries. Examples range from manufacturers and financial service companies to healthcare providers or small business. On a procedural level, the survey compiles all individual responses into one dataset reporting findings on a citywide basis.

Business retention studies intend to have a broadly positive influence on the conditions under which firms currently located in Cedar Rapids operate. The City's business retention initiative attempts to help minimize hurdles and challenges to growth facing a company. But retention efforts also assist companies in realizing opportunities to expand their enterprise. Such efforts start with the premise that both the public and private sectors share many of the same long-term needs: adequate public facilities and services, sustainable population trends, physical development that is both high-quality and competitive, as well as a healthy local economy. In this sense, a business retention program represents a collaborative exercise in problem solving toward the common goal of an improving business climate.

Viewed as a program, business retention in the City of Cedar Rapids takes two main forms. First, as detailed above, economic development staff initiate a regular cycle of outreach with existing industry that leads to business survey visits in the first quarter of each year. Throughout the year, however, the Economic Development Services Division has other opportunities to engage with the private sector through business attraction, support of partner organizations working on entrepreneurship, regional workforce development, or by involvement in economic development policy matters. City staff is likewise able to connect existing industry with business assistance programs when those companies seek to utilize Cedar Rapids incentive programs as part of planned business expansions. In many ways, business retention activity provides a basic level of information gathering that supports all other economic development functions.

During 2017, City Economic Development Services staff contacted 153 companies as part of the 2017 Cedar Rapids Business Survey. A total of 80 business retention visits were performed for a response rate of about 52%, which is comparable to the response rate from 2016. Based on the number of records contained in the City of Cedar Rapids marketing database, the margin of error for the business survey is around 6.5%. The confidence level, or probability that survey data accurately represents true values, is 90%. Additionally, around 40% of participants are participating in Cedar Rapids Business Survey for first time, while 60% of companies are repeating participation from 2016.

The Cedar Rapids Business Survey Report contains two parts. The first portion of the document examines performance of the Cedar Rapids economy. This specific approach is taken to help identify what are trends and conditions most impacting local industry. Adding additional context is helpful for interpreting the survey results, and the presentation of survey data comprises the remainder of the report's content.

## SUMMARY OF ECONOMIC PERFORMANCE INDICATOR SERIES:

**Economic Growth:** Measurement of Metropolitan Gross Domestic Product for Cedar Rapids shows economic growth is increasing faster than local population increase, and this trend contrasts favorably with other major U.S. Cities. When a local economy expands more rapidly than population growth, economic opportunity tends to be more widely accessible within a community.

**Age of Workforce:** Demographic trends, especially aging of the population, can serve to limit workforce supply. In Cedar Rapids, the distribution of mid-career and older adult workers is about equal. This represents a healthy demographic balance. Yet comparatively lower numbers of young adult workers ages 18 to 24 remains a problem.

**Workforce Productivity:** Cedar Rapids has worker productivity about 29% higher than the national average for the United States. Local productivity is also high in comparison to the other areas of the Midwest Region. High worker productivity is a clear location advantage for Cedar Rapids.

**Unemployment & Labor Participation:** A decreasing unemployment rate combined with increasing labor force participation has mixed long-term implications. Continuation of current trends points toward tightening labor market conditions which can present certain challenges for the growth of existing industry.

**Income Growth:** Although there has been consistent, positive growth in personal income over the last several years, wages in Cedar Rapids have been increasing at a rate less than the average for the United States economy at large. Yet having a lower marginal cost of production in the local economy may actually present opportunities for job growth, particularly in targeted industry clusters.

**Innovation & Human Capital:** By all measures, Cedar Rapids ranks well above the competition in terms of capacity to leverage productive knowledge for the purposes of economic growth. U.S. Department of Commerce sponsored research shows Cedar Rapids is a leader in innovation and technology-based economic development potential by state and national standards.

**Availability of Qualified Workers:** The percentage of the workforce with some type of post-secondary education — whether associates degree, bachelor's degree or graduate level education — is far higher than average levels seen in either the State of Iowa or the United States generally.

**Target Industry Performance:** During recent years, Cedar Rapids target industries grew in terms of output as measured in dollars. Also, in this same period, net employment in targeted industries as a group increased, while the actual number of jobs in the local economy exhibited a slight decrease in total.

**Business Dynamics:** Over the long-term, Cedar Rapids has shown strength in its economic performance as related to new firms. However, the most recent data shows the City's share of job creation at startups and early stage companies as a percent of total employment is below levels found more broadly in the U.S. Economy.

**Growth in Assessed Value of Tax Base:** The valuation of industrial property in Cedar Rapids is increasing year-over-year in a trend that is consistent with continued expansion of the local economy, as measured by GDP growth.

**Poverty Rate:** There has been a slight increase in poverty rates in Cedar Rapids over the 2011 to 2015 time frame, which highlights the need for local economic development efforts.

**Export Growth:** The dollar volume of international export sales from Cedar Rapids is not consistently increasing year-over-year. While many macroeconomic factors can influence exports, there are resources available to support export growth in Iowa. Increasing the volume of international sales is a proven strategy to help firms grow and improve local economies

## SUMMARY OF SURVEY FINDINGS:

- Responses for the 2017 Business Survey show 7 out of 10 companies leased property for operations in Cedar Rapids.
- Over 90% of companies surveyed reported the quality of Property, Plant and Equipment as “good” or “excellent.”
- Based on the sample, 41% of Cedar Rapids companies could expand in their current location, and around 20% currently have surplus floor area that is not utilized in existing facilities.
- Business survey data points to a stable local economy: Most firms sampled indicated no change in ownership in the last 3-years as well as regular update of strategic and succession plan documents.
- The majority of local companies are effectively accessing customers through greater market penetration: 6 out of 10 companies in Cedar Rapids reported they are increasing market share. Around half of the companies surveyed reported demand for primary offerings to be in a “growing” stage of the product life cycle.
- Most firms included in the survey serve primarily customers operating in the U.S. market and also source materials from around the nation.
- Attitudes and impressions about Cedar Rapids as a location to do business are highly positive. Almost 94% of business leaders and managers surveyed viewed the City as an “excellent” place to do business.
- Cedar Rapids also scores highly in evaluation of business climate in which 97% of respondents classified the City as “excellent” or “good” in that category. A similar finding holds that 8 out of 10 respondents consider the business climate in Cedar Rapids to have improved in the last 5-years.
- Over half of the companies surveyed do not currently export which matches the proportion of companies interested in growing international exports as a strategy to increase overall sales volume.
- 56% of companies reporting data indicated an interest in expanding in Cedar Rapids during the next three years, although a slightly higher percentage are interested in expanding outside of Cedar Rapids in that same time frame. Only 15% of companies reported some possibility of outsourcing, downsizing or closing operations in Cedar Rapids. By contrast, 86% of Cedar Rapids companies sampled do not anticipate any changes to the use of City services in the next 3-years.
- About one-third of companies surveyed reported problems attracting the desired type of talent in the last 12-months, while about 45% of companies reported difficulties retaining qualified workers.
- Workforce productivity and stability were measured at high levels. Over 90% of companies responded with a positive view of the Cedar Rapids workforce as compared to other locations.

- Most participating firms stated that they plan to hold staffing at current levels over the next 3-years and are not experiencing an increase in available positions. 3 out of 10 companies anticipate near-term workforce growth over the next 3-years to exceed 10%.
- About 8 out of 10 companies anticipate 10% or less of their current workforce to retire in the next 5-years.
- Companies expressed a range of feedback on the question of whether or not employees were able to locate housing options in the City of Cedar Rapids. Around 60% of companies responded that housing was not a problem, while around 30% expressed concern about a lack of desirable housing options for workforce.
- Slightly over 3 out of 10 companies reported decreasing or stable sales with the remainder reporting sales growth for enterprises in Cedar Rapids.
- In Cedar Rapids, 9 out of 10 companies reported stable or improving profit margins over the last 3-years
- The need for additional equity financing to expand operations ranked as a higher priority than the need for working capital. About 17% of companies reported an interest in securing additional equity investments in their enterprise.
- Approximately 14% of companies responded that they are deferring capital reinvestment in facilities due to lack of a long-term, citywide flood control solution. An additional 28% of companies stated they would be more likely to reinvest in Cedar Rapids operations with flood control in place.



# STRATEGIC PLAN

## GOALS & OBJECTIVES

As part of an effort to expand the City's existing industrial base, the strategic plan for economic development contains goals and objectives which directly further the capacity to deliver business support services through the City organization. Reference this excerpt from the City of Cedar Rapids Strategic Plan for Economic Development:

#### **GOAL 4: BUSINESS SUPPORT SERVICES**

This goal focuses on tactics to help grow our existing industry base as well as to improve communication to our businesses through regular surveys and staff communication.

- **Objective 1:**  
Formalize Economic Development within City's organizational structure
- **Objective 2:**  
Create Business Expansion and Retention program
- **Objective 3:**  
Improve communication with City and corporate leadership
- **Objective 4:**  
Serve as point of contact for business on City services and resources

*Source: City of Cedar Rapids Economic Development Strategic Plan, page 4. (2014)*

In 2016, the City of Cedar Rapids increased the scope of business retention services available. The remainder of this report will share the details of program efforts year-to-date, summarize data collected through the City of Cedar Rapids Business Survey program, and present comments with relevant analysis.

## **DEFINITION OF “BUSINESS RETENTION”:**

“An organized program of visitation expressing interests, concern, and effective response toward issues or needs facing local industry.”

Typical business retention programs have the following characteristics:

- Develop industry knowledge
- Build knowledge of firm needs and priorities
- Offer professional customized service
- Function as outcome-oriented
- Seek to promote a favorable business climate
- Coordinate services to business <sup>1</sup>

## **STRATEGIC PLANNING PROCESS FOR ECONOMIC DEVELOPMENT**

On February 24, 2015, the City of Cedar Rapids adopted a strategic plan to lead economic development activities forward in the 2015 to 2018 time frame. Creation of a City strategic plan for economic development represents a significant commitment by the Cedar Rapids City Council to take all action within its power to support necessary conditions for local economic growth.

Consistent with those strategic plan goals, the City’s business retention program places a priority on generating data to support public sector service improvement for business. It also constitutes an essential channel for marketing communications. In accordance with these objectives, retention program activities improve perception of the business climate, furthering a more positive impression of services and advantages offered by locating in Cedar Rapids. And specifically, information gained as part of the retention survey will help ensure City staff can work toward better sustaining adequate public facilities and infrastructure. The provision of these public goods plays a central role in promoting the conditions needed for economic growth.

The current year marks the middle point in the strategic planning cycle. Through internal performance measurement, Economic Development Services Division staff periodically assesses progress taken in implementing the strategic plan through semi-annual review. Goal attainment is monitored; and in this way, information relating to implementation milestones are both tracked internally within the division and reported as part of EnvisionCR comprehensive planning updates.

Within the next 12-months, it will also be necessary to begin the process of updating Cedar Rapids’ Strategic Plan for Economic Development to cover the 2019 to 2022 time frame. Business retention visits will have a central role in helping to convene a business advisory group. That structure will serve to provide private sector stakeholder feedback which supports the strategic plan update process.



# ECONOMIC DEVELOPMENT MARKETING UPDATE

# ECONOMIC DEVELOPMENT MARKETING UPDATE

A new initiative from the City of Cedar Rapids now makes it easier to find high value information necessary to help make local projects happen. In April, the Cedar Rapids Economic Development Services Division launched [economicdevelopmentcr.com](http://economicdevelopmentcr.com) to promote the many different types of growth opportunities available in the City. Site features are oriented towards meeting the needs of a wide number of businesses and investors. Examples of its intended audience range from companies in targeted industries to retail franchisees or simply individuals who would like to know more about Cedar Rapids as a place to live and work.

The screenshot shows the homepage of the Cedar Rapids Economic Development website. The header features the Cedar Rapids Economic Development logo with the tagline "THE REGIONAL. INFINITE SUCCESS." and a navigation menu with items: Sites & Buildings, Economic Dashboard, Workforce & Education, Incentives/Government, Location, Life, Target Industries, and News. The main content area has a night view of the city with a bridge over a river. Below this is a green banner with a star icon and the text: "Within a day of 72 million consumers, we're centrally located with superb connectivity!". To the right of the banner are four icons: Sites & Buildings, Economic Dashboard, Location & Maps, and Contact Us. Below the banner is a section titled "Cedar Rapids has the right place for your business" with three paragraphs of text. At the bottom are logos for Cedar Rapids Incentive Programs, MICRO (Micro Loans, Mega Impact), and Cedar Rapids Revolving Loan Fund. A footer contains the copyright notice: "© 2016 Cedar Rapids Economic Development. Notice Under the ADA Website Accessibility. Marketing services provided by Brand Acceleration, Inc."

**Economicdevelopmentcr.com** offers a variety of tools to support local business growth. Companies evaluating the City as a place to locate for the first time now have access to a single source of information dedicated to the Cedar Rapids market. The website offers resources critical to supporting decision making for corporate location strategy, which include:

- Searchable GIS property directory, listing available sites & buildings
- Dedicated pages for target industry
- City incentive program guidelines
- Links to economic partner organization websites
- Baseline demographic and economic data
- Information and updates about current development projects

The screenshot displays the 'PROPERTY SEARCH' interface on the Economicdevelopmentcr.com website. The top navigation bar includes links for Sites & Buildings, Economic Dashboard, Workforce & Education, Incentives/Government, Location, Life, Target Industries, and News. The search panel on the left allows users to filter by Buildings, Sites, or Both, and includes fields for Available Sq. Ft., Min. Ceiling Peak, Rail Served, For Sale or Lease, Building Type, Specialty Feature, and Zoning Description. A map of Cedar Rapids, IA, is shown with several red location markers. Below the map, there are options for MAP VIEWS, PRINT | SHARE, MEASURE DISTANCE, and MY PROPERTIES. At the bottom, a search result is displayed for a property at 4690 20th Avenue SW, Cedar Rapids, IA 52454, with details such as 162,750 sq ft, Sale Price: For Lease Only, Lease Price: 5.5, Type: Warehouse & Distribution, Ceiling Height: 30 Ft., Airport: 5.9 mi, and Interstate: 5.9 mi.

**Economicdevelopmentcr.com** also streamlines site selection in Cedar Rapids. The website's property search serves as a resource for existing industries looking to expand or grow. Using this tool now makes it easier than ever to identify development ready sites and available buildings.

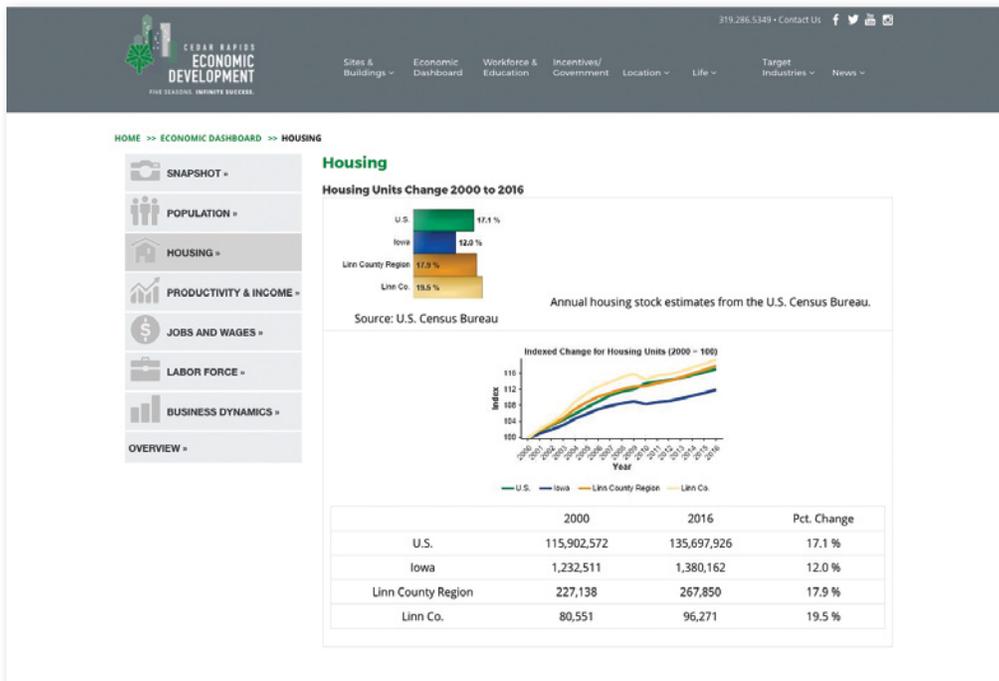
Established businesses benefit in other ways as well. The needs of existing industry are many and constantly changing. For businesses already established in Cedar Rapids, there are also numerous ways to connect:

- Maximize the location advantages Cedar Rapids offers to your business
- Support talent attraction
- Retain workforce
- Identify locations to expand your business
- Access information to help business growth
- Find business assistance programs
- Utilize **www.economicdevelopmentcr.com** to support your company's marketing efforts

## DASHBOARD

What sets **economicdevelopmentcr.com** apart is its comprehensive focus in an easy to find/easy to use structure. The website serves as a single source for data across all categories of information that are critically important for companies wishing to expand or locate a business. Visit **economicdevelopmentcr.com** for all your site selection information needs, including:

- Snapshot of trends and conditions
- Population
- Housing
- Productivity & income
- Workforce
- Jobs & wages
- Business dynamics



When making investment decisions, market insights matter. Perspective gained from best available data is equally important to new businesses looking to bring operations in Cedar Rapids for the first time as it is to existing employers looking to grow. Having timely access to the most relevant data about demographics, local labor conditions, freight transportation options, services for industry, and other critical factors is increasingly a necessity for success. **Economicdevelopmentcr.com** provides vital information that is useful throughout the site selection process from start to finish in one easily accessible resource.

Whether you are an entrepreneur, a company looking to expand into new markets, or an existing employer, let **economicdevelopmentcr.com** and Cedar Rapids Economic Development Services help you better connect information about our market to your location strategies. One look at the most recent market trends and conditions will help you realize just how much opportunity there is in Cedar Rapids.



**319-286-5349 • EconomicDevelopmentCR.COM**



CITY	DISTANCE	DRIVE TIME	CITY	DISTANCE	DRIVE TIME	CITY	DISTANCE	DRIVE TIME
Atlanta	819 mi   1,318 km	12 hrs 13 min	Detroit	496 mi   822 km	7 hrs 40 min	Nashville	580 mi   933 km	8 hrs 34 min
Chicago	202 mi   325 km	3 hrs 20 min	Kansas City	302 mi   486 km	4 hrs 18 min	New York	1,004 mi   1,615 km	14 hrs 58 min
Dallas	800 mi   1,287 km	12 hrs 1 min	Milwaukee	232 mi   373 km	3 hrs 51 min	Omaha	225 mi   410 km	3 hrs 40 min
Denver	773 mi   1,244 km	7 hrs 14 min	Minneapolis	246 mi   395 km	3 hrs 54 min	St. Louis	263 mi   423 km	3 hrs 58 min

For the latest updates about growth in Cedar Rapids, visit **economicdevelopmentcr.com**. It is a comprehensive source of data and information that helps move business.

# BUSINESS RECOGNITION

We want to thank the following companies for their participation in the Cedar Rapids Business Survey (2017):

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AB Mauri North America – Associated  
British Foods  
ADM  
Adtrack Corporation  
Alliant Energy  
American Profol  
Apache  
Associated Materials  
Auxiant  
Banklowa  
Bimm Ridder Sportswear  
Biospringer  
CarePro Health Services  
Cargill  
Cedar Rapids Bank & Trust  
Circle Computer Resources, Inc.  
Clipper  
Coe College  
Collective Data  
Conveyor Engineering &  
Manufacturing  
CRANDIC Railway Company  
CRST International  
Diamond V  
Donatech  
DuPont Industrial Biosciences  
Electro-Coatings of Iowa, Inc.  
EnCompass Iowa

Erbs Technology Solutions  
ESP International  
Evergreen Packaging Equipment  
Gibbs Lamb Drown Commercial Real  
Estate Advisors  
Goodwill of the Heartland  
Great America Financial Services  
Guaranty Bank  
Hibu  
Highway Equipment Company  
IFP Group  
IGD Industries  
Imon Communications  
Infologistics, Inc.  
Ingredion  
Inteconnex  
International Paper  
Involta  
Iowa Title Company  
Jet Engineering, Inc.  
JRS Pharma  
Kapstone  
Klinger Paint  
Kraft Heinz Company  
Lil' Drug Store Products  
Lion Bridge Brewing Company  
ManpowerGroup  
Mercy Cedar Rapids

MidAmerican Aerospace  
MSI Mold Builders  
Nordstrom  
Physicians' Clinic of Iowa (PCI)  
Pickwick Manufacturing Services  
Premiere Business Solutions  
Principal Financial Group  
Quaker Oats – PepsiCo  
Red Star Yeast  
Reinhart Food Service  
Rockwell Collins  
RSM  
Ruffalo Noel Levitz  
Samsung Electronics  
Skogman Realty  
SOS Sales Help  
Ten Degrees  
Transamerica  
Treehouse Foods, Inc.  
TrueNorth Companies  
U.S. Bank  
UFG Insurance  
Unity Point Health/St. Luke's  
WatchPoint  
Wells Fargo  
West Side Unlimited Corporation  
Worley Warehousing, Inc.



# ECONOMIC INDICATOR SERIES

The Cedar Rapids Business Survey fulfills an ongoing need to gather information about existing industry in support of local economic development. As a consequence, it offers a valuable snapshot of current conditions in the City's economy, and it highlights conditions which most strongly impact companies and industries. Yet there is extra value to be had for economic development purposes when business retention data is viewed in the context of an assessment of the City's long-term economic performance.

In thinking about how to view economic performance, it's useful to consider the specific processes and factors which drive local economic expansion. This section of the Cedar Rapids Business Survey will accomplish that task by presenting analysis examining individual categories of performance indicators. Such analysis can provide useful detail to aid discussion about the current and long-term direction of local economic development. Tracking overall economic performance also helps in the associated task of defining what types of positive impacts result from City incentives for economic development projects.

## BACKGROUND

Despite the benefits, measuring economic performance presents certain challenges. Identification and ready availability of data are key issues. Some public datasets may not be current, or due to the limited size of local economies there may be particular issues relating to data accuracy. There are also always questions of method of approach to analysis. A complete analysis of a city or region's economy accounts for these complexities in its presentation of findings.

In general, answering the question of how well a metropolitan area performs economically may be addressed by using benchmarking to assess growth.<sup>2</sup> Through an organized process which compares state and national averages to local measures, benchmarking seeks to draw conclusions by analyzing data taken by monitoring the independent variables of economic growth over time.<sup>3</sup>

Because it evaluates local economic performance as contrasted to that of outside reference economies, benchmarking can reveal what are centers of strength in attracting and sustaining investment and also those areas in a local economy which lag state or national averages. Benchmarking may also be combined with trend analysis to further explain whether conditions are improving or deteriorating; and how the needs of firms relate to the local economy's total performance.

When economic performance measures are combined with information taken from Cedar Rapids Business Survey findings, a large amount of data then becomes available to help support City decision-making regarding economic development. Outcomes for economic development programs are continuously improved by an ongoing process of planning, execution of strategy and refinement based on news about the local economy, as it becomes available. Having specific, actionable information about economic performance at the City and company levels are a first step toward engaging a more expansive, data-driven process of anticipating future growth through the process of local economic development.

<sup>2</sup> Moore, Meck and Ebenhoh. (2006). *An Economic Development Toolbox (PAS 541)*. Chicago, Illinois: American Planning Association.

<sup>3</sup> Ghosh and Chen, et. al. (2014) *Making It Count: Metrics for High Performing EDOS*. Washington D.C.: IEDC.

## ECONOMIC PERFORMANCE MEASURES

The information summary presented here has been organized under twelve different performance indicators. The composition of this series is intended to provide insight into actual economic performance and direction of the Cedar Rapids economy. By making an assessment of economic performance at the local level, present conditions under which existing industry operates may be better defined. Using an assortment of indicators provide a detailed review of the factors relating to growth, which will enable the local-level process of economic development to give a better measure of the needs of established companies. Having the benefit of this type of information directly supports responsiveness of the City and economic development partner organizations to issues surrounding growth potential.

### #1 Economic Growth

What does a strong local economy look like? What shape will gains in productivity take in terms of employment, investment and levels of business activity? There are, of course, several answers to this question. But to even begin to consider what a positive economic future looks like, it is necessary to have a clear sense of how local economies function. Fortunately, the structure of all local economies can be explained by a common model.

In general, local economies consist of industries which classify as belonging to either “local” or “traded clusters.” Industries which meet internal demand for goods and services fall within the local cluster, while traded clusters utilize the value-added by talent and location advantages to compete in outside markets.<sup>4</sup> Using this concept outline for local economies, it becomes clear that economic expansion may occur when, and if, any of the following happens:

- The local cluster captures or retains a greater share of internal consumption;
- When the traded cluster (economic base industries) generate higher sales volumes bringing a larger amount of external wealth, or
- When local personal incomes grow.<sup>5</sup>

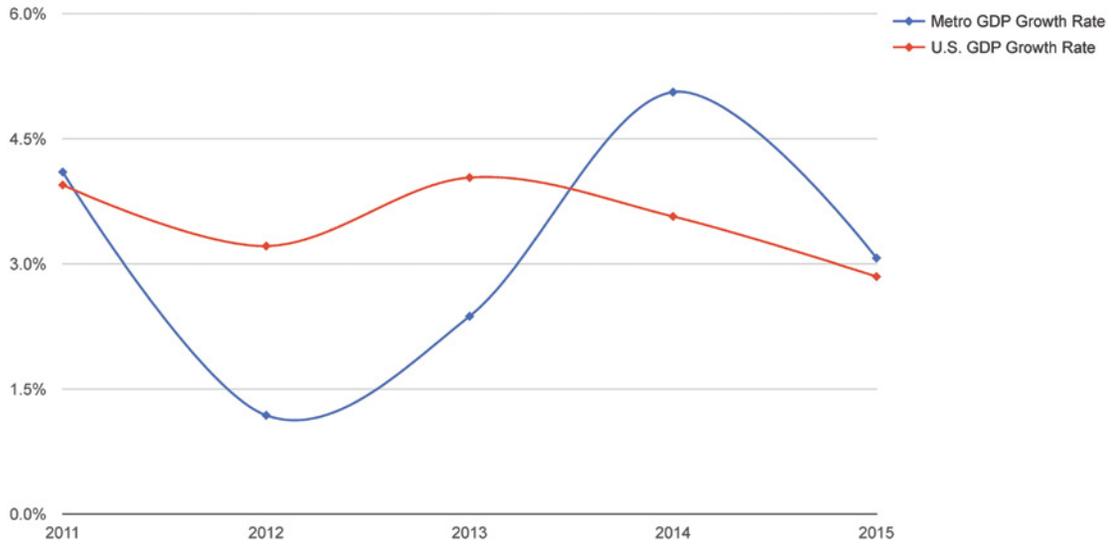
**FIGURE.** Cedar Rapids Metropolitan Gross Domestic Product (GDP), 2011-2015



<sup>4</sup> US Cluster Mapping, (April 20, 2017) *Clusters 101*, retrieved online.

<sup>5</sup> Lautman, Mark. (2011) *When the Boomers Bail*, Albuquerque, NM: Logan Square Press, p. 82.

**FIGURE.** Comparison of Cedar Rapids Metropolitan GDP Growth Rate and United States GDP Growth Rate, 2011-2015



**TABLE.** Change in Gross Domestic Product GDP for Cedar Rapids Iowa and United States, 2011 to 2015

	METRO GROSS DOMESTIC PRODUCT (GDP) IN \$MILLION	YEAR-ON-YEAR ANNUAL METRO GDP GROWTH (%)	YEAR-ON-YEAR US ANNUAL GDP GROWTH RATE (%)
2011	16,199	4.1	3.9
2012	16,391	1.2	3.2
2013	16,780	2.4	4.0
2014	17,629	5.1	3.6
2015	18,170	3.1	2.8

**Source:** Bureau of Economic Analysis. (April 24, 2017) U.S. Economic Accounts, *GDP by State and Metropolitan Area*, retrieved online.

Gross Domestic Product (GDP) ranks as the most widely used single statistic to measure economic growth. GDP may be defined simply as the dollar output in finished goods and services for an economy of any size. It can be tracked for state and metropolitan economies as well as nations.

Figures presented here for the Cedar Rapids Metropolitan Statistical Area show nominal GDP expanding from \$16,199 million in 2011 to \$18,170 million in 2015. For that same period, the rate of GDP expansion in Cedar Rapids ran above overall U.S. GDP growth for three out of the last five years.<sup>6</sup>

Taking this idea of GDP analysis one step further, it is possible to assess whether the rate of economic growth is adequate to meet current and future needs for a given population. In general, the resources available to grow personal income levels and fund public services in a City increase in proportion to how quickly the local economy grows. When economic growth outpaces the rate of population growth, then a surplus is created making more resources potentially available per person to support higher incomes and levels of public services per capita.<sup>7</sup>

For the City of Cedar Rapids, best available population projections anticipate a maximum growth rate of 1.0% annually, during the period between 2015 and 2040.<sup>8</sup> As evidenced by the growth rate table, the nominal rate of Metropolitan GDP growth can clearly be shown to outpace population increase. This finding supports the view that current growth trends have the City economy on a strong footing to sustain future prosperity.

Moreover, research sponsored by the U.S. Department of Commerce shows that Cedar Rapids displayed a high rate of long-term GDP increase throughout the period from 1998 to 2014. The rate of economic growth in Cedar Rapids was 220% higher than the national average for the largest metropolitan areas in the United States. An accelerated rate of GDP growth in comparison to other cities provides confirmation of positive underlying growth trends.

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## #2 Age of Workforce

Virtually all healthy local economies share one common characteristic: demographic stability. When the age distribution of a place is balanced, the number of mid-career workers (ages 25 to 44) is about equal to the number of older adult workers (age 45 to 65+).<sup>9</sup>

There are many advantages to balanced labor market demographics. Having a healthy percentage of younger adults in a community leads to greater levels of household formation. Creation of households and the growth of families increase local consumption of goods and services, which is essential for growth in the local cluster (e.g., retail, service and construction industries). However, it is also the case that when median age increases, or there is loss in younger cohort groups due to economic out-migration, it is not possible to maximize the positive impact that local consumption can have as a driver of economic growth.

The absence of young adults in a community is particularly acute in local economies where lower rates of household formation may weaken demand for rental and home ownership. Any negative effect on residential property valuation from lower demand results in both adverse fiscal impact for the local government and an increased tax burden on the businesses and residents that remain. The net effect of young adult economic out-migration creates a negative feedback loop, which makes it harder for places to sustain strong economic growth.

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<sup>6</sup> Note: Current dollar figures not adjusted for inflation. Real GDP is an inflation adjusted measure of total goods and services produced.

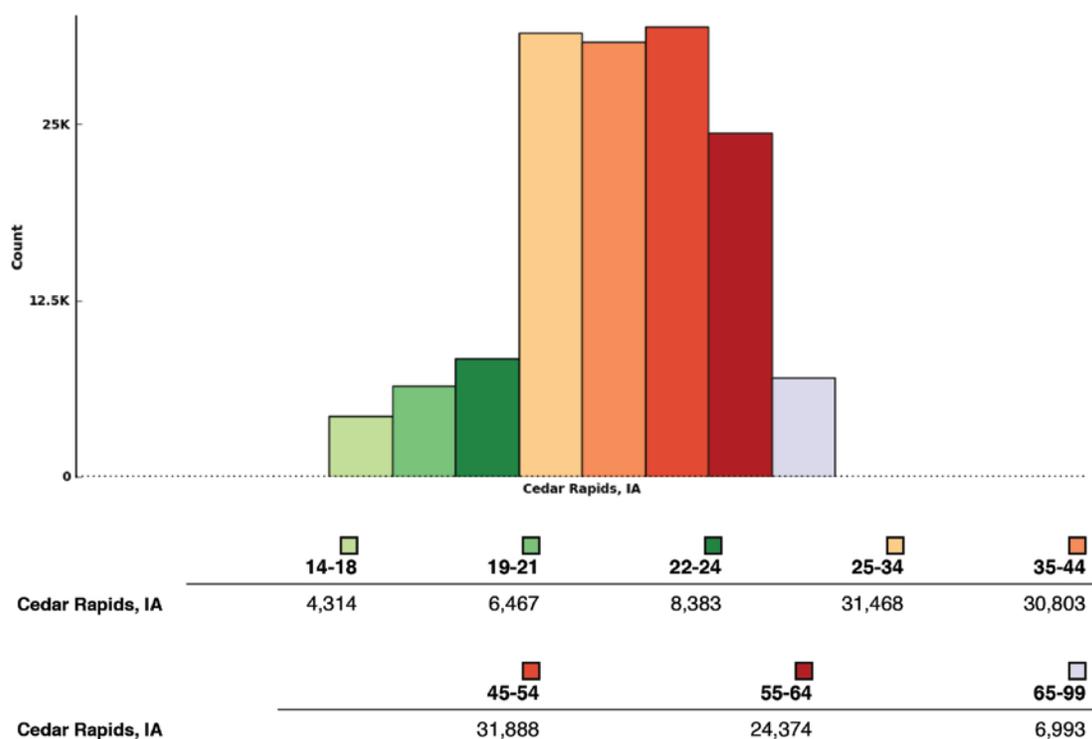
<sup>7</sup> Lautman, Mark. (2011) *When the Boomers Bail*, Albuquerque, NM: Logan Square Press, 68-69.

<sup>8</sup> City of Cedar Rapids. Community Development Department, 2016.

<sup>9</sup> Lautman, Mark. (2011) *When the Boomers Bail*, Albuquerque, NM: Logan Square Press, 154-155.

In turn, businesses are disproportionately and additionally impacted as high-tax burdens reduce competitive advantage, while lower tax revenues can adversely impact quality of infrastructure and public facilities that benefit business growth. Other negative effects to businesses are seen in the traded cluster. Export driven industries have traditionally relied on adequate supplies of qualified workers to decrease production costs as a key part of strategies meant to penetrate new markets and increase market share.<sup>10</sup>

**FIGURE.** Cedar Rapids Metropolitan Statistical Area (MSA) Beginning of Quarter Employment Counts by Worker Age



Source: U.S. Census Bureau. (April 20, 2017) QWI Explorer retrieved online

In Cedar Rapids, the current number of workers ages 25 - 44 and ages 45 - 65 is about equal at a ratio of 1:1. So at present structural imbalance in worker demographics is less a problem than retention of young adult workers. The number of individuals in the workforce between the ages of 19 and 24 is half the number of any other five year cohort group. Based on this observation, it is reasonable to conclude further action should be prioritized along the following lines in response:

- Develop initiatives to counter the loss of qualified younger workers to the national labor market.
- Make information about local job opportunities more visible to seasoned workers originally from Cedar Rapids/Eastern Iowa but now participating in the national labor market.

<sup>10</sup> Audretsch, David B. (2015) *Everything in Its Place: Entrepreneurship and the Strategic Management of Cities, Regions, and States*. Oxford, UK: Oxford University Press.

### #3 Workforce Productivity

A recent survey conducted by the Brookings Institution's Metropolitan Policy Program shows that productivity gains have been inconsistent across America's largest cities. For example, only 45% of cities included in the Brookings' sample showed an increase in average productivity since 2015.<sup>11</sup> In the past several years, annual productivity levels for large cities nationwide have grown at less than 1% in the United States, which is tracking well below historical average growth of around 2% for U.S. metropolitan areas.<sup>12</sup>

Productivity gains are a topic of central importance to economic development. The relative productivity of a place has a number of significant implications for its future economic performance. Among many benefits, rising productivity supports an increase in standard of living in an area. An increasing standard of living is reflected in general levels of prosperity and higher personal incomes. Therefore, over and above the benefits of increased wealth generation, being able to access a strongly productive workforce can help strengthen a firm's competitive position in the marketplace. Places that enjoy greater growth in productivity may also be able to limit the extent of adverse impact from changes in commodity price or business cycles.<sup>13</sup>

**TABLE. Comparison of Gross Domestic Product (GDP) by National, State and Metropolitan Statistical Area for Selected Locations in U.S. Midwest Region, 2014.<sup>14</sup>**

	METROPOLITAN GDP (\$)	EMPLOYMENT (THOUSANDS)	PRODUCTIVITY (\$GDP/EMP.)
United States	16,151,400,000,000	157,940,014	102,263
Eau Claire, WI	7,594,000,000	76,328	99,492
Grand Rapids, ME	51,921,000,000	478,952	108,405
Lincoln, NE	17,626,000,000	161,552	109,104
Wisconsin	293,341,000,000	2,525,755	116,140
St. Louis, MO	149,951,000,000	1,212,864	123,634
Iowa	175,554,000,000	1,416,160	123,965
Milwaukee, WI	97,307,000,000	766,486	126,952
Nebraska	110,663,000,000	865,989	127,788
Minnesota	320,381,000,000	2,502,958	128,001
Madison, WI	44,071,000,000	337,010	130,771
Cedar Rapids	17,738,000,000	134,755	131,631

Source: City of Cedar Rapids, Economic Development Services Division, 2016.

<sup>11</sup> Brookings Institution. (April 20, 2017) *Metro Monitor - 2017*, retrieved online.

<sup>12</sup> Council on Competitiveness. (April 20, 2017) *2016 Clarion Call*, retrieved online.

<sup>13</sup> Dailo, Ray. *How the Economic Machine Works*, retrieved online.

<sup>14</sup> US Census Bureau. (July 19, 2016) *On the Map*, retrieved online.

US Census Bureau, 2010 to 2014 American Community Survey 5-Year Estimates. (July 19, 2016) *Selected Economic Characteristic*, retrieved online 2016.

US Bureau of Economic Analysis, *National Economic Accounts: Gross Domestic Product*. (July 19, 2016) retrieved online 2016.

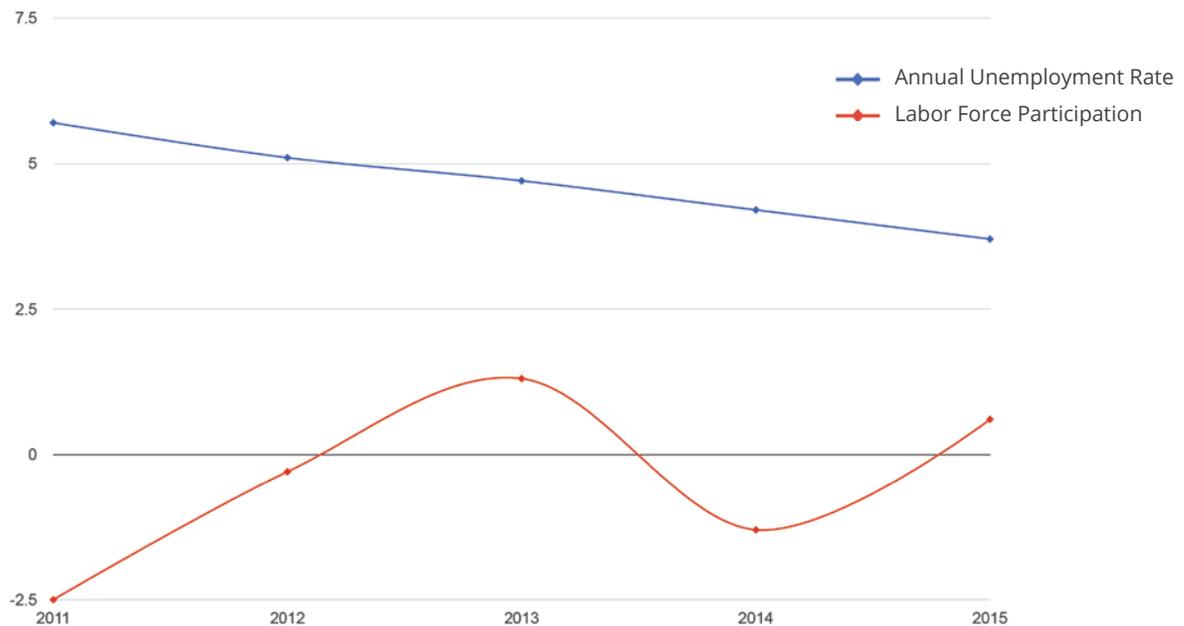
The analysis provided here calculates a per worker share of GDP. It clearly shows that workforce productivity in Cedar Rapids offers a tangible increase in revenue generation capacity for local firms as opposed to companies locating outside the City. The value of goods and services produced per worker in Cedar Rapids greatly exceeds that of many comparable locations across Midwestern States as well as average levels within the broader U.S. Economy. Cedar Rapids ranks consistently above its peers in the area of worker productivity.

#### #4 Unemployment & Labor Participation

In the United States, unemployment rates are monitored by the Bureau of Labor Statistics (BLS). The BLS uses detailed methodology to calculate a local area's unemployment rate, which considers how workers enter and exit the workforce as well as various grades of non-participation.<sup>15</sup>

Therefore, it is always most informative to look at unemployment in reference to the labor force participation rate. A drop in the unemployment rate accompanied by an increase in labor force participation would be the strongest possible trend signaling that the number of individuals working is increasing in absolute terms. Likewise, an increase in unemployment seen with a decline in the labor force participation rate would clearly signify a declining number of individuals working in a local area.

**FIGURE.** Comparison in Average Annual Unemployment Rate in Cedar Rapids, Iowa to Percent Change in Labor Force Participation, 2011 2015



**Source:** Bureau of Labor Statistics (April 20, 2017) Local Area Unemployment statistics, retrieved online.

<sup>15</sup> Elmeskov, Jergen and Pichelmann, Karl. (1993) *Interpreting Unemployment: The Role of Labour-Force Participation*, OECD Economic Studies, No. 21.

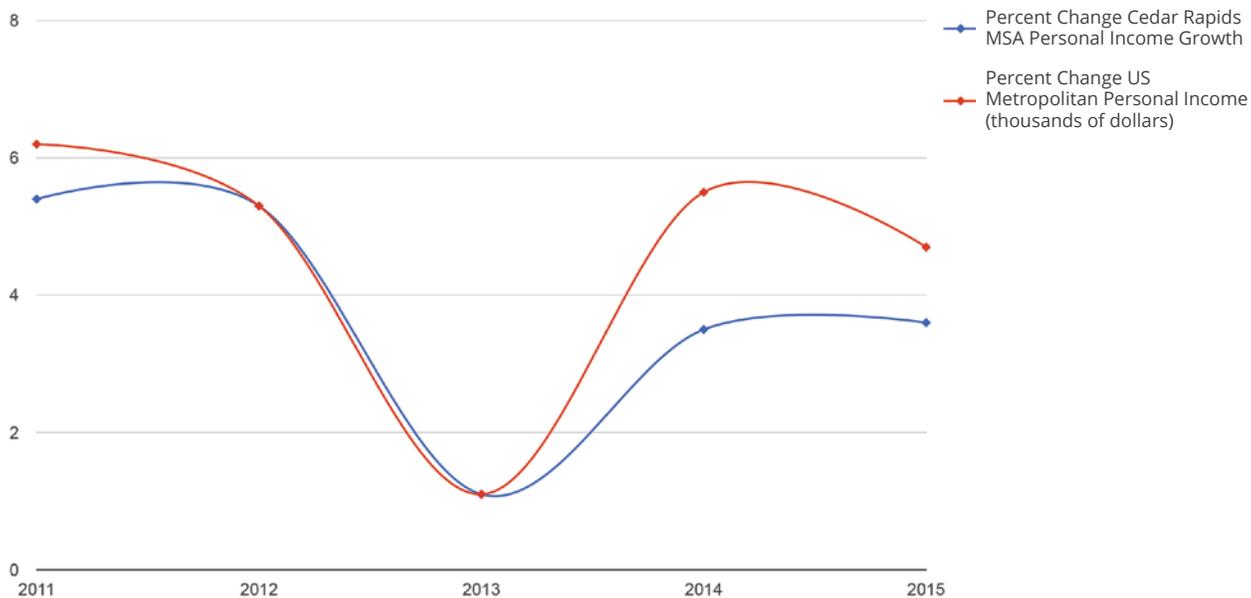
When evaluating the period of 2011 to 2015, a picture of visibly tightening labor market conditions emerges. Since 2011, year-over-year, average annual unemployment rates have steadily dropped in Cedar Rapids. At the same time the percentage of individuals participating in the labor market increased between 2011 and 2013 as well as again from 2014 to 2015. Falling unemployment rates and increased labor force participation rates show solid evidence that the number of persons available to work in the local market is decreasing.

The meaning of this trend is mixed from a citywide economic development perspective. Fewer persons available to work and higher labor force participation could help serve to bid up wages. Changes in wages can benefit incomes but work against the growth of firms should costs increase faster than prices. Also, if companies find it more difficult to expand due to a shortage of available workers, then wage competition could further increase the cost of doing business leading to lower growth over the long-term. Alternately, capital may be substituted for labor leading to reduced employment demand in the years ahead. It simplifies to conclude that having an unemployment rate lower than the level of full employment (around 4-5%) can act as a constraint to local economic growth in a variety of ways.

### #5 Income Growth

Increasing the general prosperity of a place by raising the standard of living and quality of life are key goals in the economic development process. One of the main ways this type of improvement takes shape in a locality is through growth in personal income. Increased earnings support elevated patterns of consumption that further reinforce positive cycles of growth. The relationship between increasing personal income and the size or growth of a local economy is relatively straightforward.

**FIGURE.** Percent Change Personal Income for Cedar Rapids Metropolitan Statistical Area (MSA) and Change in U.S. Personal Income, 2011-2015



Source: US Census Bureau. (April 20, 2017) American Fact Finder 2, *Selected Economic Characteristics*, retrieved online.

Based on the analysis of personal income growth included in this report, it is possible to reach a number of conclusions. To start, Cedar Rapids displayed positive wage growth throughout 2011 to 2015 time period. That trend of increasing incomes places the City of Cedar Rapids in line with many of the largest metropolitan areas of the United States. These areas similarly witnessed an increase in average wage levels.<sup>16</sup> However, in this same time period, average per capita personal income in the City of Cedar Rapids was \$47,468 as compared to \$49,827 for metropolitan areas in the United States at large.<sup>17</sup> This difference amounts to wages in Cedar Rapids being about 4.75% lower than the national average over the course of the period of analysis.

Figures provided help to visualize the fact that income levels in Cedar Rapids lag average growth seen elsewhere in urban areas of the United States. Creation of higher-wage/higher skill jobs, particularly as related to research and development, technology oriented companies and targeted industries, should remain a priority to address disparities in income levels. Because wages in Cedar Rapids tend to be slightly lower than what is found in the largest metropolitan areas of the United States, not only are cluster based strategies feasible but there is potential for additional success in Cedar Rapids, given the lower starting cost of labor.

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## #6 Innovation & Human Capital

Traditionally, land, labor and capital have been identified as essential requirements for economic production. Certain theories of economic growth increasingly recognize the role of technology (i.e., productive knowledge) as playing an important part in the process by which wealth accumulates in cities.<sup>18</sup> From this perspective, it is easy to see why the relative concentration of productive knowledge or human capital in a location increasingly acts as a causal factor determining potential for economic growth.<sup>19</sup> By extension, limits to growth potential within this type of model tend to increasingly arise from internal conditions rather than external constraints.<sup>20</sup> This type of effect is broad across all industries, and a great many types of businesses present locally already excel in application of strategies that focus on human assets to generate return on investment.

Through its Innovation 2.0 Project, the U.S. Department of Commerce, Economic Development Administration regularly assesses the innovation climate nationwide. On the whole, the Cedar Rapids Metropolitan Statistical Area (MSA) ranks highly in innovation. It achieves placement at the 88th percentile in the United States on EDA's Human Capital and Knowledge Creation Index, giving the area an extremely high score in technology-based economic development activity. When Cedar Rapids is combined with Iowa City, that region has the highest value of any in the State of Iowa.

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<sup>16</sup> Brookings Institution. (April 20, 2017) *Metro Monitor – 2017*, retrieved online.

<sup>17</sup> US Census Bureau. (April 20, 2017) *American Fact Finder 2, Selected Economic Characteristics*, retrieved online.

<sup>18</sup> Audretsch, David B. (2015) *Everything in Its Place: Entrepreneurship and the Strategic Management of Cities, Regions, and States*. Oxford, UK: Oxford University Press.

<sup>19</sup> Ibid.

<sup>20</sup> Investopedia, (May 2, 2017) *Endogenous Growth Theory*, retrieved online.

**TABLE. EDA’s Human Capital and Knowledge Creation Index Scores for Iowa MSAs.**

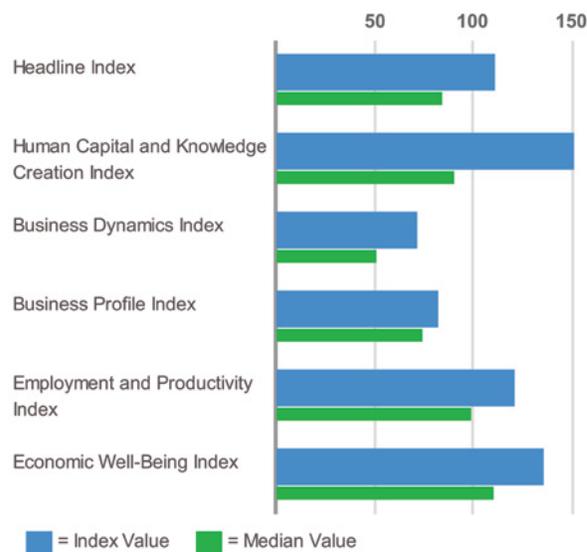
MSA REGION	INDEX SCORE
Davenport-Moline-Rock Island, IA-IL MSA	101.7
Cedar Rapids, IA MSA	132.6
Ames, IA MSA	130.5
Cedar Rapids - Iowa City MSAs	133.1
Des Moines-West Des Moines, IA MSA	111.5
Waterloo-Cedar Falls, IA MSA	109.6
Sioux City, IA MSA	81.1
Omaha, NE-Council Bluffs, IA-NE MSA	123.2

Source: U.S. Department of Commerce, Economic Development Administration Innovation Index. (April 20, 2017) Retrieved online.

Cedar Rapids also scores well with reference to assets supporting technology and innovation-based economic development more broadly. For example, during the period of 1998 to 2014 Cedar Rapids maintained a level of patents per 10,000 persons employed in the workforce that was nearly twice the national average and sixth highest in the nation for mid-size metropolitan areas.<sup>21</sup>

A complete overview of the EDA Innovation 2.0 Assessment for Cedar Rapids is included here. It is noteworthy that Cedar Rapids scores well across all categories, easily outperforming median values for the nation. Cedar Rapids also places in the top five percent of local areas nationwide using the Innovation 2.0 criteria. The importance of these results should not be overlooked. They serve as confirmation of exceptional potential to continue to expand and develop the Cedar Rapids Economy.

**FIGURE. EDA Innovation Index 2.0**



<sup>21</sup> US Cluster Mapping, (April 20, 2017) *Clusters 101*, retrieved online.

### #7 Availability of Qualified Workers

The relationship between increased levels of education and the tendency of a local economy to support higher-wage/higher-skill employment opportunities is well known.<sup>22</sup> Research in urban economics has documented the linkage between education and capacity of an area to deliver productive knowledge through the local labor market in support of economic growth. Key metrics include the number of individuals with high school diplomas as well as basic & advanced college degrees, rates of change in educational attainment and the concentration of talent in the labor pool as measured through occupational cluster analysis.<sup>23</sup>

To assess these values for Cedar Rapids, American Community Survey (ACS) data was analyzed in an attempt to show how post-secondary educational attainment trends affect the City as a location. Between the period of 2011 to 2015, Cedar Rapids saw an increase in the raw number of associates, bachelors and post-graduate degree holders. But rates of growth varied widely by degree type and year-to-year, and also by percentage change.

**TABLE.** Nominal Change in Educational Attainment in Cedar Rapids, Iowa, 2010-2015.

	2010	2011	2012	2013	2014	2015
Associate's Degree	8,207	8,573	8,524	9,089	9,198	9,616
Bachelor's Degree	17,401	17,310	17,710	17,344	17,811	17,591
Graduate or Professional Degree	6,648	7,089	7,614	7,838	8,028	8,128

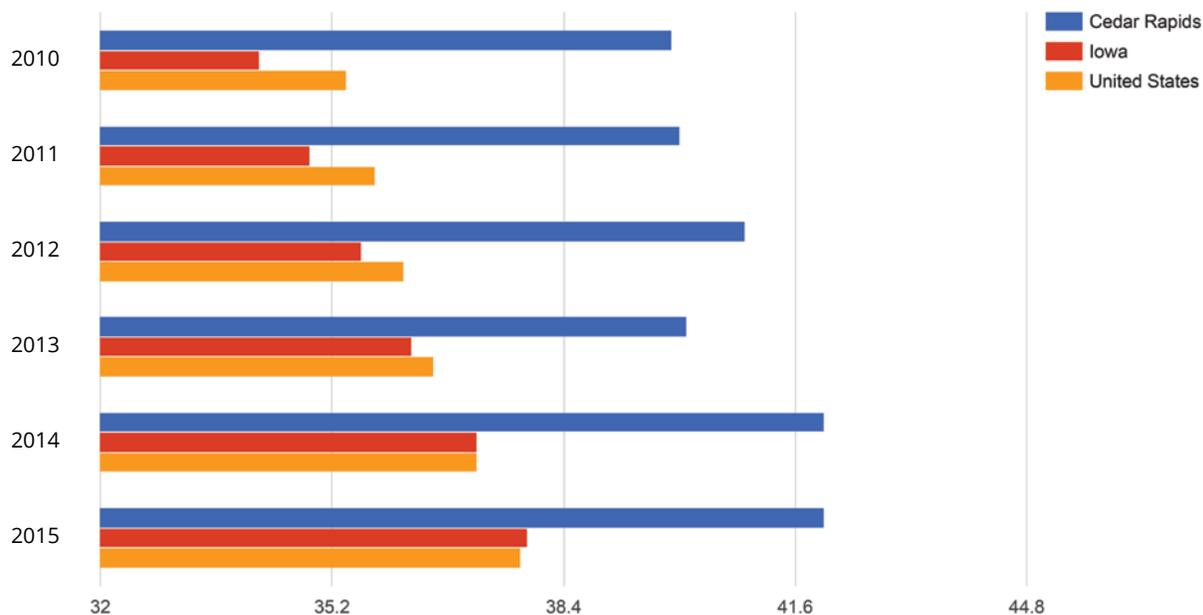
**Source:** US Census Bureau. (April 20, 2017) American Fact Finder 2, *Educational Attainment*, retrieved online.

When evaluating change in educational attainment in percentage terms, the largest increase was seen in the number of persons having attained post-graduate degrees, which grew by 1.6% over the period from 2010 to 2015. Likewise, the number of individuals with associates degrees gained 0.8%. The number of bachelor's degrees fell slightly, decreasing by 0.3%. Given well known issues of brain drain, skills mismatch, and aging of the workforce, it becomes clear that more should be done to address limitations on the long-term supply of qualified workers.

<sup>22</sup> Economic Policy Institute (April 20, 2017) retrieved online.

<sup>23</sup> Bauer, Schweitzer, and Shane. (2006) *State Growth Empirics: The Long-Run Determinants of State Income Growth*. Federal Reserve Bank of Cleveland Working Paper.

**FIGURE.** Total Share of Cedar Rapids MSA, State of Iowa and U.S. Population with Post-Secondary Degrees, 2010-2015



**Source:** US Census Bureau. (April 20, 2017) American Fact Finder 2, *Educational Attainment*, retrieved online.

Cedar Rapids consistently outperforms average levels of post-secondary educational attainment found in both the State of Iowa and United States. High levels of educational attainment indicate the potential of anchor institutions and workforce development stakeholders to engage in collaborative strategy development to meet demand-side and sector specific needs.

### #8 Target Industry Performance

In 2014, the City of Cedar Rapids received a target industry report as part of a broader economic development strategy creation effort. Target industry analysis presented the case for why groups of local industries should be prioritized as areas of focus for economic development. Termed “clusters,” these industry groups were selected in large part because they represented types of business activity already concentrated in Cedar Rapids at levels many times what is typically found on average in the U.S. economy. A key premise underlying the case for targeted industries is that those companies have already chosen to operate in Cedar Rapids due to the presence of specific local factors supporting competitive advantage, increased productivity and superior execution of innovation related processes.<sup>24</sup> In short, it is often the relationship between a given business establishment and its location that can help play a deciding role in achieving and maintaining success.

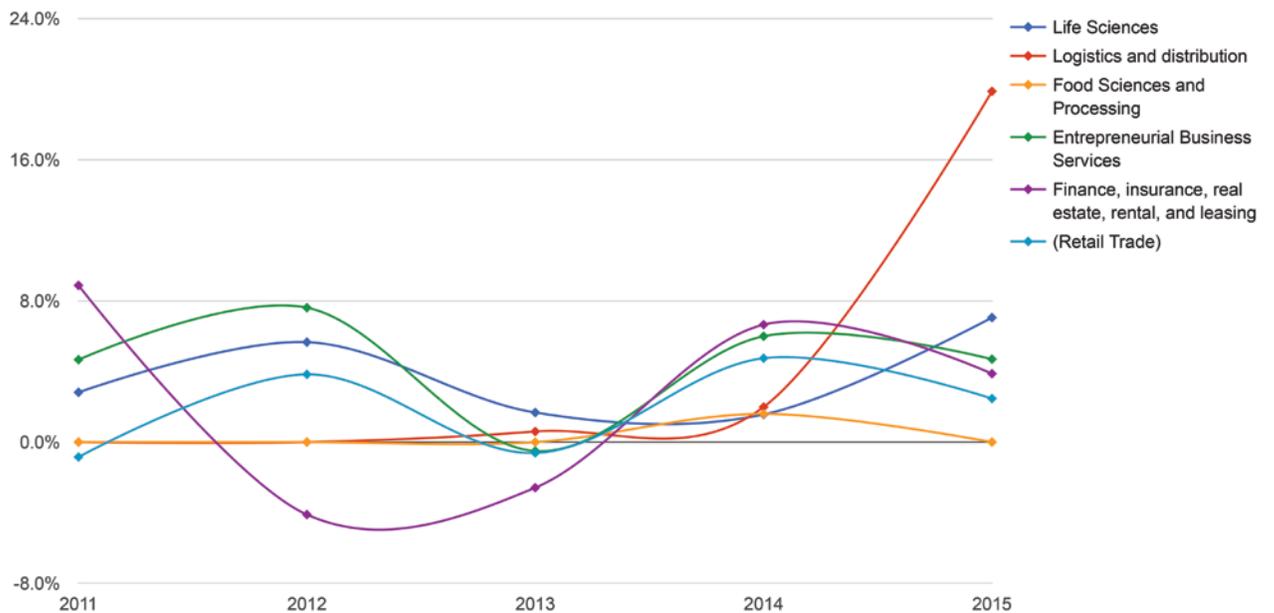
<sup>24</sup> Porter, Michael. (1998) *Clusters and the New Economics of Competition*. Harvard Business Review.

Target industries for the City of Cedar Rapids include:

- Life sciences
- Logistics and distribution
- Food sciences and processing
- Entrepreneurial business services
- Finance, insurance and real estate
- Retail trade<sup>25</sup>

Using data available from the Bureau of Economic Analysis (BEA), it is possible to track the output in dollar volume within the Cedar Rapids Metropolitan Statistical Area by industry group. Results are included for reference.

**FIGURE.** Change in Output by Dollar Volume for City of Cedar Rapids Targeted Industries, 2011 to 2015.



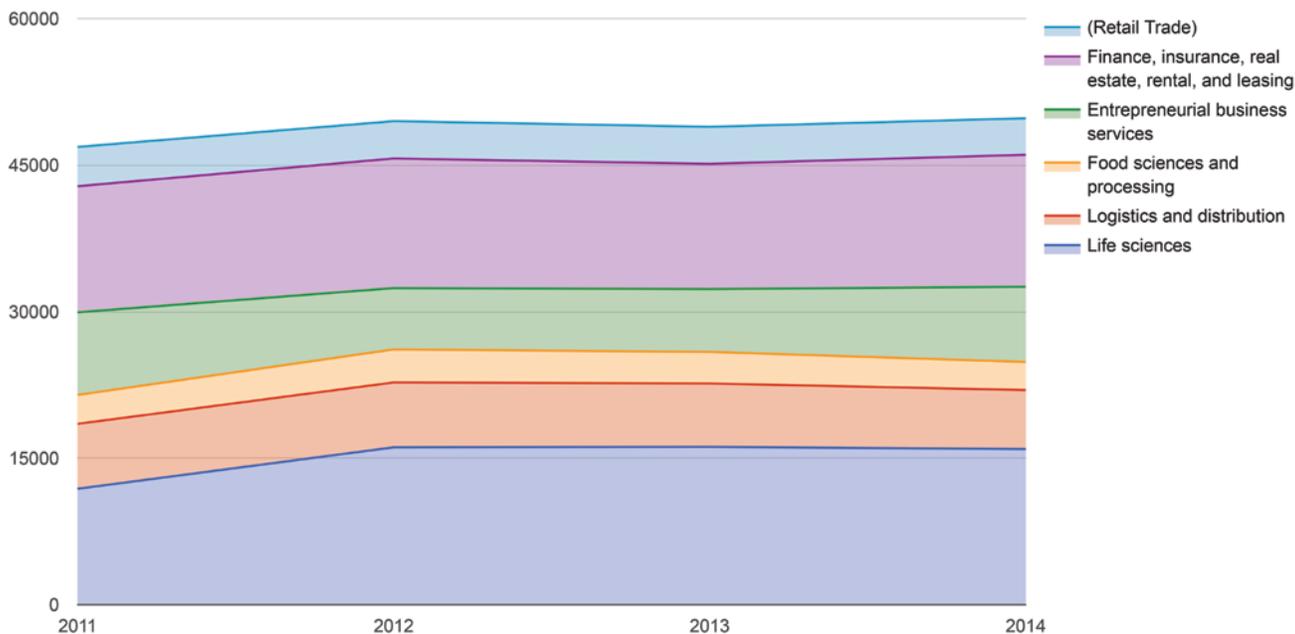
**Source:** Bureau of Economic Analysis. (April 24, 2017) U.S. Economic Accounts, GDP by State and Metropolitan Area, retrieved online.

<sup>25</sup> Note: Retail trade included due to City attraction program and not identified as a target industry as part of the 2014 study by Angelou Economics.

As measured in dollars, the trends for each target industry group are generally positive in that they exhibit increased growth over the 2011 to 2015 timeframe. Logistics and distribution followed by life sciences show the largest increases, and both of these industries end the period with their highest rates of growth. In contrast, food sciences and processing, which only publicly reported data twice in the series is seen to be largely flat.<sup>26</sup>

Another perspective on existing workforce conditions can be found by looking at the change in employment in targeted industries over the past several years. From 2011 to 2015, employment in targeted industries saw a net increase due to growing levels of employment in life sciences as well as finance, insurance, and real estate.

**FIGURE.** Total Employment by Number of Workers in Cedar Rapids Target Industries, 2011-2014

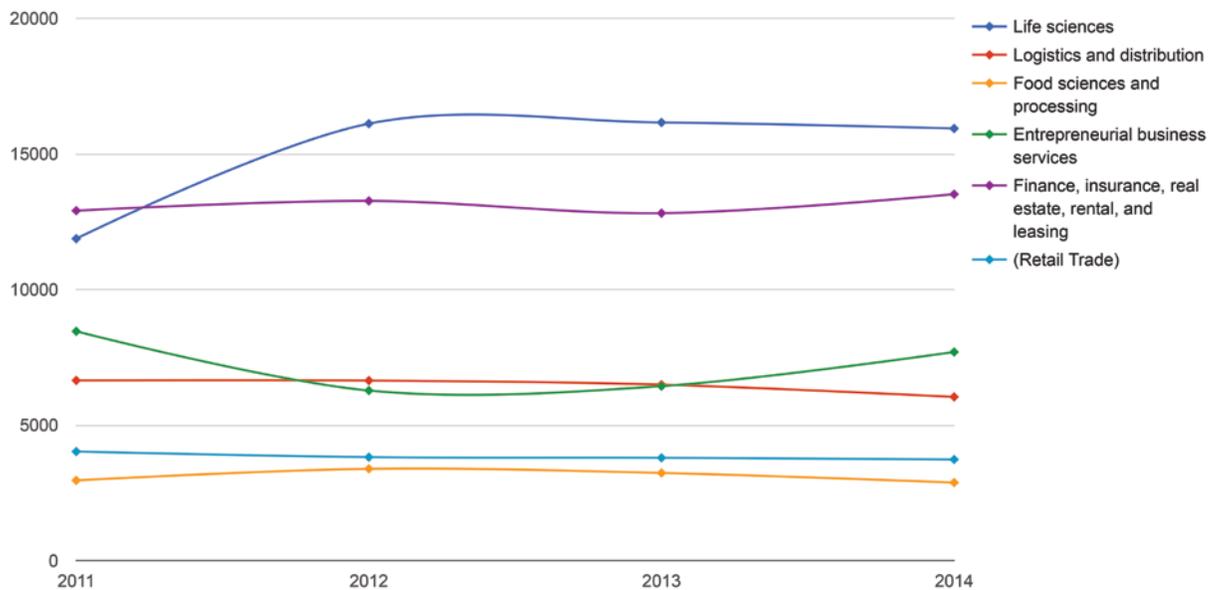


**Source:** Bureau of Economic Analysis. (April 24, 2017) U.S. Economic Accounts, *GDP by State and Metropolitan Area*, retrieved online.

Over 2011 to 2015, the total share of employment in the Cedar Rapids MSA target industries increased from 46,867 to 49,794 jobs.<sup>27</sup> That margin of increase amounts to a change equal to 6.2% growth in employment levels from the beginning of the period. During this same period, the number of total jobs in the Cedar Rapids economy exhibited a 1.1% decrease overall.<sup>28</sup> Findings for targeted industry employment in Cedar Rapids are consistent with evidence from the nation as a whole, which shows a strong tendency for higher-wage/higher-skill clusters to create and support most of the job growth in local economies.<sup>29</sup>

<sup>26</sup> Note: It should be emphasized, however, that the reporting of data can be limited at the metropolitan level to protect the privacy of individual firms.  
<sup>27</sup> US Cluster Mapping, (April 20, 2017) *Clusters 101*, retrieved online.  
<sup>28</sup> US Census Bureau. (July 19, 2016) *On the Map*, retrieved online.  
<sup>29</sup> Porter, Michael. (July 19, 2016) *Reshaping Regional Economic Development: Clusters and Regional Strategy*, retrieved online.

**FIGURE.** Total Employment Change for Cedar Rapids Target Industries, 2011-2014



**Source:** Bureau of Economic Analysis. (April 24, 2017) U.S. Economic Accounts, *GDP by State and Metropolitan Area*, retrieved online.

### #9 Business Dynamics

The formation of new businesses is a creative process, and it is one that has large potential to support growth in the Cedar Rapids economy. Startups account for the majority of new net job creation nationwide, may grow at accelerated rates compared to other types of firms, and economies with concentrated entrepreneurial activity tend to have higher rates of overall growth.<sup>30</sup> Local economies with elevated rates of entrepreneurship activity are also commonly viewed as more flexible and resilient to changing economic conditions.<sup>31</sup>

The process of creating new firms itself can be beneficial in that it is part of a long-term process which reflects evolution and change in the broader national economy. We see this process at work in the economic history of the United States as the national economy transitioned from an agricultural base in Early America, to become dominated by manufacturing in the Late 19th Century and Early 20th Century, and finally becoming the diversified, service-oriented structure of today.<sup>32</sup> Economic restructuring necessitates change, but market decisions about how resources are allocated across industry generally lead to greater productivity growth over time. For local economies, the emergence of new business models holds promise to deliver unique benefits or capitalize on greater efficiencies resulting from emerging technology combined with location advantage; such transitions help ensure superior economic performance over the long-term.<sup>33</sup>

<sup>30</sup> Rice, Hagen, et al. (2016) *Defining the Record of High-Growth Firms by U.S. Metropolitan Region: What Happens to the Inc. 500?*

<sup>31</sup> Wiens and Jackson. (April 20, 2017) *The Importance of Young Firms for Economic Growth*, Kaufman Foundation, retrieved online. Decket and Haltiwanger, et al. (2014) *The Role of Entrepreneurship in US Job Creation and Economic Dynamism*. Journal of Economic Perspectives Vol. 28.

<sup>32</sup> Kliesen, Kevin. (May 1, 2017) *Restructuring and Economic Growth: Taking the Long-Term View*, Federal Reserve Bank of St. Louis, retrieved online.

<sup>33</sup> Slaper, Timothy. *Measuring the Performance of Regions: Creative Destruction and Economic Dynamism*. Indiana Business Research Center, retrieved online.

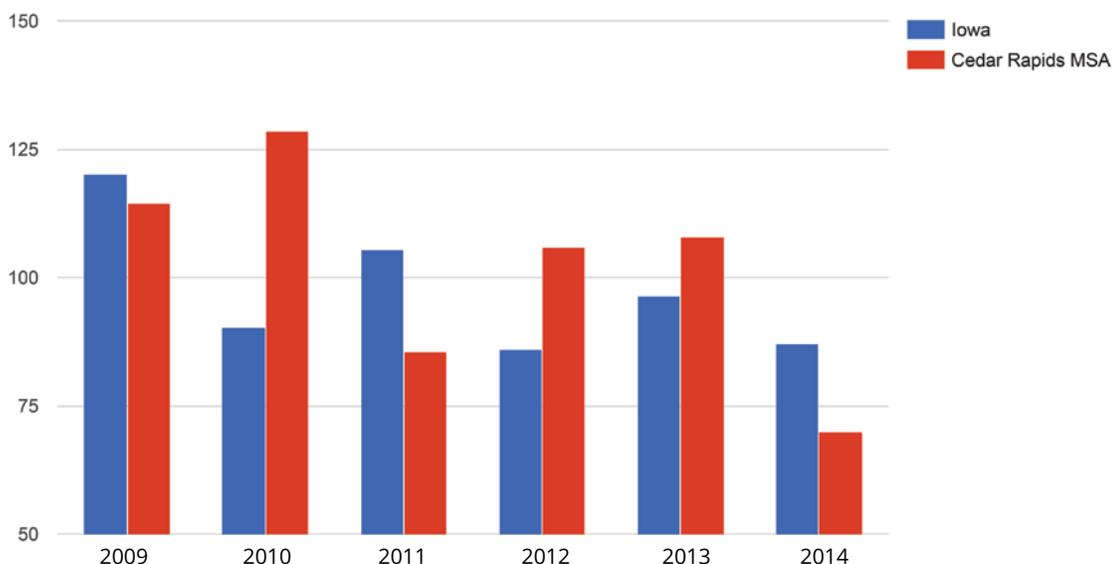
At the metropolitan level, entrepreneurial activity is measured by The United States Census Bureau's Business Dynamics Statistics (BDS). The BDS program collects information about business starts and closures as well as corresponding employment numbers. Significant insight into the direction of the local economy can be gained by looking at how the market balances labor and resources between new and existing business to reach greater levels of productivity and efficiency.<sup>34</sup>

Several measures of job-to-job change (or "employment churn statistics" as they are often called) point toward a strong positive correlation between GDP expansion (i.e., economic growth) and levels of entrepreneurial activity in a local economy.<sup>35</sup> The Indiana Business Research Center recommends three methods for tracking employment churn using BDS data:

- Jobs gained from business births and expansions divided by jobs lost from business deaths and contractions
- Jobs gained from these births divided by total employment
- Establishment births divided by establishment deaths<sup>36</sup>

The first chart presents the ratio of total jobs births (i.e., jobs existing for the first time at a newly created firm) to job deaths (i.e., jobs destroyed by exit of a firm from the marketplace) for the same set of all Cedar Rapids Metropolitan Area establishments as well as in the State of Iowa, over a 12-month period. Values presented are indexed to national job birth and job death rates. Accordingly, values over 100 indicate the percentage above the national average rates, while values below 100 correspond to the percentage below U.S. average levels.

**FIGURE.** Ratio of Job Births to Job Deaths in Cedar Rapids MSA and State of Iowa Indexed to United States, 2009-2014



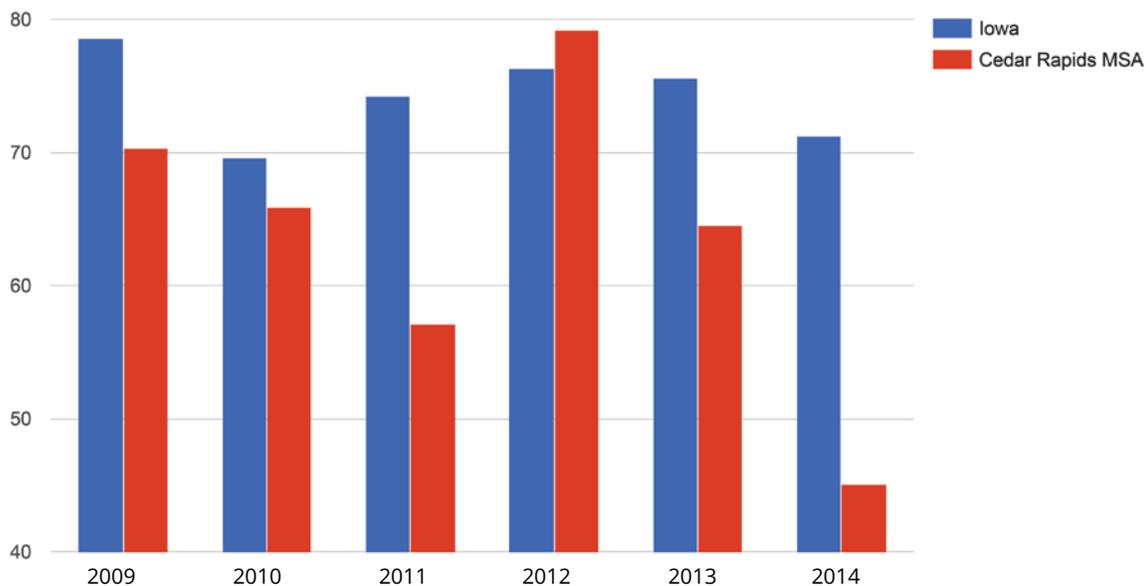
<sup>34</sup> The Economist. *Go for the Churn*, retrieved online (2012).

<sup>35</sup> Slaper, Timothy. *Measuring the Performance of Regions: Creative Destruction and Economic Dynamism*. Indiana Business Research Center, retrieved online.

<sup>36</sup> Ibid.

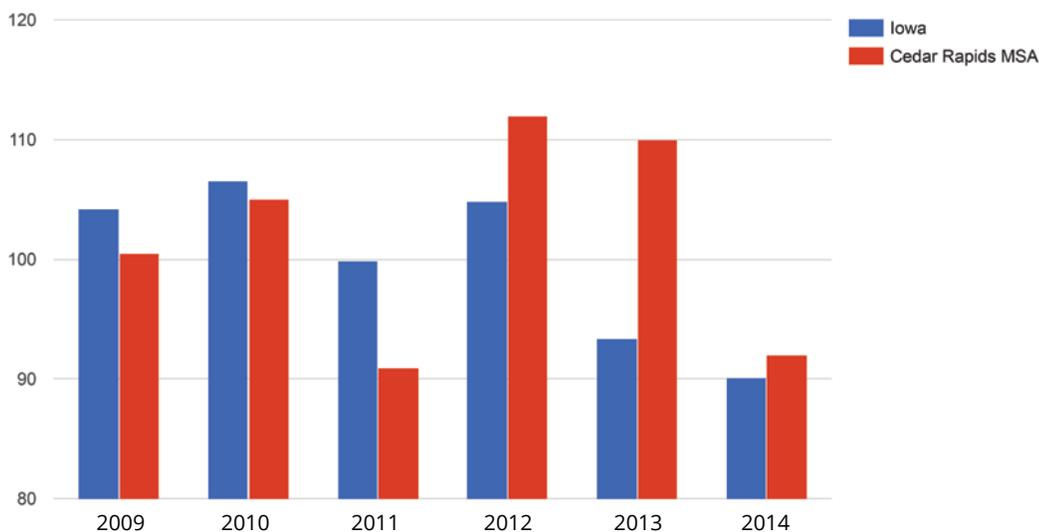
The next chart evaluates job creation at newly founded firms as a percentage total regional employment. It tracks whether the State of Iowa and Cedar Rapids MSA are producing jobs in new companies just entering the marketplace at a rate greater or less than the national level (e.g., an index value of 100).

**FIGURE.** Ratio of Job Births as Percent of Total Employment in Cedar Rapids MSA and State of Iowa Indexed to United States, 2009-2014.



The last chart looks at the ratio of new firms to firms exiting the economy. A positive value over 100 indicates that the state or local economy is performing tasks associated with restructuring and reallocating resources at greater efficiencies than what is witnessed in the U.S. Economy at large.

**FIGURE.** Ratio of Firm Births as Percent of Firm Deaths in Cedar Rapids MSA and State of Iowa Indexed to United States, 2009-2014.



**Source:** U.S. Census Bureau. (April 24, 2017) *Business Dynamics Statistics*, retrieved online.

To summarize, Churn measures show mixed performance for Cedar Rapids over the period of 2009 to 2014. However, the data does show the Cedar Rapids economy has been capable of outperforming the national and state economies in entrepreneurial activity at certain times in the past several years.

More specifically, while the City's ratio of job births to job deaths has been better than state or national averages until recently, job births as a percentage of total employment fell dramatically in 2014. The ratio of job births to job deaths and the ratio of firm births to deaths also fell in 2014. Both trends are negative indicators. While additional data is necessary for trend confirmation, it is worthwhile to take note of the underlying direction in performance.

Where Cedar Rapids has its lowest performance is in employment at new firms as measured in percent terms of total employment. The share of new jobs at startups in Cedar Rapids is less than half of what is found in the United States on average. Therefore, job creation at early stage companies should continue to be prioritized as a principal objective of regional entrepreneurial initiatives with additional resources deployed for this purpose. Creating and sustaining jobs at new enterprises is a promising strategy to help advance the rate of growth in Cedar Rapids' economy.

### #10 Growth in Assessed Value of Tax Base

Expanding a City's tax base is a key aim of municipal economic development programs. Increasing the value of the tax base helps to ensure quality of service from public facilities and infrastructure. Both services and facilities have an important role supporting a cycle of economic growth locally. Increase in the local tax bases helps to reduce the tax burden on existing businesses, which is always positive in that it can mitigate or remove a location disadvantage associated with the fixed costs of operation in a facility.

Through growth and development, cities can achieve greater economies of scale in provision of public goods. Improving quality of infrastructure, public services and public facilities strongly correlates with higher rates of economic growth for places. Chief among these benefits is that more efficient provision of infrastructures and services effectively lowers the cost of doing business in an area, increasing the ability of local firms to compete successfully in external markets.

**FIGURE.** Percent Change in Assessed Value of Industrial Property in Cedar Rapids, Iowa, FY 2015 - FY 2018.



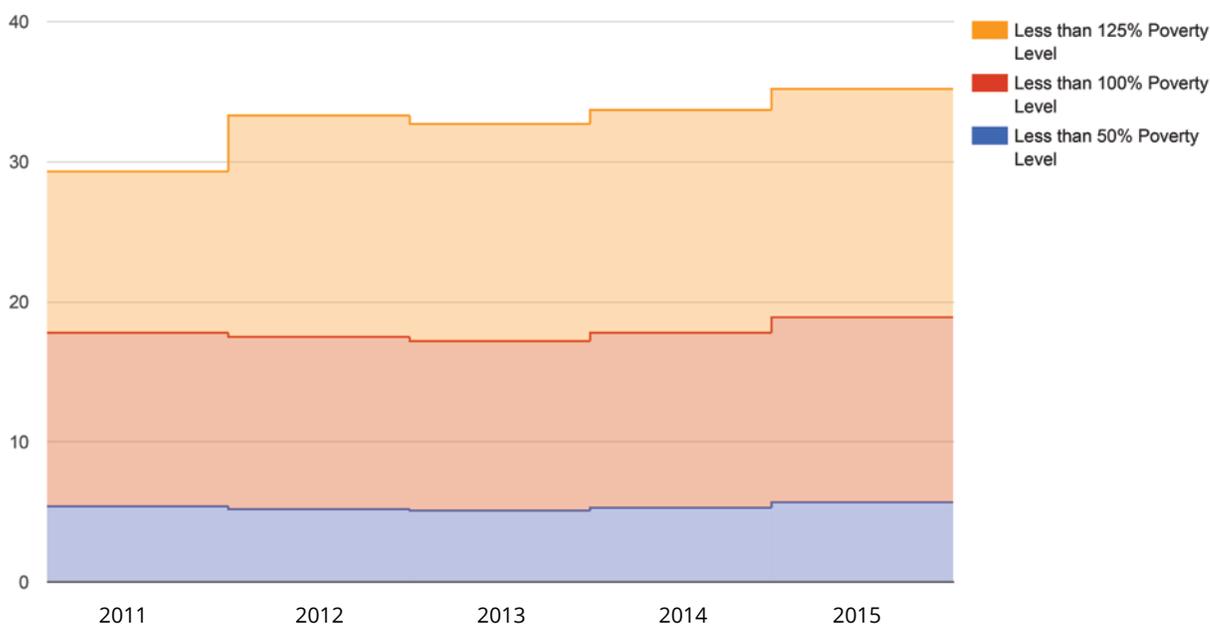
**Source:** City of Cedar Rapids, Finance Department (2017).

One key category to monitor for economic development purposes is change in the valuation of industrial property. Total assessed value of industrial property in Cedar Rapids has increased since FY 2016. Increase in the value of industrial property has been strong and generally consistent with the rate of nominal GDP growth in Cedar Rapids. Industrial land has seen an average increase of above 2.5% annually. This trend of rising property values clearly parallels the general expansion of the Cedar Rapids economy.

### #11 Poverty Rate

Monitoring poverty rates can prove to be informative about the question of how well local economies provide general access to economic opportunity. While the federal government produces no single measure for poverty, the United States Census Bureau provides poverty data that is relevant to the community level through its American Community Survey. The Census Bureau measures poverty by comparing household income to a predefined income level based on size and other characteristics.<sup>37</sup> Only individuals whose income is below their appropriate thresholds are considered to be “in poverty” using this system of criteria.<sup>38</sup>

**FIGURE.** Percent of Persons Ages 18 to 64 at Specified U.S. Census Bureau Poverty Thresholds in Cedar Rapids, Iowa MSA, 2011 - 2015.



**Source:** US Census Bureau. (April 20, 2017) *Poverty: How the Census Bureau Measures Poverty*, retrieved online.

For the period of 2011 to 2015, U.S. Census Bureau data from the American Community Survey shows the percentage of work age persons (18-64) in poverty remains around 5.5%, although the rate increased slightly from 5.4% to 5.7. The percentage of persons at the poverty threshold increased 0.8%, while the percentage of persons with income at 125% of the poverty level increased by 4.8%. Creation of higher-wage/higher-skill jobs through local economic development helps elevate the adverse effects of poverty at the household and community levels.

<sup>37</sup> US Census Bureau. (April 20, 2017) *Poverty: How the Census Bureau Measures Poverty*, retrieved online.

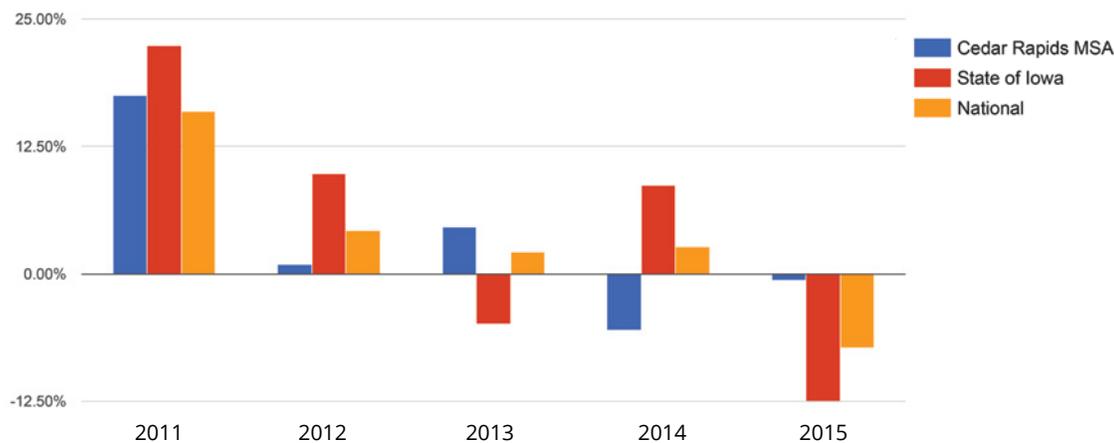
<sup>38</sup> Ibid.

## #12 Export Growth

As previously outlined, local economies grow by increasing wealth retained internally or by generating new income from outside. Therefore, promoting sales outside of the local market necessarily promotes growth. And specifically, international export sales can have a strongly positive role in helping to shape the growth and economic performance.

Increase or decrease in exports can be caused by many factors. National or global demand patterns, quality, currency exchange rates and productivity all impact export demand. Yet the benefits of exporting are well known. U.S. Department of Commerce Research also suggests that manufacturing workers in firms that export internationally on average earn 18% more than companies which do not.<sup>39</sup> Companies that export internationally are also often found to be more productive than firms which sell only within the United States.<sup>40</sup>

**FIGURE.** International Export Activity for Cedar Rapids MSA, State of Iowa, and United States by Percent Change, 2011-2015.



**Source:** International Trade Administration (April 20, 2017), *Sub-National U.S. Trade Databases*, retrieved online. International Trade Administration (April 20, 2017), *Metropolitan Export Database Series*, retrieved online.

Between 2011 and 2015, international export sales growth from Cedar Rapids companies was mixed in comparison to state and national averages. The more meaningful comparison to be made is between export activities within Cedar Rapids and the nation as whole, given the high percentage of agricultural products exported from the State of Iowa. When City performance is isolated against performance of the national economy, the trend is again variable. Three out of five years show rates of local growth exceeded national growth rates, or rates in Cedar Rapids did not show as sharp a decline as was experienced elsewhere.

Given the lack of a clear growth trend locally, international export assistance programs and resources should be highlighted to raise awareness among local companies, including business to business linkages. There is significant evidence to show, moreover, that existing relationships between firms make a positive contribution to not only export growth but also Foreign Direct Investment (FDI). Further patterns of positive growth result when international capital investment flow into the local economy.<sup>41</sup>

<sup>39</sup> U.S. Department of Commerce. (April 20, 2017) *The Role of Exports in the U.S. Economy*. Washington D.C., page 4.

<sup>40</sup> Ibid, page 5.

<sup>41</sup> Saha, Fikri, and Marchio. (2014) *FDI in US Metro Areas: The Geography of Foreign-Owned Establishments*. Brookings Institution, p. 4.



# SURVEY DATA

In the next section of this report, the results of business retention survey data are presented. The Cedar Rapids Business Survey aims to be comprehensive in its scope. Information was tabulated based on individual responses. Results are given on a citywide basis and do not relate to individual companies. The survey dataset includes a wide variety of topics related to business development.

The survey contains two general types of questions. Some survey questions were written to be open-ended. Those solicited general input and comments from businesses. Other questions required businesses to select which answer best applied to their enterprise. As a result, this section is organized into two parts, which together, give a full summary of survey results. The first section reviews comments received from businesses, while the second section tabulates responses to multiple choice questions.

## **BUSINESS INTERVIEW COMMENTS**

### **Context**

Existing industry outreach efforts form a familiar dynamic in local economic development programs. Most business leaders are well acquainted with why and how the cause of economic growth can benefit from data obtained directly from the private sector. The main constraints in access to business are limitations in project duration and the availability of business leaders to meet.

### **People**

A series of interviews were arranged by the Economic Development Services staff with senior management at local companies. Management representatives would typically be operations directors, plant managers, a company's Chief Executive Officer (CEO) or Chief Financial Officer (CFO). In the case of small and medium-sized companies, meetings were usually arranged with business owners.

### **Interaction**

Interviews were scheduled to last for an average duration of around 30 to 40 minutes. Almost all meetings were in-person. The formal survey occupied the middle portion of conversation and business owner comments were noted throughout. Follow-up questions were asked by staff as appropriate. If retention issues were identified, then those issues became the basis for follow-up with company representatives.

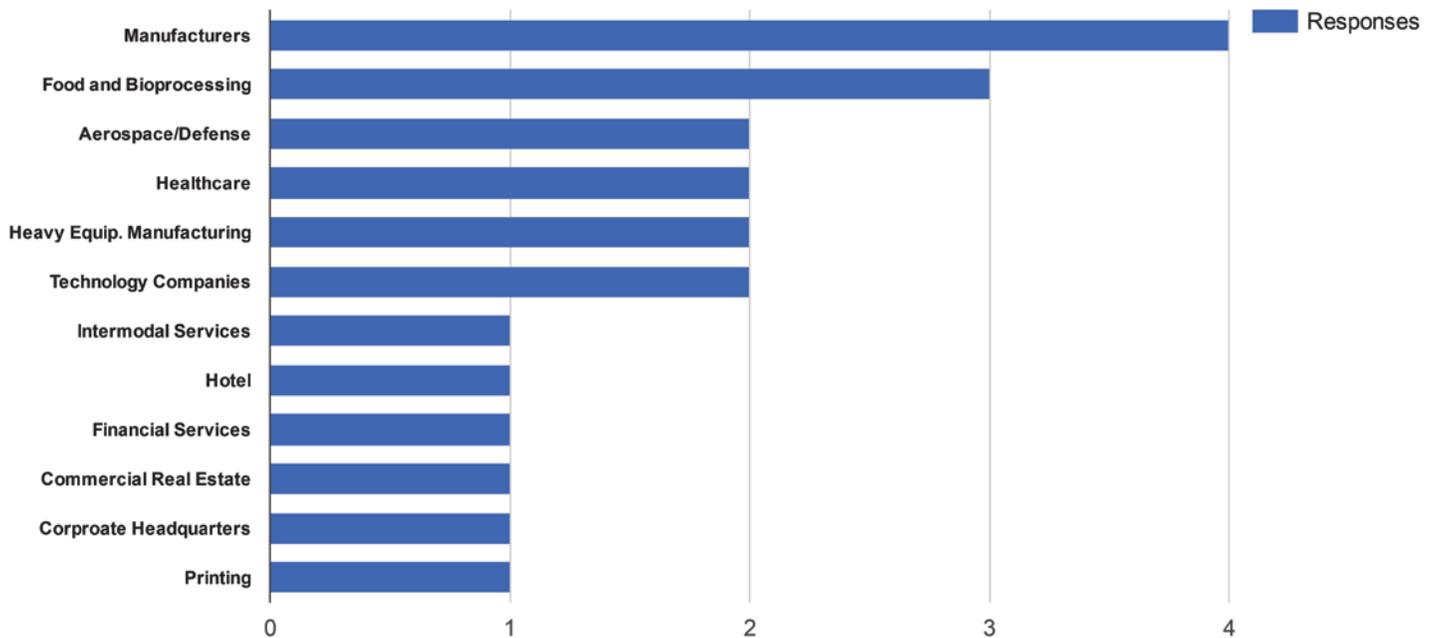
### **Structure**

A number of questions on the survey were open-ended and aimed to solicit comments from businesses on a range of topics. Specific categories of information included in this portion of the survey include questions on topics like workforce development, physical development and the Eastern Iowa Airport. Results are summarized briefly in the following chart.

## SUMMARY: OPEN-ENDED QUESTIONS

### New Products and Services

**FIGURE.** Are there any products or services you purchase from outside the City where you would prefer to find a local supplier?

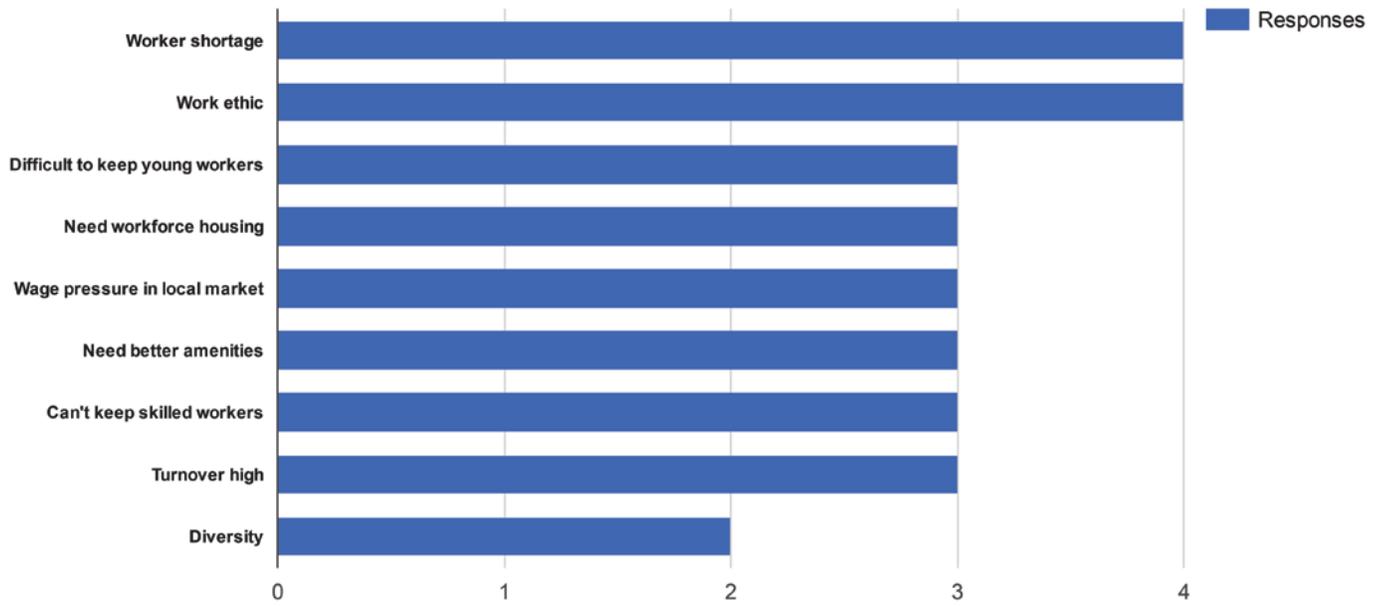


Approximately 3 out of 10 businesses responded in the affirmative that having additional products or services available in Cedar Rapids would be a benefit to their local operation. However, most businesses reported they were already adequately supplied by a combination of state, national or international markets for all purchasing needs. A number of companies responding also stated their businesses already buy as much locally as is feasible. Several companies expressed an interest in seeing more resources available to promote local purchasing such as business directories or additional networking events.

From the responses received, it appears that there is a consensus among many respondents that additional manufacturing would be positive for the economy. Most comments received focused on general manufacturing without specifying an industry. However, heavy equipment manufacturing and food and bioprocessing were identified as priorities by existing industry.

## Workforce Retention

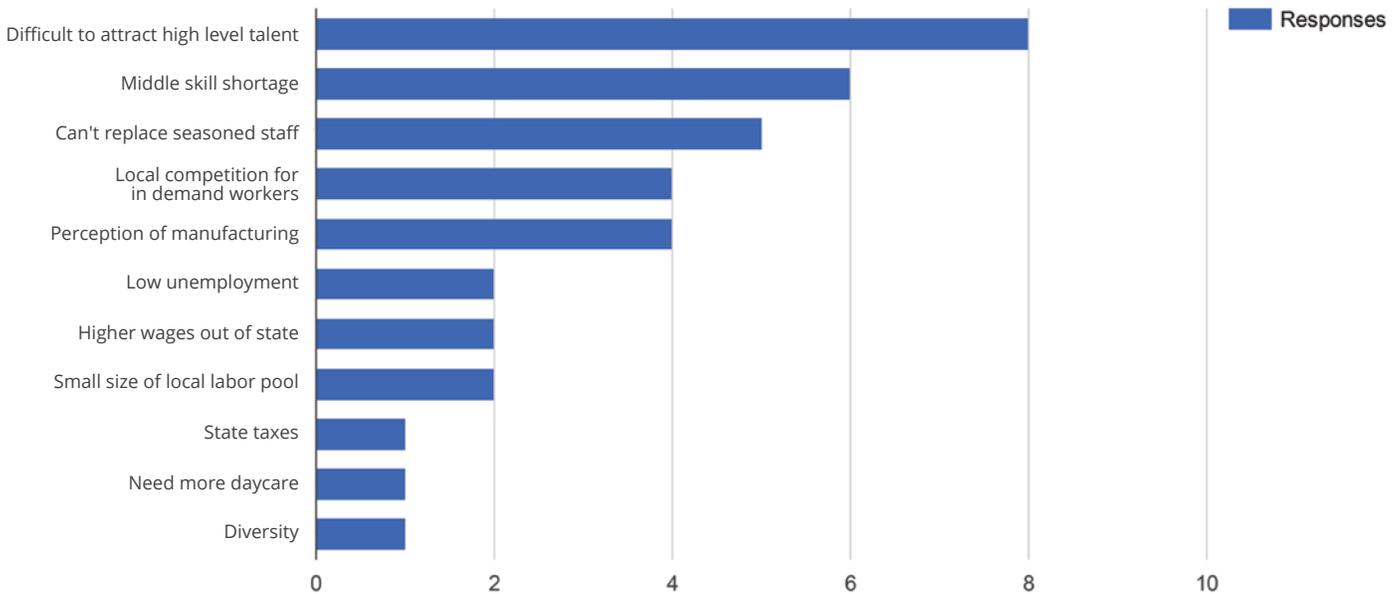
**FIGURE.** What issues has management encountered retaining employees?



Workforce issues, especially the retention of qualified workers, remain an area of concern for established companies in Cedar Rapids. Results from the current survey show that 44% of Cedar Rapids companies in the sample had concerns about workforce retention. This figure actually represents an increase over last year's survey results which showed about one-third of companies have concern about worker retention in general.

What is most interesting about survey findings on the issue of workforce retention is that no one single issue tends to be predominate over others. Therefore, in their analysis, local businesses identify many specific factors as the cause of workforce retention problems. Based on comments received, the following are most frequently cited as challenges in the area of retention: inability to keep young adult workers, wage pressure, work ethic and competition generally among local companies.

**FIGURE.** What challenges has management encountered recruiting workforce?

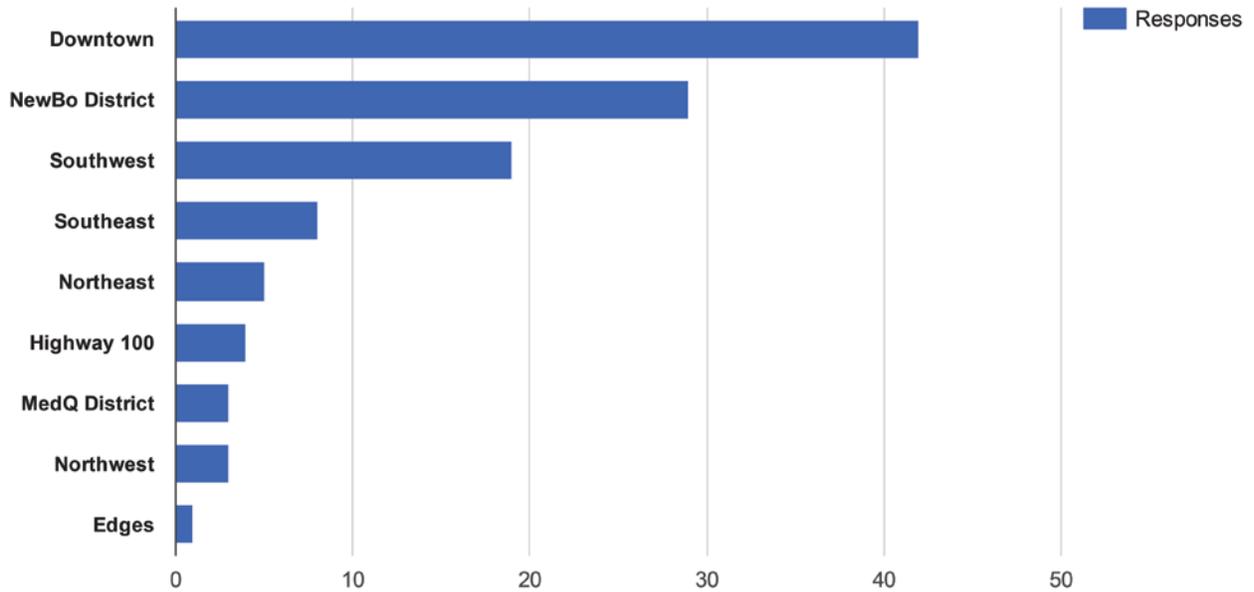


Attraction of qualified employees forms another important dimension of the workforce activities for existing industry. Around one-third of the Cedar Rapids businesses included in the current survey registered some level of concern about workforce attraction, identifying it as an ongoing concern for their business. Previously, the 2016 Cedar Rapids Business Survey had identified that 45% of employers had concerns about attracting adequate workforce, so current survey results represent some level of decrease from what was reported in last year’s sample. The most frequently cited reason in discussion for why attraction had improved was increase in pay and benefits offered to recruit needed talent.

Unlike the case of worker retention above, survey results clearly identify several problems specific to workforce attraction. These include challenges attracting high level talent to job opportunities in Cedar Rapids as well as companies identifying an inability to replace seasoned employees upon exit. Many individual companies also responded with specific observations about a lack of available worker to staff “middle skill” occupations. Typically, the qualification required to work a middle skill job is post-secondary education not at or equivalent to the level of a four year college degree. Example types of workers named in survey visits as highly in demand include electricians, welders, machinists, entry level manufacturing production workers, Commercial Driver’s License (CDL) holders and IT specialists.

## Future Growth and Development

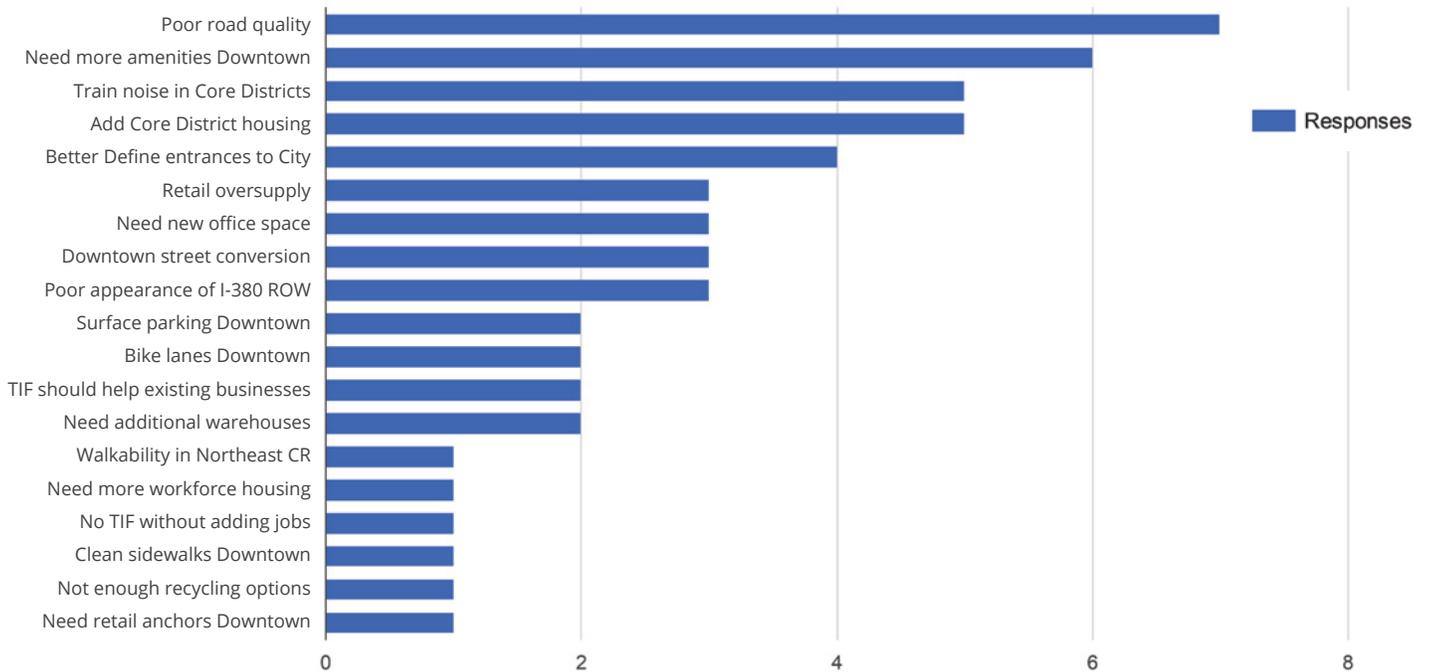
**FIGURE.** Where would you prefer to see future commercial / retail growth occur in Cedar Rapids?



Businesses were once again asked to give preferences about the location of retail growth in Cedar Rapids as part of the survey. Cedar Rapids' Core Districts — Downtown and NewBo — ranked as the top two most commonly cited areas identified as desirable to see retail expansion. The third most popular location cited was Southwest Cedar Rapids. These results repeat and confirm survey findings from 2016.

A number of the specific comments received on this topic include a desire to see the Downtown Central Business District and NewBo grow together to become a more "unified" area, a desire to see additional amenities in the Downtown as well as the suggestion to plan for other urban activity centers, like NewBo, in other locations around Cedar Rapids.

**FIGURE.** Are you noticing any development trends that you think are having a negative impact on the City of Cedar Rapids?

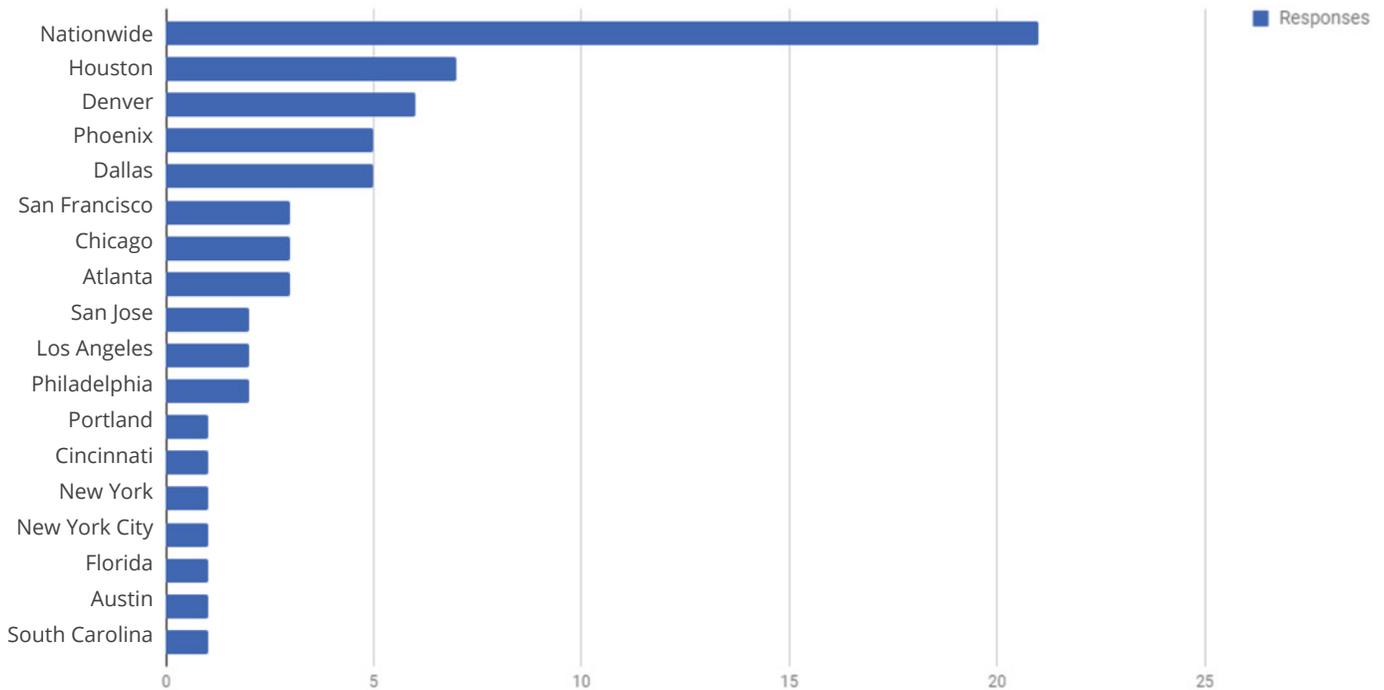


The Cedar Rapids Business Survey also sought input from the business community regarding any negative development trends that they are witnessing or experiencing in Cedar Rapids. Poor road quality was at the top of the list of development related topics that could be improved. The need to improve amenities downtown was also frequently cited.

Train noise in Downtown featured as another common response. Notably, a number of negative comments about train noise were received from businesses located outside of the proposed quiet zone area for Downtown Cedar Rapids. Based on this feedback, it would be appropriate to evaluate the feasibility of expanding the quiet zone and study what type of local initiatives might be possible to mitigate impacts from train noise throughout the Core Districts of the City.

Varied feedback was also provided about the type of physical development that could enhance the Downtown Central Business District. A need for additional storefront retail was one type of comment that was frequently noted. Other comments tended to focus on the need to have retail anchors, like grocery and drug stores, located downtown to support growth of housing opportunities. Many companies cited the need to have a range of different types of housing available at multiple price points in the Downtown to support and enhance their efforts to attract young adult workers. Increased housing was cited as being a positive factor in supporting a more varied mix of land use in Downtown overall.

**FIGURE.** To which cities are your company's staff most frequently flying for business?



In 2016, the Cedar Rapids Business Survey findings did not identify a clear trend relating to sentiment about choice of air travel destinations severed from the Eastern Iowa Airport. Most businesses providing input on this question stated a preference for general increase in the number and travel connections nationwide. A desire to see increased choice in nationwide travel again ranked as the most common response in the current year's survey. However, it is also noteworthy to add that the five highest ranked destinations — Houston, Denver, Phoenix, Dallas, and San Francisco — are all located in the West or Southwest United States. Thus, survey findings suggest that increasing flight connections to locations in the Western and Southwest United States should be a strategy explored by the Airport based on business travel needs.

The Cedar Rapids Business Survey also solicits comments relating to the options for improvement of amenities and services offered at the Eastern Iowa Airport. In talking to local businesses in 2017, the majority of companies, three-quarters of total respondents, did not have input on how to improve the Eastern Iowa Airport with current services being characterized as "excellent," or good to satisfactory in meeting needs. Of those businesses which did offer suggestions for improvement in airport services, most comments related to the perceived cost of flights. Comments about the price of air travel tended to outnumber comments about the lack of direct flights at a ratio of 2:1. A few comments suggested having more budget carriers providing service in Cedar Rapids and to add additional Fixed Base Operators (FBOs) to help encourage civil aviation.

## CLOSED-ENDED QUESTION SUMMARY (MULTIPLE CHOICE)

### Aim

The Cedar Rapids Business Survey sought to sample an adequate number of local businesses to discover relevant information about conditions affecting firms in the marketplace. The value of the survey as a tool ties directly to how well it can identify priorities for existing industry. Specifically, the survey has a role in highlighting what are the barriers and opportunities for business growth in Cedar Rapids.

### Method/Technique

Staff took a comprehensive approach to data collection. This was done to ensure that findings may be compared to Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis contained in *Cedar Rapids Targeted Industry Report*. Further analysis will be performed as part of ongoing retention program efforts. All data and analysis generated by the *Cedar Rapids Business Survey* (2016) will be utilized by Economic Development Services staff in coordination efforts to support strategic plan implementation.

Survey design used standard methods. A non-random sampling approach was taken consistent with methodology for voluntary response surveys. Specifically, survey procedure held that businesses would generally only be contacted twice with an invitation to participate in the survey. Senior management was contacted first by email and then by phone. Nonresponse was taken as an indication that a business was unavailable to participate at present. In a limited number of cases, where businesses had past contact with Cedar Rapids EDS staff, additional efforts to communicate with businesses were made in order to secure an interview. Overall, the survey response rate was high with sixty-one (61) percent of businesses contacted choosing to participate in this project.

City staff also had the benefit of data supplied by the Cedar Rapids Metro Economic Alliance staff outlining when businesses had last participated in Synchronist through the BEST of Iowa Program. Using this data, it was possible to identify and target companies that had not been contacted by economic developers for more than one year or had never been contacted. Approximately 10 companies were visited jointly by City and Economic Alliance staff in 2017.

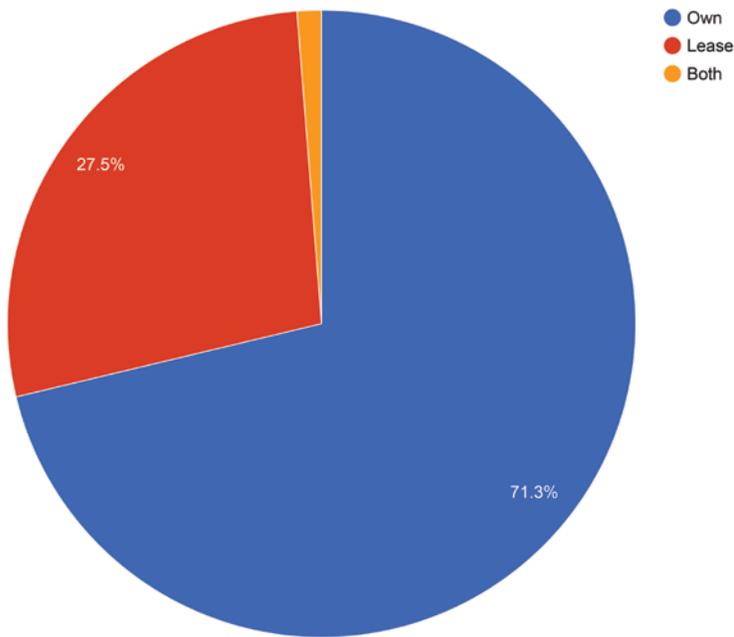
Survey design focused on including a wide variety of companies. An effort was made to contact major employers, but staff organized meetings with small businesses and medium-sized enterprises as well. Meeting with various types and sizes of companies was done to secure a representative cross-section of existing industry in the survey sample. There was also an attempt to meet with as many companies as possible given the amount of time available for the project.

### Results

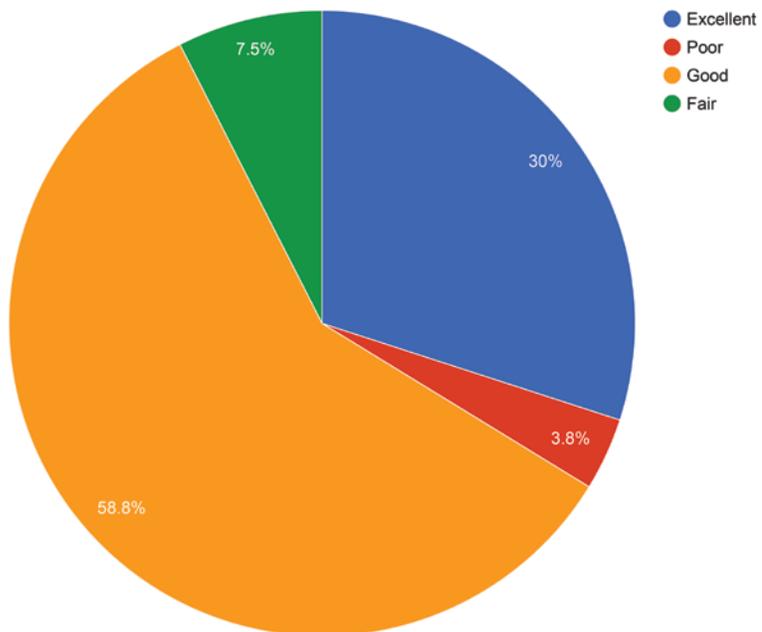
Analysis presented in this section functions to document the number of businesses contacted and reports those findings. It presents useful information regarding the frequency, size, scale/magnitude and segmentation of business characteristics. The following summary format provides survey questions with a summary of responses received.

## SECTION I. LOCATION & SITE STATUS

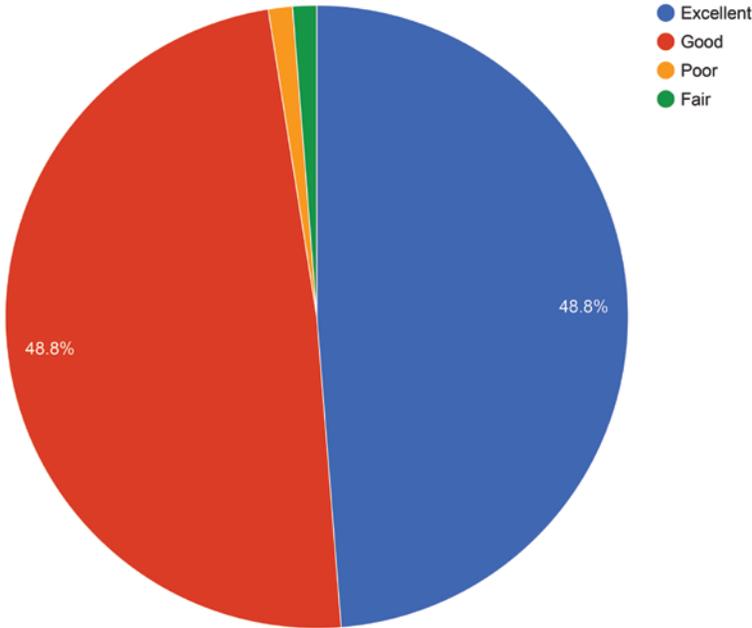
**FIGURE.** Do you own or lease this facility?



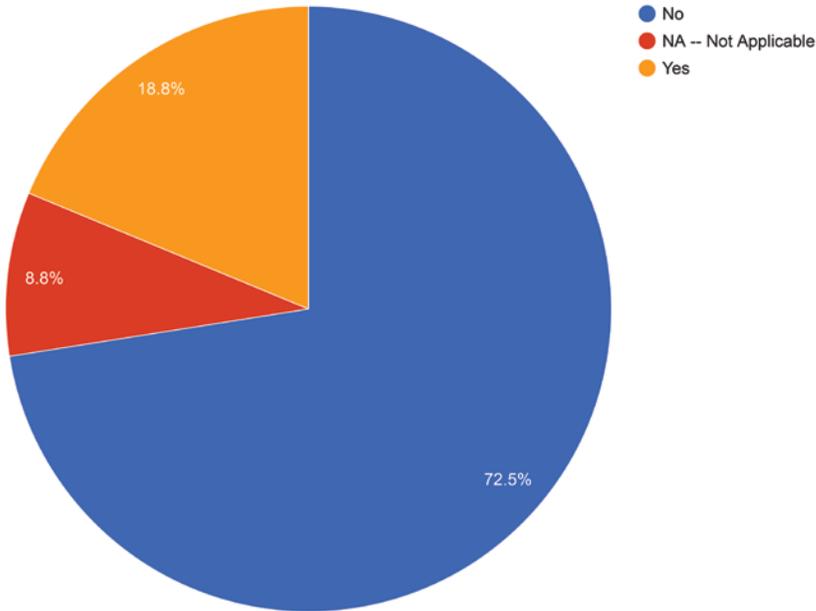
**FIGURE.** Please rate the condition of your building(s):



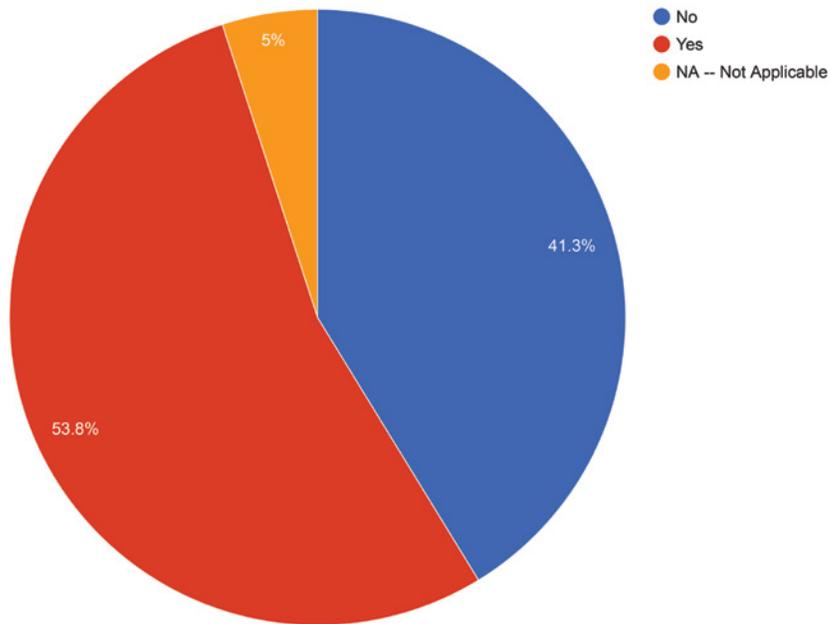
**FIGURE.** What is the condition of company equipment?



**FIGURE.** Do you currently have surplus floor area and/or production capacity not utilized within this facility?



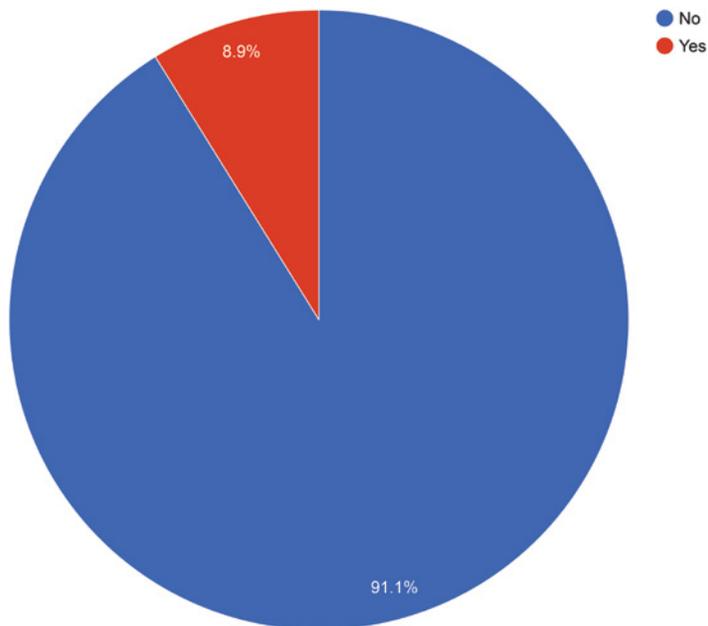
**FIGURE.** Can you expand your existing facilities on-site?



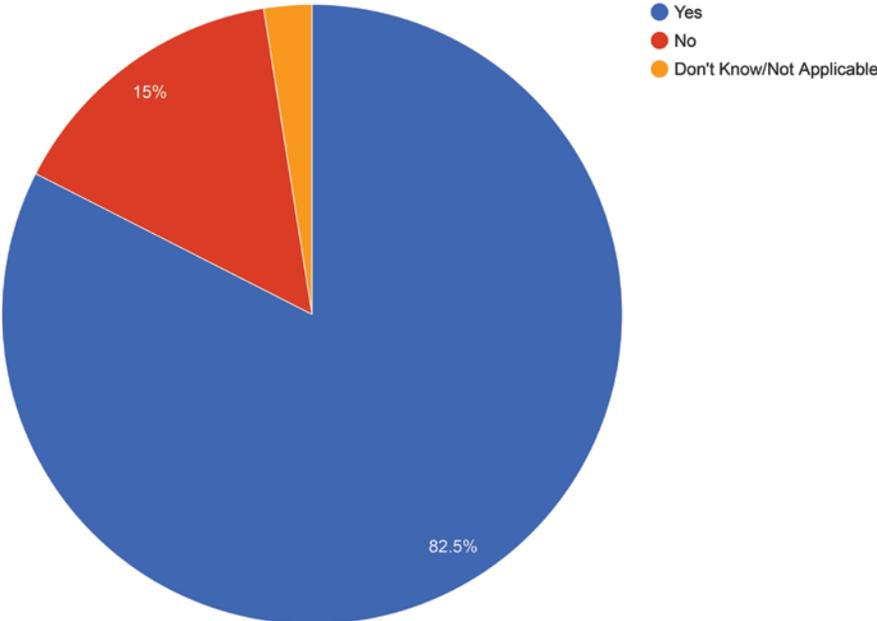
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## SECTION II. MANAGEMENT AND ORGANIZATION

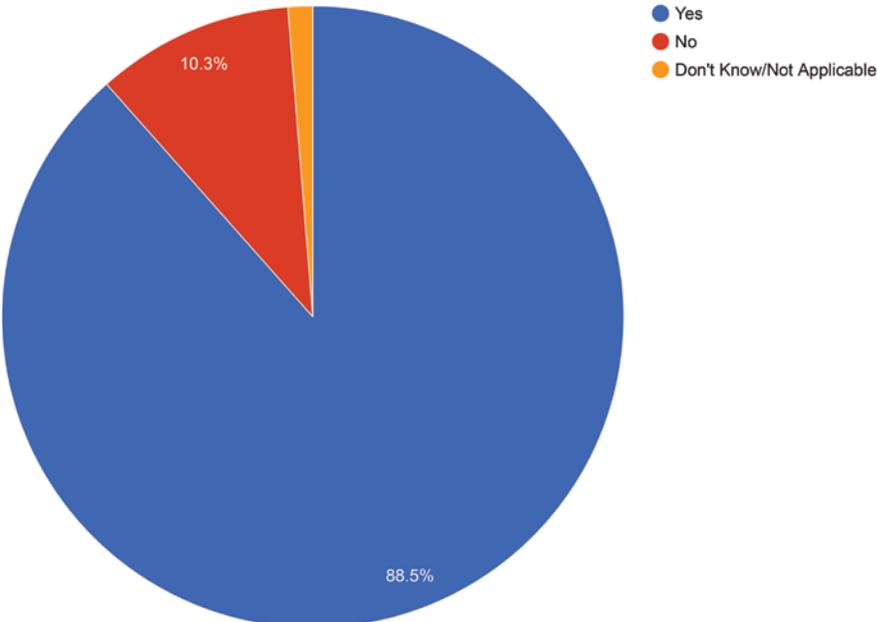
**FIGURE.** Has there been a change in ownership in the past three (3) years?



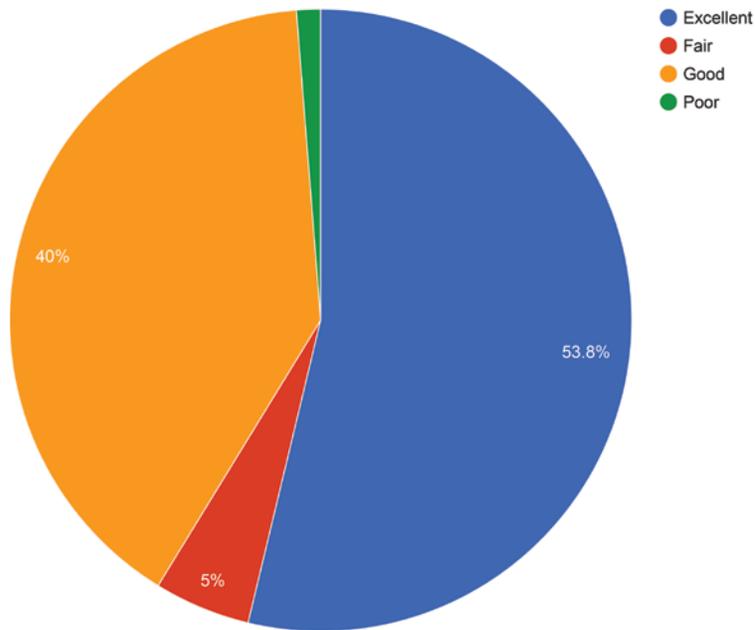
**FIGURE.** Does the company have a succession plan in place?



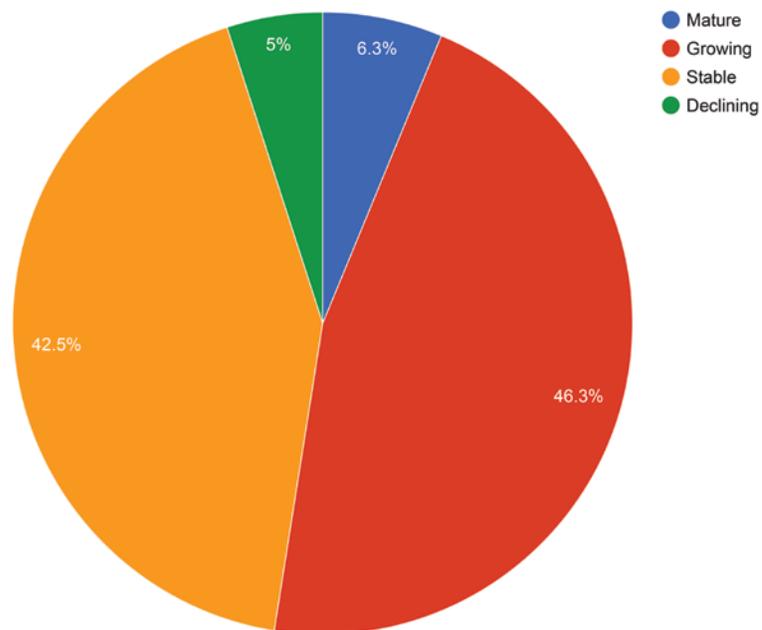
**FIGURE.** Has the company's strategic plan been updated in the past two (2) years?



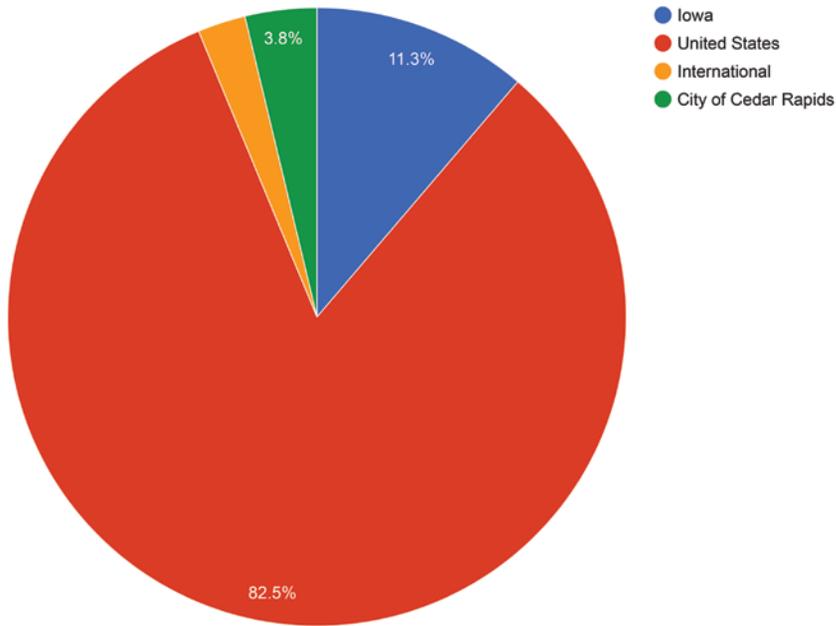
**FIGURE.** What is the company's attitude toward this facility?



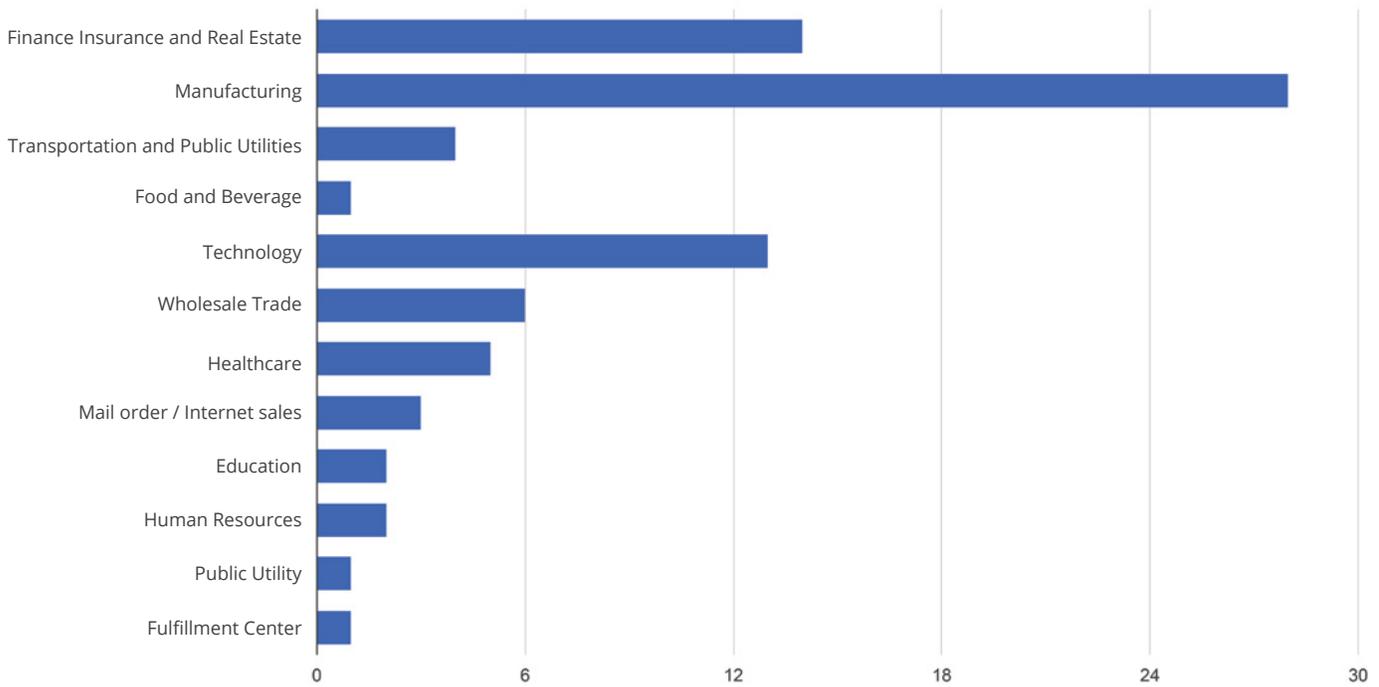
**FIGURE.** Describe the life cycle stage of your primary product/service:



**FIGURE.** From which location are raw materials or supplies primarily sourced?

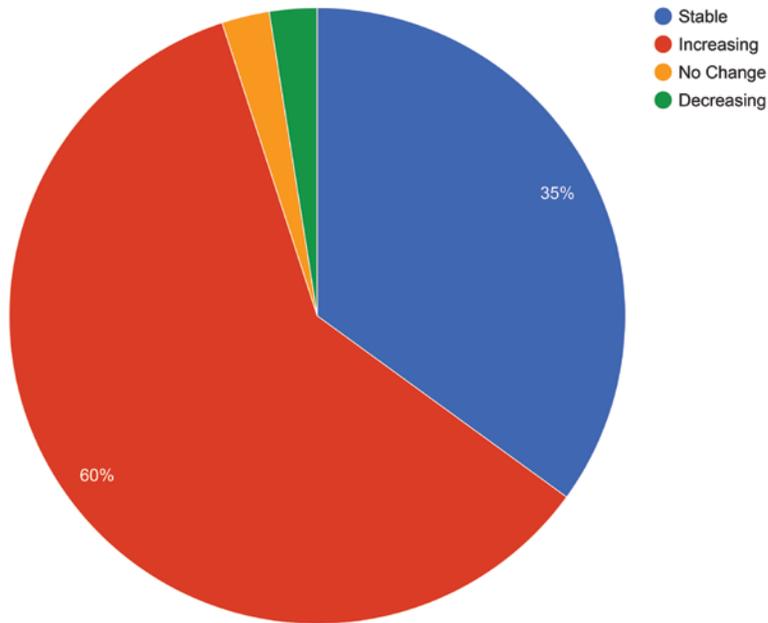


**FIGURE.** Please note specific business activity at this facility:

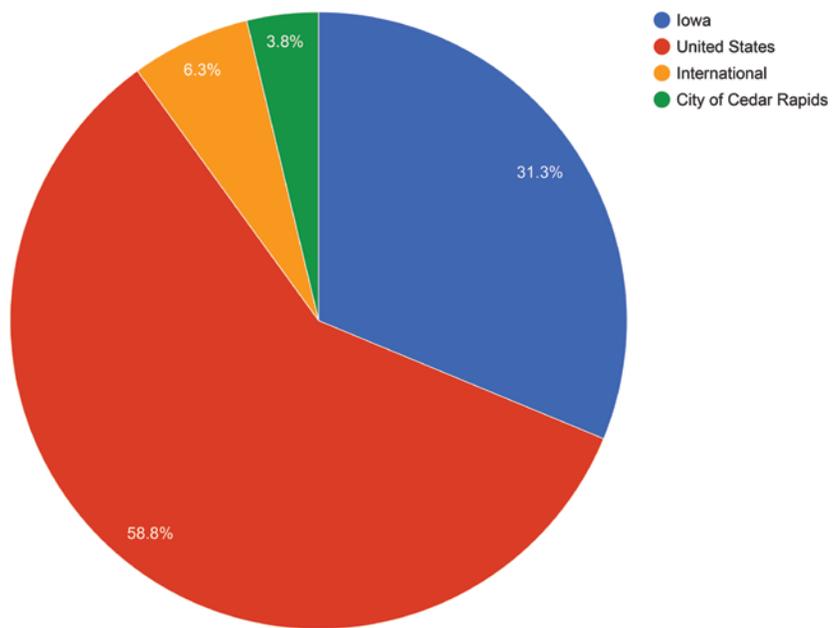


### SECTION III. MARKETS AND CUSTOMERS

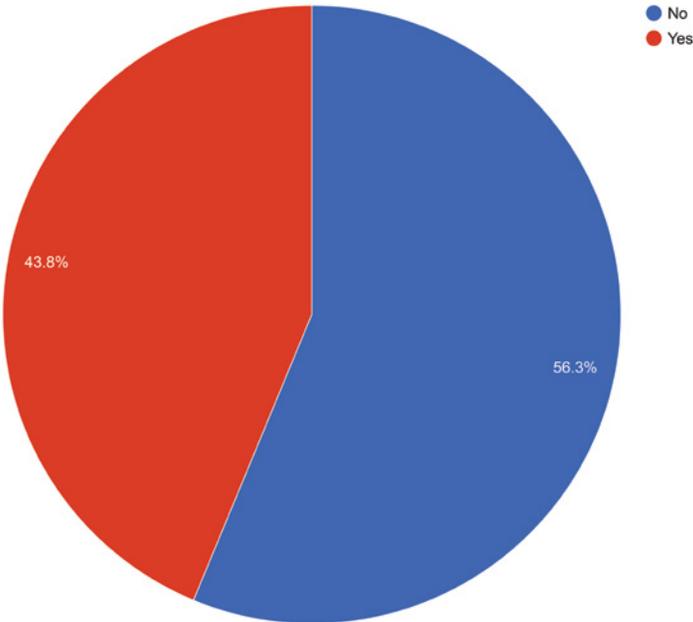
**FIGURE.** How would you characterize your company's market share?



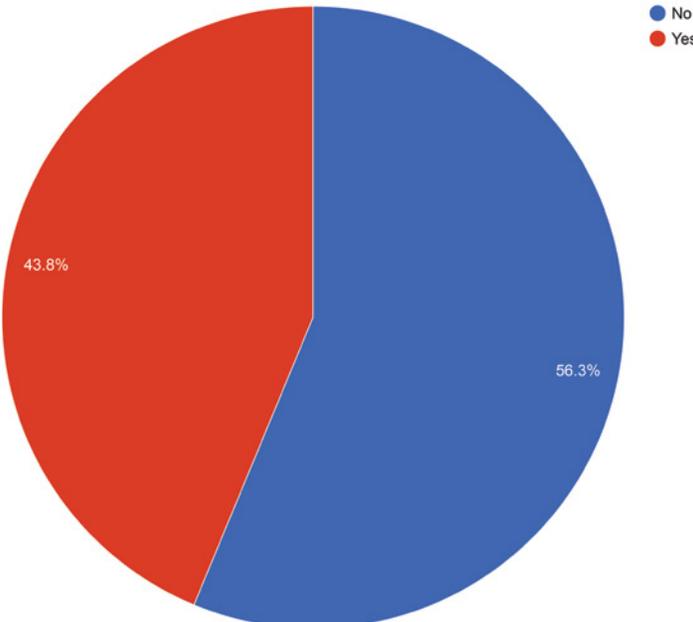
**FIGURE.** Where are your customers primarily located?



**FIGURE.** Does your company currently export?

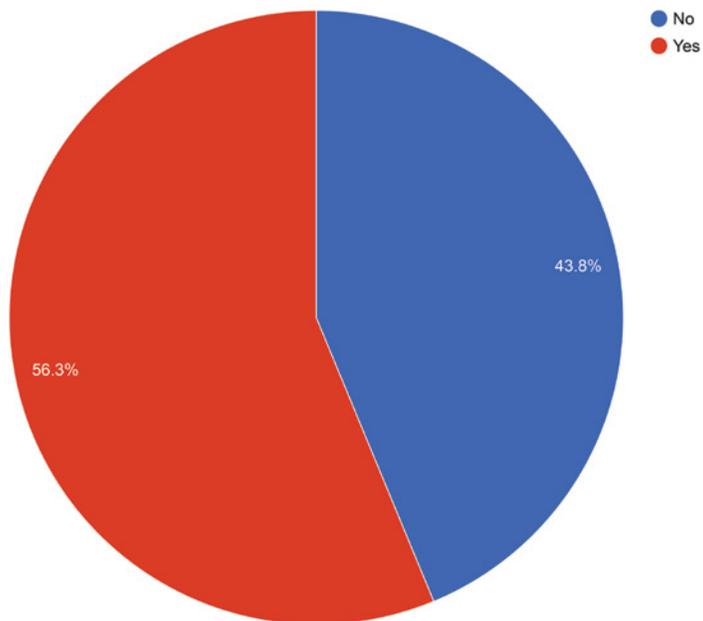


**FIGURE.** Is your company interested in growing exports?

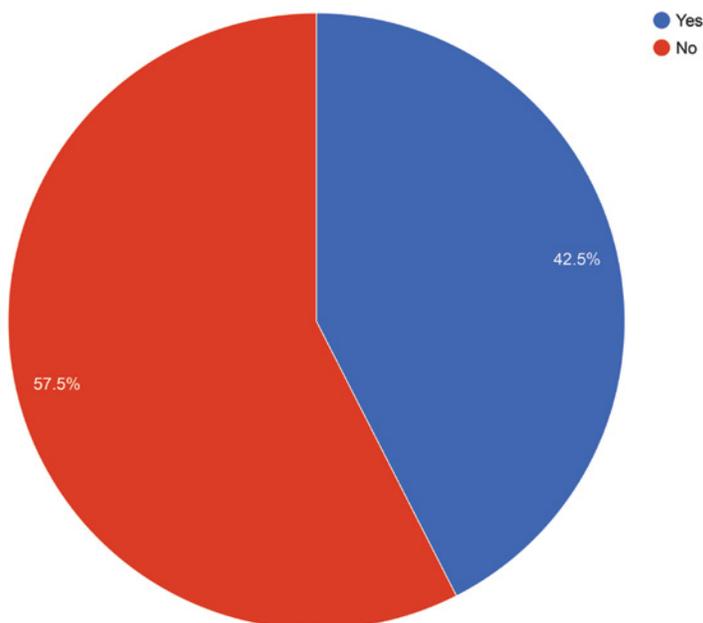


## SECTION IV. FUTURE PLANS

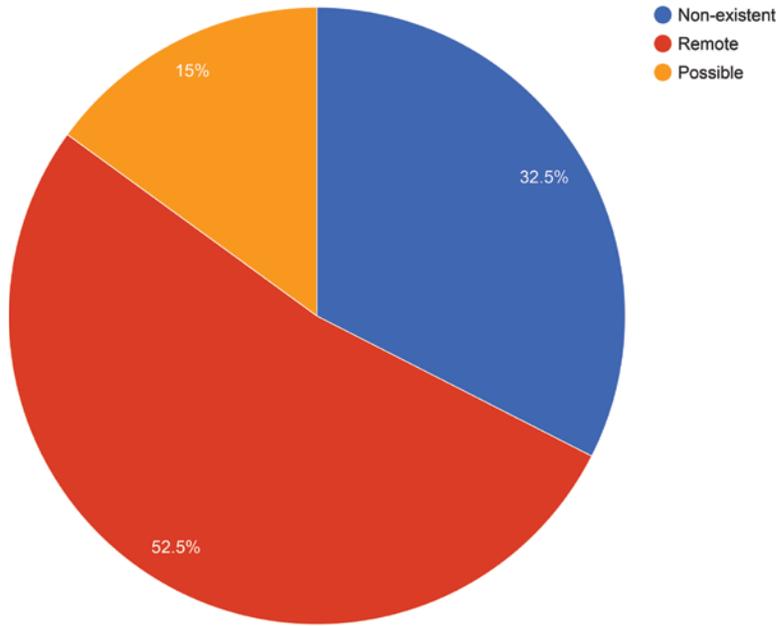
**FIGURE.** Does the company plan to expand in Cedar Rapids during the next three (3) years?



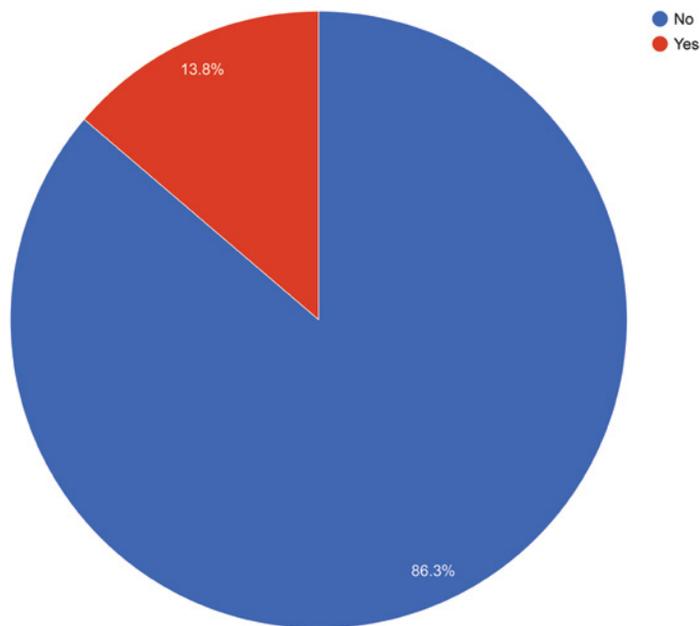
**FIGURE.** Does your firm have plans to expand outside of Cedar Rapids in the next three (3) years??



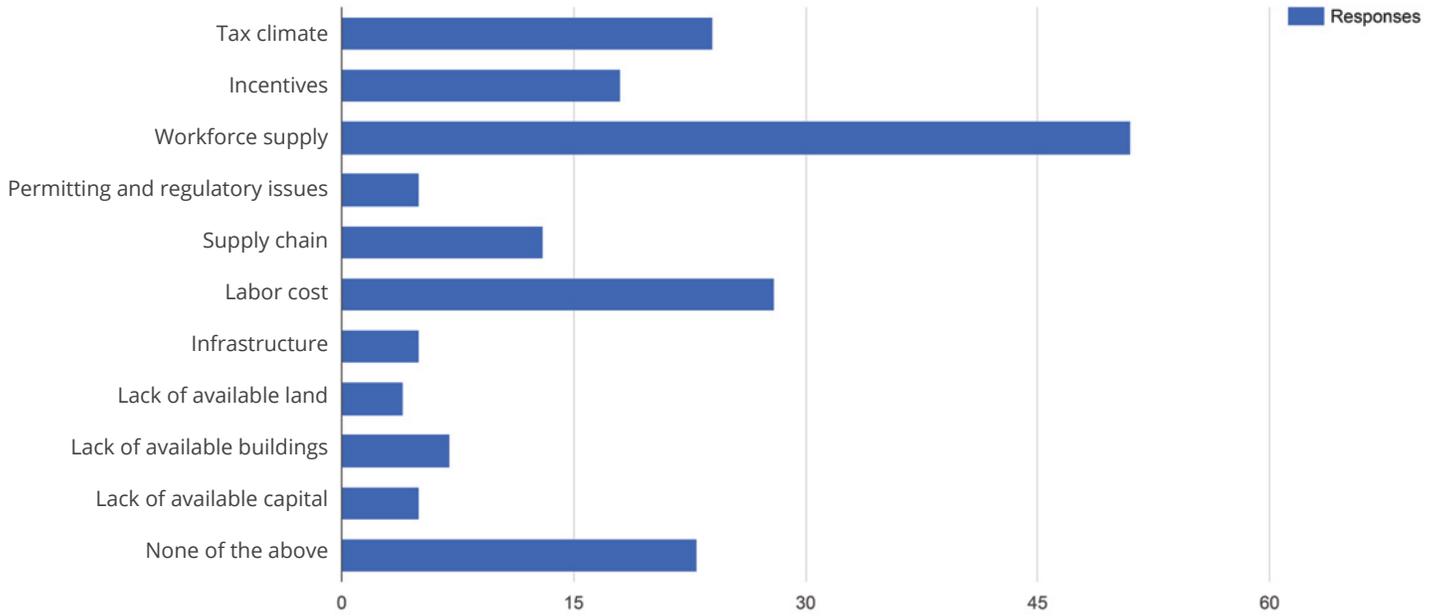
**FIGURE.** What is the likelihood of downsizing, outsourcing, or closure of this operation in the next three (3) years?



**FIGURE.** Are changes planned on how the company would utilize City utilities (e.g., Water usage or Wastewater discharges)?

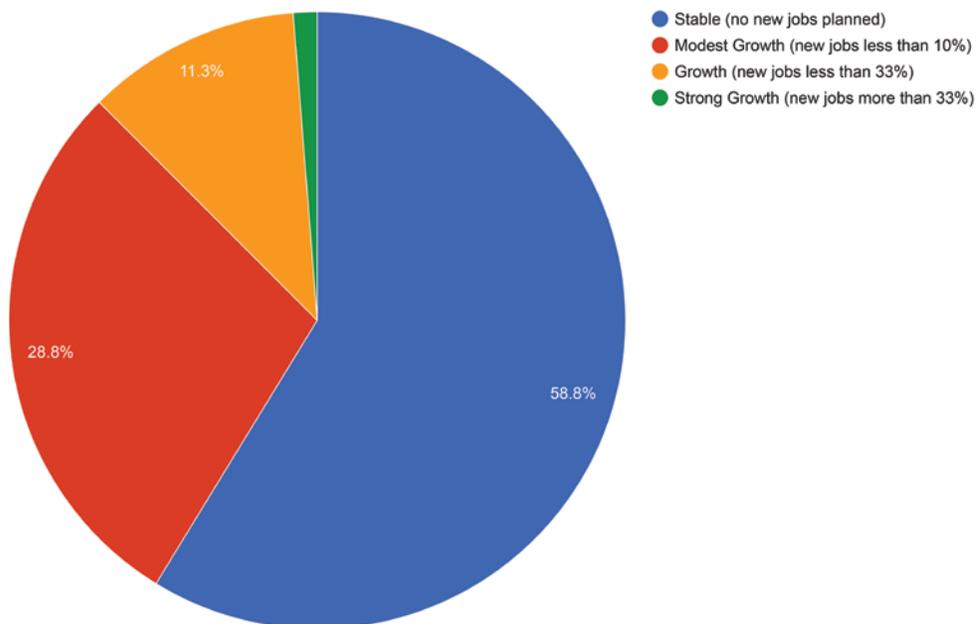


**FIGURE.** If considering expansion outside Cedar Rapids, which factors would cause you to locate elsewhere?

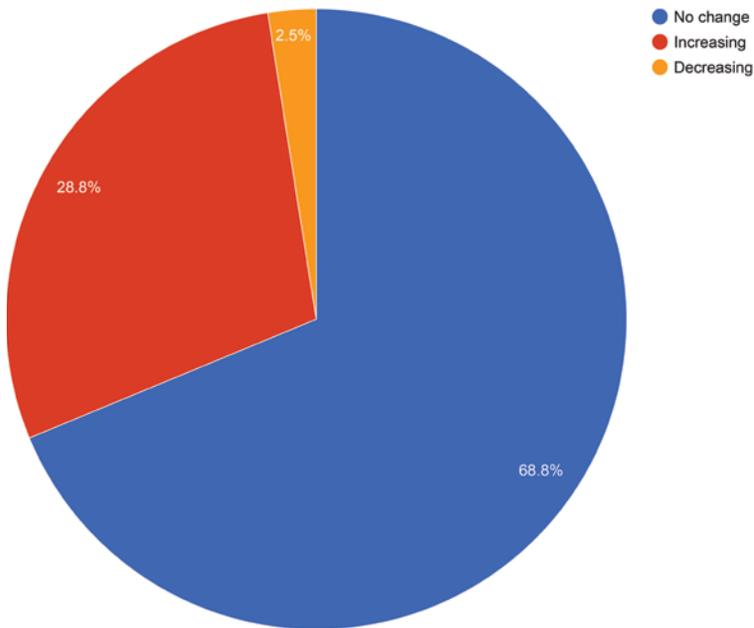


## SECTION V. WORKFORCE

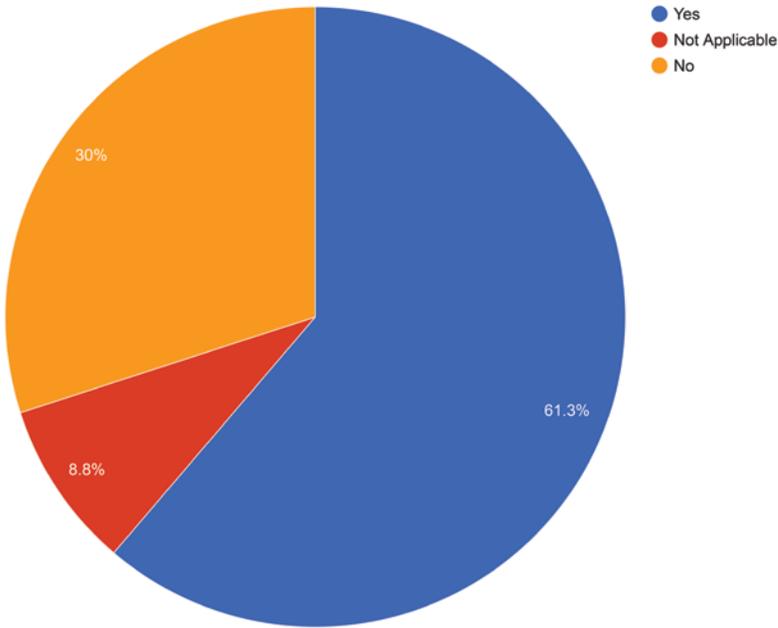
**FIGURE.** Which of the following statements best characterizes job growth at this location for the next three (3) years?



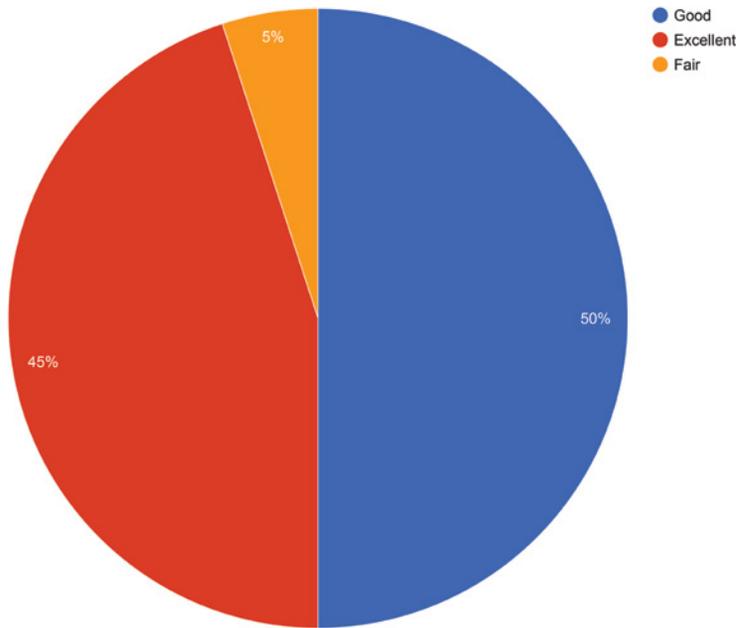
**FIGURE.** Is the number of unfilled positions in the company:



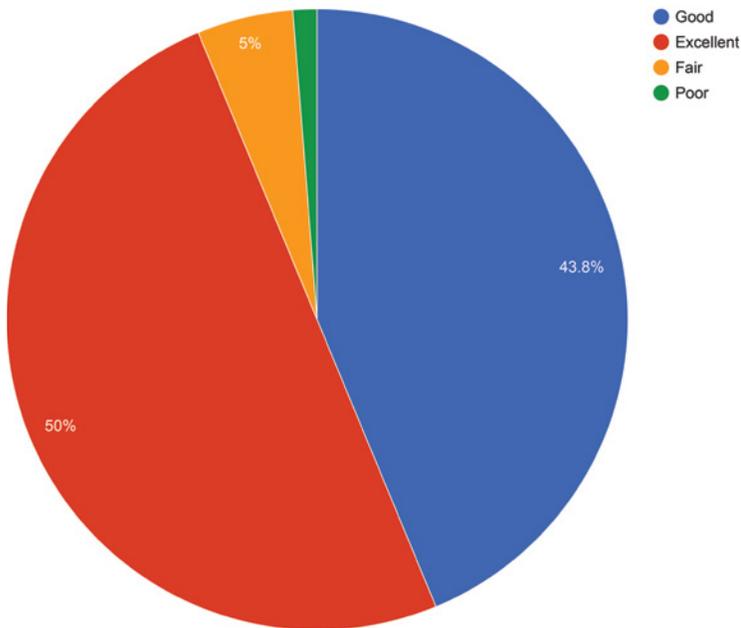
**FIGURE.** Are your company's employees generally able to locate housing options in the City of Cedar Rapids?



**FIGURE.** How would you rate the productivity of your company's existing workforce?

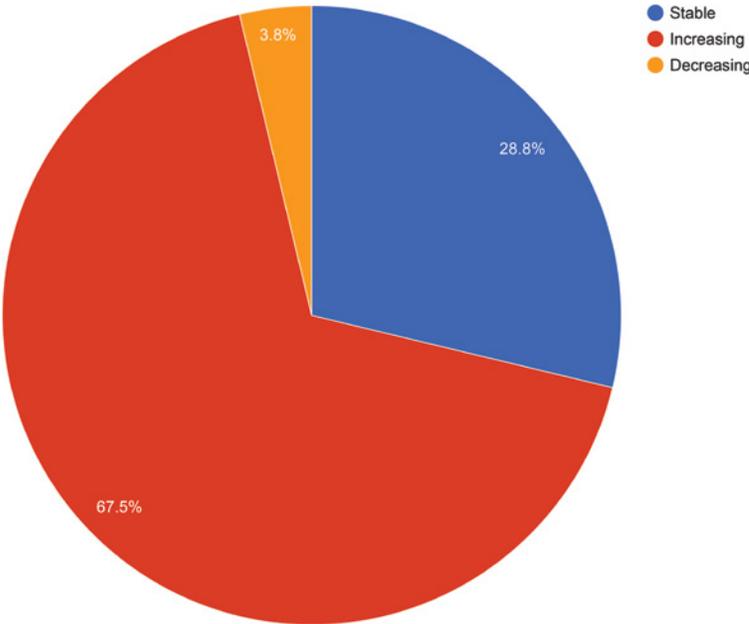


**FIGURE.** How would you rate the stability of your company's existing workforce?

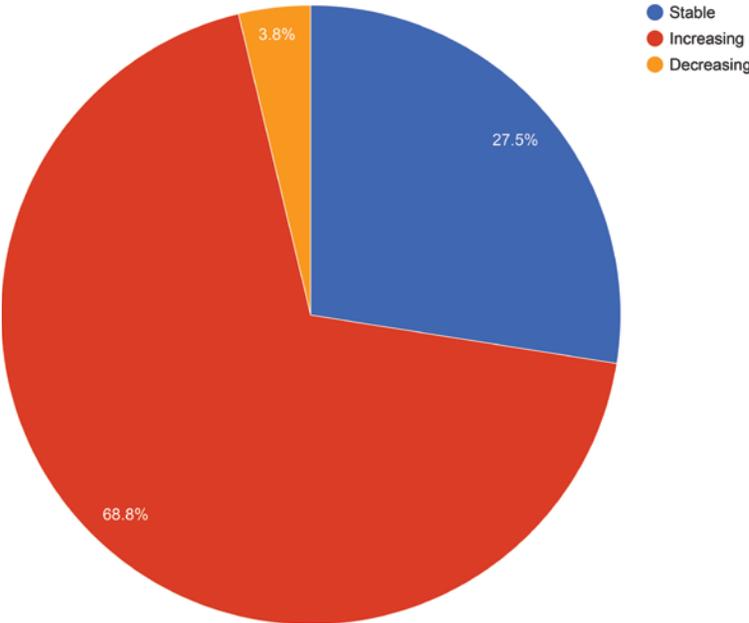


SECTION VI. FINANCIAL

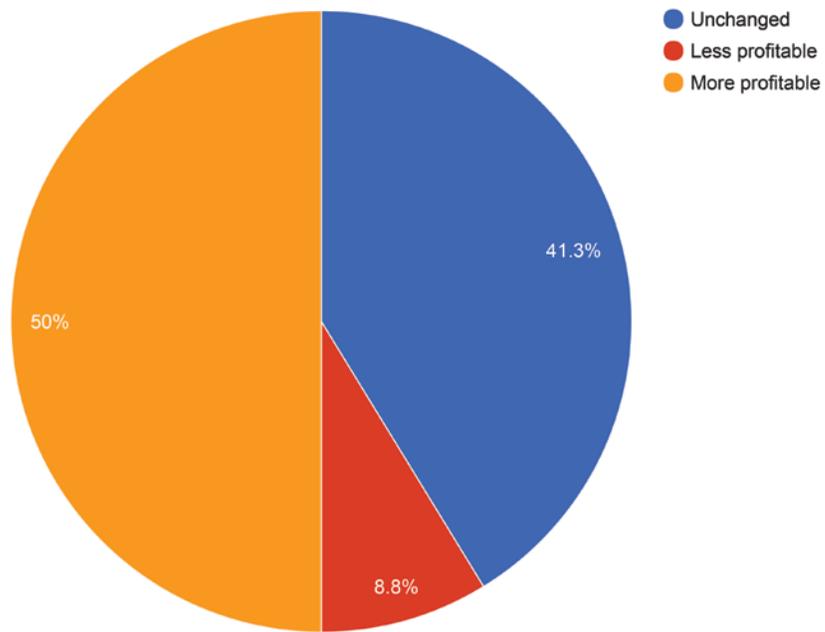
**FIGURE.** Are sales for this business establishment:



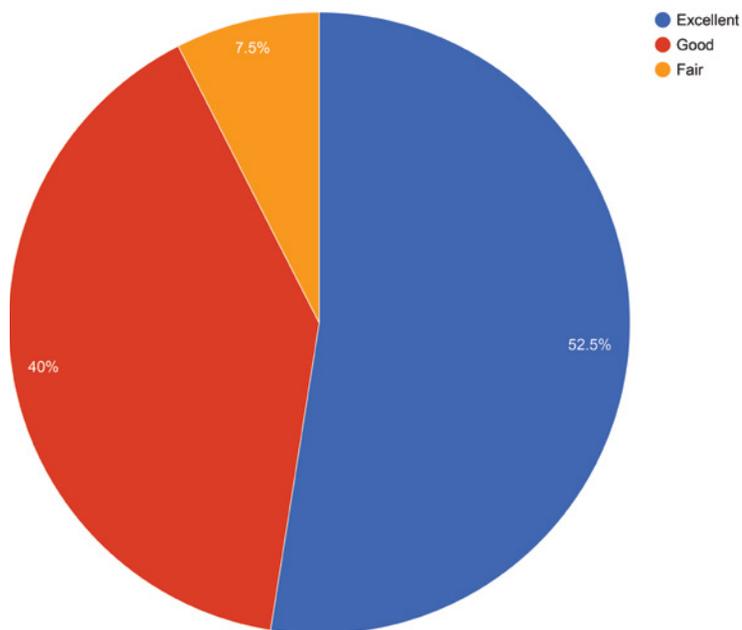
**FIGURE.** Are sales for the company:



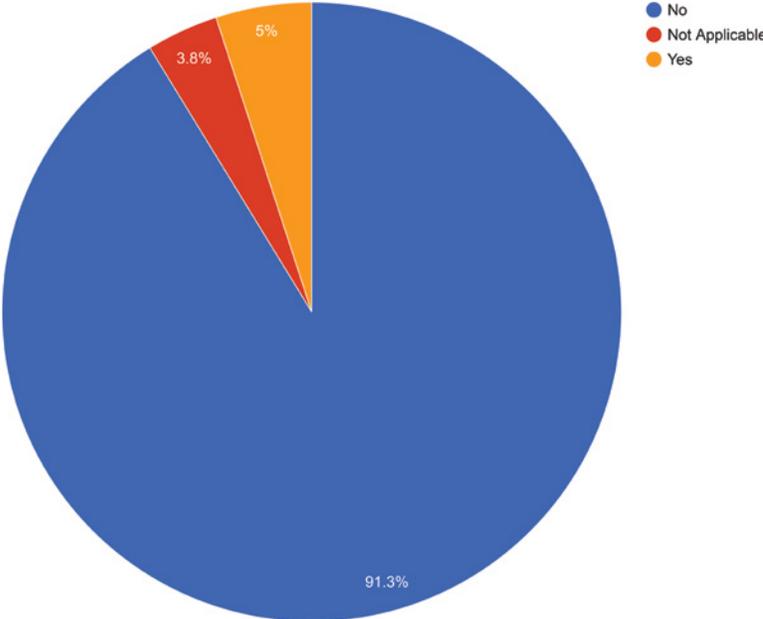
**FIGURE.** Which statement best captures the trend for this establishment's net profit margins over the past three (3) years?



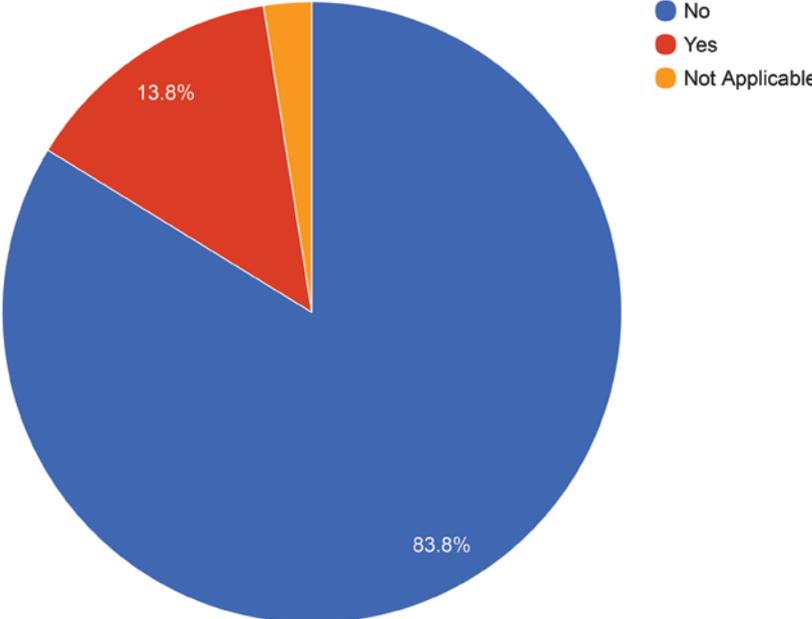
**FIGURE.** Rate the financial health of your enterprise:



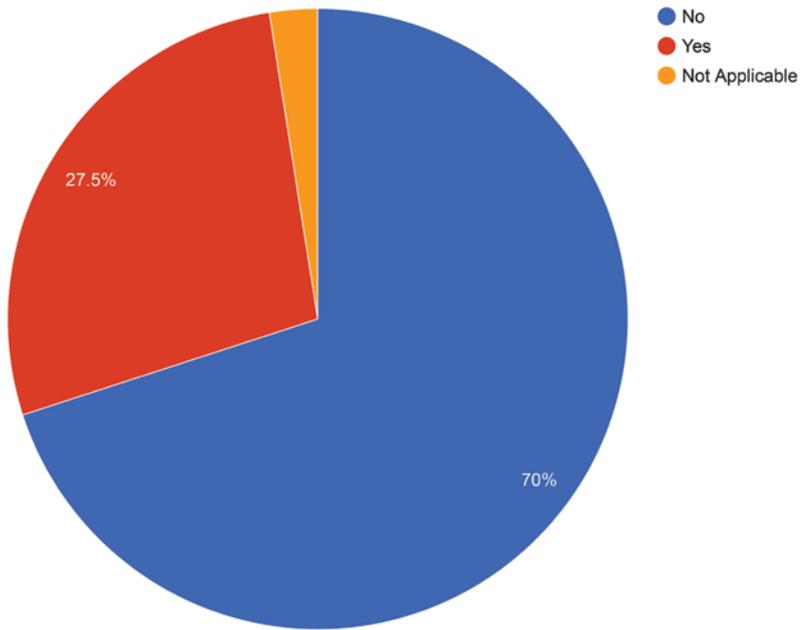
**FIGURE.** Has your company experienced difficulty securing necessary working capital in the last three (3) years?



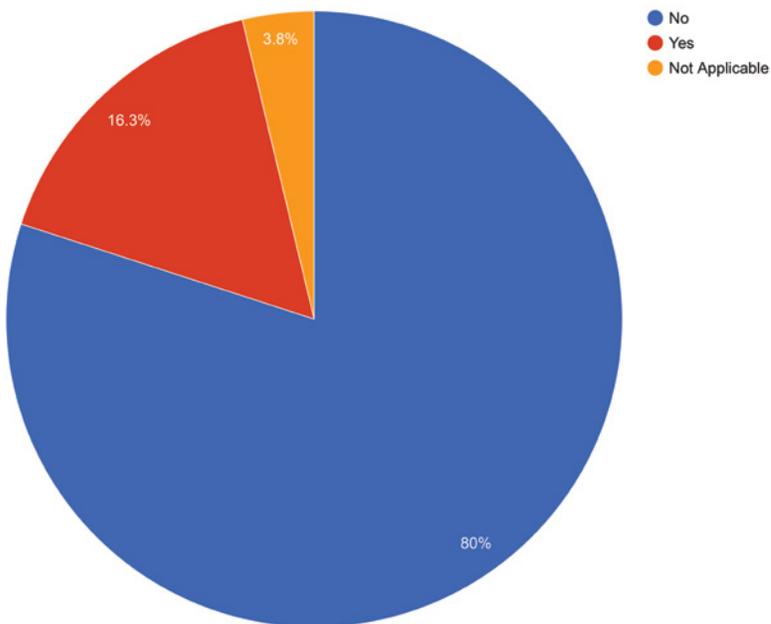
**FIGURE.** Are you deferring any capital reinvestment in your operation until when the Cedar River Flood Control System is complete and in place citywide?



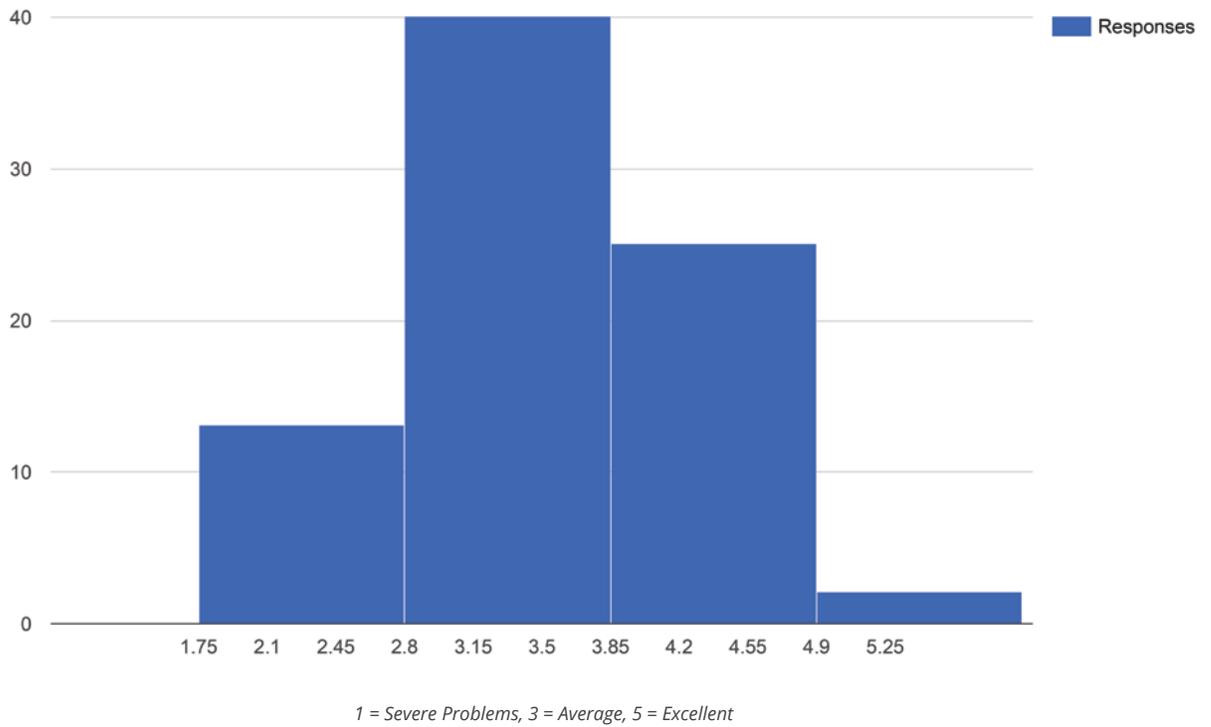
**FIGURE.** Would completion of the Cedar River Flood Control System make you more likely to reinvest in your establishment's current site and facilities?



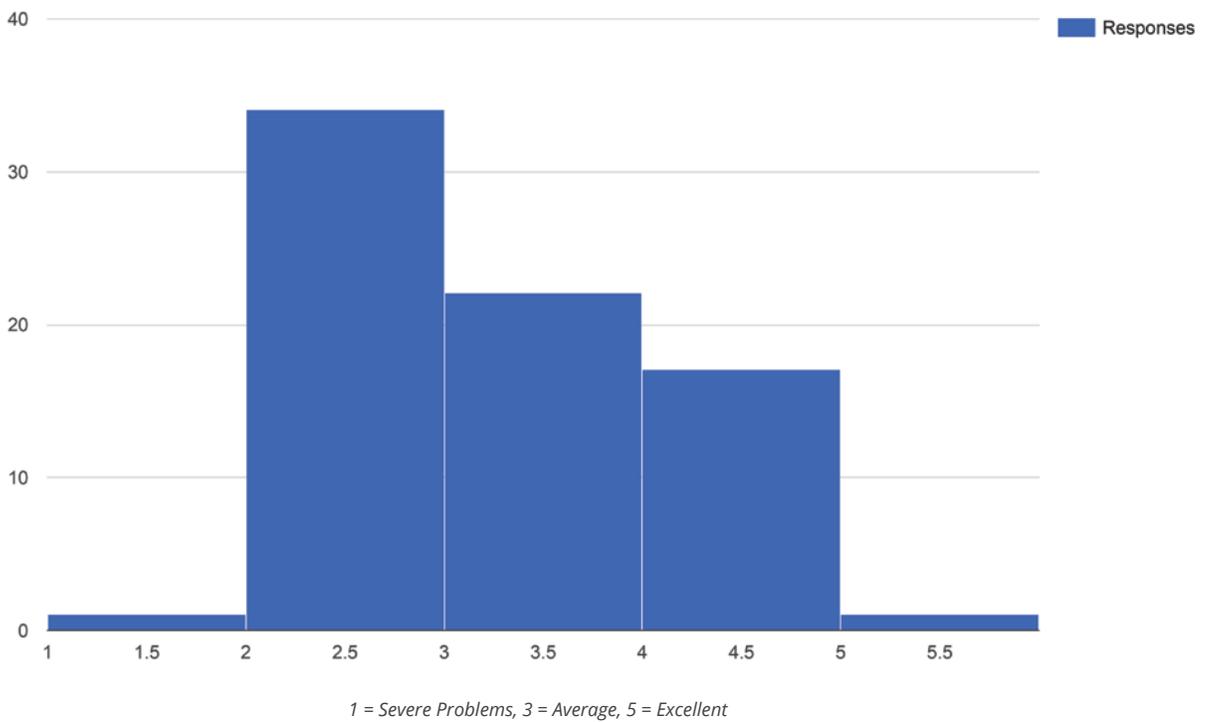
**FIGURE.** Would additional equity financing help your business expand?



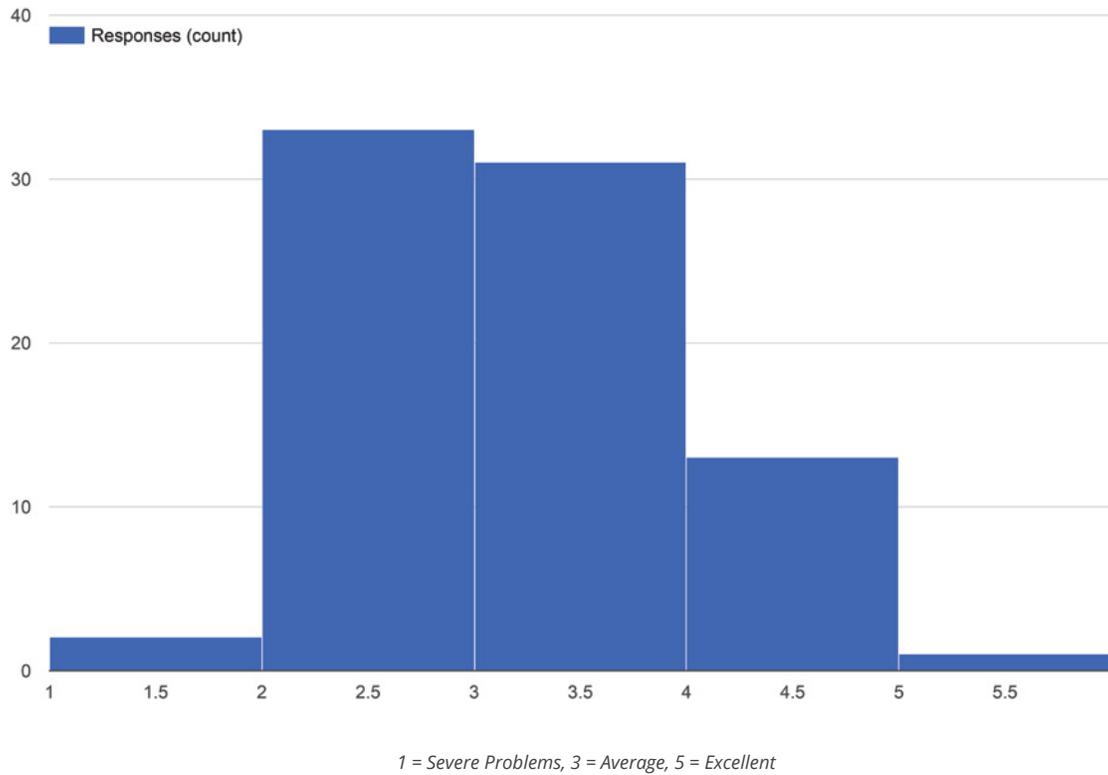
**FIGURE.** Availability of Administrative & Clerical Workers



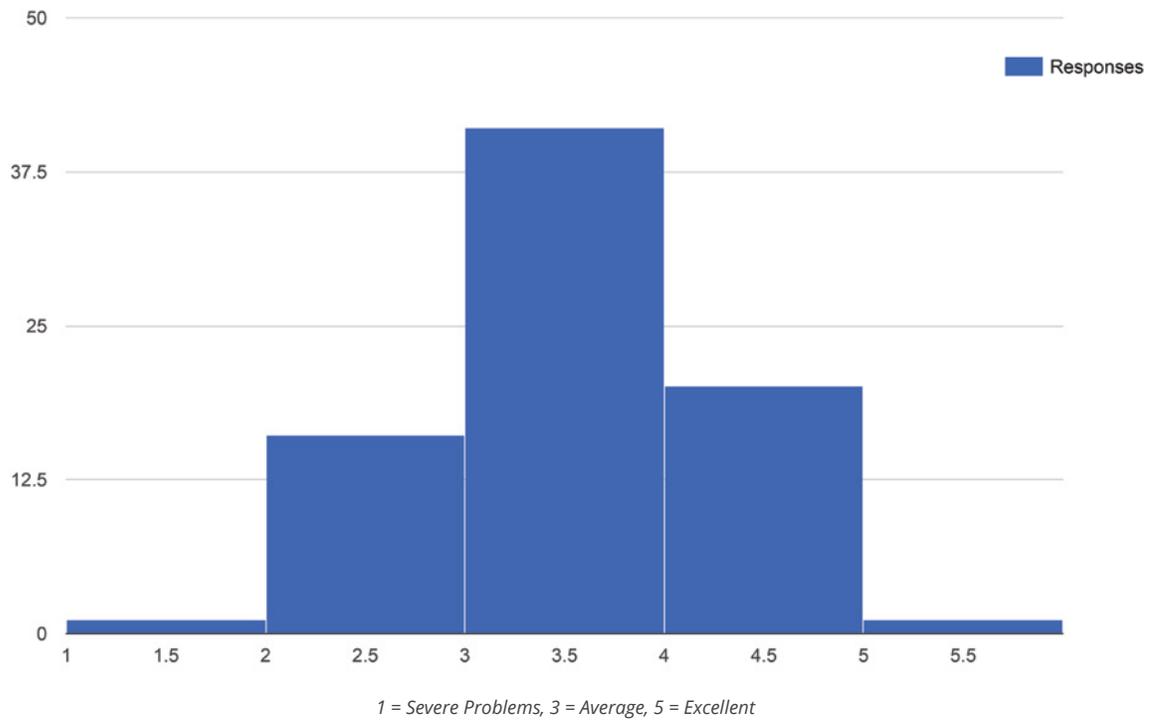
**FIGURE.** Availability of Middle Skill Workers



**FIGURE.** Availability of Professional & Managerial Workers

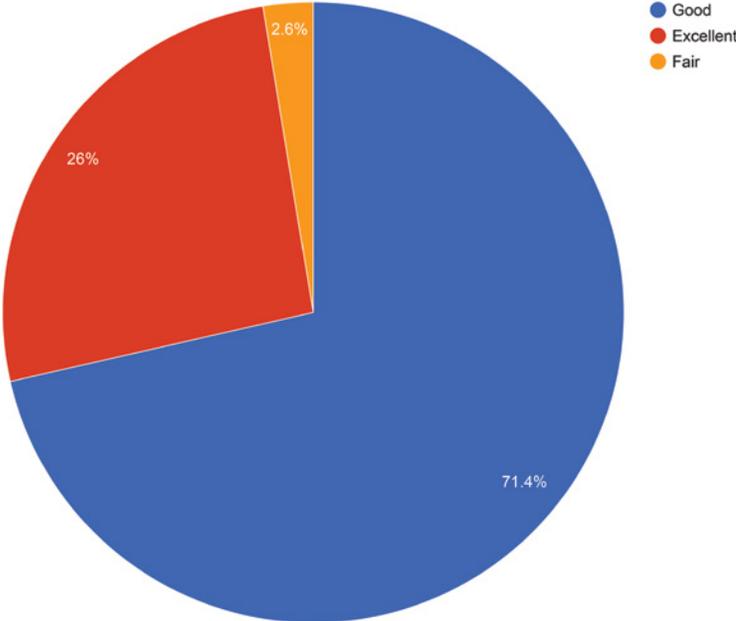


**FIGURE.** Availability of Unskilled Workers

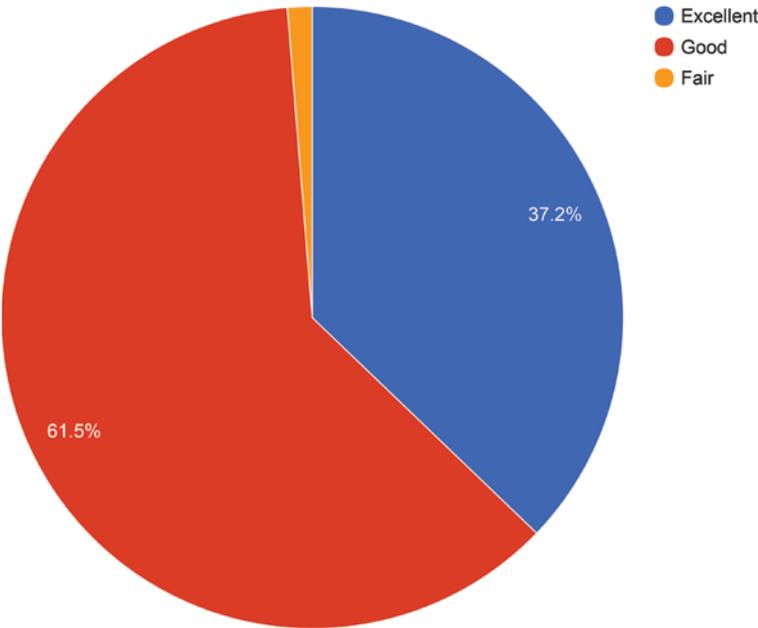


SECTION VII. OVERALL IMPRESSIONS

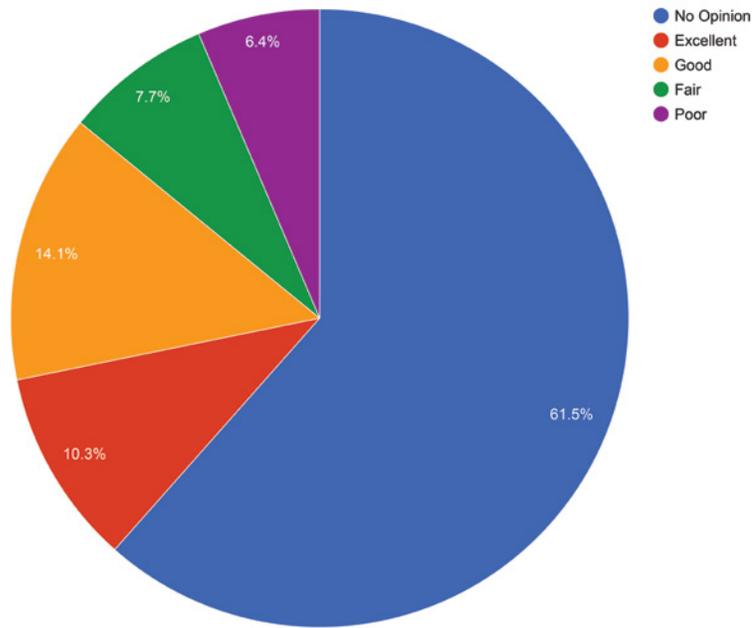
**FIGURE.** What is your overall opinion of the business climate in Cedar Rapids?



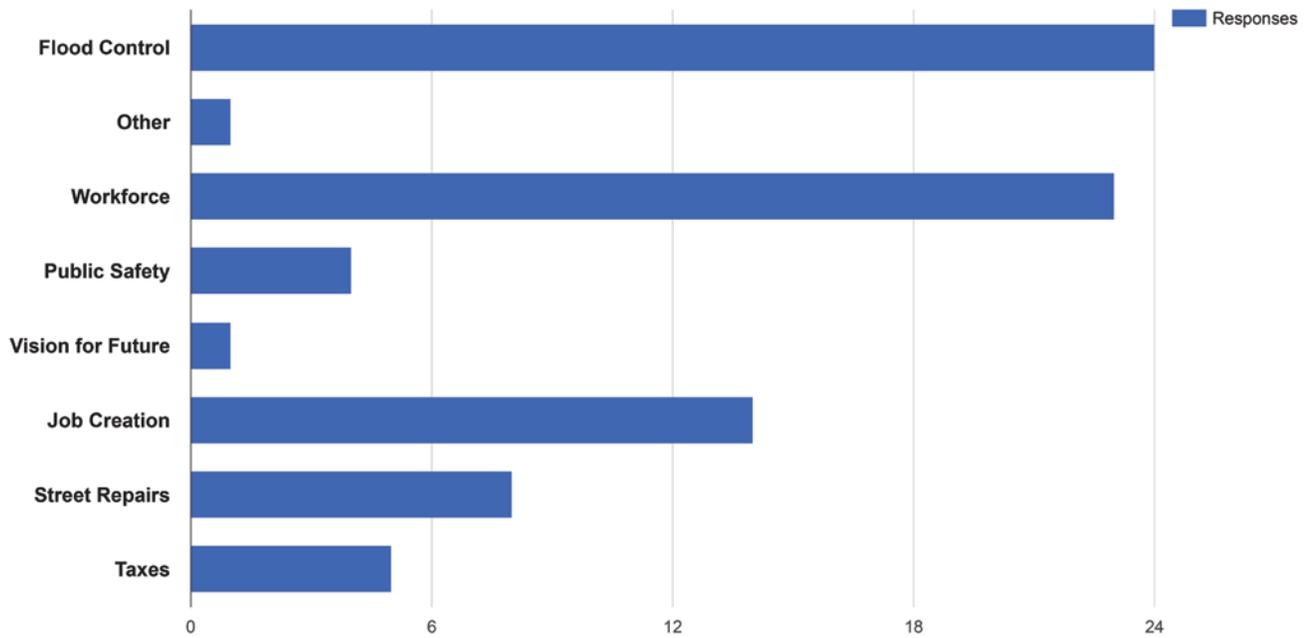
**FIGURE.** What is your company's view of quality of life in Cedar Rapids?



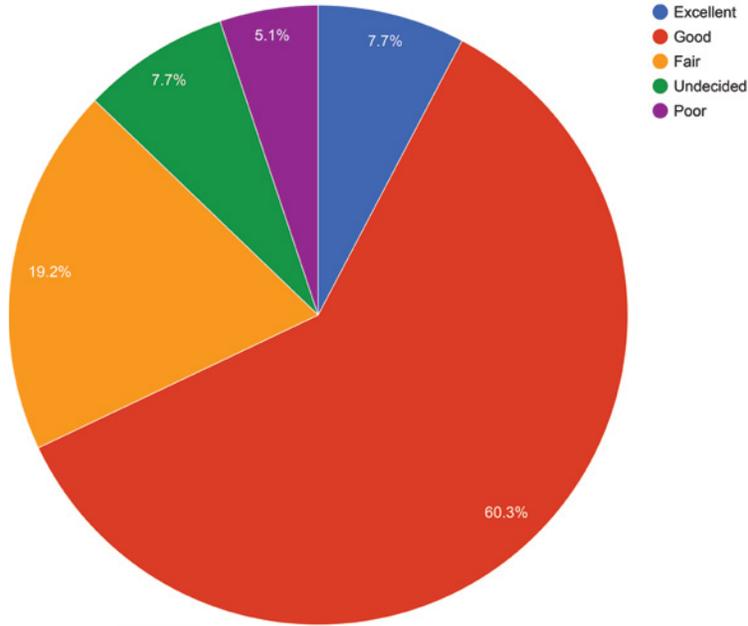
**FIGURE.** What is your company's view of the process to apply for any necessary City permits or licenses?



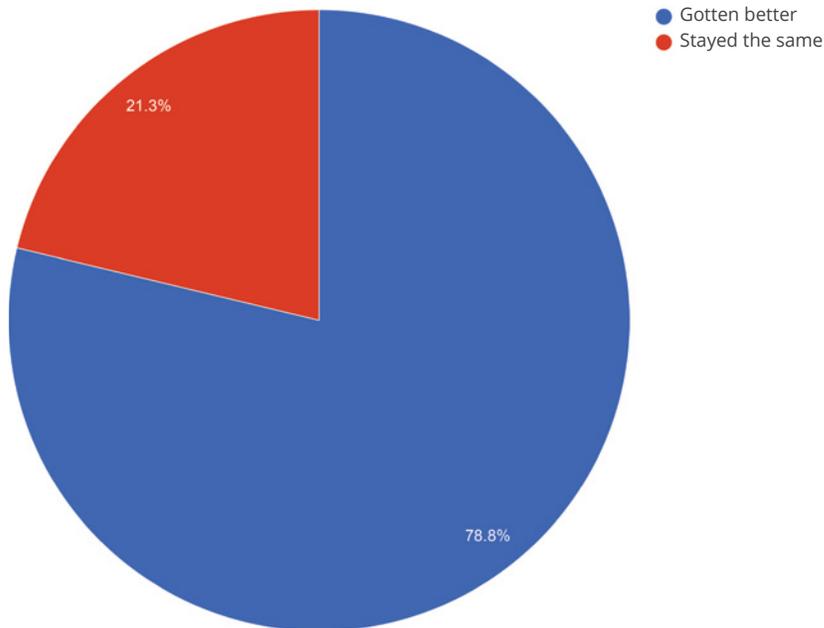
**FIGURE.** In your opinion, what is the most important issue facing Cedar Rapids?



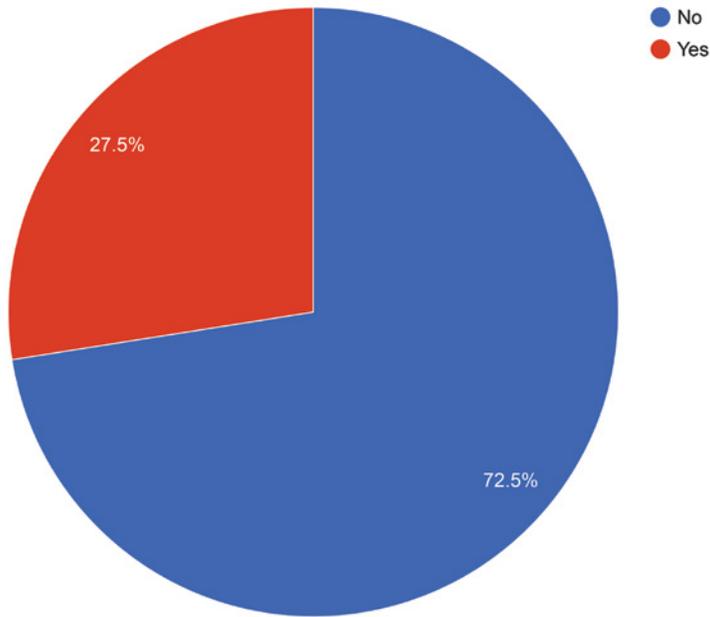
**FIGURE.** Since 2014, the City of Cedar Rapids has been using one hundred percent (100%) of the one cent penny sales tax to fix and maintain roads within the city. How would you rate the city's progress on improving city streets?



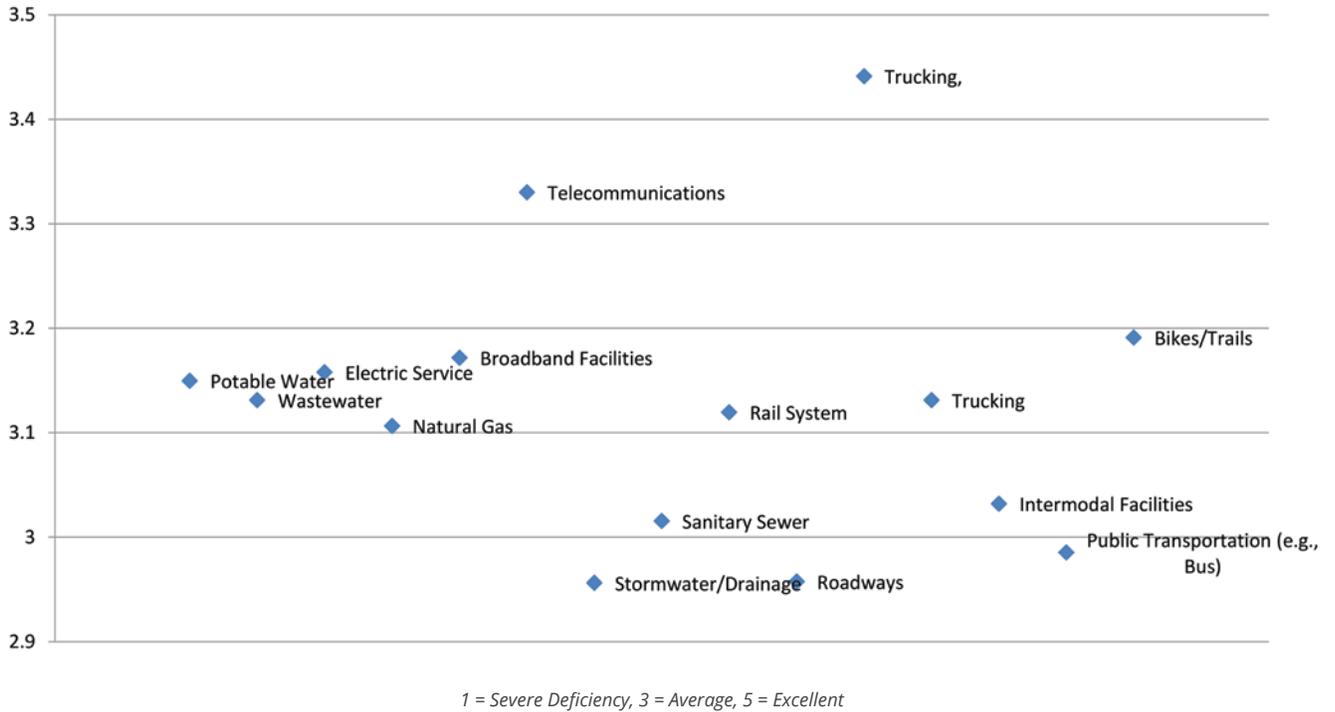
**FIGURE.** Over the past five (5) years, would you say that s a place to do business, Cedar Rapids has:



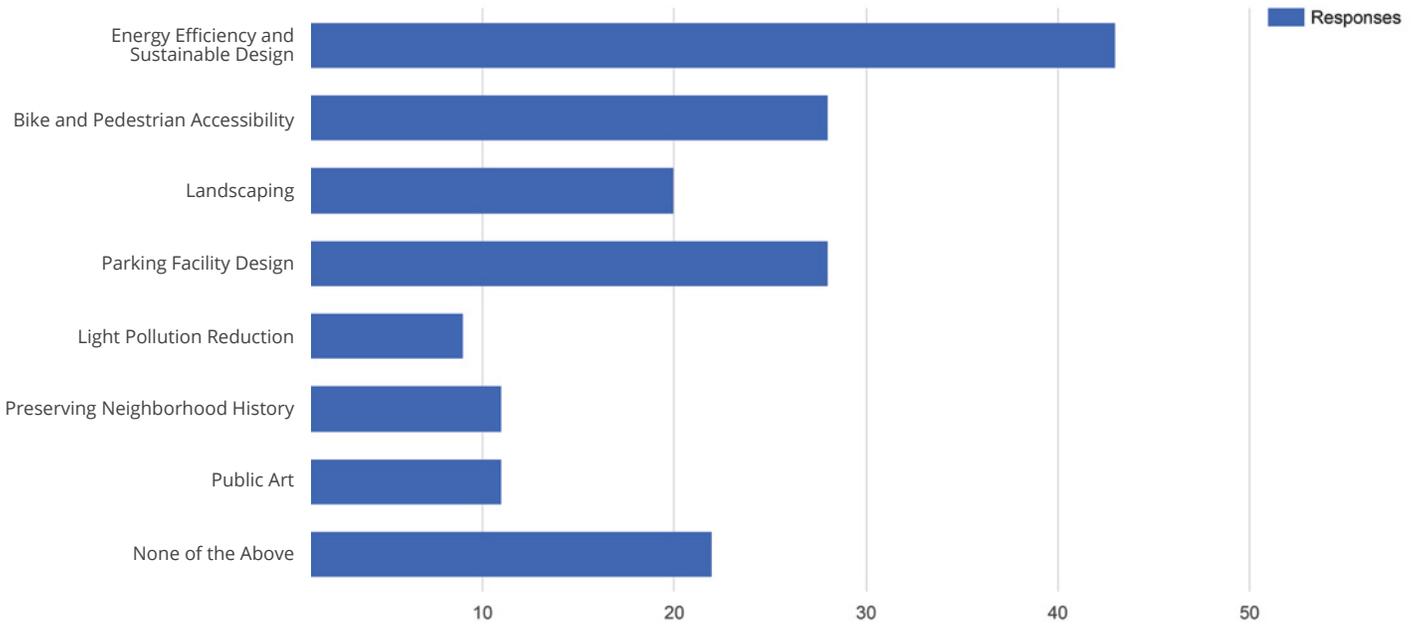
**FIGURE.** Are there crime or public safety issues impacting your business?



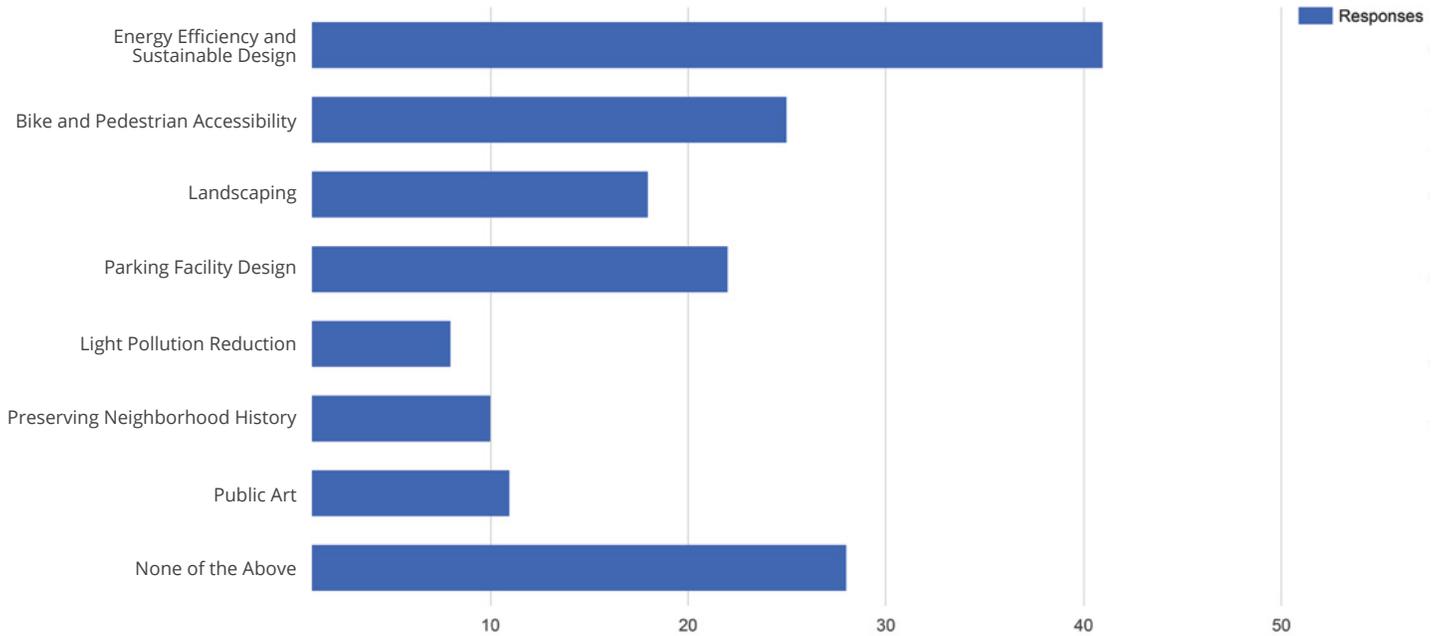
**FIGURE.** 2017 Business User Feedback on Adequacy of Infrastructure, Services and Utilities in Cedar Rapids, Iowa



**FIGURE.** Which amenities do you want to see in new commercial projects in Cedar Rapids?



**FIGURE.** Which site amenities do you believe increase the value of commercial projects in Cedar Rapids?





# CONCLUSION & NEXT STEPS

As covered throughout this report, information collected as part of the current Cedar Rapids Business Survey yields numerous benefits to the public and private sectors alike. Retention survey data helps aid responsiveness of the City as an organization to the needs of the business community whether related to public services, infrastructure, or business climate. The information gathered through the business survey also directly helps guide implementation of the City of Cedar Rapids strategic plan for economic development, providing information that is useful in the administration of City incentive programs, as well as giving insight as related to questions of policy and decision-making in economic development. In pursuit of all of these objectives, the Cedar Rapids Business Survey has a vital role in increasing the positive awareness and visibility of existing industry needs to help realize a faster rate of economic growth and higher quality of physical development throughout the City.





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