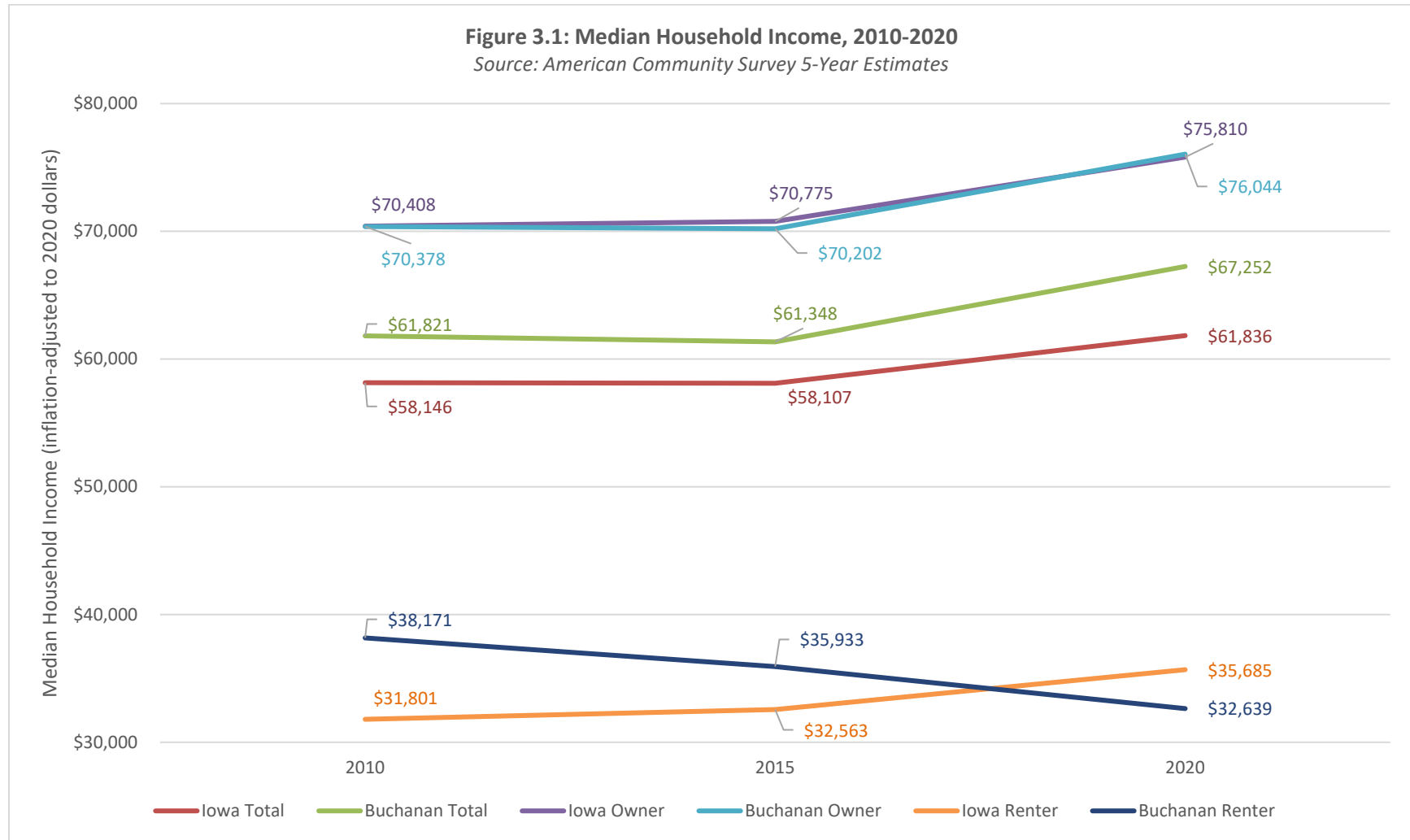

Section 3

Economic Considerations

Household Income

Since 2010, Buchanan County’s median household income has consistently been higher than the state’s (Figure 3.1). In 2020 dollars, both the county and state median household incomes were stagnant from 2010 through 2015 but increased by 2020. Buchanan County’s median household income grew from \$61,821 in 2010 to \$67,252 in 2020 (9 percent) while the state’s median household income grew from \$58,146 to \$61,836 (6 percent) during the same period.



In addition to overall median household income, household income of rental households and owner households for Buchanan County and Iowa are shown from 2010 to 2020. Approximately 20 percent of households are renters in Buchanan County compared to 29 percent statewide. In Buchanan County, median renter income has ranged from 54 percent of median owner income in 2010 to 43 percent in 2020. Unlike Iowa’s median renter income, which grew by 12 percent from 2010 to 2020, the county’s median renter income declined by 14 percent. The county’s median renter income of \$32,639 in 2020 has a wide margin of error, which may reflect income and employment volatility for renters during the COVID-19 pandemic. Additionally, during the 5-year period for which the 2020 estimate is calculated (2016-2020), some higher-income renters may have transitioned to homeownership.

Figure 3.2 compares the county and state median income growth from 2010 to 2020. If the changes over this decade are representative of future changes, then the county can anticipate an annual median household income growth of 2.9 percent in nominal dollars (not inflation-adjusted). The County’s real growth rate, adjusted for inflation, is predicted to be 0.9 percent annually. Based on this growth prediction, it is projected the county’s nominal median income will be \$77,147 by 2025 and \$87,043 by 2030.

Figure 3.2: Average Annual Household Median Income Growth

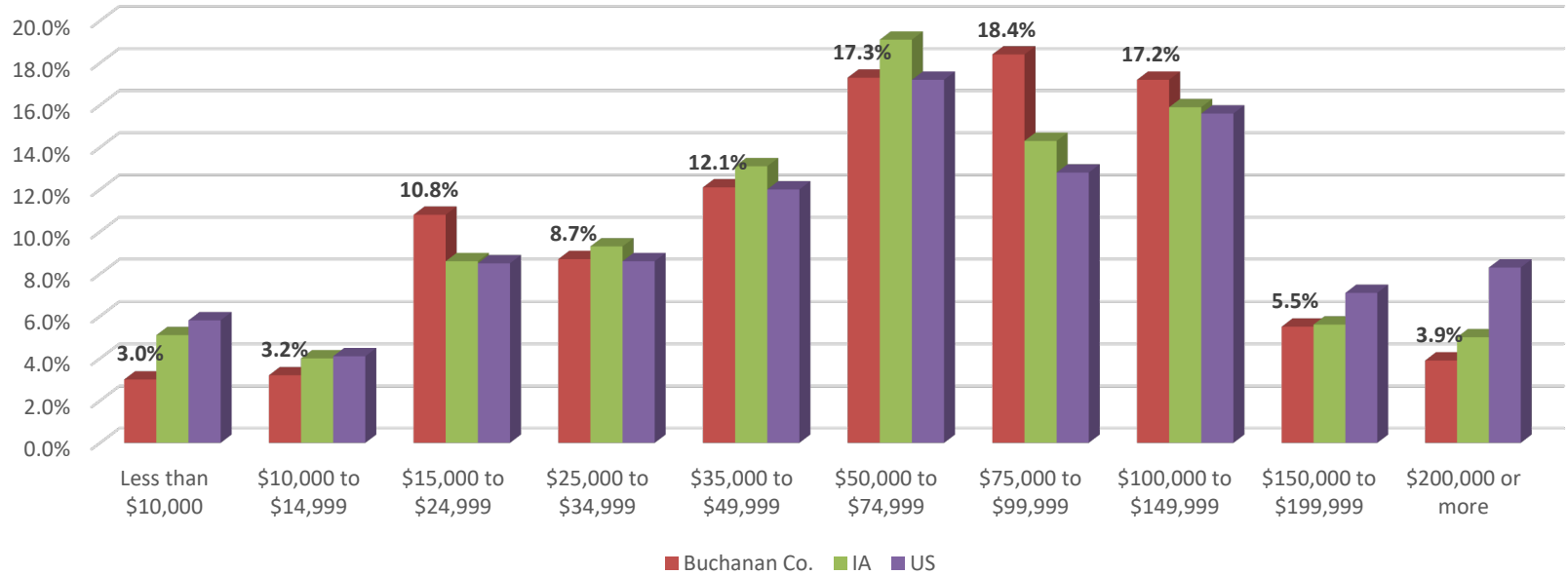
Timeframe	Buchanan Co.	Iowa
2010-2020 (Nominal)	29%	27%
2010-2020 (2020 Dollars)	9%	6%
Avg. Annual Change (Nominal)	2.9%	2.7%
Avg. Annual Change (2020 Dollars)	0.9%	0.6%
2025 Median Household Income (Nominal)	\$77,147	\$70,037
2030 Median Household Income (Nominal)	\$87,043	\$78,239

Source: American Community Survey 5-year Estimates

Figure 3.3 shows the percent of households in Buchanan County, State of Iowa, and the United States by varying income ranges. Data labels are included for Buchanan County. In the county, about one in four (26 percent) of households had incomes below \$35,000 in 2020. Approximately 29 percent had incomes between \$35,000 to \$74,999, while 45 percent had incomes of \$75,000 or more.

Figure 3.3: Household Income Comparison, 2020

Source: American Community Survey 5-Year Estimates



Labor Force

Figure 3.4 shows the monthly historic unemployment rate of the County compared to the entire state. Data shows that Buchanan County’s historic unemployment followed the same trend as the state’s but was often at a slightly lower level. The county’s unemployment rate was below 5 percent for 32 of the 36 months shown in Figure 3.4, despite this time period encompassing the COVID-19 pandemic. By August 2022, the county’s unemployment rate had fallen to 2.6 percent, slightly below the statewide rate of 2.9 percent.

Buchanan County’s labor force is expected to decline by 2025, but a decreasing unemployment rate is expected to result in a stable or growing pool of employed residents (Figure 3.5). Based on labor force trends from 2010 to 2020, the county will have a projected pool of 10,750 workers. Since 2020 was an unusual year with the start of the COVID-19 pandemic, Figure 3.5 also provides projections of the 2010-2021 trend, which results in an employed population of 10,826 by 2025.

Figure 3.4: Historic Monthly Unemployment Rate, September 2019 - August 2022

Source: Bureau of Labor Statistics, Local Area Unemployment Statistics (LAUS) Data (not seasonally adjusted)

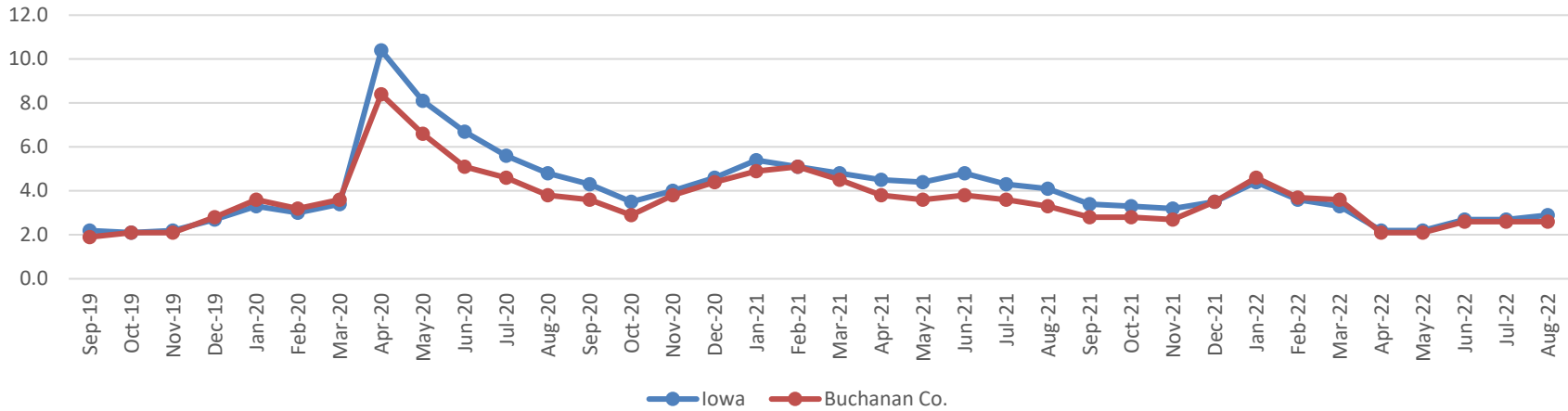


Figure 3.5: Employment Growth Trends and Projections in Buchanan County

		2010	2015	2020	2021	2025 Projection Based on 2010- 2020 Trend	2025 Projection Based on 2010- 2021 Trend	% change, 2010-2020	% change, 2010-2021
Buchanan County	Labor Force	11,320	11,310	11,210	11,180	11,156	11,111	-1%	-1.2%
	Employment	10,630	10,840	10,710	10,760	10,750	10,826	0.8%	1.2%
	Unemployment Rate	6.1%	4.2%	4.5%	3.7%	(X)	(X)	-1.6%	-2.4%
Iowa	Labor Force	1,674,400	1,700,500	1,682,300	1,676,100	(X)	(X)	0.5%	0.1%
	Employment	1,572,000	1,637,500	1,595,800	1,605,200	(X)	(X)	1.5%	2.1%
	Unemployment Rate	6.1%	3.7%	5.1%	4.2%	(X)	(X)	-1%	-1.9%

Source: Iowa Department of Labor, LAUS Data Tools; Notes: labor force, employment, and unemployment rates are annual averages.

Industry and Job Growth

Figure 3.6 shows the industry composition of the County's population which participates in the workforce.

The most popular industry for employment in the County, as well as in the State, is Educational Services, and Health Care and Social Assistance, accounting for 25 percent of the county's jobs.

Manufacturing is the second largest industry employer in Buchanan County, accounting for 19.7 percent of the county's jobs – five percentage points higher than the state in general.

Iowa Workforce Development (IWD) makes job and industry projections for defined regions within the state. Buchanan County is part of the Northeast Iowa Local Workforce Development Area (LWDA), which also includes 20 counties in northeast Iowa. Figure 3.7 depicts the expected jobs growth by occupational category for the Northeast Iowa LWDA.

Figure 3.7 shows occupational categories along with the total number of projected jobs in 2030, median salary, and the percent of new jobs that category represents in the region. Figure 3.8 displays a scatterplot of the data from Figure 3.7.

Figure 3.6: Existing Buchanan County Civilian Employment by Industry

Industry	Buchanan County		Iowa	Difference of % between Buchanan Co & IA
	# of Persons	% of Employed Population	% of Employed Population	
Educational services, and health care and social assistance	2,674	25%	24.3%	0.7%
Manufacturing	2,105	19.7%	14.7%	5.0%
Retail trade	1,288	12.1%	11.5%	0.6%
Construction	834	7.8%	3.8%	3.9%
Agriculture, forestry, fishing and hunting, and mining	821	7.7%	3.8%	3.9%
Professional, scientific, and management, and administrative and waste management services	645	6%	7.4%	-1.4%
Finance and insurance, and real estate and rental and leasing	460	4.3%	7.8%	-3.5%
Arts, entertainment, and recreation, and accommodation and food services	457	4.3%	7.2%	-2.9%
Transportation and warehousing, and utilities	416	3.9%	5.0%	-1.1%
Other services, except public administration	392	3.7%	4.4%	-0.7%
Public administration	368	3.4%	3.1%	0.3%
Wholesale trade	172	1.6%	2.8%	-1.2%
Information	50	0.5%	1.6%	-1.1%
Total # of civilians employed age 16 ≤	10,682	100%	100%	-

Source: 2016-2020 ACS 5-Year Estimates

Education, Training, & Library Occupations are expected to see the greatest growth in number of jobs in over the next decade. IWD anticipates 5,615 new jobs in this category in the Northeast Iowa LWDA, representing 19.4 percent of all projected growth. In 2022, this occupational category paid a median salary of \$47,388.

In addition, Food Preparation & Serving occupations are expected to grow by 12 percent, equating to 3,470 new jobs. However, these jobs will be at a much lower wage than Education, Training, & Library occupations, with a 2022 median income of \$23,652. Transportation & Material Moving, Management, and Healthcare occupations account for another 8,630 new jobs, or 29.8 percent.

Among the top 10 fastest-growing occupational categories in the region, Food Preparation & Serving is among the four with median wages below \$15.

These lower-wage occupations account for 26.3 percent of projected employment, or about 1 in 4 new jobs.

Figure 3.7: Projected New Jobs in Northeast Iowa Local Workforce Development Area, 2020-2030

Occupational Category	# of New Jobs 2030	Median Salary (2022)	Median Wage (2022)	% of New Jobs 2030
Education, Training, & Library	5,615	\$47,388	\$22.78	19.4%
Food Preparation & Serving	3,470	\$23,652	\$11.37	12.0%
Transportation & Material Moving	2,835	\$37,575	\$18.07	9.8%
Management	2,375	\$77,828	\$37.42	8.2%
Healthcare Practitioners & Technical	1,760	\$60,525	\$29.10	6.1%
Healthcare Support	1,660	\$29,653	\$14.26	5.7%
Construction & Extraction	1,265	\$47,041	\$22.62	4.4%
Building & Grounds Cleaning & Maintenance	1,250	\$30,097	\$14.47	4.3%
Sales & Related	1,230	\$28,878	\$13.88	4.2%
Installation, Maintenance, & Repair	1,195	\$47,122	\$22.65	4.1%
Business & Financial Operations	1,150	\$60,885	\$29.27	4.0%
Production	1,040	\$37,875	\$18.21	3.6%
Personal Care & Service	855	\$24,419	\$11.74	3.0%
Computer & Mathematical	725	\$75,104	\$36.11	2.5%
Arts, Design, Entertainment, Sports, & Media	575	\$38,129	\$18.33	2.0%
Architecture & Engineering	520	\$78,017	\$37.51	1.8%
Community & Social Service	515	\$38,964	\$18.73	1.8%
Protective Service	365	\$47,315	\$22.75	1.3%
Farming, Fishing, & Forestry	170	\$37,670	\$18.11	0.6%
Life, Physical, & Social Science	155	\$59,275	\$28.50	0.5%
Office & Administrative Support	125	\$37,198	\$17.88	0.4%
Legal	100	\$58,242	\$28.00	0.3%
Total	28,955			100%

Source: Iowa Workforce Development

Figure 3.8: Scatterplot of Total Projected 2030 Jobs by Occupational Category for Northeast Iowa Local Workforce Development Region (LWDA)

Source: Iowa Workforce Development

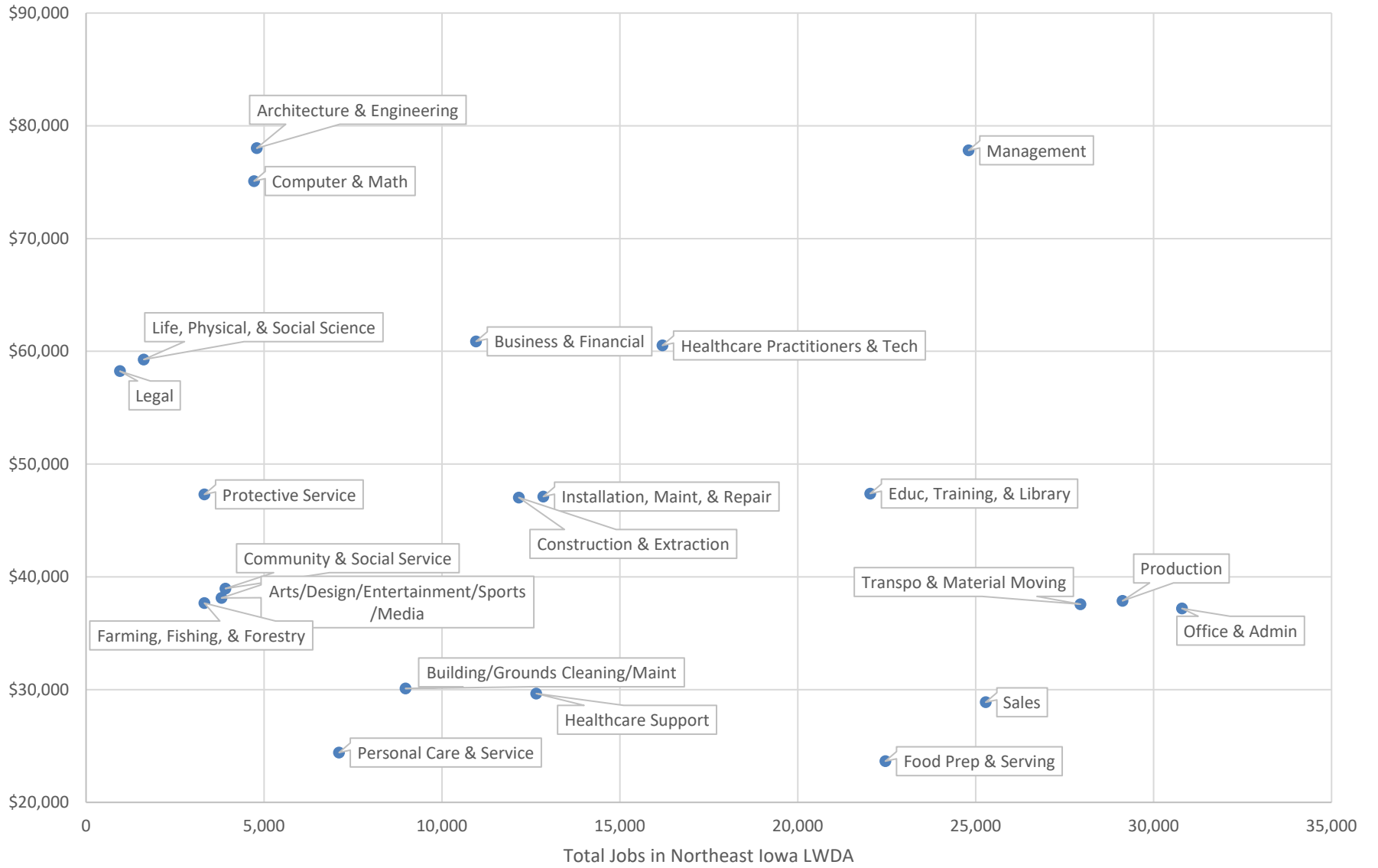


Figure 3.8 shows the total projected jobs in the Northeast Iowa LWDA in 2030 by occupational category. Although some categories are projected to grow faster than others, as Figure 3.7 shows, the overall distribution of jobs by category is not projected to change substantially. The top five occupational categories are projected to be Office & Administrative Support, Production, Transportation & Material Moving, Sales & Related, and Management occupations. These categories account for a projected total of 47.6 percent of jobs in 2030.

While Production will continue to account for a large share of employment through 2030, it is not among the fastest-growing occupational categories. As Figure 3.7 shows, it accounts for only 3.6 percent of job growth.

It is apparent from Figure 3.8 that several of the most common occupational categories in 2030 pay low to moderate wages. Five of the six most common categories have median annual incomes below \$40,000.

Overall, the Northeast Iowa LWDA region's employment is expected to grow by 28,955 workers, or a 1.1 percent increase from 2020 to 2030.

Commuting Characteristics

Figures 3.9 and 3.10 show the estimated commuting patterns of employed persons in the county in 2019. Buchanan County exports more commuters than it imports, with 6,461 county residents commuting elsewhere for work, and 3,136 workers commuting to Buchanan County from elsewhere. This is a common commuting pattern for rural counties near metropolitan areas. Some workers who do commute to Buchanan County from other counties might be persuaded to shorten their commutes by relocating to Buchanan County, provided that suitable housing is available.

Figure 3.10: Inflow/Outflow Job Counts of Primary Jobs in Buchanan County, 2019

	Count	Percent
Employed in Buchanan County	6,133	100%
Employed & Living <i>in</i> Buch. Co.	2,997	48.9%
Employed in Buch. Co. but Living <i>outside</i> Buch. Co.	3,136	51.1%
Living in Buchanan County	9,458	100%
Living & Employed <i>in</i> Buch. Co.	2,997	31.7%
Living in Buchanan Co. but Employed <i>outside</i> of County	6,461	68.3%

Source: LEHD 2019 (primary jobs)

Figure 3.11 shows the locations (by county) where Buchanan County residents work. An estimated 31.7 percent of Buchanan County residents in the workforce also work in the County. The next most common work location for Buchanan County workers is Black Hawk County (22.2 percent). Over 1 in 5 workers commute from Buchanan County to Dubuque County or another non-contiguous county for work. A non-contiguous county is one that does not share a border or corner with Buchanan County.

Figure 3.12 shows the home counties of workers who are employed in Buchanan County. Nearly half of these workers (48.9 percent) also live in Buchanan County. Another 11.8 percent and 9.1 percent live in Black Hawk and Fayette Counties, respectively. However, nearly 1 in 5 workers who are employed in Buchanan County actually live in non-contiguous counties.

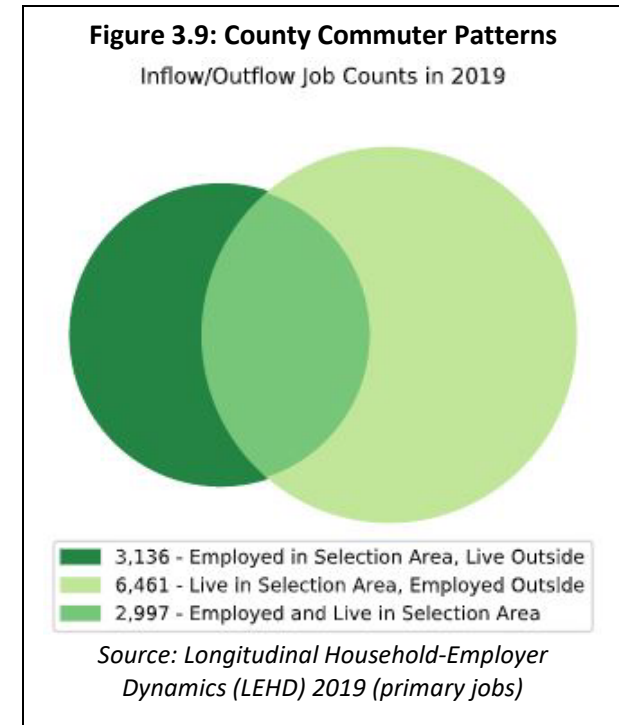


Figure 3.11: Job Locations for Workers Living in Buchanan County

Source: Longitudinal Household-Employment Dynamics (LEHD) 2019 (Primary Jobs)

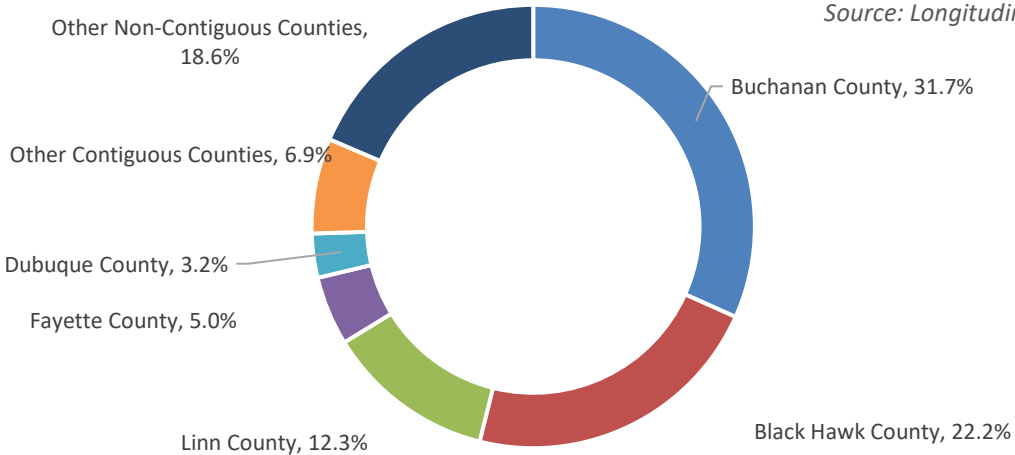
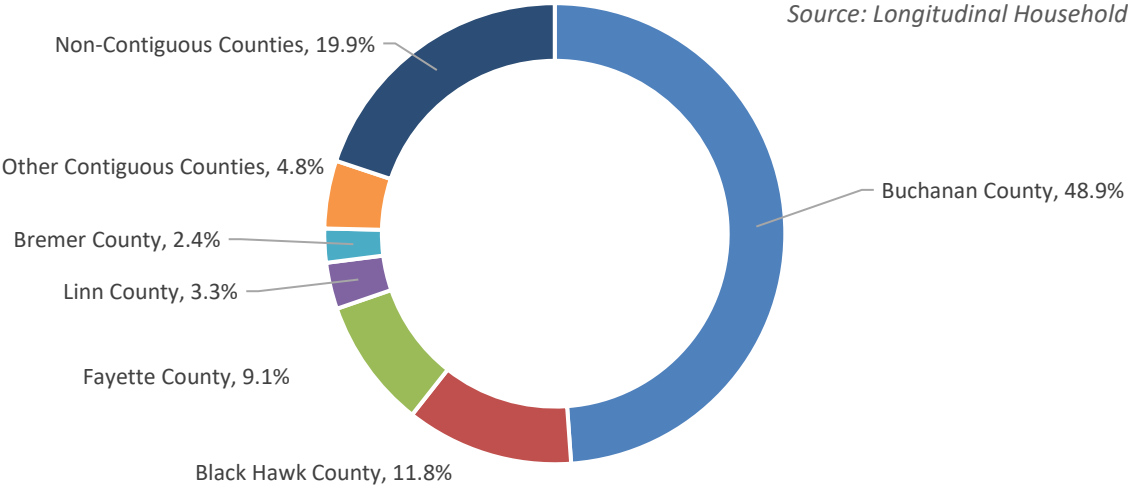


Figure 3.12: Job Locations Where Workers Live who Work in Buchanan County

Source: Longitudinal Household-Employment Dynamics (LEHD) 2019 (Primary Jobs)



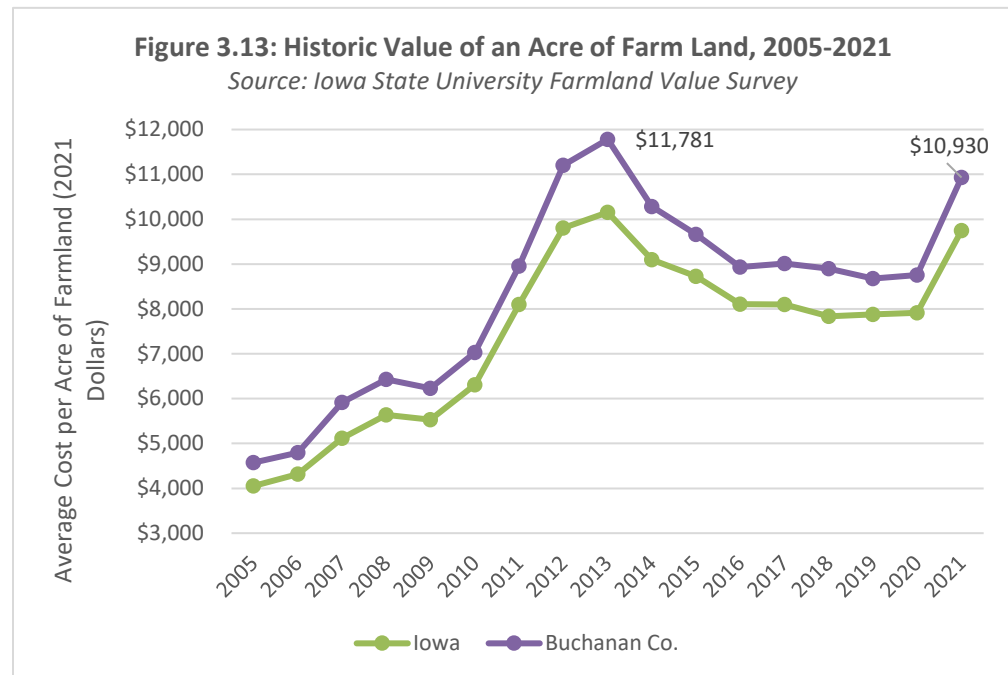
Land Value

Figure 3.13 displays the historic value of an acre of farmland in Buchanan County as well as the state from 2005 through 2021. Beginning in the early 2000s, farmland prices in Iowa began to increase dramatically. Record commodity prices (primarily corn and soybeans) contributed to the increased land value given the high-quality soil Iowa possesses for crop production. Furthermore, Buchanan County is home to some of the richest farmland within the state, leading to land values consistently higher than statewide averages. From 2005 to 2013 the average, inflation-adjusted cost of an acre of farmland in Buchanan County increased by 158 percent - from \$4,574 per acre in 2005 to \$11,781 per acre in 2013, adjusted to 2021 dollars.

After 2013, land prices in Buchanan County and the state declined and then stagnated. In 2020, the average price for an acre of land in Buchanan County was \$8,757 in 2021 dollars, an inflation-adjusted decrease of 26 percent from 2013. However, inflation-adjusted land values increased sharply in 2021 to levels not seen since 2014 in Buchanan County and the state. In Buchanan County, the 2021 average price for an acre of farmland was \$10,930, a 25% inflation-adjusted increase from 2020.

The accelerated cost of land over the past two decades likely deterred greenfield development as developers must absorb higher up-front costs to acquire land. In addition, it has been observed that many landowners were not interested in selling land because of the increasing value, relatively high farm incomes in many years, and ability to charge higher rent.

The dramatically increasing land prices place greater value on maintaining and redeveloping existing housing stock within developed areas of communities as opposed to acquiring land for a new development.



Poverty

The US Census Bureau determines the poverty status of the non-institutionalized population based on family size and income level. If a family's total annual income is below the threshold level appropriate for that family size, every member of the family is considered to be in poverty. The US Department of Health and Human Services annually determines poverty guidelines by family size based on US Census poverty thresholds.

Figure 3.14 shows poverty statistics for Buchanan County and the State of Iowa. According to the data, an estimated 7.4 percent of the county's population was below the poverty line in 2020, lower than the 11.1 percent statewide poverty rate for individuals. In the county, persons under 18 had the highest poverty rate among the age groups examined, at 9.5 percent.

Buchanan County's overall family poverty rate is 6.1 percent of families, compared to 7.1 percent of families statewide. However, the county's poverty rate for female householders with related children under 5 years is estimated at 82.1 percent, which is significantly higher than the statewide poverty rate of 44.9 percent for similar families, even taking into account the margins of error.

Figure 3.15 shows poverty rates of Buchanan County families by Housing Tenure (i.e. renter or owner). The poverty rate among renter families is 21.3%, nearly six times higher than the poverty rate of owner families.

Figure 3.14: Individuals and Families Living in Poverty, 2020

	State of Iowa		Buchanan County	
	Estimate	MOE	Estimate	MOE
All families	7.1%	+/-0.2%	6.1%	+/-1.4%
With related children under 18 years	11.7%	+/-0.4%	10.5%	+/-2.9%
With female householder, no spouse present, related children under 5 years only	44.9%	+/-3.0%	82.1%	+/-17.6%
All people	11.1%	+/- 0.2%	7.4%	+/-1.4%
Under 18	13.3%	+/-0.4%	9.5%	+/-3.2%
18 to 64 years	11.4%	+/-0.2%	6.9%	+/-1.2%
65 years and over	7.0%	+/-0.2%	5.5%	+/-1.8%

Source: 2016-2020 ACS 5-Year Estimates

Figure 3.15: Buchanan County Families in Poverty by Housing Tenure, 2020

Tenure	Total Households	% of Households in Poverty
Owner-Occupied	4,878	3.7%
Renter Occupied	750	21.3%

Source: 2016-2020 ACS 5-Year Estimates