

OCTOBER, 1958

GOVERNOR'S COMMISSION ON ECONOMIC AND SOCIAL TRENDS IN IOWA

("Committee of One Hundred")

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Final Report of the Sub-Committee on

S T A T E P R O M O T I O N
&
P U B L I C I N F O R M A T I O N

Members of the Sub-Committee:

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State promotion is concerned with increasing Iowa's total income through the development of new job opportunities and the growth of present sources of wealth.

A large number of formal agencies in Iowa are concerned directly or indirectly with state promotion. They include local chambers of commerce, farm organizations, and industry-related associations, both horizontal and vertical in structure. The Iowa Development Commission is, however, the only state-wide agency specifically and solely concerned with state promotion.

The Commission defines its task as follows: (1) To gain for Iowa the economic benefits of industrial expansion; (2) To publicize Iowa's accomplishments, resources and possibilities in many fields -- including agriculture, industry and recreation.

To accomplish these ends the Iowa Development Commission carries on a number of programs independently, and works closely with other agencies concerned with state promotion. The first job of the commission is to encourage the location of new business and industry in Iowa. Its field staff members make calls on prospective firms and attempt to locate others through advertising and other publicity. The commission conducts a limited amount of research, does some travel promotion, and acts as a general informational clearing agency for the state.

The Iowa Development Commission is governed by an eleven-man board appointed by the governor for terms of four years. It has seven full-time executives and a clerical staff of four. The salary range for the executive personnel is low. The director's position draws from \$7,500 to \$8,500 a year. Industrial field representatives are paid from \$6,000 to \$6,900.

The Iowa Development Commission has an annual budget of \$150,000. Of this, about \$40,000 is allocated for advertising and merchandizing and \$16,650 is set aside for traveling.

Committee Findings

This committee reviewed the work of the Iowa Development Commission, requested and received proposed budgets as high as \$375,000 a year, and also considered the needs of greater promotion of travel, and of agricultural products.

State promotion is the business of selling -- selling the state of Iowa on a nationwide scale. It is one of the few state activities from which we can hope to gain a substantial and fairly immediate return. With this approach in mind, this committee believes that the work of the Iowa Development Commission should be approached from a "spending" viewpoint, rather than a "saving" one.

Economies in the budget of the Iowa Development Commission have pro-

bably cost the state far more than we can ever realize. Low salaries have made the commission a training ground. Its executives usually move on elsewhere as soon as they are grounded in the field. A small travel budget keeps field representatives in the office when they could be more effectively used making calls. Prospects are accumulated until there are enough in a given area to warrant several days work. This often means that other states "beat us to the draw." Even normal entertainment expenses expected in the business world are not permissible.

The constant demands on the time of the commission from a variety of sources dissipate the effectiveness of the present personnel. They are called upon to assist in planning and zoning programs for small towns and cities, to assist local development committees, to do a large amount of promotion work outside of direct industrial development. To accomplish even its present tasks well the commission needs an industrial relations man to maintain local contacts in Iowa, an assistant publicity director to allow for a real travel promotion program, an assistant director, and an expert in planning and zoning. The additional personnel must be supported by an adequate clerical force.

The salaries of all of the executive personnel should be increased substantially. The director of industrial development for one medium-sized Iowa city receives nearly double the amount paid the director of the Iowa Development Commission. The salaries of the industrial field representatives should probably be raised at least 40%.

The advertising budget is regarded as completely inadequate. Iowa is very low among states in the amount of money spent for publicizing the state. It is even well down the line in industrial advertising alone. Some states (Georgia and North Carolina) spend as much as \$220,000 and \$150,000 annually for advertising to attract industry.

The Development Commission has considered the possibility of expanding into the field of agricultural product promotion. This committee believes

that something should be done in this field, but feels that it more properly belongs under the State Department of Agriculture. Some states appropriate as much as \$100,000 annually for this purpose. It appears that an agricultural marketing specialist with a budget of \$25,000 a year could work effectively in encouraging quality improvement of Iowa farm products.

Recommendations

1. That a new approach is needed toward the Iowa Development Commission. The time is past for restricted budgets and restricted thinking. A minimum annual appropriation of \$300,000 is needed immediately to increase salaries to an adequate level, to properly staff the agency, to provide for a reasonable advertising program. This should be increased as rapidly as the commission can become adjusted to an expanded role.

2. A travel and tourist specialist should be added to the staff of the commission.

3. That an office of agricultural marketing specialist position be created within the Department of Agriculture of Iowa to assist actively in the promotion of quality farm products.