

Census' grim news prods Iowa officials to act

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The day before the U.S. Census Bureau made its projection that Iowa will suffer a huge population loss by the year 2010, a memo went out from the Iowa Department of Economic Development to officials at Iowa State University.

The memo said the department and the university should develop a "news media response" featuring Willis Goudy, census director at ISU, and Harvey Siegelman, a state economist who works for the department.

"Governor's office does not want release or response coming from his office or IDED. Can you help by tomorrow a.m.?" the memo read.

The author of the memo, the department's Bob Boyd, says he was just trying to line up some help from Goudy so that news reports on the bureau's projection would contain factual information. Gov. Terry Branstad and his aides say the memo is

report: Do they ignore its implications and attack its validity, or do they take steps to make sure that a staggering population loss of the size that's projected doesn't occur in Iowa?

"I think you can ignore it, or you can take it head on, or you can accept it. You have three choices," Branstad said in an interview. "We're going to take it head on. We did so, and it got the Census Bureau a little mad because we took it on directly from day one."

Branstad challenges the assumptions in the report, which projects that the state will lose almost 16 percent of its population during the next 23 years, the largest decline in the nation. He points out that in 1980 the bureau predicted continued population growth in Iowa on the eve of the state's devastating farm crisis.

"They will tell you they're not pre-

dicting. So first of all, the first thing is that there's a misunderstanding, and I think they perpetuate the misunderstanding by putting out predictions and then saying they're not predictions," says Branstad.

"What the hell are they then if they're not predictions?" he asks.

In addition, he's ready with an artillery of reasons why it won't happen here. "We have valid information to show the situation has changed," Branstad says.

Bad Public Relations

The report is hardly good public relations for the state, although business leaders and economic development officials say there's been no immediate fallout from employers who fear expanding or locating here.

Iowa State's Goudy speculated that

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inaccurate. They say they never pressured the department to distance the governor from a report that is a potential political bombshell.

"I'm not afraid," says Branstad.

Raises Questions

All the same, the memo illustrates the challenging question presented to state officials by the Census Bureau

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 news articles raised enough questions about the report's validity to keep a lid on such fears.

The one worry is that the report's conclusions will be repeated in studies that use census bureau statistics, and will go unchallenged by information submitted by state officials that rebuts those conclusions. "That, hopefully, we can overcome with marketing," says Allan Thoms, director of the economic development department.

Branstad and other state leaders readily admit that the state went through a difficult period in the early to mid-1980s. Farmland values fell, interest rates skyrocketed, farms went on the auction block and small-town businesses folded at an alarming rate.

What's more, young people flooded out of Iowa, in search of the opportunities that had been lost here. That population drop is what prompted the Census Bureau to take out its ruler and draw a line that extended the trend into the future.

"It's the smaller communities where the real economic distress was

at, and where there weren't a lot of non-agriculturally related jobs," says Senate Majority Leader Bill Hutchinsons, an Audubon Democrat who saw people struggling in rural areas of his western Iowa district.

Conditions Improved

But by 1986, the cut-off point for the Census Bureau study, farm conditions began to ever so slowly turn around, in part because of external factors such as the federal farm bill, rising livestock prices, the declining value of the dollar overseas and the weather in foreign countries. At the same time, the words "economic development" increasingly were on everyone's lips.

In recent weeks, figures reflecting revenue flowing in to the state suggest the economy is on the upswing. Politicians repeatedly cite the high number of new businesses established as a positive indicator, as well as increases in individual income and stabilizing land values.

While at least one study by the Public Research Institute at the University of Iowa has suggested the state was slow to react to the economic collapse, Branstad and top economic development officials con-

tend otherwise. "I think the people of this state have decided to do something about it," he says. "As governor, I made economic development my priority, but I think we can say that the Legislature, both Democrats and Republicans, share that commitment."

He says that has meant developing a "pro-growth, pro-economic development consensus" and studying the situation to create a strategic plan to keep Iowa intact. Areas such as biotechnology have been targeted for growth, as well as efforts to make Iowa a lure for the insurance industry and for telemarketing and automotive component parts companies.

Local Leadership

In addition, Branstad says he's worked at developing economic development leadership in local communities. He also points to moves toward increasing teacher pay as an aid in gaining Iowa a national reputation as a leader in education reform.

Hutchins says the entire economic development package is what is going to help Iowa avoid disaster — money

for job training, for grants to local communities, for improved transportation systems, for technical assistance for small businesses.

"And then there's just the attitude of the people. It's much more positive than it was a couple of years ago," Hutchins says.

Dan Voogt, an assistant Dallas County attorney, is one Iowan who's taking the state's economic future into his own hands. Voogt and about 25 other young Iowans recently formed a fledgling group called Professionals Interested in Iowa.

Their objective is to stem the drain of young people leaving the state — a trend he witnessed as a student at Drake University's law school, when he saw his classmates depart for high-paying jobs in places such as Kansas City and California.

Worth Staying in Iowa

"We want to do things that promote the state and the central Iowa area, and show that it's a good place to live and a good place to stay," says Voogt, 26, who says he made some financial

sacrifices to stay in the state where he grew up.

He wants to stay here because he likes the quality of life, and thinks it's a good place to raise a family someday. But it wasn't easy for him to find a job as a lawyer in Iowa, and he says Iowans are going to have to work together to keep the state attractive to people.

"You can't just ask somebody after they've worked their way through college to be a nice guy and stay," says Voogt. "You've got to give them something."

The question is how to keep the state on its course of tentatively creeping out of the doldrums. Says Branstad: "We can't afford to just say, 'OK, we don't have to market Iowa, we don't have to tell the good story about the things Iowa has to offer — about the work ethic, education, all those things — because everything is going to take care of itself.'"

Hard Questions Ahead

Hard questions lie ahead about whether Iowa needs as many schools, cities, counties, highways as it now

has — and those questions have to be answered in order to avoid the worst. The school aid formula, for example, is due to be examined during the next two years by the Legislature.

"Somebody has got to bite the bullet and say you're all done out there wasting taxpayers' money," says labor leader James Wengert, head of the Iowa AFL-CIO.

Whatever answers are found through the political process, few will forget the dire predictions of the census reports, Branstad says.

"This has given us a worst-case scenario to say if we just want to ignore what we can do to help ourselves and just let external forces control our destiny, this is what will happen," he says.

"And that probably is enough to scare the daylights out of most people to want to be part of the solution."