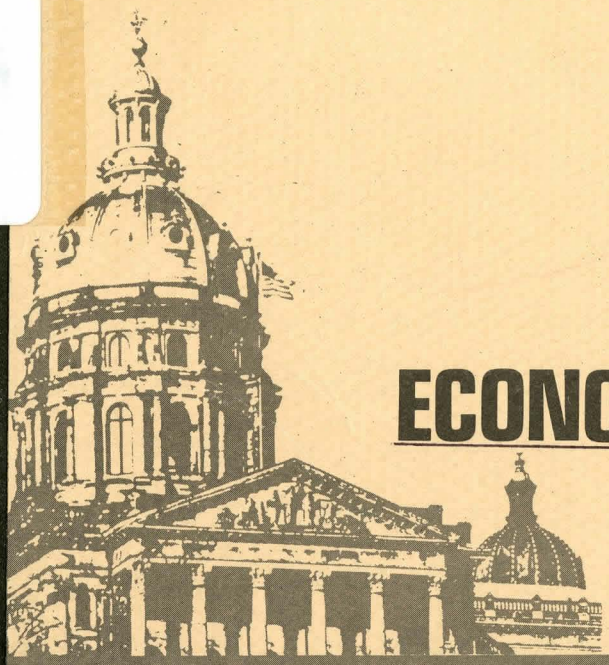

ECONOMIC DEVELOPMENT
In Iowa's Future

A Reference Paper

• • • Planning Committee for

Governor's Conference on Iowa in the Year 2000

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ECONOMIC DEVELOPMENT

Introduction

A major influence on what Iowa will be like in the year 2000 is economic development. To most people, economic development means a higher level of living and a larger economy. More specifically, economic development concerns the growth of business and industry and the number of jobs available, and it affects total personal income.

Iowa has many assets for economic development, including its human resources and its wide open spaces. Both of these are in relatively abundant supply. Those assets, however, are not unique to Iowa.

The state has two basic routes to use in developing its economy. One is to encourage development of new local industries. That route has been successful in many of Iowa's communities. Winnebago Industries is probably the most notable recent example.

The other route is to encourage existing firms to locate headquarters, new plants or expanded facilities in Iowa. In these days of mass production, mass marketing, and the resulting high capital costs, the latter route will probably produce the greatest economic development for the state.

Since our assets for economic development are not unique, Iowa competes with other states and even foreign countries for the location of new production facilities. Competitive positions are influenced by numerous factors, including market demand, technology, cost and supply, transportation, and considerations related to living conditions.

Prospects for Iowa's economy are closely related to the national economy. Development of new local industry or success in attracting new production facilities of existing firms also will depend on federal policies, energy supplies and many other factors.

Consequently, many of the decisions or factors influencing economic development are beyond the control of Iowans. We can influence, but not totally control, economic development within the state. Regarding the national economy or federal policies, we can only influence or encourage those things that will enhance Iowa's position.

But even with these limitations, there are many things Iowans can do to encourage — or discourage, if that is the choice — industrial and economic development within the state. We can influence living conditions within our state to make it attractive to others. We can make space and facilities available to enhance Iowa's competitive advantage for new industry.

Recognizing that we can have some influence upon economic development of the state, the question becomes in what direction do we make our influence felt. Generally, we can strive to increase Iowa's relative share of the U.S. economy, or we can work to improve Iowa's relative quality of living.

More specifically, here are three broad alternatives to be explored in some detail:

I. Continuing Current Social and Economic Forces — doing nothing more than is already being done to encourage development.

II. A Greater Rate of Growth — brought about by a definite policy to encourage development in Iowa to provide jobs for more people.

III. The Good Life — where emphasis is placed on the environment for people, rather than economic development.

To examine the first alternative, current social and economic trends and foreseeable changes have been projected to the year 2000. The assumptions are that current trends will continue without any major change and there will be no additional efforts to encourage or discourage economic development in Iowa.

For the second alternative, a faster rate of growth — still slightly below the current national average — has been used to examine what Iowa would be like in the year 2000 if economic development were emphasized.

The third alternative is "tricky". First, we must define exactly what is meant by the "good life". Most of us have vague thoughts about the good life, probably relating to open space, greenery, recreation facilities and quality services. But for a development plan, we'll have to be more specific.

If our definition of the good life is to include open space, recreation facilities and quality services, how are these to be paid for? If the good life is to include a certain level of income, there are relationships to business and industry that we must recognize.

Obviously, it is impossible to predict the future. Uncertainty concerning the year 2000 is great. Current trends can be changed greatly by energy limitations, which are a possibility; by energy costs, which are likely to rise; by natural resource availability and costs; national policy regarding pollution or population distribution; or by changes in human values regarding work, savings, family, honesty, property and many more things. With these handicaps, here is a look at how Iowa may appear in the year 2000 under the three alternatives.

ALTERNATIVE I — CONTINUING CURRENT SOCIAL AND ECONOMIC FORCES

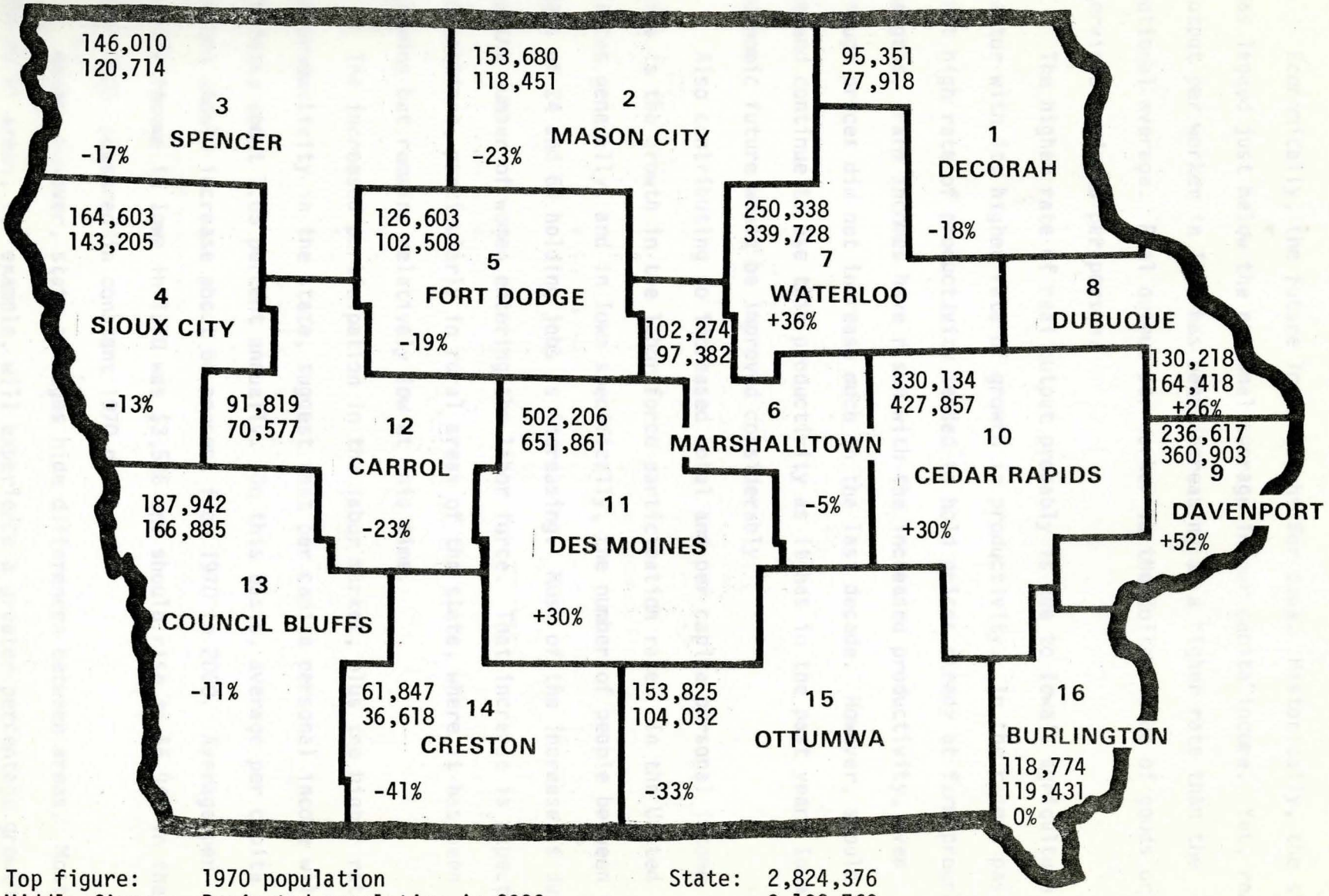
If social and economic conditions of the past continue, Iowa will experience only slight population growth by the year 2000. This is assuming that future growth will be much like the past, both in quantity and type; that energy limitations do not make drastic changes in the nation; that birth rates do not vary greatly from the past; and that gains in productivity per worker increase at the same rate. Under these assumptions, Iowa would have a population of just over 3,100,000 in the year 2000 — a growth rate of less than 10 percent over the 27 years.

But state totals can hide some dramatic economic and population changes that likely will take place in Iowa in the future. Because eastern Iowa is under the influence of the Chicago trade area and with the tendency of industrial facilities to locate in areas already industrialized, much of Iowa's future growth will take place in the east-central part of the state.

Thus, the counties surrounding Davenport, Waterloo, Cedar Rapids, Des Moines and Dubuque would have a 34 percent average growth in population by the year 2000. The Davenport area would experience the greatest growth, about 52 percent, with the Waterloo area second with about 36 percent, the Cedar Rapids and Des Moines areas at 30 percent, and the Dubuque area at about 26 percent. The remainder of the state probably would decline in population, with the exception of the Burlington area, which may experience a small increase. (See Map 1.)

In addition, Iowa's population will become increasingly urbanized, with the percentage of rural inhabitants — those living in unincorporated places — falling from 31 percent of the population in 1970 to less than 15 percent in 2000.

Map 1. 1970 population and projected population in year 2000, with percent change by planning areas of Iowa under Alternative I — continuing current social and economic forces.



Top figure: 1970 population
Middle figure: Projected population in 2000
Bottom figure: Percent change 1970-2000

State: 2,824,376
3,102,760
+9.8%

Economically, the future looks bright for Iowa. Historically, the state has lagged just below the national average in per capita income. Yet, real output per worker in Iowa has been increasing at a higher rate than the national average. Real output per worker is the dollar value of goods or services produced per person.

The higher rate of real output probably is due to Iowa's agricultural sector with its higher rate of growth in productivity. In the recent past, that high rate of productivity tended to hold prices steady at farm program targets. Farm incomes have risen with the increased productivity, even though prices did not increase much in the last decade. However, should food demand continue to use this productivity as it has in the past year, Iowa's economic future would be improved considerably.

Also contributing to increased total and per capita personal income in Iowa is the growth in the labor force participation rate. In the United States generally, and in Iowa specifically, the number of people between the ages of 24 and 64 holding jobs is increasing. Most of the increase is due to the number of women entering the labor force. That increase is expected to continue, particularly in rural areas of the state, where it has been growing but remains relatively low at this time.

The increased participation in the labor market, plus the higher rate of productivity in the state, suggest that per capita personal income will increase about 1.65 percent annually. On this basis, average per capita income should increase about 66 percent from 1970 to 2000. Average per capita income in Iowa in 1970 was $3,586 and should rise to $5,947 in the year 2000, measured in constant 1970 dollars.

Again, however, state averages hide differences between areas. Most of the rural areas, for example, will experience a greater percentage growth in

per capita income than the metropolitan areas. Most of this growth will come from the increase in labor force participation — more women working. The urban areas have already experienced rapid rises in the number of women workers, and this restricts growth potential.

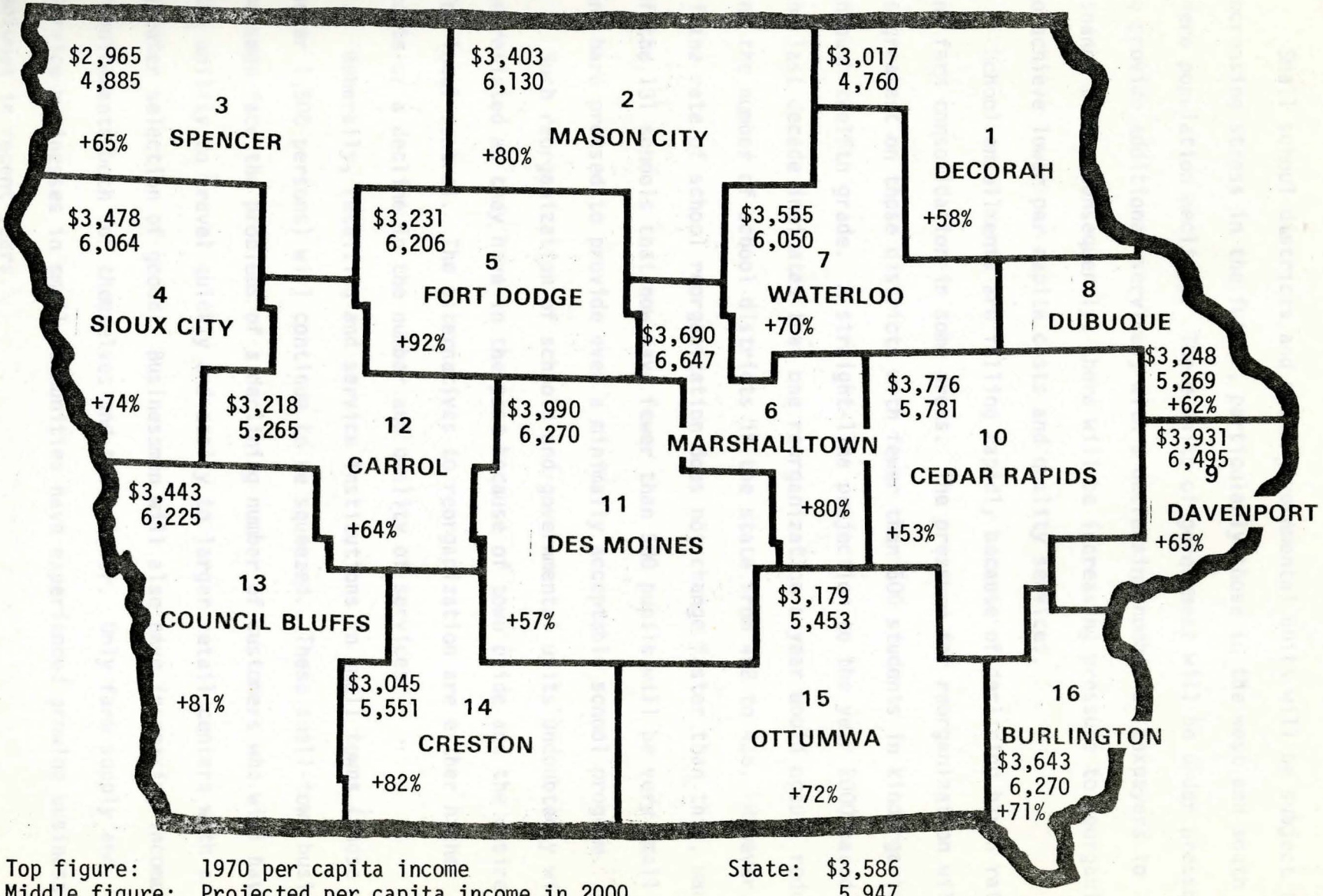
Consequently, the projections indicate an 82 percent per capita growth in income for the Creston area from 1970 to 2000, with an 81 percent increase in the Council Bluffs area, and an 80 percent increase in the Mason City and Marshalltown areas. The least increase, according to the projections, would be in the Des Moines area with an increase of 57 percent. (See Map 2.)

Implications

Under this alternative, Iowa will continue to experience the same general benefits and consequences of growth that have occurred in the past. The number of workers engaged directly in agriculture will continue to decline. Industrial, service and government jobs will increase, but not at a rate adequate to provide jobs for all the natural population growth. The net result will be continuing out-migration of people from the state. Though the population will grow, significant numbers of people will leave the state for other employment opportunities and the state's population will not be as large as it would have been without this migration. Out-migration will affect southern and western areas of the state to a greater degree. The number of jobs for men in these areas will decline, although there will be more opportunities for female employment.

Generally, those who migrate are the younger working people. Thus, areas with heavy out-migration will tend to have a larger percentage of their population in the older age groups. This will tend to increase demand for certain types of services, such as transportation and health care.

Map 2. 1970 per capita income and projected per capita income in year 2000, with percent change by planning areas of Iowa under Alternative I — continuing current social and economic forces. (Expressed in constant 1970 dollars.)



Top figure: 1970 per capita income
Middle figure: Projected per capita income in 2000
Bottom figure: Percent change 1970-2000

State: $3,586
5,947
+66%

Small school districts and small governmental units will be subject to increasing stress in the future, particularly those in the west and south where population declines. These units of government will be under pressure to provide additional services, with a decreasing number of taxpayers to finance them. Consequently, there will be increasing pressure to reorganize to achieve lower per capita costs and quality services.

School enrollments are falling rapidly because of declining birth rates and farm consolidation in some areas. The pressure for reorganization will be greatest on those districts with fewer than 500 students in kindergarten through twelfth grade. A straight-line projection to the year 2000 based on the last decade indicates that one reorganization a year would occur, reducing the number of school districts in the state from 452 to 425. However, if the rate of school reorganization does not change faster than this, many of the 131 schools that now have fewer than 500 pupils will be very small and hard pressed to provide even a minimally acceptable school program.

Such reorganization of schools and governmental units undoubtedly will be resisted as they have in the past because of town pride and the desire for local control. The alternatives to reorganization are either higher costs or a decline in the number and quality of services.

Generally, retailing and service institutions in small towns (those under 1,500 persons) will continue to be squeezed. These small-town businessmen face the problems of a declining number of customers who will have the ability to travel quickly and easily to larger retail centers with a greater selection of goods. Businessmen will also have increasing income requirements both for themselves and their labor. Only farm supply and service businesses in small communities have experienced growing business volumes in recent years.

Consequently, the quantity and quality of services are likely to increase mainly in towns with a population of 5,000 or more today. Both public and private services will be affected by these trends. So rural and small-town people may be forced to drive farther to obtain services in the coming decades.

Transportation services may decline also, again most likely in the western and southern parts of the state. This decline could include abandonment — or at least reduced maintenance — of unpaved county roads and continuation or possibly acceleration of abandonment of low-volume, uneconomical railroad lines.

On the whole, Iowa will experience substantial growth in property values over this period. The main exception will be business establishments in small towns with declining population.

Taxes are expected to increase, both in total amounts and in per capita terms. In the past, as incomes have gone up, people have demanded more services — including public services. In addition, increasing population and population density also tend to require more public services in the growing areas.

But the per capita tax burden could increase as much or more in the declining areas of the state, where the fixed costs of local government and small school districts will be spread over fewer and fewer people.

With these trends, projecting taxes for the future is almost impossible. However, an estimate of the tax burden in the year 2000 can be projected by making assumptions. For instance, if combined state and local taxes continue at their 1970 level of about 11 percent of personal income, the total would rise from about $390 per person in 1970 to $665 per person in 2000, based on expected increases in personal income. Assuming that state and local taxes

combined would increase to at least 13 percent of personal income, the figure for the year 2000 would be $773 per capita.

These increased tax funds are most likely to be spent for additional sewer and water facilities in growing areas, for continuing education, recreation, health services, public housing, roads and crime control.

If the present timetable on environmental regulation is adhered to, Iowa can develop in the manner projected with little damage to its environment. In fact, environmental conditions may even improve.

Five years ago there was considerable open burning in Iowa. By 1975 all such burning will be banned. Sanitary land fills will handle most of the discarded material. But there will be fewer discards as recycling of waste expands, not only to curb pollution, but also to conserve scarce natural resources. And taxpayers may even receive a bonus as rising prices on raw materials create markets for waste materials that taxpayers once buried.

National policy calls for a halt to discharge of any pollutant into navigable waters by 1985. By then all industry must either be serviced by an adequate municipal waste disposal system, or provide its own system if a municipal system is unavailable or is unable to handle the industrial wastes.

Pollution policies regarding agriculture are not as clearly spelled out. But it is almost a certainty that substantial pressure will be placed on agriculture to halt pollution by agricultural chemicals, animal waste, or silt, the major cause of water pollution in Iowa.

Obviously, there are costs for these environmental benefits. But Iowa's farm income should not be affected adversely in relation to other areas. In fact, a national policy on agricultural pollution may strengthen the state's comparative advantage, with its large amounts of relatively level farmland. Pollution regulations would place more limitations on hilly marginal cropland

of other states.

Iowa's relatively sparse population also is an advantage in air pollution where the automobile and space heating are major contributors to the problem. These are not likely to be serious problems in Iowa in the foreseeable future.

Recreation may become a more important factor in the state. Increasing population, leisure time and rising incomes will create demand for more recreation within the state. Such demand could create competition for land with agriculture.

Finally, related to nearly all the factors discussed so far is the matter of political power. With the one-man, one-vote concept that has reapportioned legislatures throughout the nation, Iowa's political power will continue to shift in the future from rural to city as urbanization increases. And as this population becomes more heavily concentrated in the east-central portion of the state, that region can be expected to gain political strength.

In summary, Iowans can look forward to a considerable rise in per capita incomes between now and the year 2000. Along with this may come some movement toward a shorter work week and perhaps earlier retirement. In the past, Americans have tended to "trade" some of their increased income for more leisure time or a longer retirement.

Iowa can expect a moderate growth in manufacturing employment, relatively slow growth in construction and transportation employment, and a decline in agricultural employment. Service sectors of the economy — both public and private — are expected to grow as a more affluent public seeks a better quality of life.

This greater affluence also is likely to be reflected in an increasing

demand for energy. As people become more affluent, they attempt to buy time, convenience and comfort through such products as dishwashers and air conditioners. In addition, higher incomes will create more demand for travel and recreation, affecting the demand for oil and gasoline.

The implications of these demands for energy will be discussed more fully in a separate section of this series. However, barring technological breakthroughs in the area of energy, it appears the nation will become increasingly dependent on foreign imports for fuel supplies. To maintain a balance of payments, we will need to increase exports. Currently, farm products are providing much of the increase in exports. Continuation of that trend will be favorable to farm prices, farm income, and Iowa.

ALTERNATIVE II — GREATER GROWTH

As suggested in the introduction, one of Iowa's alternatives is to promote greater economic development by encouraging the creation and location of jobs in Iowa. Such an alternative has many attractive features. It would provide jobs for more young people, stemming the migration of people out of the state. It would increase total income, produce more retail business and create a bigger economy. There would, of course, be costs — competition for land, less open space, increased needs for schools and other public services, higher taxes, an increase in population density, more change in the rural life style, and possibly more pollution and crime.

The most feasible method of accomplishing this goal is to encourage outside firms and existing industry to expand the "export" sector of the economy. "Export" industries produce products that are sold outside the state with the money coming back to the state for salaries, services and raw materials. When the export sector grows, other sectors of the economy follow along to provide food, services and goods to export production workers.

Since Iowa would compete with other states to obtain these export industries, phenomenal growth is not likely. Consequently, to illustrate what Iowa might be like in the year 2000, we have selected a realistic goal — an increase in manufacturing employment just 5 percent per decade larger than the "normal" growth projected under Alternative I.

That increase appears small and still is below the projected increases in growth for the nation over this period. Yet such growth would produce impressive increases in employment and population when compared with Iowa's past. That rate of growth would have a dramatic effect on reducing the outmigration Iowa has experienced since World War II. Since those leaving the

state tended to be younger, economic growth that would retain these people would increase the percentage of young people in the state by the year 2000.

If such a moderate increase in growth could be accomplished, Iowa in 2000 would have nearly 3-1/2 million people — a gain of 23 percent over the 30-year period. Per capita income would rise at a faster rate than under Alternative I — 1.75 percent a year, instead of 1.65 — for a total gain of 69 percent by 2000, compared to 1970. (See Maps 3 and 4.)

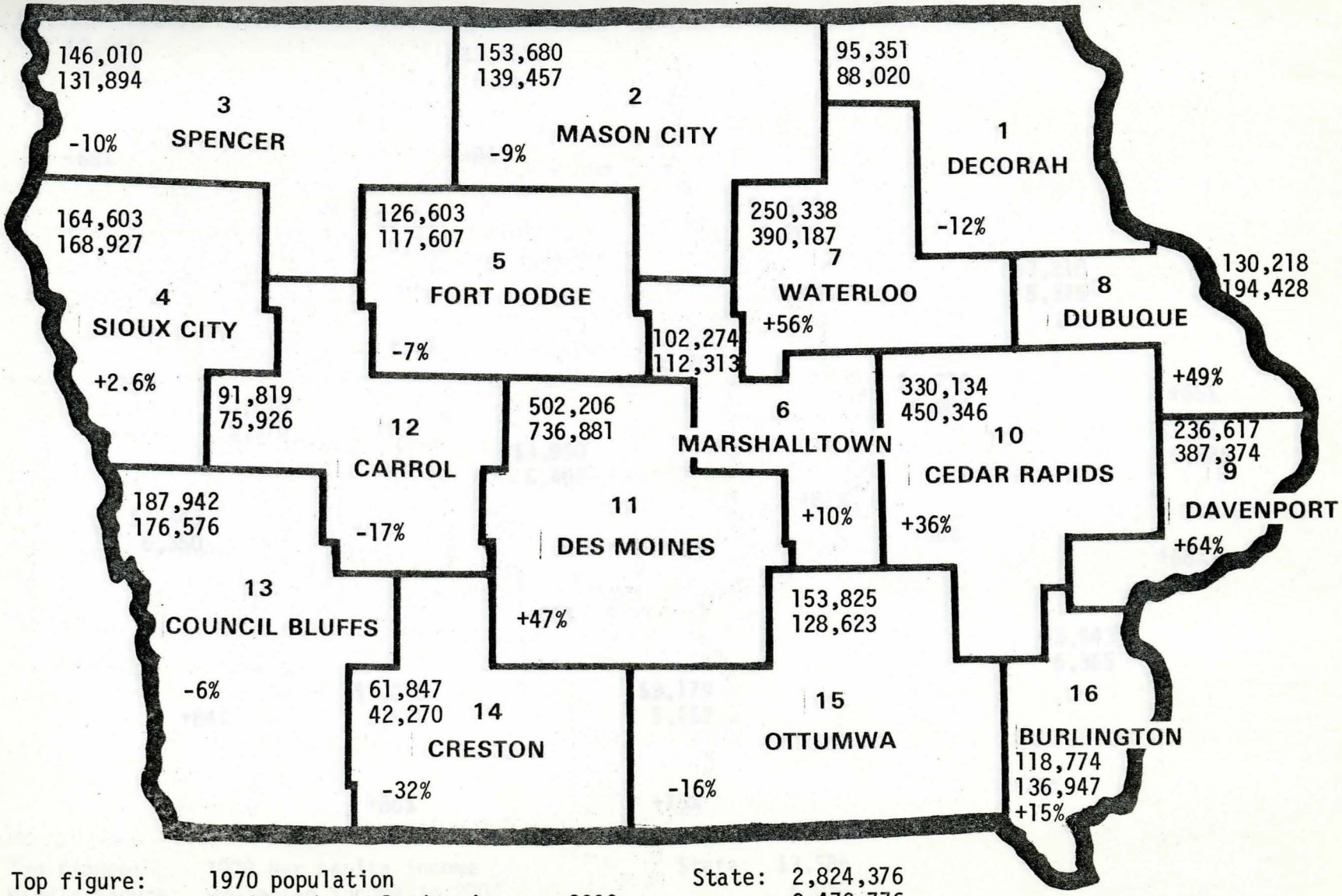
That increase in per capita income may be a bit optimistic, however. For in attempting to obtain as many jobs as possible, some lower wage industries might have to be accepted. While that may increase total income by employing more people, it may not produce as high a per capita income. Low-wage industries also would not encourage all young people to remain in the state. They might still choose to move out of state for better paying jobs.

And unless the development policy includes restrictions on the location of growth, most of the new growth again would occur in the east-central portion of the state. A location policy would be difficult to enforce, however. The state could decide it would allow only so much growth in the east-central part of the state and then request, or make space available for, development in other areas. But a manufacturer who is told he cannot build in Davenport may go to Illinois, instead of Creston or Spencer.

Therefore, we have assumed that under this plan for greater growth there would be no restriction on location. In this case, the counties around Waterloo, Dubuque, Davenport, Cedar Rapids and Des Moines would have the greatest population growth — an average of 44 percent. By 2000 this would put about 2,160,000 people in those areas — 62 percent of the state total.

The greater rate of growth also would not reverse the expected decline in population in the southern and western parts of the state. The counties

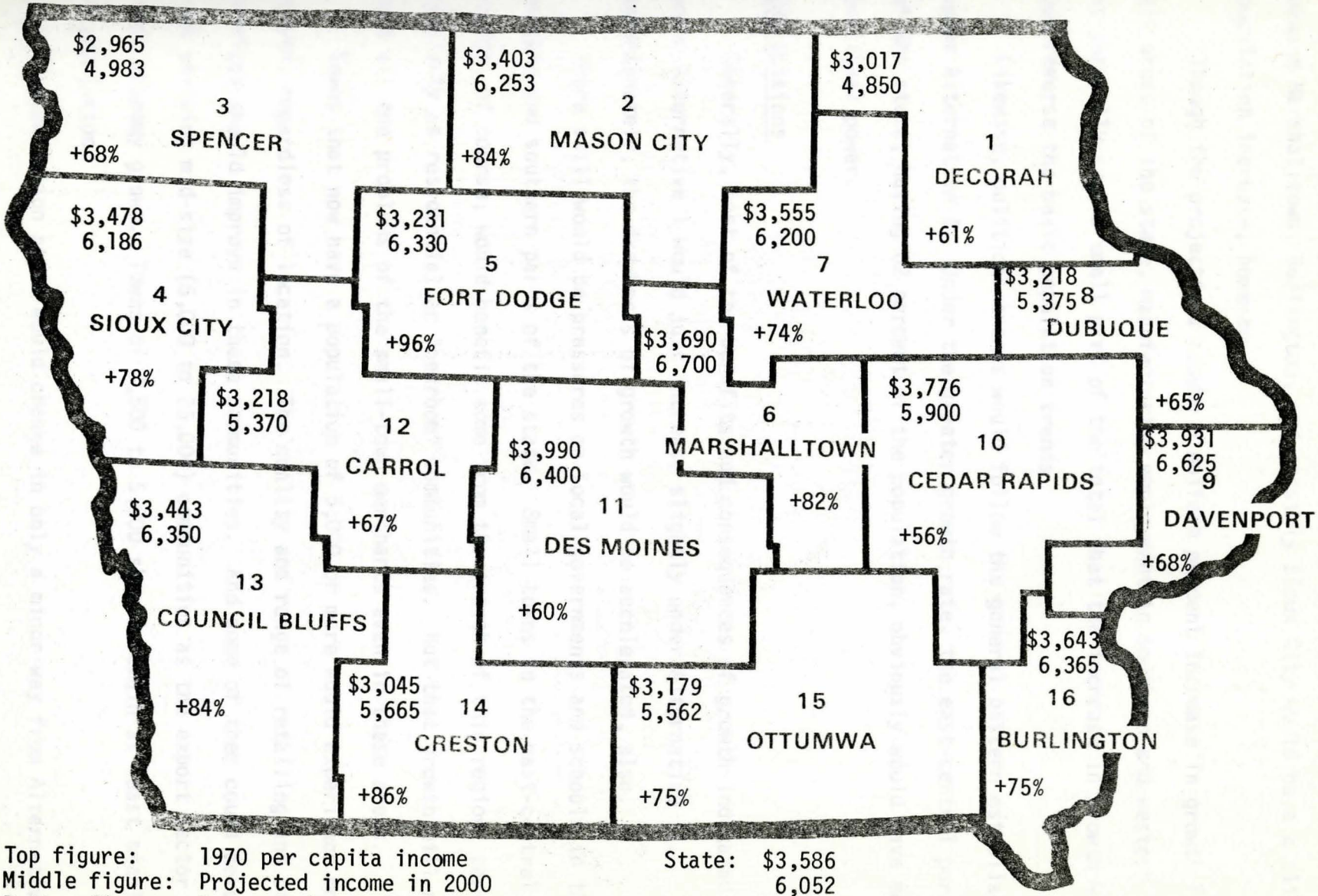
Map 3. 1970 population and projected population in year 2000, with percent change by planning areas of Iowa under Alternative II — greater growth rate.



Top figure: 1970 population
Middle figure: Projected population in year 2000
Bottom figure: Percent change 1970-2000

State: 2,824,376
3,473,776
+23%

Map 4. 1970 per capita income and projected per capita income in year 2000, with percent change by planning areas of Iowa under Alternative II — greater growth rate. (Expressed in constant 1970 dollars.)



Top figure: 1970 per capita income
Middle figure: Projected income in 2000
Bottom figure: Percent change 1970-2000

State: $3,586
6,052
+69%

around Marshalltown, Burlington, and possibly Sioux City would have a slight population increase, however.

Though the projections assume a uniform percent increase in growth for all areas of the state, manufacturing employment in southern and western Iowa is generally such a small part of the total that the increase in growth would not reverse the basic population trends.

Likewise, political trends would follow the general pattern established under Alternative I. Under the greater growth rate, the east-central portion of the state, having 62 percent of the population, obviously would have more political power.

Implications

Generally, most of the benefits and consequences of growth indicated under Alternative I would just increase slightly under Alternative II. Unfortunately, the drawbacks of growth would be accelerated, also.

There still would be pressures on local governments and schools in the western and southern parts of the state. Small towns in the east-central region, of course, would benefit some from the growth of this region, particularly as residential or "bedroom" communities. But that growth will not cure all the problems of the small-town merchants even in these areas.

Towns that now have a population of 5,000 or more would experience more growth, regardless of location. The quality and range of retailing and other services should improve in these communities. And some of them could develop into thriving mid-size (5,000 to 25,000) communities as the export sector of their economy grows. Towns of 2,500 to 5,000 should remain at least stable in population.

Transportation needs would change in only a minor way from Alternative I.

The pressure to abandon some lightly used roads in the south and west would continue. Low-volume branch rail lines would still be under pressure for abandonment, except possibly some of those in the east-central region.

Nationally, considerable development can be expected in mass transit systems. But Iowa, even under this greater rate of growth, would have no cities large enough to justify investment in mass transit. Some upgrading and expansion of bus lines would be likely, however. As this implies, Iowa will not have any cities counting population by millions even by the year 2000. Even Des Moines and Cedar Rapids are not expected to have population large enough to justify subways or monorails.

The greater growth under this projection, of course, would mean higher property values and a growing tax base. Again, the exception would be business properties in the small towns of southern and western Iowa.

But as property values and tax base grow, so do demands. The total tax collection and per capita taxes would increase. Per capita taxes would increase in sparsely populated areas because the fixed costs of government and schools would be spread over fewer people; in the developing areas of the state, taxes would increase because of the need for additional services, such as schools, sewers, water and streets. Consequently, the tax projections under Alternative I would be even higher under the high-growth economy.

Again, if present pollution regulations follow planned timetables, Iowa can accomplish this greater rate of growth with little effect upon the environment. Most of the pollution increase would be visual or aesthetic. With greater industrialization, markets for solid waste materials, such as scrap metal or paper, may develop more rapidly.

The greater growth and urbanization would increase the pressures for recreation space. Pressure would come from the additional 400,000 people —

most of them in one section of the state — the higher per capita incomes, and growing numbers of people in surrounding states.

Implementation

Such a higher rate of growth in the economy will not come naturally to Iowa. Possible changes in national policy could bring about such growth, however.

First, if the nation were to adopt a policy to encourage development in the more sparsely populated areas in the nation, Iowa's chances of a greater growth rate would be enhanced. Such a policy has been discussed to create a better balance between the declining rural areas and the growing metropolitan areas.

Another policy change could boost Iowa's growth potential. Should present pollution standards prove to be too restrictive and costly to the nation, one solution could be to relax requirements in areas with low concentrations of pollution. Should such a situation develop and should it be resolved in this manner, Iowa could have an influx of industry.

Without such policy changes, which are only rare possibilities, only a concerted effort on the part of individuals, local communities, and the state as a whole can bring about the changes needed to produce a higher rate of growth in Iowa.

To attain greater growth, Iowans should encourage higher growth rates in the nation. This can be done by keeping the dollar's value in line with other currencies to maintain a competitive advantage for U.S. goods in overseas markets. National pride and patriotism may encourage keeping the dollar stable, but keeping the dollar artificially overvalued decreases our ability to export goods.

National economic growth also can be encouraged by having the federal government maintain full employment and budgeting money for research and development. Research and development can produce technological breakthroughs that will boost economic growth. A particularly important area is energy. Development of a plentiful and cheap source of energy would greatly increase national economic growth.

As indicated earlier, Iowans might encourage the nation to adopt a policy of industrial decentralization and population redistribution. Such policies could call for higher taxes on new plants in already crowded areas. Or they could provide subsidies to industries willing to invest in sparsely populated areas like Iowa.

At the state level, Iowa could work to guarantee employers a highly productive labor force. Such activities might include making surveys of available labor, providing vocational and technical training to meet the needs of industry, stressing adult education to retrain workers or to provide them with new and improved skills, and preventing special interest groups from restricting productivity in any manner.

To attract industry, the state should not make any pollution or environmental standards more stringent than federal codes. In fact, the state might ask for exceptions to federal standards because of its relatively sparse population. This could provide Iowa with a strong competitive advantage in attracting a larger share of the U.S. economy.

Another inducement to industry would be to shift the burden of state and local taxes away from export industries. This would require, however, that the burden be shifted onto personal income, retail sales, agriculture and local merchants.

Iowa also might adopt the "Southern strategy" for obtaining economic

growth and development. This might include issuing public industrial bonds for land and buildings to provide industrial parks; providing free utility connections, rail spurs and highway access roads. Local governmental units also could grant property tax exemptions for certain periods of time.

Finally, the state might cooperate with the federal government to develop the Missouri River to improve barge transportation. Such development might also include recreation facilities on the river and its tributaries and a state plan to develop interior waterways along the Missouri. Such a program would help reverse the decline of western Iowa.

In summary, a higher rate of growth is possible for Iowa, but it is not as likely to occur without changes in federal policies, or a giant effort by the state to recruit new industry. Benefits of such growth appear attractive, but there are also many costs. If concessions are made to new industry, other segments of the economy must bear the costs, and in addition, there will be sizable public costs in providing public services to the growing number of people as the state industrializes.

ALTERNATIVE III — THE GOOD LIFE

A third alternative for Iowans is to emphasize the good life. In this alternative, emphasis would be placed in state and local regulation and development policy on the quality of living, rather than the quantity of total economic activity and employment.

But to examine the good life and its implications, we'll have to decide exactly what we mean by the term. A definition of the good life is offered here. Not everyone may agree with the definition, but it provides a target for discussion. And it provides a framework for examining the implications of such a policy and the reality of being able to accomplish the goal of the good life. The definition is based on one of the more widely acdepted concepts of human needs and motivation.

Basically, the good life should provide the opportunity for each individual to realize his full potential. Realizing one's full potential means the opportunity to fulfill one's needs for:

1. Survival — food, clothing and shelter.
2. Security — safety, economic well-being, certainty, social order.
3. Belongingness — love, trust, primary relationships.
4. Self-esteem — the need for recognition and dignity.
5. Self-actualization — satisfaction, growth, fulfillment, and new experiences.

Specifically, fulfillment of these needs suggests that all persons be:

- Well-fed — receiving the recommended dietary requirements with a choice of a variety of foodstuffs and methods of preparation.
- Comfortably clothed — physically comfortable in addition to being able to select from varying styles and quality.

- Decently housed — having shelter that is safe, within economic reach, and allowing expression of style of life.

Under security, the person living the good life should be:

- Free from worry and danger regarding crime or dread diseases.
- Assured of job opportunities that provide income for needed goods and services, and discretionary income for individual wants and investment for an adequate retirement income.
- Have access to needed services and assistance when affected by unavoidable disasters such as floods or disease.

Under belongingness, the person with the good life should have:

- A living situation in a family or family substitute that develops mutual trust, love, closeness, and skills in developing healthy relationships with others.
- Trained personnel available to assist in finding ways to fulfill this need when conventional ways break down.
- Access to an array of groups and organizations so he or she can select opportunities for developing and achieving belongingness.

For self-esteem, the need for recognition and reward to enhance one's feeling of self-worth, the good life would require:

- A variety of groups and organizations to choose where one could achieve recognition.
- A wage and work system providing both dignity and opportunity for individual recognition.
- Human development procedures in education, industry and organizations that foster positive self-images, rather than negative ones.

The good life cannot occur unless there is opportunity for self-actualization. This would require:

- That each person have the means to pursue new learning and have new experiences throughout his learning, working and retirement life, with a wide variety of choices.

In the past, many efforts to achieve the good life have tended to provide it only for those who "deserve" it by some definition. The good life as defined here would provide the opportunity for the good life to all persons, even though some may choose to ignore the opportunity or take little advantage of it.

Many people today have achieved the goals of survival and security. A major concern, of course, is those who have not achieved these levels of the good life. The disadvantaged would require special help to attain these levels.

But as the definition indicates, the good life is for all. And fewer people have attained the belongingness and self-esteem objectives of the good life to the fullest extent. Very few have reached the self-actualization stage. So the good life is concerned with all people, not only the disadvantaged, but also those with higher abilities, ambition, strength and energy. The latter group may face such roadblocks to the good life such as frequent overwork, coronary risks, or boring retirement. These people will need different programs to meet their needs for the good life.

Implications

To attain the good life in Iowa, there are a number of requirements for its fulfillment, such as:

- Full employment for all who can work.
- Physical and mental health facilities and services available to all Iowans.

- Total elimination of discrimination in education, employment and social organizations.
- A significant increase in human services to help those who cannot "pull themselves up by their own bootstraps," such as the poor and the elderly.
- A significant increase in jobs and upgrading of wages for existing jobs. (People working full time, but making less than $4,000 today are not able to go beyond necessities.)

The definition of the good life in terms of human needs may sound Utopian. But few people would disagree on the ultimate desirability. Nor would many disagree with the implied economic development goals:

- Higher average income.
- Reduced poverty.
- Better quality environment.
- More balance in location of new jobs.
- More and better quality services in both public and private sectors.

Most of the arguments on the good life would come on the degree to which society can provide for these human needs, who should obtain the benefits of the good life, and how such a policy would be put into operation.

To work in the direction of attaining the good life, a development policy would obviously have to provide or encourage new jobs, job training, rehabilitation to reduce the number of unemployable persons, strictly enforced housing codes, high environmental standards, day-care centers to encourage families to have multiple workers, and good health care, educational, recreation and cultural facilities.

A Provincial Approach

One extreme method of attaining the good life is rather provincial — but is an alternative for Iowans. It consists essentially of setting high standards for the good life for all within the state and "exporting" or encouraging out-migration of those people who can't attain, or those industries that don't provide, the good life.

The state could, for instance, provide favorable zoning, industrial bonds, public utility connections and other location incentives only to high-wage employers. Low-wage employers would be encouraged to relocate or mechanize to raise labor productivity and wages. Workers unable to perform or secure well-paid jobs in Iowa would be encouraged to move out of the state. A high minimum wage law in the state could encourage this.

In addition, higher taxation to provide the services of the good life also would encourage low-income people to move elsewhere. High-standard housing codes and strict environmental standards would raise the cost of living, making Iowa more unattractive to low-income people. Industry not able to meet the high-quality pollution standards would be sacrificed. Limits could be placed on industrial location in urban and congested areas to keep the east-central part of the state from growing out of proportion to western and southern Iowa.

Economic Realities

But whatever degree of the good life we select as a goal for Iowa, and whatever method we select to bring it about bring us face-to-face with some economic realities.

First, our definition of the good life indicated that we need adequate income for people. That means more income for many. More income means we

need economic progress. More economic progress means more technological progress. For it is new technology that has made our present material comforts possible. Particularly if we define our food, shelter and clothing needs in terms of today's standards, these are products of technology. And they are important elements of the good life.

But as with most things, technological progress has costs. Technology makes old skills obsolete. That threatens security, stability and self-esteem. It causes tensions and frustrations, maybe illness. Security, stability and self-esteem, of course, are elements of the good life.

In the definition of the good life, we want jobs for all who could work. In fact, to bring the good life to all, we must even increase the number who are employable. But full employment also requires economic growth. If we are to maintain and improve our material levels of living, economic progress also is needed to maintain effective trade relationships with other nations.

Economic progress also thrives on competition. And Darwinian competition — the survival of the fittest, whether it be individual, community or state — threatens security, self-esteem and compassion for one another. For economic progress, those who are successful in competition are rewarded economically. Others can be severely penalized economically, sometimes for reasons beyond their control, which is obviously a threat to the good life for them.

Full employment in turn feeds the forces of inflation. Inflation is a threat to security, some freedoms, and for some people it threatens their material well-being. Inflation creates economic hardships, particularly for the poor and the elderly. Inflation is an erosive threat to those who retire, discouraging early retirement and limiting the freedom of choice.

For instance, if the annual inflation rate is 5-1/2 percent, it will

require an income of $42,000 a year in the year 2000 to equal a $10,000 yearly income today.

In the past, economic progress has brought investment, jobs and people to already congested areas. Agriculture is a prime example of how economic progress causes people to leave sparsely populated areas, causing major social and economic problems in both rural and urban areas.

Consequently, private and public services lag in the growing areas and become costly or nonexistent in the rural areas. Both situations detract from the good life; both come from economic progress.

In adding to the congestion of urban areas, economic progress creates competition for space needed for parks and recreation areas in the good life. And as suggested in Alternative II, it may be difficult to balance development in urban and rural areas of the state. Industries discouraged from locating in certain areas may move outside the state, which will not contribute jobs for the good life in Iowa.

Technological and economic progress have encouraged people to scatter to other areas, states and even nations where there is more economic opportunity for them. This means a tightly knit family unit can no longer be maintained. The security, stability, self-esteem and belongingness historically provided by the family is impossible to maintain. These too are important elements of the good life.

In addition, the growing trend of more working women places additional stress upon family life and its benefits.

Resources also may limit our capacity to attain the good life. Though once we considered our supply of resources to be unlimited, now we know this is a fallacy. Though new technology could provide new resources and recycling will increase our efficiency in the use of resources, consumption per

person will probably decrease in the future. That could mean a decline in the quality of life as we would define it today.

The good life goals also suggest that there would have to be an increasing amount of public services. This, plus population and congestion pressures, suggest that the role of government must increase.

One of the costs undoubtedly would be some of our individual freedoms as we have known them. Economic decisions will be more regulated. Some economic activities will be judged in relation to the long-run good of society, rather than the short-run increased gain to the individual. The concept of property rights will come under increasing pressure. Thus, some actions of government that are intended to benefit the total society can cause frustration and economic loss to individuals — another conflict in the struggle to attain the good life.

Finally, as the increasing role of government suggests, our own attitudes and beliefs may stand in the way of attaining the good life. Our strongest defenses of independence and freedom usually come in the defense of an individual or a special interest group, rather than the common good. Our attitudes toward property rights, work, who is entitled to benefits, growth, competition, government, and many other things would stand in the way of developing the good life as defined here. And many would no doubt view any loss of these values and beliefs as a threat to their right to the good life.

SUMMARY AND EVALUATION

The purpose of examining future alternatives for Iowa is for each individual to make up his or her own mind regarding the kind of Iowa he or she would like to see in the year 2000. That decision should be made on the basis of values — of what you would like to see for yourself and your neighbors in the future.

Then to develop a state policy, we must reach some agreement among all Iowans regarding the basic direction of that policy. And that decision is not unlimited. We can decide on whatever kind of Iowa we want in the future. But unless our decision is realistic, we have little hope of the goal ever being attained.

How realistic are the goals spelled out in Alternatives I, II and III?

Alternative I is probably most realistic. To attain it, we need do little but allow current policies, attitudes and activities to continue. The projections under Alternative I, using current social and economic trends along with foreseeable changes, therefore, become the ones most likely to occur.

Alternative II — the higher growth rate — is realistic and possible. But it will take a concerted, organized effort by Iowans to attain it. Since Alternative II does require basic agreement on a growth policy and work toward growth, it is not as likely to occur, unless a national policy regarding pollution or industrial location is adopted that encourages growth in Iowa.

The answer is not a simple one regarding Alternative III, the good life. It appears possible to take some steps toward improving the life of Iowans. But to make the good life the ultimate goal forces us to face some

economic realities. Any major advancements toward the good life in one area are likely to detract from the good life in other areas. The costs of economic development to provide more jobs, for instance, may include congestion, inflation, rising taxes, or threats to security through change.

The critical factor, then, in attaining the good life becomes one of balance. The important thing is to recognize the relationships, so that when decisions are made regarding economic development, we anticipate the costs to the quality of life. Or, we must recognize that attempts to bring us the good life may be at the expense of economic development. Recognizing these relationships will allow Iowans to make intelligent decisions that keep both economic development and the quality of life within a tolerable balance.

With this knowledge, how do you want Iowa to develop by the year 2000?

APPENDIX

Table 1: Population Projections With Continued Current Social and Economic Forces.

Office of Planning and Programming Areas

1970

AGE	1	2	3	4	5	6	7	8
0-4	7509	11488	11151	13044	9274	8009	21487	13151
5-24	35495	54394	55186	60678	43957	36501	97852	52591
25-44	17931	31819	28628	35113	25780	21704	53120	27095
45-64	21045	34406	31547	34971	27193	21848	50304	23405
65+	14134	21573	19498	20797	17399	14212	27575	13976
Total	95351	153180	146010	164603	126603	102274	250338	130218

1980

0-4	7510	12073	12848	15675	9672	8323	28064	14439
5-24	29042	44253	45207	50669	38776	32857	98064	54674
25-44	18776	33536	29878	38232	27636	23780	66819	32085
45-64	17871	29621	27175	30166	23914	19248	48690	22600
65+	13859	21529	19158	19982	16841	14176	29903	14210
Total	87058	141012	134266	154724	116839	98384	271540	138008

1990

0-4	7950	12140	14000	16668	10000	9325	36498	18222
5-24	27335	35341	37918	44802	30692	29070	101324	52421
25-44	19877	33724	32560	40654	28572	26645	86961	40495
45-64	14703	24819	22330	25984	20108	18014	49291	22488
65+	13679	21675	19559	19234	17131	14420	35862	15213
Total	83544	127699	126367	147342	106053	97474	309936	148839

2000

0-4	6506	9877	11469	13919	8821	9544	35123	18994
5-24	28137	36319	42419	50455	31862	31413	128348	62055
25-44	16264	27436	26672	33948	25204	23985	83625	42099
45-64	15396	26158	23305	28292	21556	19737	59224	26630
65+	11616	18661	16849	16591	15065	12703	33408	14690
Total	77919	118451	120714	143205	102508	97382	339728	164418

Table 1 continued

Office of Planning and Programming Areas

AGE	9	10	11	12	13	14	15	16	State Total
					1970				
0-4	22291	29899	42049	7252	14679	3959	10588	9545	
5-24	88940	130159	190456	32189	67162	19930	51253	41939	
25-44	55240	77931	116198	17947	40437	11739	30125	25940	
45-64	46163	59227	97817	20551	39752	14888	36054	25577	
65+	23983	32918	53686	13880	25912	11331	25805	15773	
Total	236617	330134	502206	91819	187942	61847	153825	118774	2,824,376
					1980				
0-4	28430	31169	51612	7102	15624	3254	10208	10755	
5-24	94264	138556	188782	32257	58595	13057	40582	37994	
25-44	71076	82025	143368	17754	43401	14185	29166	29068	
45-64	45061	62083	96873	16754	36511	10803	28596	22625	
65+	25327	35759	56271	13294	25365	11598	24808	15575	
Total	264158	348992	536906	87161	179496	52897	133360	116017	2,860,818
					1990				
0-4	37354	41052	63765	7210	16925	3150	10225	12259	
5-24	102335	133128	188821	20960	49697	9804	32026	36134	
25-44	93387	108031	177124	18026	47013	10502	29214	33132	
45-64	48611	67800	97606	13819	32345	11470	23498	21011	
65+	27698	28498	60646	13153	25044	10073	23435	15602	
Total	309405	388508	587912	73168	171024	44999	118398	118138	2,959,297
					2000				
0-4	39591	43700	63204	7225	14766	2360	8096	11106	
5-24	132752	157442	232600	20895	53380	8541	31467	40964	
25-44	98977	115000	175567	18064	41016	7866	23132	30015	
45-64	62547	71362	120429	13671	34721	10334	22750	23545	
65+	27036	40353	60061	10722	23002	7517	18587	13801	
Total	360903	427857	651861	70577	166885	36618	104032	119431	3,102,760

Table 2: Employment Projections With Continued Current Social and Economic Forces.

*	1970				1980			
AREA	Mfg.	Ag.	Other	Total	Mfg.	Ag.	Other	Total
1	3790	9871	26225	39886	4170	7403	25759	37332
2	9901	11215	36215	57331	10891	8411	35500	54802
3	6781	12560	33555	52901	7465	9420	32777	49662
4	8953	8088	44927	61968	9848	6066	45293	61207
5	7197	8012	29603	44812	7917	6009	29592	73518
6	8405	6839	24686	39930	9246	5109	26696	41071
7	20992	9364	52408	82764	26645	7023	58457	92125
8	13555	5952	28174	47681	14911	4464	31612	50987
9	28181	4776	58969	91926	31000	3582	70212	104794
10	31643	12423	89025	133091	34807	9317	98211	142335
11	37112	11882	159274	208268	40823	8912	176333	226068
12	3302	9466	20825	33593	3632	7100	19931	30663
13	9534	12084	50517	72135	10487	9063	52857	72407
14	1984	7277	14597	23858	2182	5458	14188	21828
15	11509	9160	35396	56065	11660	6870	32586	51110
16	14977	3504	28120	46601	19475	2628	30797	48900
State Total	217,821	142,473	732,516	1,092,810	241,159	106,855	775,288	1,123,302

* Offices of Planning and Programming Areas

Table 2 Continued

	1990				2000			
	Mfg.	Ag.	Other	Total	Mfg.	Ag.	Other	Total
AREA								
1	4586	5552	23655	33793	5645	4164	23680	32889
2	11980	6308	37130	855418	12178	4731	34006	50915
3	8211	7065	31015	46291	9032	5299	31898	46229
4	10833	4550	48712	64095	10915	3412	45423	59750
5	8708	4507	30835	44050	9579	3380	31727	44686
6	10170	3847	28459	42476	11187	2885	31322	45394
7	35159	5267	71300	111726	43061	3950	74410	121421
8	18402	3348	36208	57958	20822	2511	39897	63230
9	42100	2687	84321	129108	49510	2015	95461	146986
10	42288	6988	115622	164898	46117	5241	117778	169136
11	44906	6684	206360	257950	49396	5013	217636	272015
12	3995	5325	18922	28242	4395	3994	18672	27061
13	11536	6797	55000	73333	12690	5100	56335	74125
14	2400	4093	13183	19676	2540	3070	10770	16380
15	11900	5152	29334	46386	12000	3864	25429	41293
16	16122	1971	33342	51435	17100	1478	32304	50882
State Total	283,296	80,141	863,398	1,226,835	314,787	60,107	888,528	1,262,422

Table 3

Per Capita Income

With Current Social and Economic Forces.

(in constant 1970 dollars)

Area	1970	1980	1990	2000
1	$3017	$3590	$3930	$4760
2	3403	4114	5332	6130
3	2965	3504	4033	4885
4	3478	4235	5412	6064
5	3231	3939	5077	6201
6	3690	4573	5537	6647
7	3555	4242	5213	6050
8	3248	3798	4660	5269
9	3931	4657	5732	6495
10	3776	4423	5057	5781
11	3990	4700	5675	6270
12	3218	3583	4561	5265
13	3443	4195	5110	6225
14	3045	3773	4570	5551
15	3179	3846	4581	5453
16	3643	4525	5377	6240
State Average	3586	4226	5161	5947

Table 4

Gross Area Product With Current Social
And Economic Forces.
(in millions of constant 1970 dollars)

Area	1970	1980	1990	2000
1	$346,671	$376,558	$395,581	$446,814
2	627,568	696,160	817,038	874,633
3	519,466	565,968	612,207	709,522
4	686,952	787,440	956,963	1,039,506
5	490,852	553,026	649,860	765,095
6	525,542	540,560	648,812	804,726
7	1,067,953	1,385,093	1,949,551	2,458,848
8	507,516	629,771	834,246	1,056,245
9	1,117,893	1,478,852	2,123,126	2,805,130
10	1,495,516	1,856,105	2,505,654	2,970,772
11	2,052,124	2,790,624	4,011,019	4,909,215
12	354,540	375,572	401,465	446,409
13	776,461	904,508	1,063,123	1,247,167
14	225,973	239,933	250,987	253,469
15	586,798	623,295	656,501	678,249
16	519,228	634,816	774,995	889,699
Gross State Product	11,899,674	14,438,287	18,651,130	22,355,507

Table 5

Employment Projections With High Growth

*	1970				1980			
Area	Mfg.	Ag.	Other	Total	Mfg.	Ag.	Other	Total
1	3790	9871	26225	39886	4359	7403	26938	38700
2	9901	11215	36215	57331	11386	8411	37662	57459
3	6786	12560	33555	52901	7804	9420	34448	51672
4	8953	8088	44927	61968	10295	6066	47824	64185
5	7197	8012	29603	44812	8276	6009	31248	45533
6	8405	6839	24686	39930	9666	5129	28321	43116
7	20992	9364	52408	82764	27977	7023	67000	102000
8	13555	5952	28174	47681	15588	4464	33771	53823
9	28181	4776	58969	91926	32408	3582	75191	111181
10	31643	12423	89025	133091	36389	9317	104681	150387
11	37112	11882	159274	208268	42679	8912	187604	239195
12	3302	9466	20825	33593	3797	7100	20859	31756
13	9534	12084	50517	72135	10964	9063	55630	75657
14	1984	7277	14597	23858	2281	5458	14814	22553
15	11509	9160	35396	56065	12243	6870	38226	57339
16	14977	3504	28120	46601	16249	2628	36135	55012
Total	217,821	142,473	732,516	1,092,810	252,361	106,855	840,352	1,199,568

*Office of Planning and Programming Areas.

Table 5 Continued

	1990				2000			
Area	Mfg.	Ag.	Other	Total	Mfg.	Ag.	Other	Total
1	5012	5552	25353	35917	5764	4164	26238	36166
2	13094	6380	40567	59969	15058	4731	41377	61166
3	8974	7065	33536	49575	10320	5299	35772	51391
4	11840	4550	53267	69657	13616	3412	55341	70369
5	9518	4507	33660	47685	10945	3380	37858	52183
6	11116	3847	31286	46249	12783	2885	35884	51552
7	36915	5267	80748	122930	45214	3950	94113	143277
8	19322	3348	43397	66067	21863	2511	50964	75338
9	44205	2687	89764	136656	51985	2015	100800	162000
10	44402	6988	123336	174726	48125	5241	128078	181444
11	49080	6684	228632	284396	56443	5013	251969	313425
12	4367	5325	20265	29957	5021	3994	20646	29661
13	12608	6797	59767	79172	14500	5100	60368	79968
14	2624	4093	14044	20761	3017	3070	13315	19402
15	12495	5152	36898	54545	12600	3864	36015	52479
16	16930	1971	39519	58420	17955	1478	40632	60065
Total	302,502	80,141	954,039	1,336,682	345,209	60,107	1,036,510	1,441,886

Table 6

Population Required With High-Growth

(By Office of Planning and Programming Areas)

1970

AGE	1	2	3	4	5	6	7	8
0-4	7509	11488	11151	13044	9274	8009	21487	13151
5-24	35495	54394	55186	60678	43957	36051	97852	52591
25-44	17931	31819	28628	35113	25780	21704	53120	27095
45-64	21045	34406	31547	34971	27193	21848	50304	23405
65+	14134	21573	19498	20797	17399	14212	27575	13976
Total	95351	153180	146010	164603	126603	102274	250338	130218

1980

0-4	7647	12430	13137	16139	9972	8575	33397	14961
5-24	29573	45563	46224	52170	39978	33854	106217	56653
25-44	19119	34529	30550	39365	28493	24502	72374	33246
45-64	18198	30498	27786	31060	24655	19832	52738	23418
65+	14112	22166	19589	20574	17363	14606	29389	14724
Total	88649	145186	137286	159308	120461	101369	294115	143002

1990

0-4	8294	13000	14712	17759	10673	10472	39423	20333
5-24	28518	37840	39846	47736	32759	31086	109445	58494
25-44	20737	36109	34216	43317	30496	28493	93931	45186
45-64	15339	26574	23466	27686	21462	19263	53242	25093
65+	14271	23208	20553	20493	18285	14920	38736	16975
Total	87159	136731	132793	156991	113675	104234	334777	166081

2000

0-4	7015	11628	12531	16419	10120	10648	40339	22454
5-24	30340	42760	46348	59518	36555	35047	147412	73359
25-44	17537	32302	29142	40045	28917	30426	96046	49768
45-64	16602	30797	25464	33374	24731	22020	68020	31481
65+	12526	21970	18409	19571	17284	14172	38370	17366
Total	84020	139457	131894	168927	117607	112313	390187	194428

Table 6 Continued

1970

AGE	9	10	11	12	13	14	15	16	State Total
0-4	22291	29899	42049	7252	14679	2959	10588	9545	
5-24	88940	130159	190456	32189	67162	19930	51253	41939	
25-44	55240	77931	116198	17947	40437	11739	30125	25940	
45-64	46163	59227	97817	20551	39752	14888	36054	25577	
65+	23983	32918	53686	13880	25912	11331	25805	15773	
Total	236617	330134	502206	91819	187942	61847	153825	118774	2,824,376

1980

0-4	29640	32353	53545	7227	16021	3301	13323	12904	
5-24	98277	143822	195854	32827	60083	13247	45017	42054	
25-44	74102	85143	148739	18068	44503	14392	32353	32174	
45-64	46979	64443	100501	17050	37438	10960	31721	25043	
65+	26405	36495	58379	13529	26009	11767	25519	16239	
Total	275403	362256	557018	88701	184054	53667	147933	128414	2,986,822

1990

0-4	38511	43096	69037	7517	18159	3313	13841	13822	
5-24	105506	139758	204433	21853	53322	10313	37088	40740	
25-44	96281	113411	191769	18794	50442	11047	33832	37355	
45-64	50117	71177	105676	14408	34704	12065	27213	23689	
65+	28556	40415	65660	13713	26870	10596	25139	17591	
Total	318971	407857	636575	76285	183497	47334	137113	133197	3,173,270

2000

0-4	42495	45997	71447	7773	15623	2724	13009	12735	
5-24	142489	165718	262937	22479	56479	9860	38905	46972	
25-44	106237	121044	198466	19433	43400	9080	28600	34417	
45-64	67134	54113	136136	14707	36737	11929	28128	26998	
65+	29019	42474	67895	11534	24337	8677	19981	15825	
Total	387374	450346	736881	75926	176576	42270	128623	136947	3,473,776

Table 7

Per Capita Income High Growth

(in constant 1970 dollars)

Area	1970	1980	1990	2000
1	$ 3017	$ 3654	$ 4000	$ 4850
2	3403	4189	5388	6253
3	3965	3575	4129	4983
4	3478	4319	5520	6186
5	3231	4003	5157	6330
6	3690	4665	5647	6700
7	3555	4327	5318	6200
8	3248	3874	4752	5375
9	3931	4747	5848	6625
10	3776	4511	5402	5900
11	3990	4795	5790	6400
12	3218	3654	4652	5370
13	3443	4279	5212	6350
14	3045	3850	4662	5665
15	3179	3923	4673	5562
16	3643	4615	5485	6365
State Average	3586	4372	5291	6052

Table 8

High Growth

Gross Area Product

(in millions of 1970 dollars)

Area	1970	1980	1990	2000
1	$346,671	$390,521	$420,616	$491,532
2	627,568	733,146	888,053	1,051,154
3	519,466	591,477	658,535	792,243
4	686,952	829,407	1,044,613	1,259,550
5	490,852	581,186	706,594	897,401
6	525,542	569,987	709,562	917,944
7	1,067,953	1,534,176	2,145,919	2,902,613
8	507,516	667,740	951,353	1,259,014
9	1,117,893	1,576,770	2,248,158	3,092,908
10	1,495,516	1,969,780	2,656,055	3,201,046
11	2,052,124	3,219,181	4,441,786	5,680,939
12	354,540	390,686	427,731	491,470
13	776,461	949,287	1,152,848	1,351,421
14	225,973	249,000	265,998	288,510
15	586,798	699,542	772,277	862,327
16	519,228	714,456	880,601	1,050,702
GSP	11,899,674	15,666,342	20,370,699	25,590,779