

Grantee: Central Iowa Employment & Training Consortium (ETC)
Grant Title: Incumbent and Dislocated Worker Skill Improvement Demonstration Project

Grantee Service Area

Central Iowa serves a 15-county area as illustrated below in Figure 1. Located in the middle of the state, the majority of the counties are nonmetropolitan. Three of the counties (Dallas, Polk, and Warren), however, are part of the Des Moines, Iowa (IA) Metropolitan Statistical Area (MSA).

Data available for the Des Moines, IA MSA are used for this profile.

Figure 1

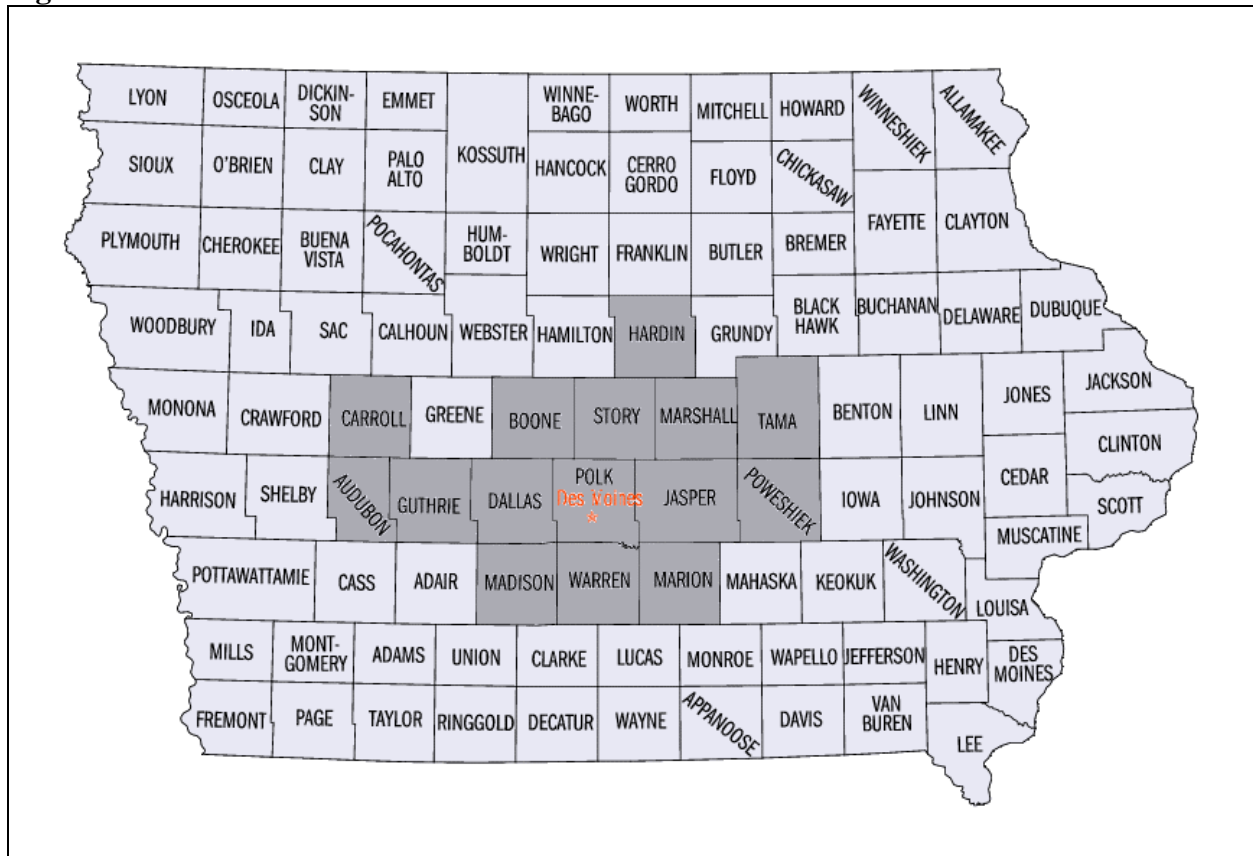


Table 1: Grantee Service Area MSA Facts

2002 Metropolitan Status	Region:	Midwest	
	State:	Iowa	
	Counties:	Audubon	Nonmetropolitan
		Boone	Nonmetropolitan
		Carroll	Nonmetropolitan
		Dallas	Des Moines, IA MSA
		Guthrie	Nonmetropolitan
		Hardin	Nonmetropolitan
		Jasper	Nonmetropolitan
		Madison	Nonmetropolitan
		Marion	Nonmetropolitan
		Marshall	Nonmetropolitan
		Polk	Des Moines, IA MSA
		Poweshiek	Nonmetropolitan
		Story	Nonmetropolitan
	Tama	Nonmetropolitan	
	Warren	Des Moines, IA MSA	

Key Industries and Employment

As measured by the U.S. Census Bureau, the economy of the 15-county Central Iowa Employment & Training Consortium (ETC) target area is concentrated in four broad sectors: manufacturing, retail, health care and social services, and accommodations and food services. These four sectors represented almost 50 percent of total nongovernmental employment in this area during the second week of March 2001. As noted below in Table 2, the average annual salary for manufacturing employees (\$35,414) was the only salary above the region-wide average of \$30,322 in 2001.

These data are the most recent detailed subnational industrial information that is available from the U.S. Census Bureau's annual report, *County Business Patterns*. This annual report covers most of the country's economic activity, excluding data on self-employed individuals, employees of private households, railroad employees, agricultural production employees, and most government employees. Beginning in 1998, data have been tabulated by industry as defined in the *North American Industry Classification System: United States, 1997 (NAICS)*.

Table 2: Nongovernmental Employment by Major Sector in the Grantee Service Area, 2001

Industry	Non-governmental Employment (March 12, 2001)	Annual Payroll (\$1,000)	Number of Establishments	% of all Non-governmental Employment	Average Annual Wage/Salary
Total	382,984	11,612,747	21,545	100.0%	\$30,322
Retail	51,719	998,973	3,507	13.5%	\$19,315
Health care & social services	49,670	1,437,780	1,832	13.0%	\$28,947
Manufacturing	49,569	1,755,430	840	12.9%	\$35,414
Accommodations & food services	28,580	293,756	1,731	7.5%	\$10,278

Source: U.S. Bureau of the Census, *County Business Patterns*, 2001.

Although a county-level analysis is beyond the scope of this profile, the 15-county area includes a fairly diversified manufacturing base, from food processing (17 percent of manufacturing employment) to fabricated metal products (9.2 percent) and electrical equipment and appliance manufacturing (8.5 percent). The dominant category within the manufacturing sector, however, is machinery manufacturing, which employs approximately one of every five manufacturing workers.

For those categories where detailed data are available, most manufacturing categories reported above-average wages for their employees. Of the five categories for which salary estimates are provided (see Table 3 below), four are above the region-wide level for all employees in 2001, and three of the industries paid wages above the average for all manufacturing employees in central Iowa. Specifically, the three manufacturing categories with the highest average wages in 2001 were chemical manufacturing (\$47,220), computer and electronic product manufacturing (\$36,917), and nonmetallic mineral products manufacturing (\$36,799). Only those employed in the printing industry reported below-average wages for the area.

Table 3: Manufacturing Employment in Central Iowa, 2001

Industry	Employees (3/12/01)	Annual Payroll (\$1,000)	Number of Establishments	% of Total Manufacturing Employment	Annual Average Wage
All manufacturing	49,569	1,755,430	840	100.0%	\$35,414
Food products*	8,407	NA	83	17.0%	NA
Wood product manufacturing*	5,529	NA	30	11.2%	NA
Printing & related support activities*	3,699	104,225	117	7.5%	\$28,177
Chemical mfg.	1,143	53,973	26	2.3%	\$47,220
Plastics & rubber products mfg.*	3,979	130,102	32	8.0%	\$32,697
Nonmetallic mineral product mfg.	1,519	55,898	60	3.1%	\$36,799
Fabricated metal product mfg.*	4,540	NA	108	9.2%	NA
Machinery mfg.*	10,099	NA	76	20.4%	NA
Computer & electronic product mfg.	555	20,489	18	1.1%	\$36,917
Electrical equip, appliance, & component mfg.*	4,221	NA	7	8.5%	NA
Transportation equipment mfg.*	2,593	NA	31	5.2%	NA
Furniture & related product mfg.*	842	NA	35	1.7%	NA

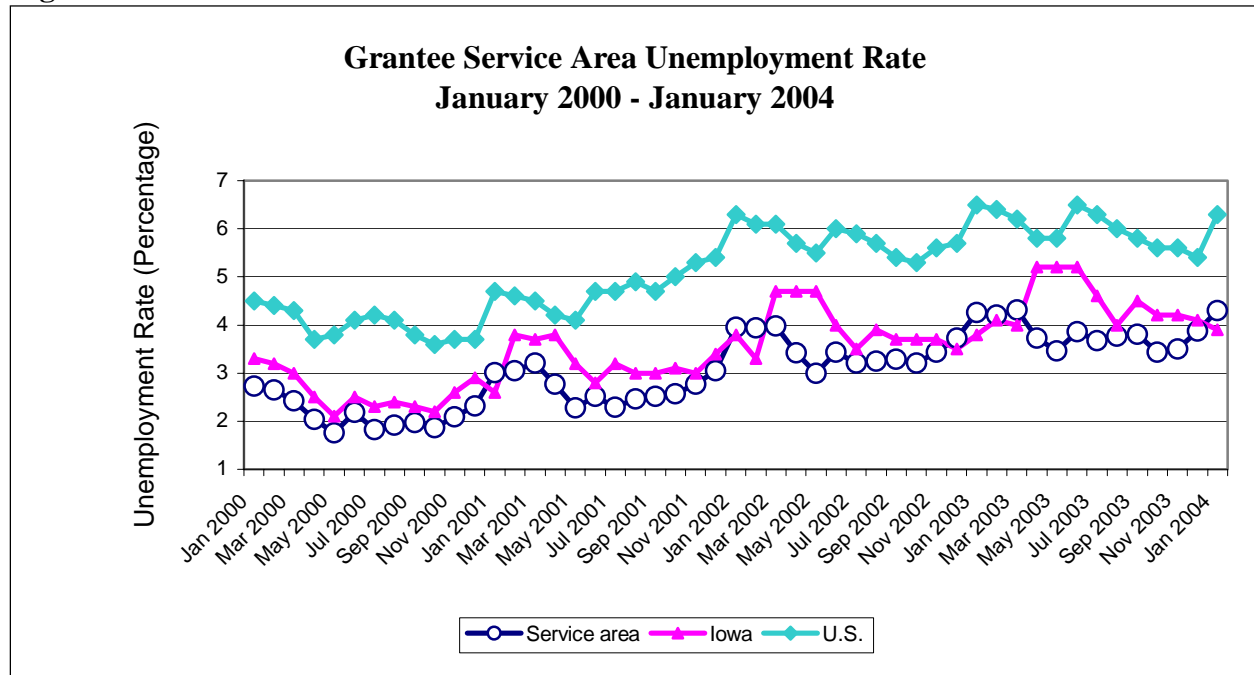
Source: U.S. Bureau of the Census, *County Business Patterns*, 2001.

* Estimated. The number of employees in these industry categories is estimated due to suppression of details in order to maintain employer confidentiality. Where available, average reported salaries are slightly underestimated due to the suppression of salary data for smaller employers.

Unemployment

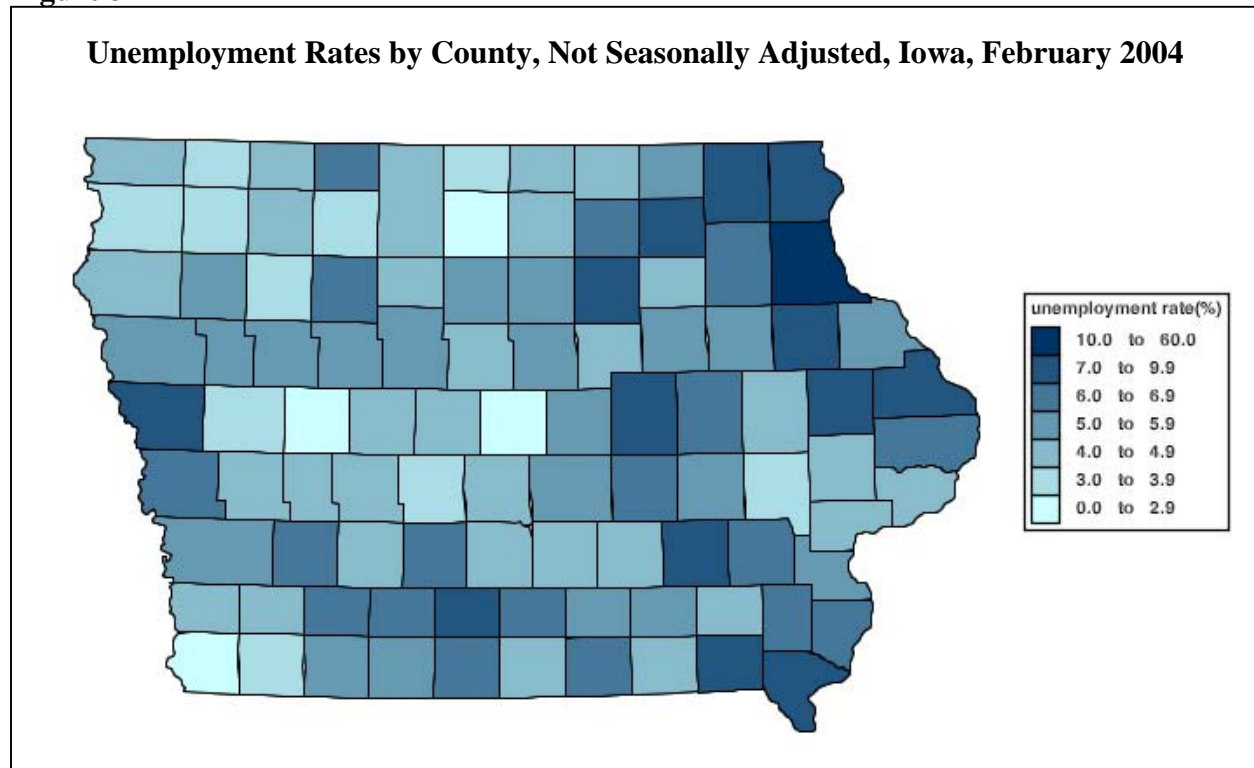
As shown below in Figure 2, the unemployment rate for the 15-county ETC target area peaked in January 2004 at about 4.3 percent, a phenomenon that has been repeated from January 2003 and January 2002. While fluctuations in the unemployment rate for the ETC target area seem to follow national trends, they do not follow the trends for the entire state of Iowa. For most of the past four years, unemployment in the ETC target area has been below both the national and statewide unemployment rates.

Figure 2



Source: U.S. Department of Labor, Bureau of Labor Statistics, 2004.

Unemployment rates as of January 2004 for each Iowa county are illustrated in Figure 3, below. Careful examination of Figure 3 reveals that there is considerable variation in unemployment in the ETC target area. As of January 2004, Tama County had the highest unemployment rate, at 9.4 percent. Marshall and Poweshiek Counties with 5.9 percent and 6.6 percent, respectively, were close to the national average unemployment rate of 6.3 percent but considerably higher than the state average of 3.9 percent as well as the 4.3 percent average for the target area. Carroll, Story, and Dallas Counties at 2.5 percent, 2.8 percent, and 3.2 percent, respectively, were considerably lower than both the state and the national average unemployment rates as well as the 4.3 percent average for the target area.

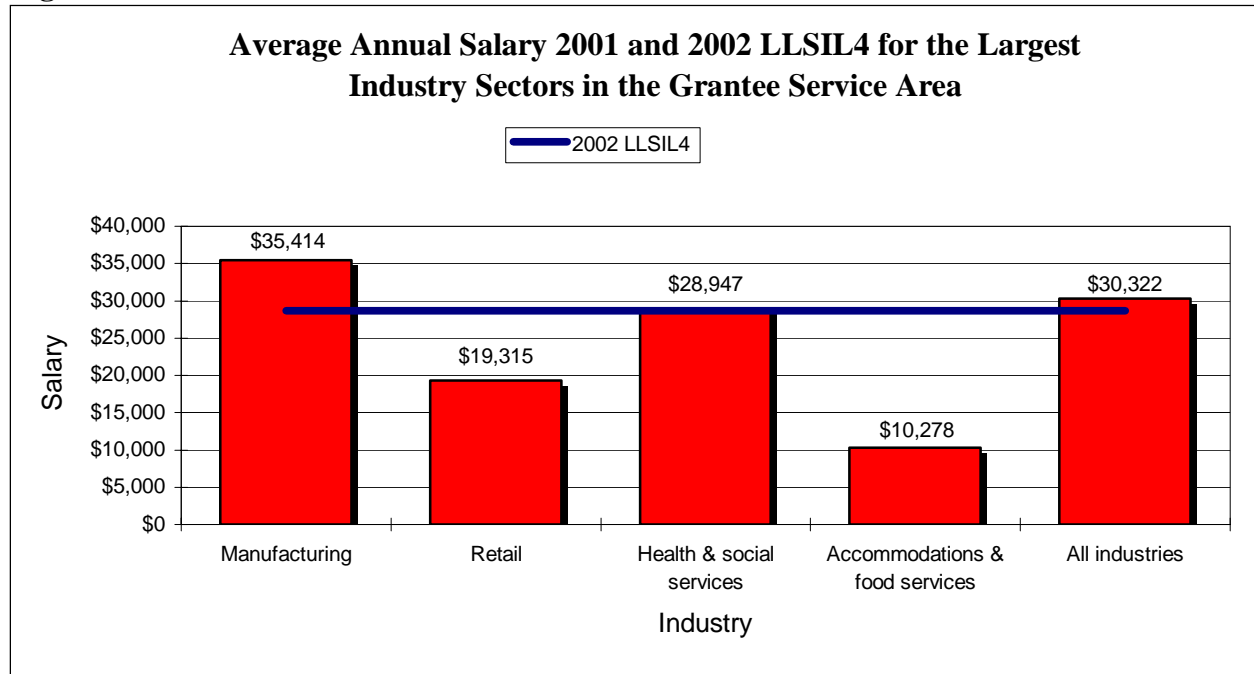
Figure 3

Source: U.S. Department of Labor, Bureau of Labor Statistics, 2004.

Lower Living Standard Income Level

The adjusted 2002 Lower Living Standard Income Level for a family of four (LLSIL4) in the Des Moines, IA MSA is \$28,640. This figure was chosen for use as the standard for the 15-county ETC target area due to the area's location in the U.S. Department of Labor's Midwest region and because three counties in this area are designated metropolitan counties.

As discussed earlier, the four largest industry sectors in the 15-county ETC target area of central Iowa are manufacturing, retail, health care and social services, and accommodation and food services. Persons employed in retail services in the target area in 2001 earned an average of \$19,315, and those employed in the accommodations and food service industry earned a little over half that (\$10,278). Both of these sectors fall considerably below the area's \$28,640 LLSIL4, and neither of these sectors was targeted by the Iowa ETC. Persons employed in health care and social services earned an average very close to the area's LLSIL4. The ETC has targeted the manufacturing industry within its service area. As noted below in Figure 4, manufacturing generated higher average salaries in 2001 than the 2002 LLSIL4 level for central Iowa.

Figure 4

Source: U.S. Bureau of the Census, *County Business Patterns*, 2001; U.S. Department of Labor, Employment, and Training Administration, 2002.

Occupations Targeted by Grantee

The Central Iowa ETC focused its efforts on the manufacturing industry. Based on the analysis presented above, the manufacturing industry does appear to have job opportunities above the LLSIL4. Central Iowa ETC focused on manufacturing workers and supervisors of the following companies: John Deere and Company, Fisher Controls, Vermeer Manufacturing, Maytag Corporation, and the Pella Corporation.

Wage Level Analysis

Central Iowa ETC did not indicate specific targeted occupations, instead focusing on lean manufacturing techniques as used by manufacturing workers and supervisors of specific local employers. Since no specific occupations were named and the “workers and supervisors” categories are too broad to compare directly with the U.S. Department of Labor’s Occupational Employment Statistics (OES) series for the area, OES occupational categories were chosen that most likely encompassed the individuals that Central Iowa ETC served. Of the occupational categories for which OES categories have been identified (see Table 4, below), most of these occupations appear likely to exceed the LLSIL4 base for the region of \$28,640. These data are also illustrated below in Figure 5.

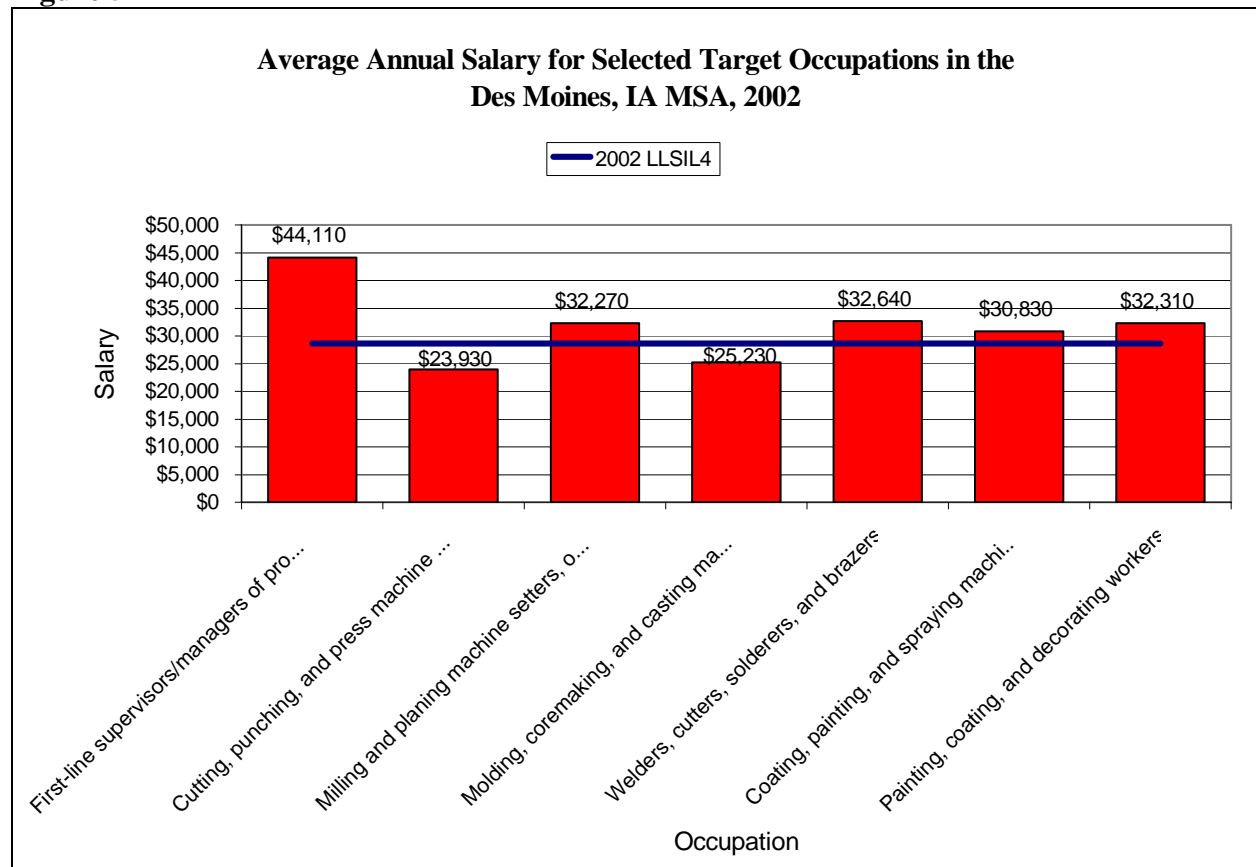
Table 4: DOL Occupation & Employment Data for Targeted Occupations in the Des Moines, IA MSA, 2002

Occupations	Area Employment	Median Hourly	Mean Hourly	Mean Annual
First-line supervisors/managers of production and operating workers	1,590	\$19.68	\$21.21	\$44,110
Cutting, punching, and press machine setters, operators, and tenders, metal and plastic	320	\$10.71	\$11.50	\$23,930
Milling and planing machine setters, operators, and tenders, metal and plastic	150	\$14.03	\$15.52	\$32,270
Molding, coremaking, and casting machine setters, operators, and tenders, metal and plastic	90	\$12.09	\$12.13	\$25,230
Welders, cutters, solderers, and brazers	490	\$15.44	\$15.69	\$32,640
Extruding, forming, pressing, and compacting machine setters, operators, and tenders*	NA	\$15.40	\$16.14	\$33,570
Coating, painting, and spraying machine setters, operators, and tenders	120	\$13.59	\$14.82	\$30,830
Painting, coating, and decorating workers	60	\$15.72	\$15.54	\$32,310

Source: U.S. Department of Labor, Occupational, and Employment Statistics, 2002.

* Estimated. The number of employees in this industry category is estimated due to suppression of details in order to maintain employer confidentiality.

Figure 5

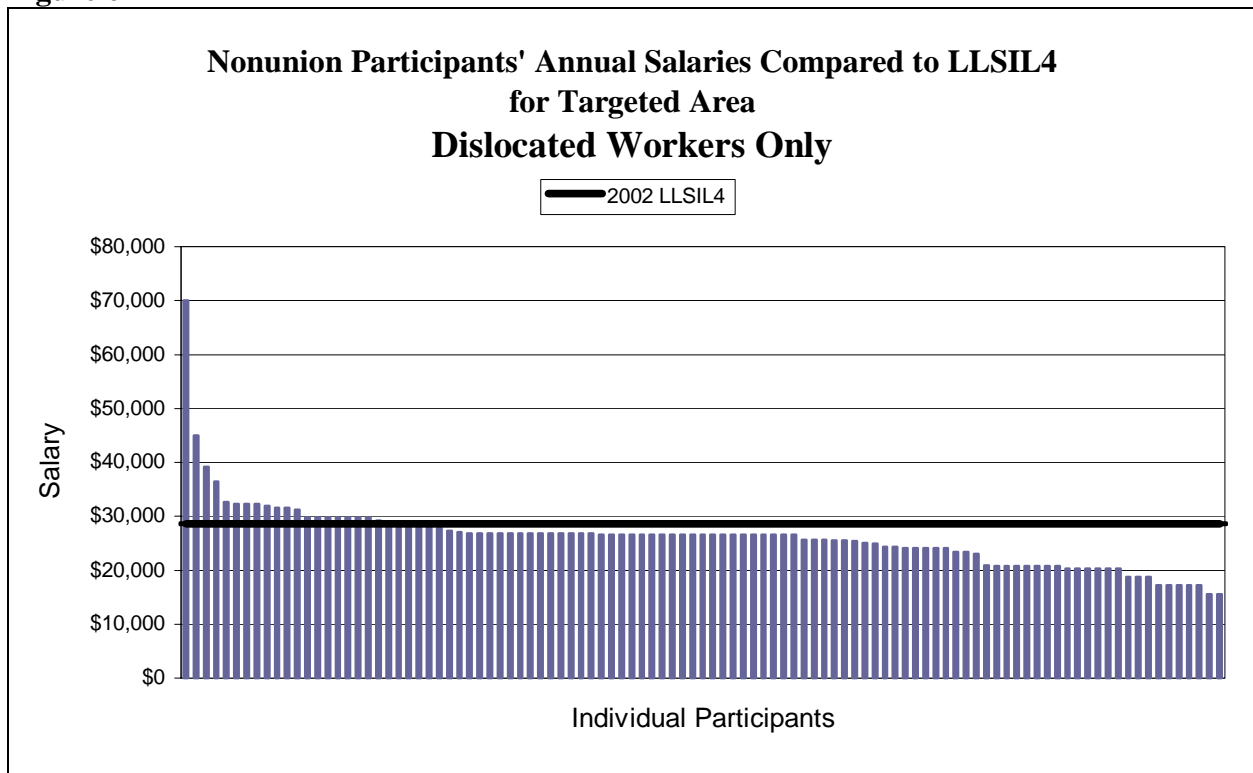


Source: U.S. Department of Labor, Occupational, and Employment Statistics, 2002.

Outcomes Analysis

The hypothetical wage levels that trainees may expect to earn were illustrated in Table 4 and Figure 5, above. Final outcome information is also available from the Iowa ETC for dislocated workers that were trained and are employed. The data indicate that 20 percent receive annual salaries that are at or above the \$28,640 LLSIL4 for this region. Two individuals have salaries in excess of \$40,000 per year, and only one person has an annual salary that is more than twice the LLSIL4 for the region. These patterns are illustrated in Figure 6, below.

Figure 6



Source: Central Iowa Employment & Training Consortium, 2004

Note: The outcome data submitted by the grantee was missing outcome wage data for 5,137 nonunion trainees (98 percent of participants). The data did not specify union or nonunion workers; therefore, all participants are treated as nonunion workers.

Each vertical line in Figure 6, above, represents an individual training participant outcome based on dislocated worker outcome data provided by Central Iowa ETC. Job titles were not provided for these outcomes.

Summary of Findings

The data provided in this profile and overview of the 15-county Central Iowa ETC reveal an area with a widely diversified economy in which manufacturing, retail, health care, and accommodations and food services employ approximately half of the area's workforce. Within the manufacturing sector, the largest employers are involved with machinery manufacturing, food processing, wood products manufacturing, and appliance and other electrical equipment manufacturing.

The unemployment rate in this 15-county area of central Iowa has been lower than both the national and the statewide unemployment rates most months during the past four years. While only slightly below the Iowa rate during this period, unemployment in the demonstration site area has typically been 1 percent to 2 percent below the nationwide unemployment rate.

The Central Iowa ETC has focused its activities on occupations associated with lean manufacturing and has targeted a select group of transportation, electrical equipment, appliance, and wood product manufacturing companies in the area. Although it was difficult to match identified targeted occupational categories with OES data resources, most of the occupations appear likely to provide income above the \$28,640 LLSIL4 level for this region.

Final outcome data provided by the Central Iowa ETC for dislocated workers indicate that 20 percent of the trainees are employed in positions that provide salaries above the LLSIL4 for the area.