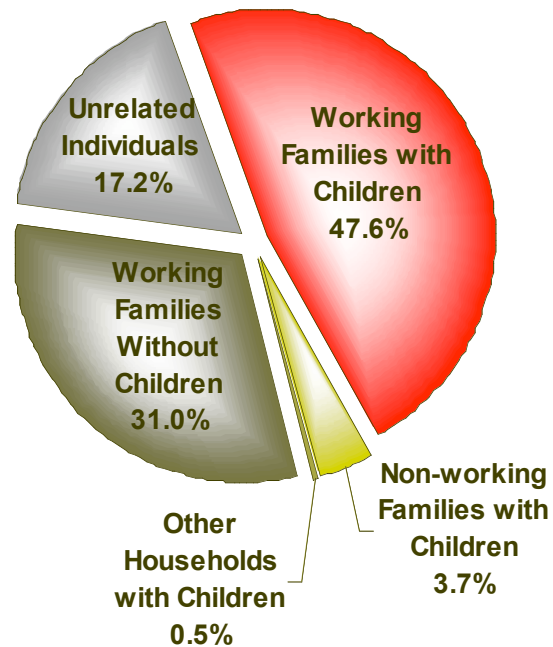
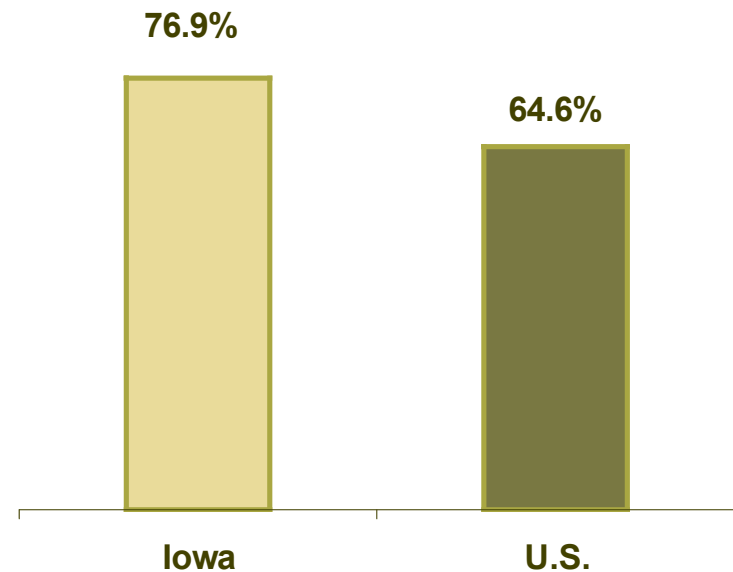


Iowa Families with Children – Working Hard to Raise the Next Generation

Working Families in Iowa as Share of Population, 2000 Census

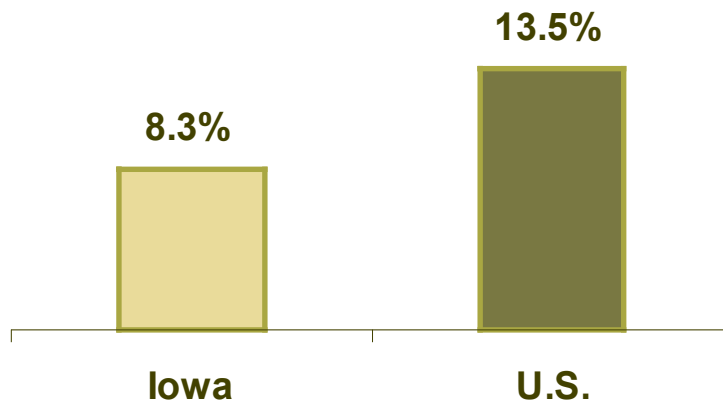


Percentage of Families with Children Where Both Parents or Only Parent Work

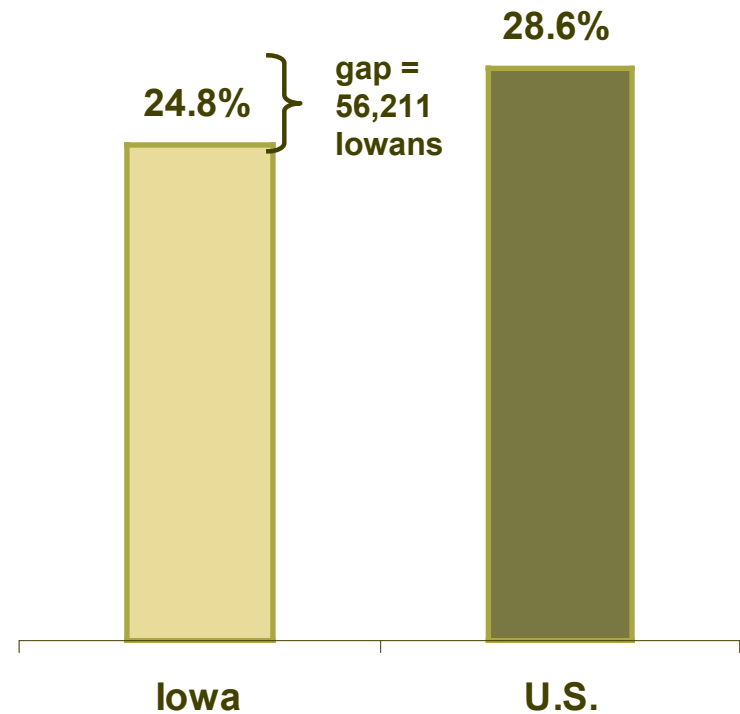


Iowa Adults/Parents are Educated ... to a Point

Percent of Population Age 25-64
without High School Diploma



Percent of Population Age 25-64
with Bachelor's Degree +

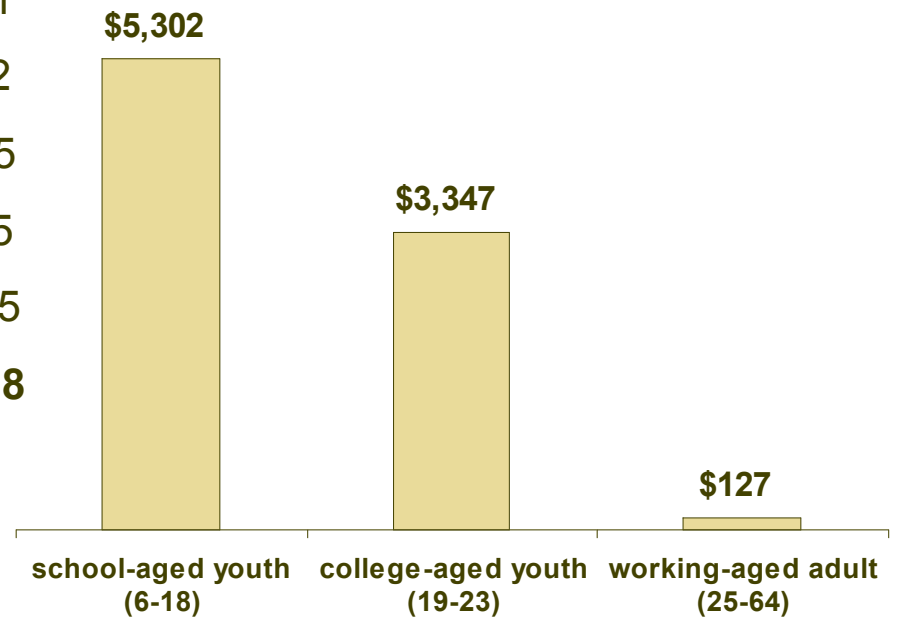


Iowa Investments in Education / Skill Development of Adult Workforce Tiny in Relation to K-12 and Higher Education Investments

Education Investments (in millions)

Perkins.	\$14.1
Adult Literacy.	4.2
WIA (adult and displaced). . .	7.5
PROMISE JOBS.	17.5
260 Programs.	36.5
TOTAL	\$79.8

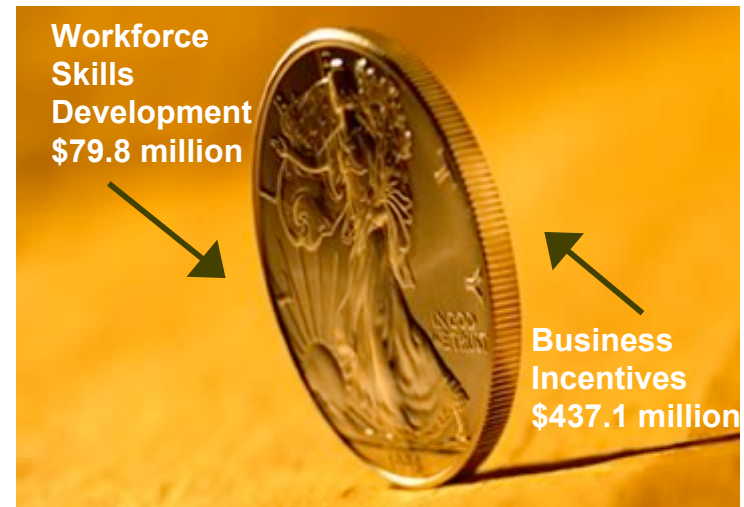
Total Per Capita Investment (federal, state, and school districts)



Two Sides of the Coin – Iowa Investments in Incentives to Business vs. Supports for Adult Workforce Skill Development

Economic Development Incentives to Businesses in Iowa (in millions)

Tax Credit Programs	\$154.9
Tax Increment Financing (TIF).	181.0
Economic Development Programs	101.2
Total	\$437.1





The 260E Program: Largest Adult Workforce Development Program in the State, Deserves Review in This Light

**Average Annual Investment/Cost to State
\$50 Million**

Where That \$50 Million Goes:

Wage subsidies for business	\$15.9	or 31.7%
Community college training.	6.5	or 13.0%
In-house (20.9%) or contracted specialized business training (11.4%)	16.1	or 32.3%
Community college administration	11.6	or 23.1%

Low-wage Jobs* in Iowa are Essential to Society and Economy, but Cannot Sustain Families.

Largest Low-Wage Occupations in Iowa	Median Wage per Hour	% of Iowa Workforce
Cashiers	\$7.35	2.7%
Food Preparation	6.96	8.5%
Home Health Aides	8.97	0.6%
Maids/Housekeeping	8.08	0.7%
Janitors/Building Cl.	8.96	1.7%
Packers/Packagers	8.30	0.7%
Retail Salespersons	8.40	3.2%
Personal Care, including Child Care	8.02	2.4%
Total Low-Wage Jobs	\$8.13	20.5%
All Iowa Jobs	\$12.53	

* A full-time job paying \$9.28/hour is needed for a family of four to earn at the poverty level.



Iowa Work Supports for Working Families Lag Other States in Important Areas:

- ***child care*** (47th in the country in subsidy eligibility, making it very hard for parents with young children to get ahead)
- ***tax policy*** (Iowa taxes 70,000 families the federal government deems too poor to tax)
- ***health insurance coverage*** (Parents in working families have increasingly difficult time getting coverage)
- ***unemployment compensation benefits*** (Iowa has experienced dramatic decline in number of unemployed who are covered from, 50% in 2001 to 30% in 2004)



Implications for State Economic Development Policy

1. ***Focus on adult worker skill development*** (expand successful adult education and workforce strategies, including restructuring the 260E program).
2. ***Incorporate skill development expectations into business incentives*** (establish requirements for skill/wage development among low-wage workforce for receipt of at least some state economic development financial benefits).
3. ***Require transparency for receipt of tax incentives*** (require reporting on individual corporate use of tax credits and require information from all economic development programs on projected and actual impacts upon low-skilled/waged workers).
4. ***Examine total impact of incentives for individual corporations*** (construct state-level monitoring and accountability regarding business incentive programs to ensure that any double- or multi-dipping is warranted).
5. ***Improve workforce supports for low-waged workers*** (strengthen Iowa's child care, health care, and unemployment compensation systems and reform Iowa's income tax system with working families in mind).