Balanced Local Economies Deliver Strong Statewide Returns

The Iowa League of Cities commissioned an economic impact study to assess the contributing factors that lead to economic success for cities across the state of Iowa. Using eight sample cities: Bennett, Corydon, Council Bluffs, Dallas Center, Decorah, Kimballton, Mason City, and Spencer, it is clear that no matter the size or demographic make-up of a community, all cities add value to the state of Iowa.

IOWA LEAGUE of CITIES

MAIN FINDINGS:

Iowa's cities, no matter the size, are valuable contributors to the state economy.

True economic impact is generated from a variety of factors. The smallest case study city, with a population of just 281, outpaces three larger case study cities. This demonstrates how **Iowa's 500 cities with fewer than 500 residents are just as critical** to driving economic growth as their larger, more amenity-rich counterparts.

For every $1 of property taxes collected by cities, $160 is generated in the state economy.

To support Iowa's economy, you must support cities too.

Iowans have always been known for their strong work ethic — the study proves that no matter where they choose to live, their communities make a statewide impact. When considering property taxes, the study found that the generated value addition (equivalent to GDP) per property tax dollar is $96 directly within the community, and an additional $64 statewide. This means that **for every $1 of property taxes collected by cities, $160 is generated in the state economy.**

Comparison Indicators of City Categories

Category	Direct Value Added per $ of Property Tax	Total Value Added per $ of Property Tax	Total Value Added per Worker	Total Output per Worker
Robust	$104	$176	$131,407	$253,837
Maturing	$135	$229	$112,808	$261,191
Developing	$78	$127	$95,248	$221,286
Foundational	$68	$110	$82,900	$171,468

City Categories:

- **Robust:** Economically diverse cities with strong education and housing indicators
- **Maturing:** Balanced cities with steady economies, moderate diversity, varied industries, and reasonable access to amenities
- **Developing:** Emerging cities showing improvement or mixed performance across key indicators
- **Foundational:** Cities facing increased economic headwinds across key indicators

Economic variety across Iowa's cities supports long-term stability.

Five of the eight communities studied demonstrate a high level of industry and employment mix, resulting in more resilient local economies that are better positioned to weather economic downturns. Preserving cities' ability to build a balanced property tax base through effective **economic development tools is essential to strengthening Iowa's economy from the ground up.**

To read the full report, please visit iowaleague.org/wp-content/uploads/ILOC-Economic-Impact-Study.pdf

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