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# FEDA Quarterly



The Newsletter of the Fairfield Economic Development Association  
2008 / Q4

2008.12.19

2008 Q4

## FEDA Quarterly 2008.12.19

2008 is reaching its close and it is difficult to believe we've completed another quarter of business since our last *FEDA Quarterly* in October. We've been busy, completing the Fairfield Existing Business Initiative, working with the Fairfield Green Plannin Commission on its sustainability plan, working with several existing businesses on expansion plans despite what the national economy is telling us, and launching [GrowFairfield.com](#). In this edition, we cover those topics and more, including new micro programs at the Iowa Dept. of Economic Development and the meaning of RISE.

## Executive Director's Memo

[Last quarter in this space](#), I wrote about what everyone at the time considered to be a mounting financial crisis. I used phrases like "staggering proportions" and "the national economy's proverbial hair is on fire". Boy, do I wish I would have held fire for what has happened since.

As a result, I've got little else to use to describe what's going on nationally. The papers, airwaves and blogs are clogged with astonishing reports of collapse and near-panic. We're not going to go there here.

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## 2008 Membership

***Thank you to all 2008  
FEDA Sustaining Members***

Access Energy Cooperative  
Agri-Industrial Plastics  
Alliant Energy  
Ameriprise Financial Services,  
Inc.  
Balmer Nelson Van Mersbergen  
Barker Company

On November 25th, FEDA teamed with the Fairfield Entrepreneurs Association to assemble a local economic roundtable in an effort to discuss in an open forum the downturn's effect on the local economy. Local businesspeople from the banking, investment, retail, manufacturing and grocery fields participated in the forum, which was moderated by MUM professor David Goodman.

The prevailing theme? Relax, turn off the television, hunker down for a bumpy ride to be sure, but the walls are not crashing down upon us like they seem to be on Wall Street. The reason? Steady, conservative and largely responsible lending, borrowing and operating philosophy that much of our business community adheres to locally and in much of this region of the country has resulted in remarkably stable local capital markets. The panel's overriding message was that things on the local level are challenging and a bit less than stable, but that a balanced approach pays its dividends during a period like we're facing now.

But in a global economy, all economics certainly is not local.

Suppliers, vendors, marketers and governments worldwide are tightening their spending belts, and it's having an effect on local business. Most of the Fairfield manufacturing sector appears to be experiencing a substantially soft period with forecasts calling for more difficulty through 2009. We have not witnessed substantial layoff activity locally- a comment on the commitment of many of our major employers to the community and their employees. Instead, we're seeing companies elect to share the pain equitably throughout the workforce. Hours are being pulled back- we're seeing some 4-day weeks- and new business and customers are increasingly difficult to come by, making end-of-year performance incentives a much more than usual rarity this time of year.

Regretfully, Books Are Fun, a major Fairfield employer in years past, was sold and those jobs have been lost in the last quarter, but FEDA, partnering with Iowa Workforce Development and BAF officials, is working to help place the displaced workers and some have found new employment in Fairfield already.

Know that we do not consider this to be a radar blip and that your economic development group in Fairfield is working to address the issues your business faces during, it seems, increasingly uncertain times. We've completed the Fairfield Business Initiative and will open 2009 with planning exercises designed to generate a program of works which addresses your needs and opportunities. As we close a year of great progress in Fairfield and at FEDA, we wish you a terrific holiday season

Cambridge Investment Research, Inc.  
 Gary Cameron - Foss, Kuiken, Gookin & Cochran P.C.  
 City of Fairfield  
 Creative Edge Master Shop  
 Don Cummings - State Farm Insurance  
 D & L Development, Inc.  
 Danaher Oil Co.  
 Davis & Palmer Real Estate/Marcris Builders  
 Dexter Apache Holdings  
 Neil Doyle  
 Eastgate Energy Services  
 Dr. Martin Gleason, Fairfield Dental Clinic  
 Dr. Stephen Van Tasell, Fairfield Dental Clinic  
 Fairfield Real Estate  
 Fairfield Tire & Service  
 Finney Industrial Painting & Auto Body  
 First National Bank in Fairfield  
 Craig Foss - Foss, Kuiken, Gookin & Cochran P.C.  
 French-Reneker & Associates  
 Gamrath-Doyle Insurance  
 H & H Mold & Tooling  
 Hawthorne Direct, Inc.  
 HCM Plastics, Inc.  
 Holt Family Dental Clinic  
 Huff Financial Group  
 Hy-Vee Food Store / Drug Store  
 Iowa Telecom  
 Jefferson County Abstract  
 Jefferson County Equipment  
 Jefferson County Health Center  
 Jet Stop  
 Kessel Agency  
 L.T. Evans Insurance Agency  
 Libertyville Savings Bank  
 Live Wire Electric  
 LISCO  
 Maharishi University of Management  
 MidWestOne Bank  
 Medical Arts Clinic  
 Morrissey Law Offices  
 Brian Olson - Edward Jones Investments  
 Dr. Gary Roth, D.D.S.  
 Schaus-Vorhies Companies  
 Shipley Contracting Corp.  
 John Stever - Edward Jones Investments  
 SunnyBrook Assisted Living, Inc.  
 TD&T Financial Group, P.C.  
 The Fairfield Group  
 Tigerhawk Profiles  
 Vintage Power Wagons

and ask in the new year your communication, your feedback, your ideas. We cannot do it without you.

Wal-Mart  
Whitney Monument Works  
Winfrey Storage

-Brent

## **FEDA launches Web site- target: your business, new business**

FEDA earlier this month launched [GrowFairfield.com](http://GrowFairfield.com), a rich Web property designed to address the information and Web needs of local business and those considering doing business in Fairfield. The site offers more Fairfield community and demographic information than ever previously compiled in one online space, including labor, tax, transportation, incentives, funding and available commercial real estate information as well as community history, municipal services and membership information.

The FEDA launch punctuates a nearly two-year long process, which began with strategic planning exercises in early 2007. The site was supported 100% by 2008 sustaining membership dollars through its inclusion in the 2007-2008 FEDA *Business Plan*.

A heavily competitive online environment compelled FEDA to invest substantially in the development of the site, which was led by FEDA Administrator Samuel Busch. FEDA research returned that the ways in which people are accessing community and economic development-related information is increasingly and overwhelmingly Web-based. "In order to compete in that marketplace, we invested we believe wisely in a complex, multifaceted site which offers each organization the opportunity to adjust to changing online dynamics and grow our online presence in step with consumer demands," said Pat Doyle, FEDA President.

Target audiences for the site include local businesses, national site selection consultants, company executives and entrepreneurs.

GrowFairfield.com just became the single most important business recruitment tool in our toolbox, and we encourage you to [check it out](#).

## ***Spotlight:* Dexter Foundry**

## to grow; City receives RISE support

*Parts excerpted from IDOT media release*

On December 9, the Iowa Transportation Commission approved a Revitalize Iowa's Sound Economy [RISE] Immediate Opportunity grant for the City of Fairfield. \$81,089 has been made available to assist in the reconstruction of 10th Street from Grimes Avenue north to Depot Avenue. The improvement is necessary to provide improved access for the loading docks at Dexter Foundry in Fairfield.

The award comes as support for a project which will create 20 new jobs at Dexter and \$1.5 million in capital investment. FEDA actively supported this application and is pleased to congratulate Mayor Ed Malloy, the City of Fairfield and Dexter on a successful result for Dexter and for Fairfield.

**To read FEDA's letter of support for the RISE application, click [here](#).**

## National Quarterly Indicators

*Courtesy of the US Small Business Administration; 3Q 2008  
(released November 7, 2008)*

-The U.S. economy experienced weaknesses in the third quarter, as real gross domestic product fell 0.3 percent. Consumers, who helped lift GDP in the second quarter with their economic stimulus checks, reduced their spending by an annualized 3.1 percent in the third quarter, and real gross private domestic investment continued to fall, with an annualized 1.9 percent decline. Real exports remained strong, growing an annualized 5.9 percent; real imports declined 1.9 percent annually, resulting in an improved trade deficit. Meanwhile, manufacturing output declined, with the Institute for Supply Management's manufacturers' purchasing index down from 50.2 in June to 43.5 in September and the Federal Reserve's industrial production index down an annualized 6.0 percent.

-Small business owners and consumers are pessimistic about the economy, with the University of Michigan's consumer sentiment survey and the National Federation of Independent Business's optimism index lower than desired. According to the NFIB survey, the next three months are not a good time to expand operations, to hire new workers, or to invest in new capital projects.

-The unemployment rate in August and September rose to 6.1 percent, its highest point since September 2003,

and the U.S. economy has lost jobs each month in 2008, with 760,000 fewer nonfarm payroll jobs since December 2007. Every industry has seen employment losses, with the exception of four - education and health services, government, natural resources and mining, and other services. Some of the hardest hit industries were construction, manufacturing, retail trade, financial activities, and professional and business services. In the third quarter, unincorporated self-employment fell from 10.5 to 10.1 million; incorporated self-employment remained around 5.8 million.

-The Federal Reserve has expressed concern about weaknesses in the economy and in the credit markets. It has worked closely with the U.S. Treasury and Congress to shore up the health of banking and other financial institutions and to stimulate the economy. (The Emergency Economic Stabilization Act was enacted on October 3, and the Federal Reserve cut the federal funds target rate by another 50 basis points on October 29. The prime rate is now 4.25 percentage points lower than in September 2007.) Small business lending demand remains weak, according to the Federal Reserve's Senior Loan Officers' Survey, and venture investment has also fallen in the third quarter.

-Inflation remains an issue, although growth in producer prices has tapered off. Consumer prices rose an annualized 6.7 percent in the third quarter; when energy and food prices were excluded, the consumer price index grew 3.2 percent annually. The producer price index, which increased nearly 14 percent between September 2007 and September 2008, was up an annualized 2.5 percent in the third quarter. Wages and salaries and the cost of providing benefits rose 2.2 percent and 2.3 percent, respectively, on an annualized basis. The price of oil has fallen dramatically since peaking at over \$145 per barrel in July. The average cost of West Texas crude was \$103.90 in September. (It fell further to around \$66 a barrel by the end of October.) Nonfarm labor productivity grew an annualized 1.1 percent in the third quarter.

## What the #s mean

*By Samuel Busch, FEDA Administrator*

### **How Statistics are used in Economic Development**

Earlier this month I started a course in statistics. I'll have to admit I was very nervous and apprehensive about taking the

course. This was because of my first exposure to statistics in undergraduate school. I remember a lot of late nights that almost ended in tears trying to figure out how to do univariate inferential tests, confidence intervals, hypothesis tests, z-tests, t-tests and regression analysis. But that was back in 1999 and now it's 2008. I thought since I worked in economic development researching, compiling and using statistics everyday it would be a piece of cake. Let me tell you, my assumption couldn't have been more inaccurate. I'll come back to that later. When Brent asked me to write an article for FEDA's quarterly newsletter, it was a no brainer to write about statistics and how they are used in economic development.

### **Types of Statistics**

Every day the media and governments publish statistical economic data. For many people, statistics means numbers, numerical facts, figures, or information. Reports of industry production, unemployment figures and government deficits for example, are often called statistics. To be precise, these numbers are descriptive statistics because they are numerical data that describe phenomena. Descriptive statistics are as simple as the number of children in each family along a city block or as complex as the annual report released from the U.S. Bureau of Labor Statistics.

Now let's discuss the two ways of representing descriptive statistics, numerical and pictorial. Numerical statistics are numbers, but some numbers are more meaningful than others. For example, economic statistics are mainly required to answer questions about the "health" of a particular economic system. The economic system can be for a small rural community like Fairfield, a business or an entire country like the United States. Taking numerical data and presenting it in pictures or graphs is what is known as pictorial statistics. Showing data in the form of a graphic can make complex and confusing information appear more simple and straightforward.

### **Using Statistics in Economic Development**

Statistics used in economic development to help decision makers draw conclusions based on data and analysis in the face of uncertainty. Decisions based on sound statistical findings are more scientific, and enhances desirable outcomes. Many statistical methods are based on random samples to protect against personal or environmental biases. Both graphical and numerical statistics reveal the facts that are often unavailable in the mess of data. Statistics used in economic development puts information in the right perspective so that it is ready to be used in decision making.

There are three main activities of statistics used in economic development: **(a)** production of data through experimental or

observational processes, **(b)** presentation of data using graphical and numerical methods, and **(c)** decisionmaking on the characteristics of populations via estimation and tests. Statistics used in economic development goes far beyond the simple exploration of data. Contrary to popular belief, both the availability and the nature of economic statistics are closely linked to developments in an economy, the requirements of political/business decision makers, and each community's way of looking at itself. Accordingly, most data we have and use today represent the supply and demand sides of statistical information constantly attempting to catch up with each other, with both sides being strongly influenced by the changes taking place in society, business and political life.

### **Measurement, Implementation and Monitoring**

Having statistical economic data that is timely and accurate is ideal but the reality is different and requires a mechanism of monitoring that takes into consideration the level of social and economic development. It is important to achieve consensus on a set of indicators to be used as a tool for measuring and monitoring social and economic development. This mechanism requires the regular flow and monitoring of accurate, comprehensive, and consistent statistical economic data.

Developing a set of indicators to be measured in different points of time is the standing point to indicate the current situation and to measure the progress over time. Clearly defined indicators provide a scale, which is used to measure the level of progress in the implementation of social and economic development initiatives. Therefore, reporting on the analysis of the collected data provides better understanding of the trends and the main characteristics of a community based on the indicators identified. Interpretation and assessment of the data and situation form a basis for the formulation of action and strategic planning in light of the findings derived from the statistical economic information collected.

### **FEDA's Commitment**

In Fairfield, FEDA is committed to producing high-quality, user-oriented, timely and readily accessible official economic statistics that meet the needs of decision makers from both the public and private sectors. These official economic statistics are critical in helping FEDA formulate strategies by examining the development of local attractions, housing, businesses and population growth to position Fairfield as the place to live, work and play in Iowa. Fairfield has gone through stages of rapid structural changes and evolved from a small rural manufacturing community to a thriving economic center featuring advanced manufacturing, biotechnology, finance and information technology. The dynamic economic structure of Fairfield requires decisionmakers make give quick

and proper responses to a variety of challenges. The decisionmaking process can be facilitated with adequate, reliable, timely and high-quality economic statistics.

Now, back to my earlier assumption that the statistics course I started would be a piece of cake since I research, compile and use statistics every day here at FEDA. You'll be happy to know that this time around I didn't come to tears or burn the midnight oil toiling over bell curves, scatter plots and regression lines. I'll have to admit I'm still not an expert statistician nor do I intend on being one. I am, however, much more comfortable now comprehending and explaining how a particular economic statistic was derived, the assumptions made, how the calculations were done and more importantly the logic behind the conclusions.

## FEDA offers conditional endorsement of Fairfield Sustainability Plan

At the November 24, 2008 FEDA Board of Directors meeting, Fairfield Mayor Ed Malloy and Councilman Myron Gookin presented the findings of the Fairfield Green Planning Commission and its draft Sustainability Plan for Fairfield. Malloy and Gookin took FEDA through the plan, highlighting roles and responsibilities that FEDA itself would be asked to assume, as well as issues of consequence to Fairfield business and industry as they relate to the plan.

Following the November 24 meeting, FEDA held a special session to discuss the plan. The result of that discussion was a conditional FEDA endorsement of the Sustainability Plan. Conditions for FEDA endorsement include the removal of language judged by FEDA to be not in the interest of Fairfield business and industry and recommended changes. Also during the meeting, FEDA accepted its direct responsibilities outlined in the plan:

- Establish Fairfield and Jefferson County as a model for green-collar job creation
- Attract human and financial capital with and for sustainable development.

Assuming the final draft of the Sustainability Plan reflects the amendments and changes suggested by FEDA, we enthusiastically support the implementation of the Plan and encourage members of the Fairfield business community to

support it as well.

The Plan with our amendments calls largely for educational initiatives; focuses on incentivizing, not regulating sustainable business practices; and, we believe, positions Fairfield as a community better equipped to address and compete for the demands of an increasingly sustainability-minded regional and national labor force and business climate.

## FEDA-sponsored ribbon cutting opens DSM-Burlington corridor

The Highway 163/63/34 Ribbon Cutting Ceremony Presented by The Schemmer Associates was held November 12, 2008. The Chamber and CVB-organized, FEDA-sponsored ceremony at the Highway 34/1 interchange was followed by an lunch at the Fairfield Arts & Convention Center. The event was a major success, as more than 200 people saw Iowa Gov. Chet Culver, Congressman Dave Loebsack, Congressman Leonard Boswell, Iowa DOT Director Nancy Richardson, State Sen. Becky Schmitz, Mayor Ed Malloy and several other dignitaries cut the ribbon on the Highway 163/63/34 Des Moines to Burlington four-lane project.



Officials cut the ribbon on the Des Moines to Burlington four-lane corridor in November

## News & Notes

-Samuel Busch will remain on with FEDA following his graduation from the MBA program at MUM.

-Executive calls for the Fairfield Existing Business Initiative are complete. If your company received and still has an outstanding Company Background Sheet to return to FEDA, please get it in as soon as possible; contact Samuel Busch at 472-2111 or [sbusch@growfairfield.com](mailto:sbusch@growfairfield.com) with questions or to submit information.

-FEDA is working with Creative Edge Master Shop on a job creation project which is in the Financial Application review phase with the Iowa Department of Economic Development. The IDEED Board will discuss the Creative Edge application at its December meeting.

-The December installment of the Fairfield Area Chamber of Commerce's Business After Hours series takes place Tuesday, December 23 from 4.00-7.00 at Nelson Company. Nelson regularly hosts this holiday-themed BAH; for more information, [click](#).

-The FEDA Advisory Committee is scheduled to meet January 6 at 8.00 at FEDA offices, 200 West Broadway in Fairfield.

-FEDA still has five buildable residential lots on Woodside Circle. Several are wooded. All are reasonably priced and ready to be built on. Contact FEDA at 472.2111 for more information or a site visit.

## New IDEED division offering programs focused on commercialization

Representatives for the Iowa Department of Economic Development's year-old Innovation and Commercialization Division met with community leaders and economic developers last week at Indian Hills Community College.

The Innovation and Commercialization Division administers a fund dedicated primarily to the commercialization or bringing to market of new technologies in Iowa. Some you should be made aware of:

- The Iowa Student Internship Program links college students from Iowa schools to internship opportunities in small- and mid-sized firms in the biosciences, advanced manufacturing and information technology industries.
- The Demonstration Fund provides pre-seed capital awards of up to \$150,000 to encourage

prototype and concept development activities by small- and mid-sized Iowa companies in the advanced manufacturing, biosciences and information technology industries.

- The Iowa Commercialization Services Network Program is designed to provide technical assistance that directly supports activities leading to commercialization of innovation, thereby fostering competitive, profitable companies that create high-paying jobs and wealth in Iowa.

[And much more.](#) Make sure you familiarize yourself and your company with these and other IDED programs. Contact FEDA for more information and how to apply.

Fairfield Economic Development Assn., Inc.

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