



## 2. UNDERSTANDING IOWA



How will Iowa be different in 2045?

What are some of the key changes that may occur?

How will future economic development opportunities be addressed?

How will Iowa's transportation system be affected?

To answer these types of questions, it is important to understand past, current, and projected trends. This chapter looks at many of the key demographic, economic, passenger transportation, and freight transportation trends that have affected Iowa in the past; how they are affecting Iowa today; and how they are projected to affect Iowa in the future. An understanding of the characteristics that make Iowa unique will help project future needs and plan ahead to meet these challenges.



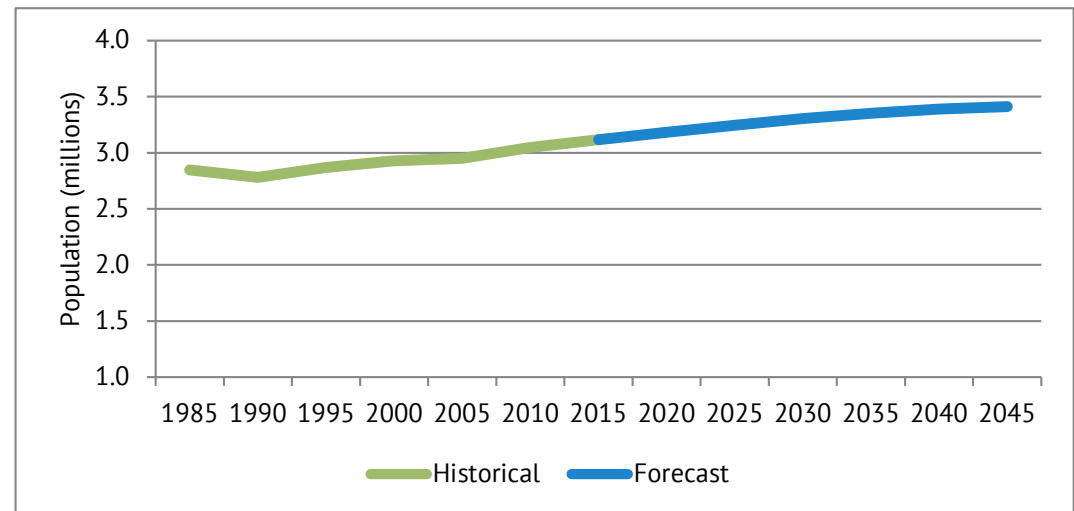
## 2.1 Demographic trends

### Iowa's population is growing at a slow pace

Iowa's population has remained relatively stable since 1985, growing about 9.5 percent over the past 30 years. As of 2015, Iowa ranked 30th among all states when comparing total population. It is projected that Iowa's population will continue to increase at the same rate over the next three decades, growing from 3.12 million in 2015 to approximately 3.41 million in 2045 (see Figure 2.1).

Iowa's population growth from 2000 to 2010 was slower than the national growth rate, but was fairly consistent with the Midwest region, which the U.S. Census Bureau defines as the states of Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin. According to the 2010 census, Iowa's population grew 4.1 percent from 2000 to 2010, compared to 3.9 percent in the Midwest region and 9.7 percent nationally. Since the 2010 decennial census, Iowa's population has maintained a similar growth rate, with 2015 U.S. Census Bureau population estimates showing a 2.5 percent increase from 2010-2015. This exceeds growth in the Midwest region overall, which is 1.5 percent since 2010, but is less than the growth seen across the nation as a whole, which is 4.1 percent since 2010.

Figure 2.1: Iowa population, 1980-2045



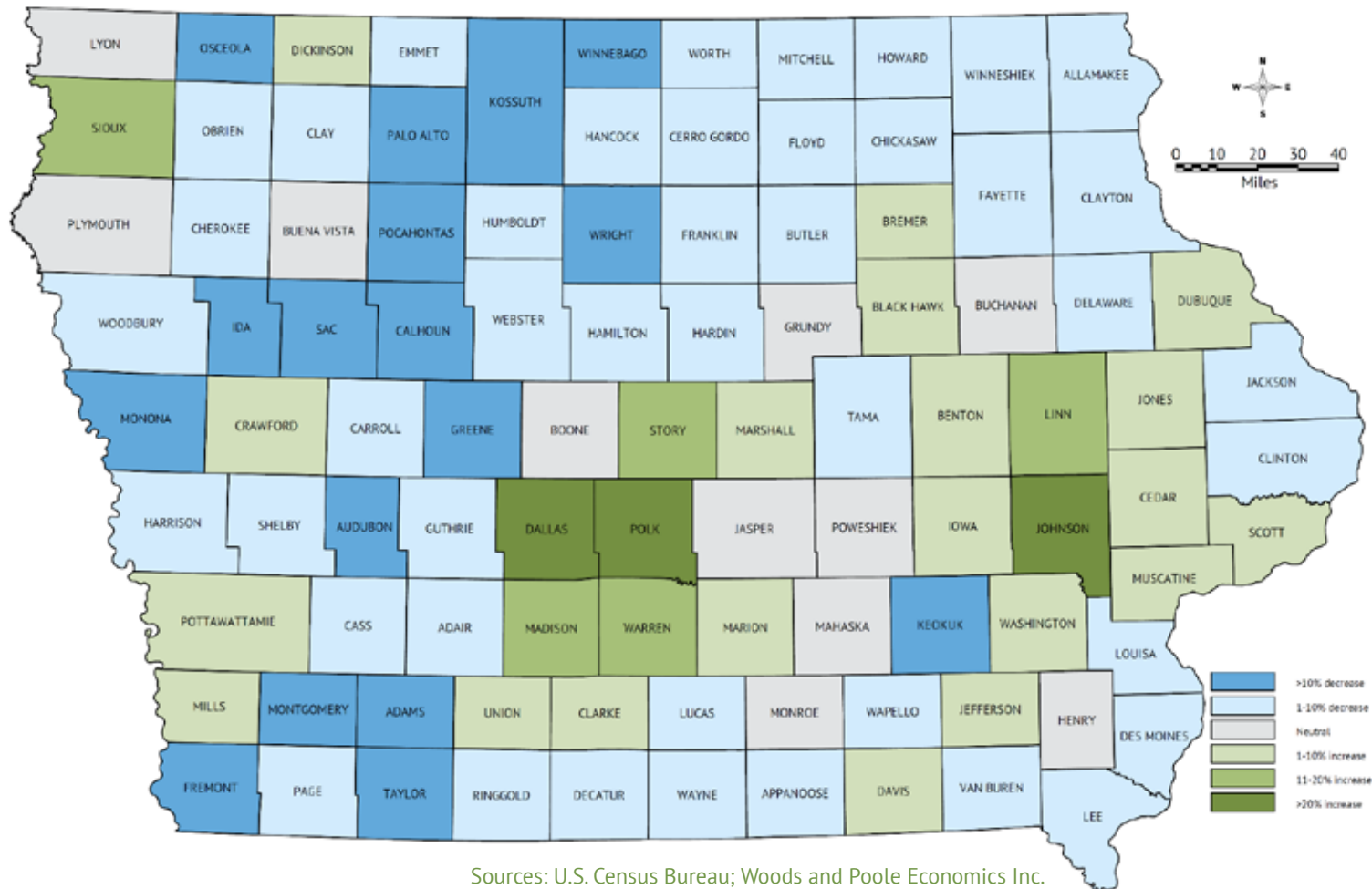
Sources: U.S. Census Bureau; Woods and Poole Economics Inc.



## Iowa's population growth is not uniform throughout the state

Areas of population growth and decline vary around the state. Between 2000 and 2015, 28 of Iowa's 99 counties grew by 1 percent or more, 11 counties remained virtually unchanged, and 60 counties declined by 1 percent or more. While there was growth in various locations across Iowa, the majority of population increases took place within or near metropolitan areas. Figure 2.2 illustrates the 2000 to 2015 population change across Iowa's 99 counties.

Figure 2.2: County population change, 2000-2015



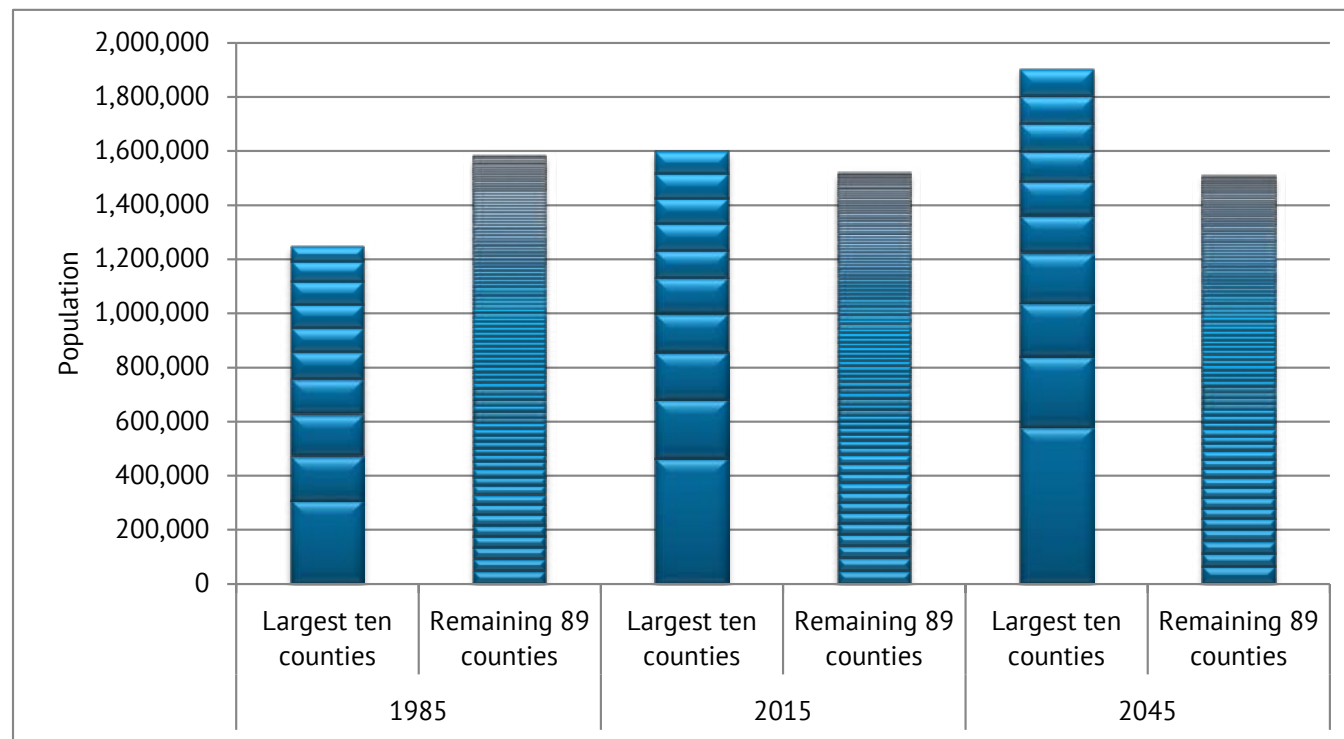
Sources: U.S. Census Bureau; Woods and Poole Economics Inc.

## Iowa's population is urbanizing

As mentioned previously, Iowa's population is continuing to migrate toward the state's nine metropolitan areas, which have an urban core of at least 50,000 people. Historically, the majority of Iowa's population has resided in nonmetropolitan areas, yet most of the population growth in recent decades has been in counties that contain or are adjacent to metropolitan areas. This trend is reflected in data comparing the population for Iowa's 10 most populous counties with the remaining 89 counties. In 1985, the 10 largest counties accounted for 44 percent of Iowa's population, and the remaining 89 counties accounted for 56 percent. Projections for 2045 suggest a reversal of

that trend, with the 10 largest counties accounting for 56 percent of Iowa's population, and the remaining 89 counties accounting for 44 percent of the population (see Figure 2.3). Although Iowa's population as a whole is growing at a slow pace, the shift in population from rural to urban communities has impacts on the transportation system. Increased population in metropolitan areas can create urban congestion and capacity issues, while local jurisdictions with decreasing population will be facing less funding for deteriorating roadways.

**Figure 2.3: Comparison of Iowa's estimated county populations, 1985, 2015, and 2045**



Source: Woods and Poole Economics Inc.

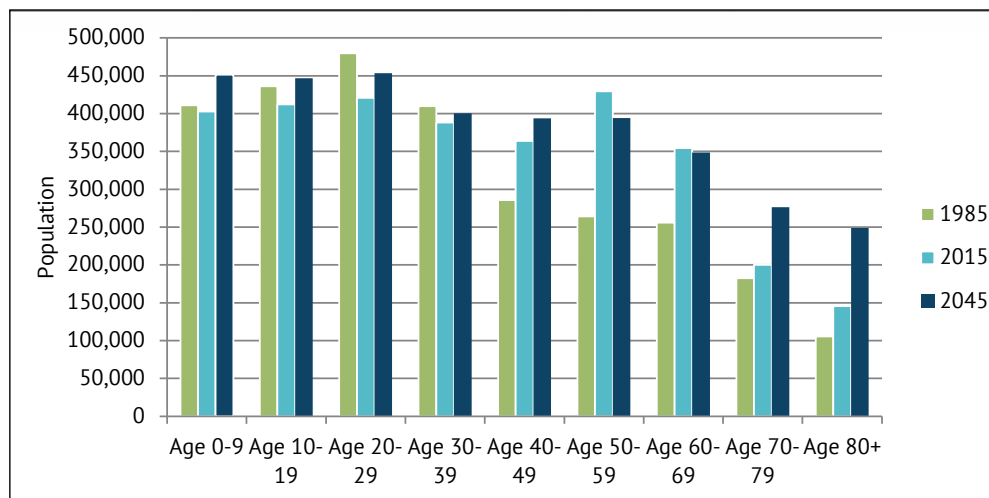
## Iowa's population is undergoing generational shifts

Iowa's median age has increased from 30 years old in 1980 to 38 years old in 2015, and 15.5 percent of Iowa's population is older than 65 – the eighth-highest percent in the U.S. This number is expected to continue to grow as more of the “Baby Boomer” generation reaches this milestone in the coming years. At the same time, 40 percent of the population forecasted to live in Iowa in 2045 will be less than 30 years old – in other words, this segment of the population has not yet been born. Figure 2.4 shows Iowa's estimated population by age for 1985, 2015, and 2045.

Millennials (born between 1981 and 2000) currently account for the majority of Iowa's population, followed by Baby Boomers (born between 1946 and 1965). Planning for the entire population, which includes these and other distinct generational groups, requires a holistic approach. The importance of the generational change is significant given the shift in how younger generations work, where they live, and the mode of travel they prefer. Based on research and surveys conducted in National Cooperative Highway Research Program Project 20-24(89), *Role and Value of Transportation for U.S. Industries and Sectors*, it is anticipated that by 2020 nearly half of the U.S. workforce (46 percent) will be millennials. According to a 2012 American Public Transportation Association report, millennials are attracted to communities with a multitude of transportation choices. Millennials are also more likely to prefer to live in cities where a car is not needed.

Iowa's older generations have specific transportation needs that differ from younger generations. As Iowans continue to drive and live independently longer, improving the roadway and driving environment and expanding transportation options are necessary to help meet the needs of older citizens.

Figure 2.4: Historical and forecasted population by age for Iowa



Source: Woods and Poole Economics Inc.

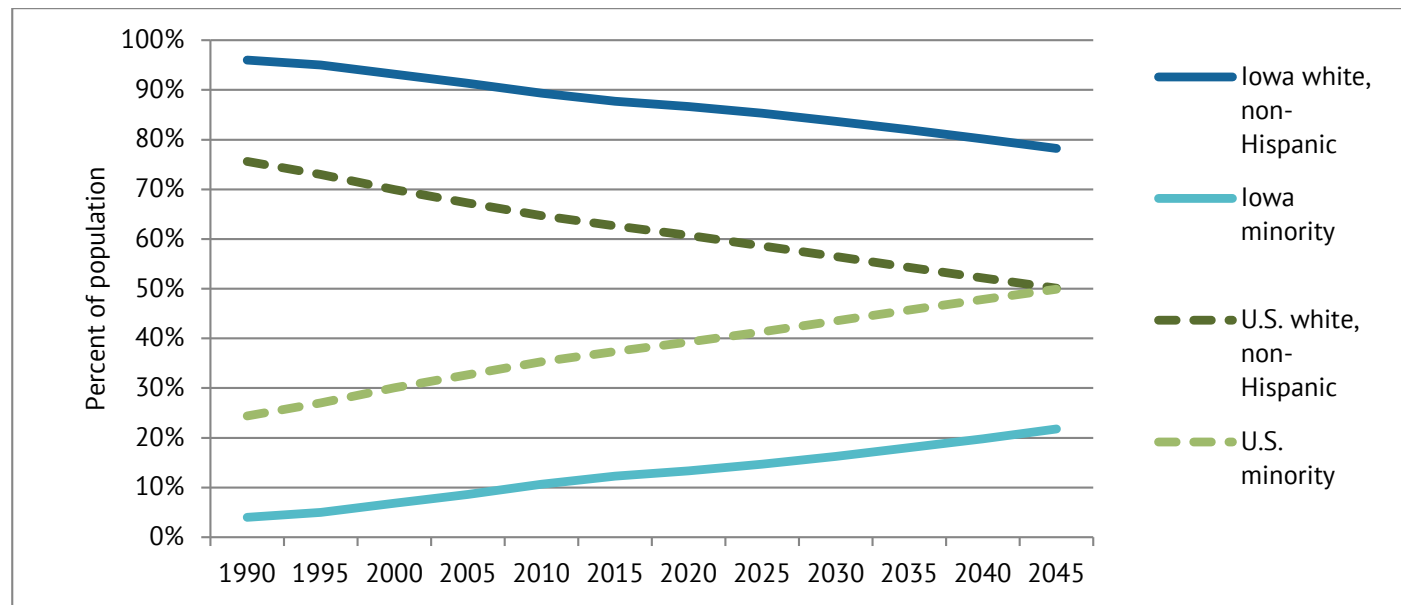
Some examples of ways to enhance roadway safety and transportation for all ages, particularly older citizens, include the following.

- Larger print on signs
- Safer turning movements at intersections
- More visible pavement markings
- Better roadway lighting
- Well-connected pedestrian facilities
- Improved transit options and coordination between transit providers and human service agencies

## Iowa's minority population continues to grow

Iowa continues to become more diverse, with an increasing racial and ethnic minority population. Minorities accounted for 12 percent of Iowa's 2015 population, compared to less than 4 percent in 1990. By 2045, racial and ethnic minorities in Iowa are projected to account for almost 22 percent of the state's total population. However, this is far less diversity than in the nation as a whole. Figure 2.5 shows the actual and forecasted minority population in the U.S. and Iowa from 1990 to 2045. As shown, the minority population of the U.S. is projected to equal the white, non-Hispanic population by 2045.

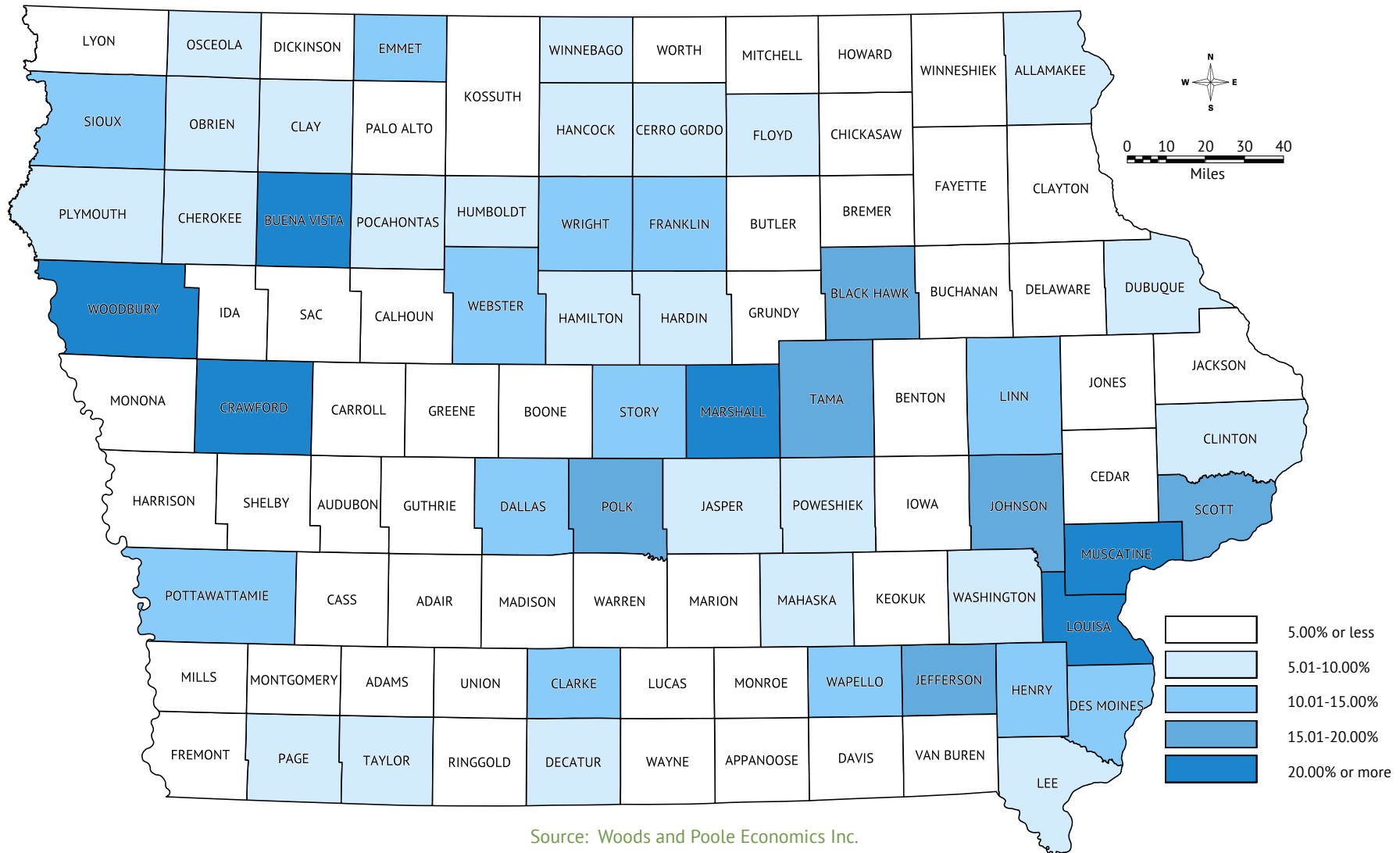
**Figure 2.5: U.S. and Iowa white, non-Hispanic and minority population, 1990-2045**



Source: Woods and Poole Economics Inc.

While most of the minority population in Iowa resides in the state's most populated counties, some of the areas with the highest percentage of minority populations are located in counties outside metropolitan areas (see Figure 2.6). It is important to understand the transportation needs of Iowa's minority population. Minority groups in Iowa are more likely to have a lower median household income and take a mode other than a personal automobile to work than nonminority populations. As Iowa's minority population increases, so will the need to accommodate persons with limited English proficiency (LEP) on the state's transportation system. Currently, approximately 3 percent of the state's population speaks English less than 'very well,' while 92 percent of the state's population speaks only English. The language most often spoken in Iowa other than English is Spanish, and this will likely continue as the Hispanic population is projected to grow faster than any other population group over the next 30 years. It is important to accommodate Iowa's LEP population in Iowa's multimodal transportation system in ways such as translating maps and transit schedules, and by offering interpretation services at public meetings.

Figure 2.6: Percent minority population by county, 2015



## Implications for transportation – demographic trends

- Increased population in and around metropolitan areas may create congestion and capacity issues.
- Local jurisdictions with decreasing population will experience additional strain on already tight road budgets.
- Improving the roadway and driving environment and expanding transportation options are necessary to help meet the mobility needs of older residents.
- Transportation planning will need to account for varied work and life preferences across generations and consider how future generations will live, work, and travel.
- It is important that all Iowans, including minority, low-income, and disabled populations, have access to employment and services in both metropolitan and nonmetropolitan areas.



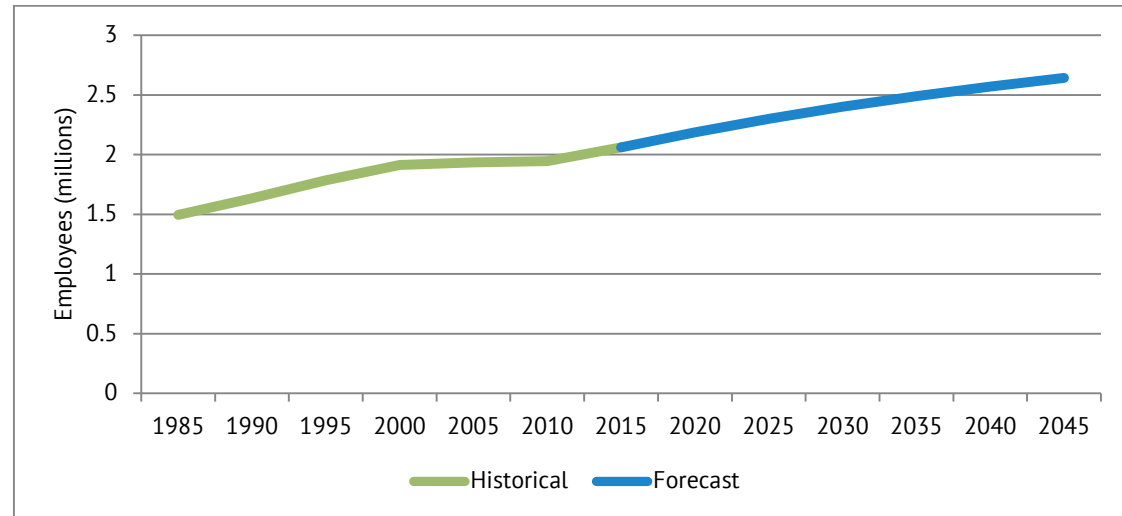


## 2.2 Economic trends

Total employment in Iowa is expected to increase slowly

In the past 30 years, total employment in Iowa has increased slowly, growing an average of 1.2 percent per year from 1985 to 2015. Iowa's employment is expected to continue to experience steady growth, increasing by another 28 percent between 2015 and 2045. Figure 2.7 charts the actual and projected total employment in Iowa from 1985-2045.

Figure 2.7: Iowa employment, 1985-2045



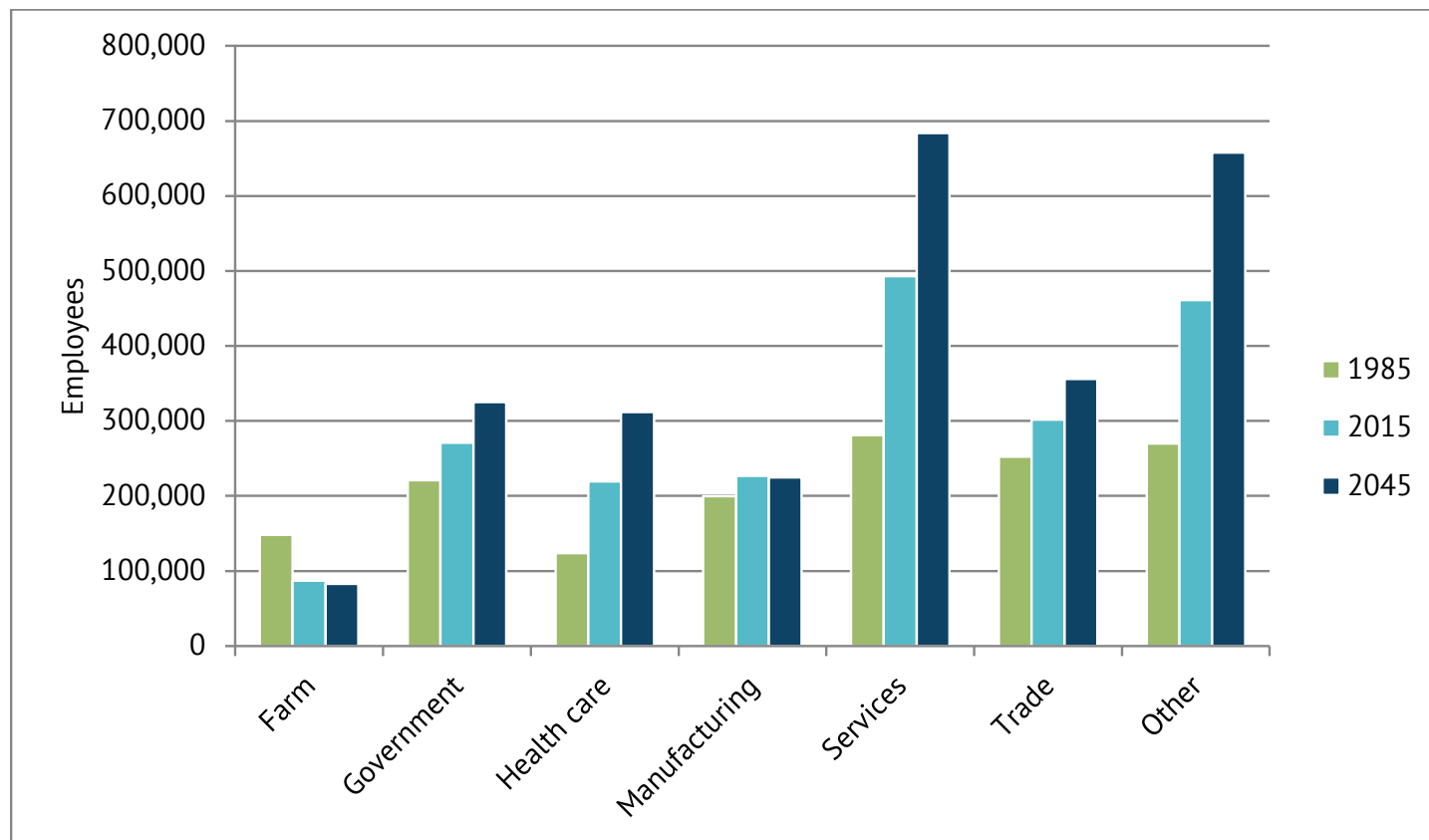
Source: Woods and Poole Economics Inc.



## Iowa's traditional employment sectors have changed

Traditionally, farming and manufacturing have been two of the primary employment sectors in Iowa. Technological advancements and economic diversification have changed this in recent years. Since 1985, the farm sector has decreased by more than 60,000 jobs, which represents a decline of 40 percent in total farm employment in Iowa. This trend is projected to continue, though flatten out, with this sector losing an additional 4,600 jobs through 2045. The number of jobs in the service sector (professional, educational, administrative, arts, etc.) is expected to grow the most over the next 30 years. Currently, there are 493,000 service jobs, which are forecast to grow to almost 684,000 jobs in 2045. The largest growth in the “other” category shown on Figure 2.8 is in the finance and insurance category, which is expected to add more than 65,000 jobs between 2015 and 2045.

**Figure 2.8: Iowa employment, 1985-2045**



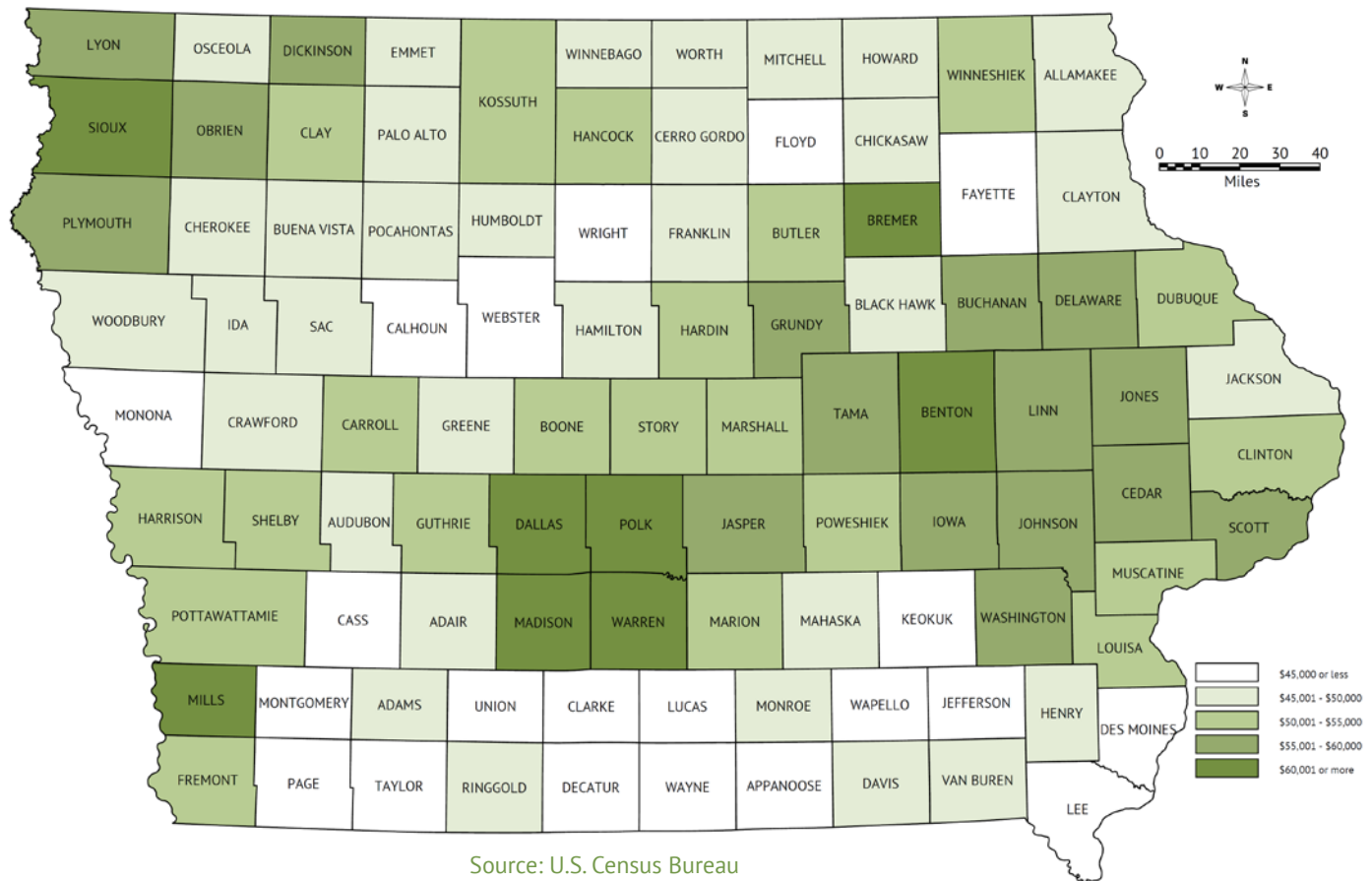
Source: Woods and Poole Economics Inc.

## Iowa's per capita personal income and median household income are increasing but remain below the national average

Per capita personal income (total wages and salaries, transfer payments, dividends, interest, and rental income; divided by the total population) is used as a measure of the wealth of an area's population, as well as an indicator of the economic health of that region. According to data from the Bureau of Economic Analysis, Iowa's per capita personal income has grown 15.9 percent from 2010 to 2015, compared to 18.1 percent in the U.S. While Iowa's per capita personal income is currently 94 percent of the national average, this reflects an improvement from 2000 when Iowans earned 90 percent of the national average.

Among Iowa's households, the median income is currently \$52,716, slightly less than the national average of \$53,482. In general, the counties with the highest median household income are in or within close proximity to the state's metropolitan areas. Figure 2.9 shows the 2011-2015 estimated median household income across Iowa's 99 counties.

**Figure 2.9: Median household income by county, 2011-2015**

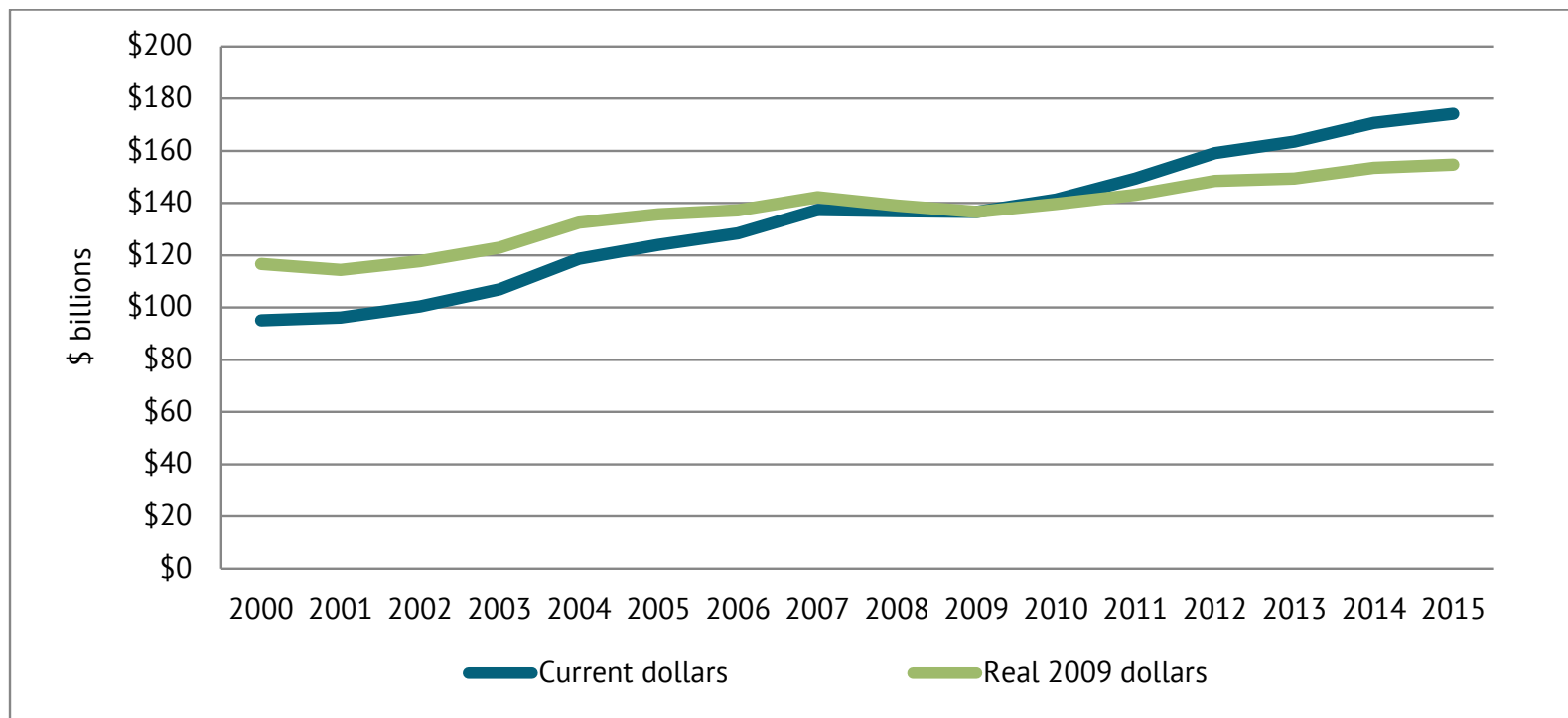


## Iowa's gross domestic product is increasing

Gross domestic product (GDP) is the total market value of all goods and services produced in the economy. It is calculated in current dollars as well as real dollars. The word “real” refers to the adjusted total, which serves to remove the effects of inflation by using constant 2009 dollars. Since 2000, Iowa's current and real GDP have continued to grow, as shown in Figure 2.10.

In 2000, Iowa's GDP in current dollars equaled \$95 billion. By 2015, Iowa's current-dollar GDP had grown by 83 percent to \$174 billion and ranked 30<sup>th</sup> in the U.S. Iowa's real GDP (in constant 2009 dollars) in 2015 totaled \$155 billion compared to \$117 billion in 2000, a 32.5 percent increase. During this same period, the U.S. economy increased by 26.9 percent in real GDP. Growth in Iowa's GDP has been fueled by increases in several sectors, as shown in Figure 2.11. In particular, agriculture and natural resources, professional and business services, construction, and mining have all increased by more than 100 percent from 2000 to 2015.

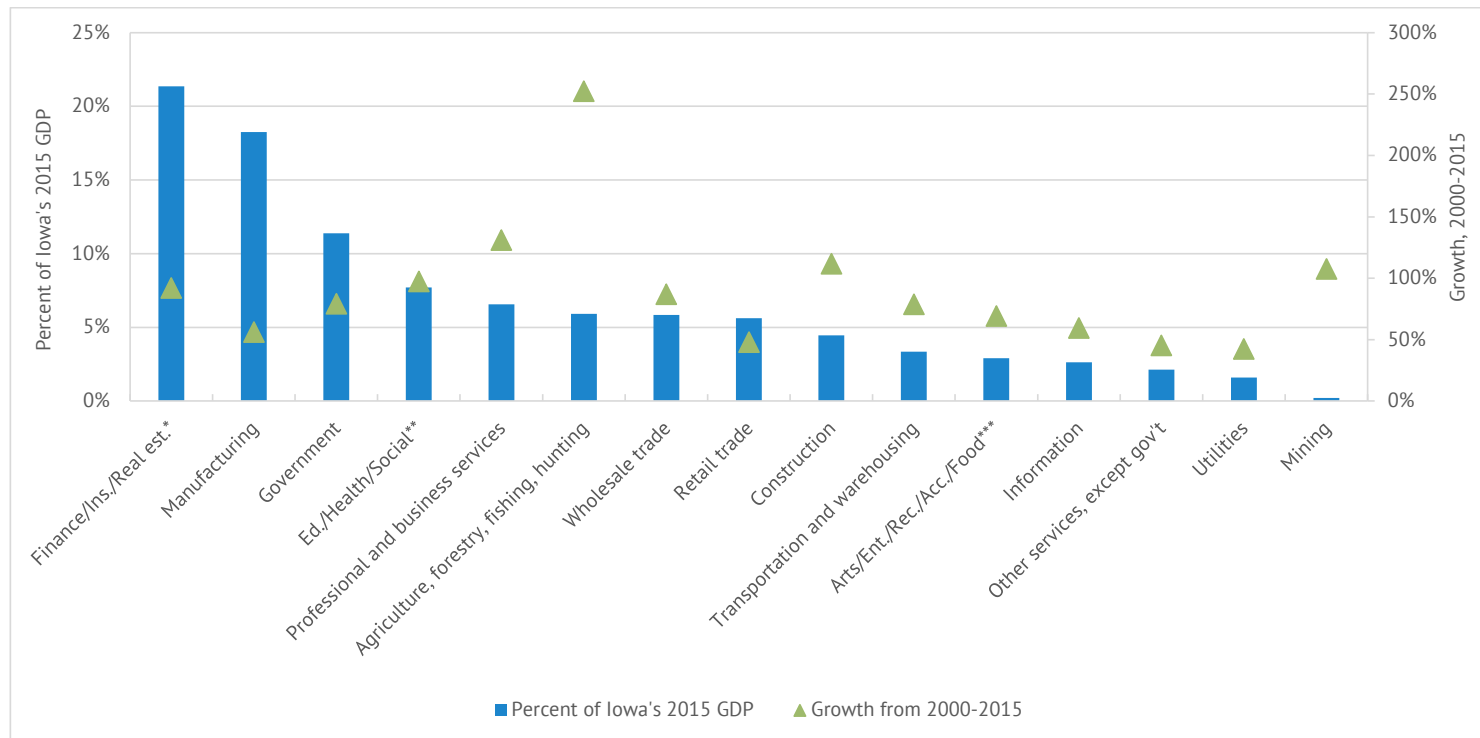
**Figure 2.10: Iowa gross domestic product, 2000-2015**



Source: U.S. Bureau of Economic Analysis



Figure 2.11: Iowa's gross domestic product by industry in 2015 and change from 2000 to 2015



\*Finance/Ins./Real est.: Finance, insurance, real estate, rental, and leasing

\*\*Ed./Health/Social: Educational services, health care, and social assistance

\*\*\*Arts/Ent./Rec./Acc./Food: Arts, entertainment, recreation, accommodation, and food services

Source: U.S. Bureau of Economic Analysis

### Implications for transportation – economic trends

- Maintaining an accessible, reliable, and well-connected transportation system is an important factor in attracting and retaining employers.
- There will be changing demands on urban and rural transportation infrastructure to accommodate growing employment sectors.
- While the number of jobs tends to be increasing the most in service sectors, agriculture and other freight-intensive industries are experiencing large amounts of growth in terms of GDP. Both trends have significant implications regarding commuting patterns and freight transportation.

## 2.3 Passenger trends

Iowans are traveling more, but passenger travel is not uniform across all modes of transportation

Since 1990, travel across all passenger modes (aviation, highway, passenger rail, and public transit) has increased 42 percent in Iowa (see Table 2.1) and approximately 37 percent across the U.S. However, growth in passenger travel over the past 25 years has not been uniform across modes. In terms of relative change in Iowa, passenger vehicle-miles traveled (VMT) and aviation enplanements grew the most between 1990 and 2000, passenger rail and public transit had the most significant increases in passenger travel between 2000 and 2010, and aviation enplanements increased the most between 2010 and 2015. Overall, passenger VMT experienced the largest relative increase between 1990 and 2015, growing by 42 percent.

If trends from the past 25 years continue, all passenger travel modes will increase, but at varying rates. It should be noted that passenger travel trends are influenced in part by the cost of fuel, and fluctuations in this cost can create some uncertainty in forecasting future travel trends. Figure 2.12 shows the passenger transportation trends for each mode from 1990 to 2015.

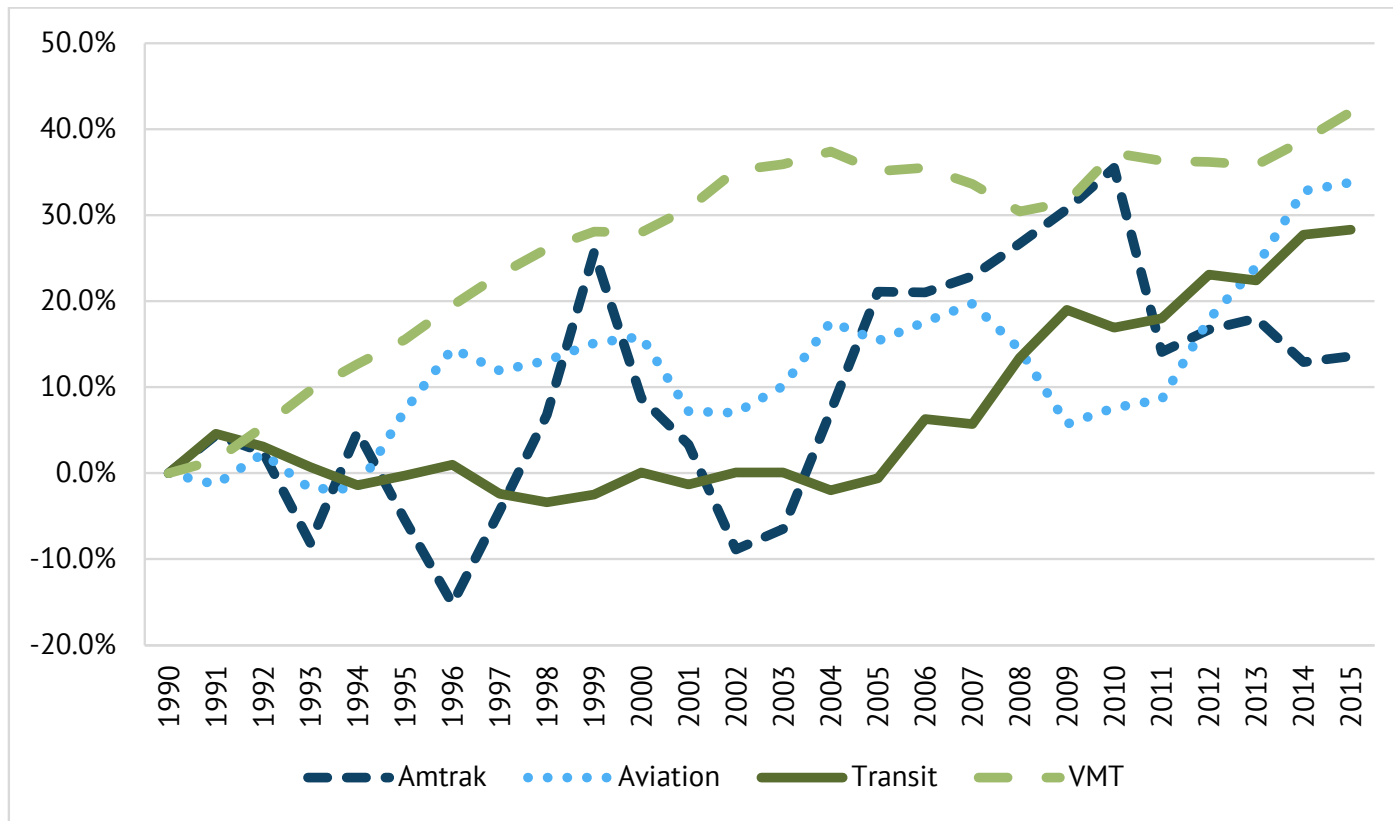
**Table 2.1: Iowa passenger transportation trends, 1990-2015**

	1990	2000	2010	2015
Amtrak rides	50,719	55,146	68,744	57,611
Aviation enplanements	1,363,840	1,581,217	1,468,158	1,824,963
Passenger VMT*	20,418,000,000	26,128,000,000	28,004,000,000	28,986,000,000
Public transit	22,417,065	22,449,367	26,208,453	28,768,539

*\*Passenger VMT includes passenger cars, light trucks, vans, SUVs, motorcycles, and buses over all road systems  
Source: Iowa DOT*



Figure 2.12: Iowa passenger travel trends by mode, 1990-2015



Source: Iowa DOT

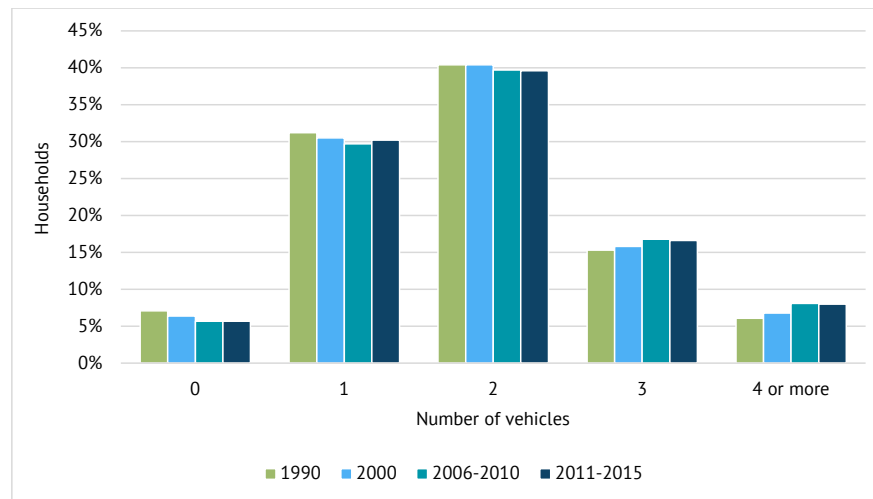
While aviation enplanements in Iowa grew 33.8 percent between 1990 and 2015, aviation enplanements throughout the U.S. increased by an even larger factor, 60.3 percent. Amtrak has only seen a 13.6 percent increase in ridership in Iowa from 1990 levels, while U.S. ridership has increased nearly 40 percent. A Chicago to Iowa City passenger rail route study estimated that 300,000 travelers would use the route on an annual basis. If this idea comes to fruition, passenger rail ridership could increase significantly in Iowa.

In relative terms, passenger VMT and public transit increased more in Iowa from 1990 to 2015 than the U.S. Iowa passenger VMT increased 42 percent from 1990 to 2015, while U.S. passenger VMT increased approximately 37 percent over this same period. Public transit rides increased 28.3 percent in Iowa from 1990-2015, but only 18.5 percent nationally.

## The number of vehicles per household has increased

Between 1990 and 2015, the number of households with four or more vehicles increased 31 percent, while the number of households without any vehicles decreased nearly 20 percent. It is interesting to note that the percentage of households owning one or two vehicles decreased slightly between 1990 and 2015, but the percentage of households owning three vehicles increased 8.5 percent. However, as in 1990, the majority of households still have one or two vehicles. Figure 2.13 illustrates the number of vehicles per household from 1990 to 2015.

**Figure 2.13: Number of vehicles available per household in Iowa, 1990-2015**

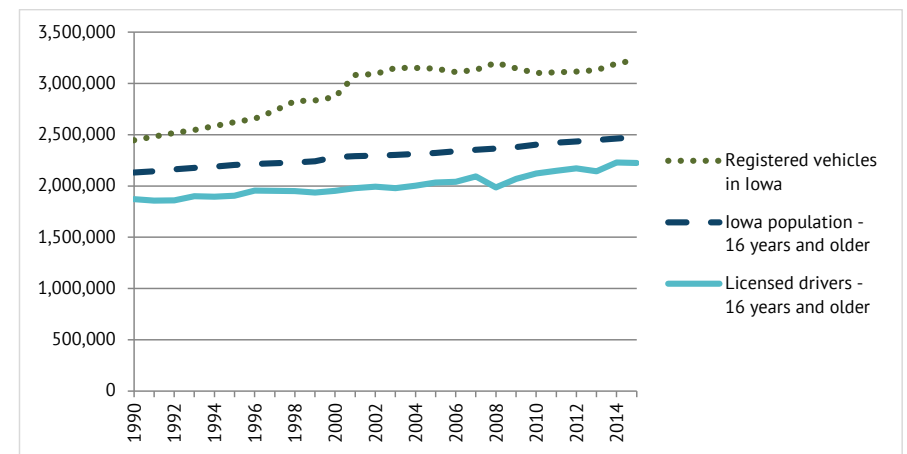


Sources: U.S. Census Bureau, American Community Survey Five-Year Estimates

## The number of registered vehicles outnumbers licensed drivers

Figure 2.14 shows the relationship of licensed drivers to driving-age population (16 years and older), and the number of registered personal passenger vehicles in Iowa. Registered vehicles include private automobiles, trucks (up to 5 tons), vans, and sport utility vehicles (SUVs). In the U.S., the number of registered vehicles exceeded the number of licensed drivers in 1972. This trend has continued, although in varying degrees. From 1990 to 2015, the U.S. averaged 1.16 registered vehicles per licensed driver, with a peak of 1.21 vehicles in 2007. From 1990 to 2015, Iowa averaged 1.46 registered vehicles per licensed driver, with a peak of 1.61 vehicles in 2008.

**Figure 2.14: Population, licensed drivers, and registered vehicles\*, 1990-2015**



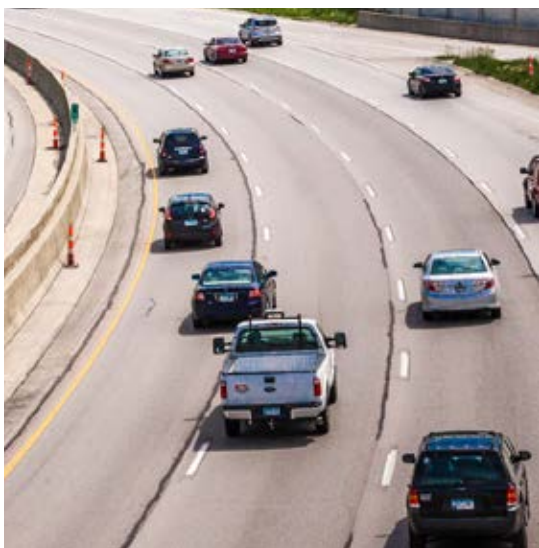
\*Registered vehicles include private automobiles, trucks (up to 5 tons), vans, and SUVs

Sources: Iowa DOT, U.S. Census Bureau



## Most Iowans drive to work alone

The overwhelming majority of Iowans drive to work alone. From 1990 to 2015, this trend continued to increase, while carpooling and walking to work saw the largest percentage decreases. The mode that saw the largest relative increase in users was bicycling, which increased 54.4 percent from 1990 to 2015. Table 2.2 shows the mode of transportation Iowans used to get to work from 1990 to 2015.



**Table 2.2: Iowans' mode of transportation to work, 1990-2015**

	1990	2000	2006-2010	2011-2015
Drove alone	73.4%	78.6%	78.7%	80.6%
Carpool	11.9%	10.8%	10.3%	8.8%
Public transportation	1.2%	1.0%	1.1%	1.1%
Bicycle	0.3%	0.4%	0.5%	0.5%
Walk	5.8%	4.0%	3.8%	3.5%
Other (includes motorcycle and taxi)	0.7%	0.6%	0.8%	1.0%
Worked at home	6.7%	4.7%	4.8%	4.5%

Sources: U.S. Census Bureau, American Community Survey Five-Year Estimates

## Average travel time to work has increased, but Iowans still have one of the lowest average commute times nationally

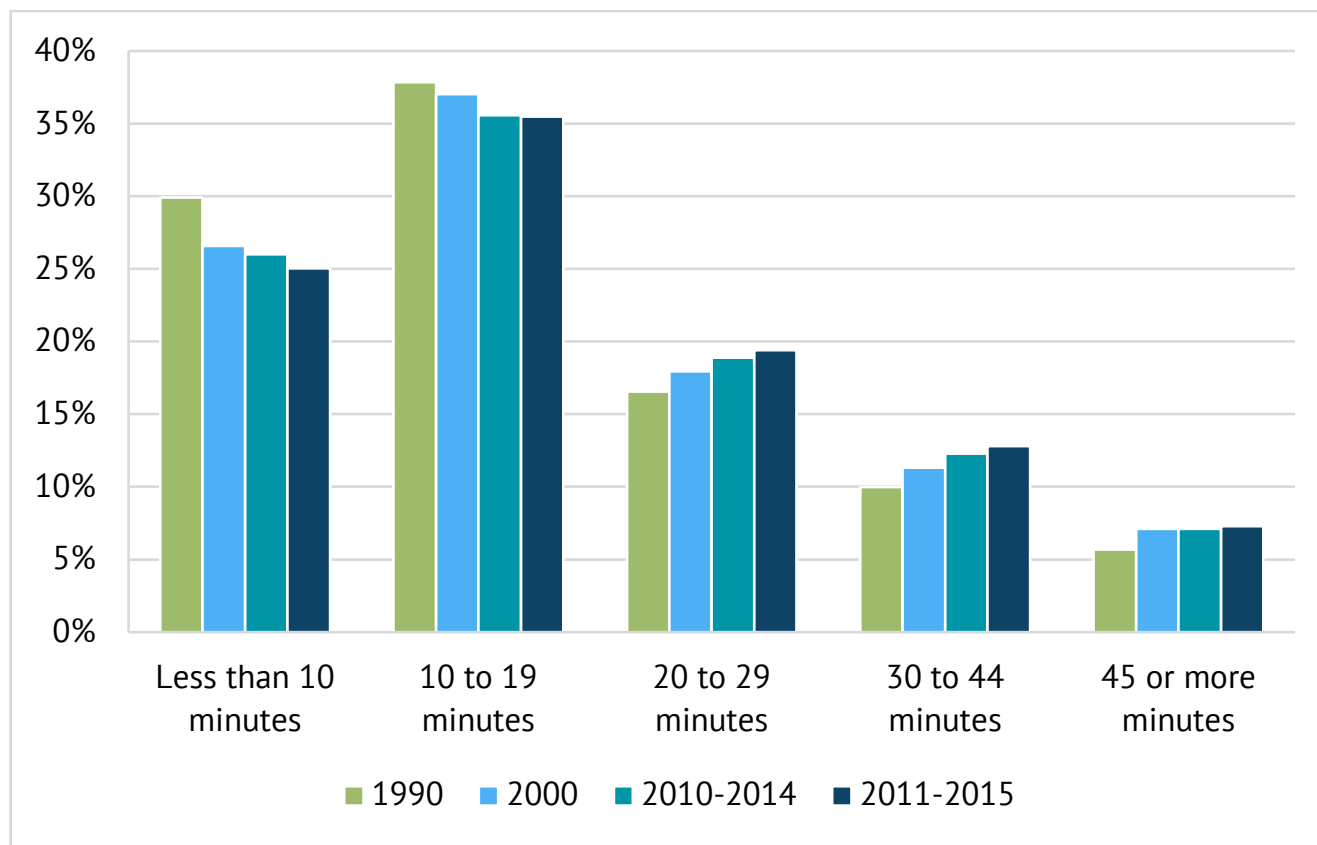
Average travel time to work for Iowans has slowly increased over the past 25 years, and this trend will likely continue. Since 1990, the percentage of workers commuting 30 minutes or more to work increased from 16 to 20 percent, while the percentage of workers commuting less than 10 minutes decreased from 30 percent in 1990 to 25 percent in 2015. Figure 2.15 shows the change in travel time to work for Iowans from 1990 to 2015. Despite the increase in travel time, Iowans enjoyed the sixth-shortest average commute time in the U.S. in 2015. The average travel time to work for Iowans was 18.9 minutes, compared to an average of 25.9 minutes nationally.

More Iowans are commuting to work locations outside their county of residence, which may help explain the increased travel times. In 1990, approximately 17 percent of workers commuted to a job outside their county of residence; by 2015, this increased to 24 percent. In 2015, more than 50 percent of the residents in 10 Iowa counties traveled to jobs outside their home county, compared to only two counties in 1990. Figure 2.16 illustrates some potential commuter routes, highlighting the passenger vehicle annual average daily traffic (AADT) on primary highways, along with the percentage of the workforce leaving their county of residence for work.

With jobs continuing to migrate toward Iowa's metropolitan areas, commuting has taken on more of a role to support the labor force necessary for these areas. The influence of a metropolitan area is not just on the urbanized area it encompasses, but on surrounding counties as well. An example of this is Polk County and the surrounding region.

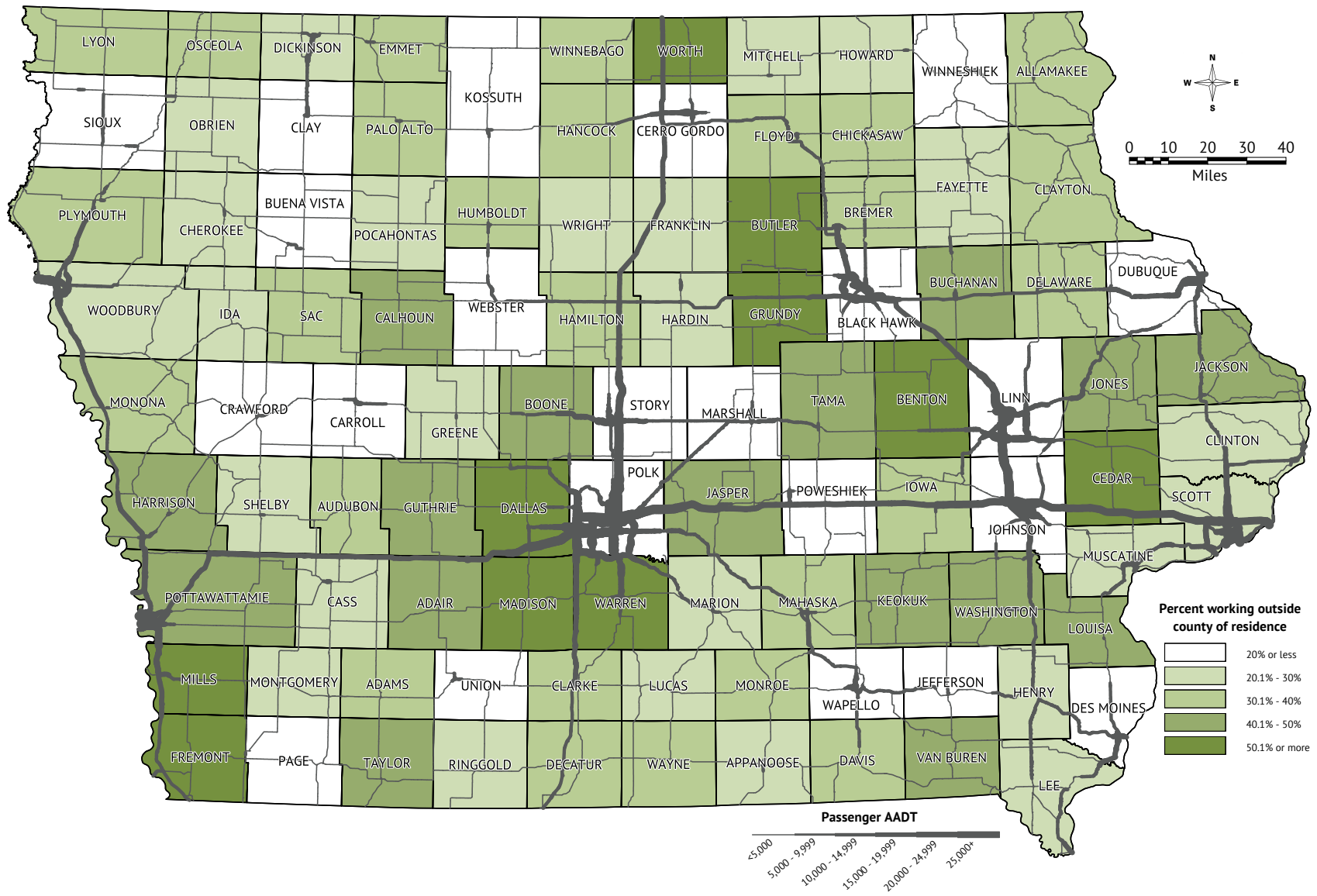
The U.S. Census Bureau's 2011-2015 American Community Survey estimated Polk County had approximately 235,000 workers age 16 and older, less than 10 percent of which commute to a different county for work. Two neighboring counties, Dallas and Warren, both have more than 50 percent of their workers traveling to Polk County for work.

**Figure 2.15: Travel time to work in Iowa**



Sources: U.S. Census Bureau, American Community Survey Five-Year Estimates

Figure 2.16: Commuting trends of passenger AADT on primary highways, and percent of workforce leaving county of residence to work, 2015



Sources: U.S. Census Bureau, American Community Survey Five-Year Estimates; Iowa DOT

## Implications for transportation – passenger trends

- Travel across all passenger modes has increased nearly 43 percent since 1990, while Iowa's population has only grown by 12 percent. Investments in all passenger modes are necessary to ensure mobility options for Iowans.
- If population and vehicle ownership trends continue, there will be more vehicles on Iowa's roadway system.
- Driving to work alone is by far the most common mode choice for commuters, and its percentage share has increased over time. However, bicycling to work is becoming a more popular choice and saw the largest relative increase in users between 1990 and 2015.
- With more Iowans driving farther to work, it will be increasingly important to identify and maintain commuter routes and provide associated services.





### 2.4 Freight trends

The past several federal transportation reauthorization acts have encouraged states and metropolitan planning organizations to consider freight movements in their overall planning processes. The purpose is to bring attention to freight movement issues affecting transportation infrastructure and economic development. Iowa is part of a global economy that demands the efficient movement of freight. There is a growing need for adequate infrastructure to move freight safely, securely, and efficiently.

Like many other states, the majority of freight in and around Iowa is moved by truck and rail, both of which have experienced steady growth in freight traffic over the past two decades. Iowa has the advantage of a vast network of highways and railroads to serve these

movements. Freight is also moved in the state via air, pipeline, and water. Over the past 10 years, air cargo movements have declined as trucking has been integrated into delivery systems. Iowa's two major waterways, the Mississippi and Missouri Rivers, move primarily grain and other bulk commodities to and from Iowa and provide access to the nation's extensive network of inland waterways.

Freight transportation in the U.S. is projected to double by the year 2045. This growth will be reflected in Iowa and will not be uniform across all modes. If the projected growth occurs, it will prove to be a sizable challenge for the overall freight transportation system. Understanding freight dynamics is a crucial element in a proactive planning approach.



## Freight costs and efficiencies will continue to vary across modes

Transportation costs play a large role in the decisions of Iowa shippers. Having various transportation options is important to these companies as it allows for cost savings and opportunities to optimize their supply chains. The different transportation modes all play a crucial part in the overall freight transportation system, each having distinct strengths and weaknesses. The characteristics of each option may make the efficient transport of different commodities ideal for one mode but not another.

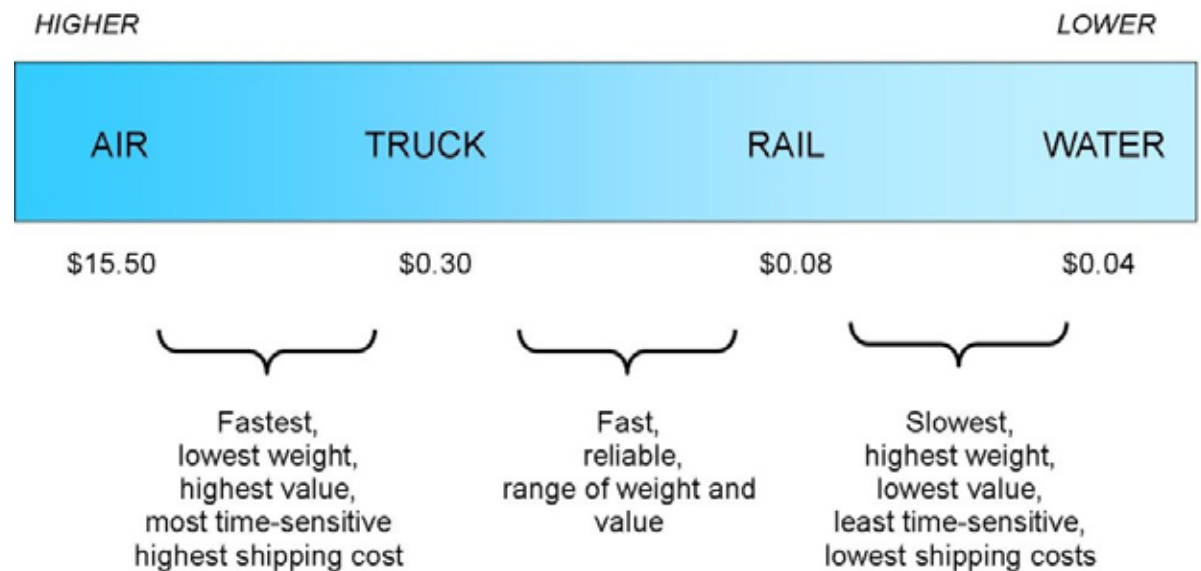
Figure 2.17 shows the per pound value of freight moved in Iowa by mode for total freight movements (originating, terminating, intrastate, and through). The value of freight per pound is substantially higher for air, which is the fastest way to ship. Air handles the most time-sensitive cargo and has the highest shipping costs. Truck and rail carry much lower values per pound and handle higher weights at lower shipping costs. The lowest value per pound is handled by water, which is also the slowest mode with the lowest shipping cost. These comparisons help explain which mode can handle a certain type of commodity most efficiently.

Currently, the majority of freight tonnage in Iowa is carried by truck, train, and barge. Although trucking is the most expensive per pound, it is also the most flexible of these three modes.

Trucking companies provide various services to shippers. Full truckload service providers move products from one customer to another using a variety of equipment, including dry van, flatbed, hopper, and refrigerated. Trucks can move small amounts of a few hundred pounds all the way up to 48,000 pounds per shipment. Rail is less expensive than trucking and more fuel-efficient, but is more restricted due to the privately owned networks the trains move on. This mode is well suited for moving large volumes of freight between two shipping points and, like trucks, uses dry car, flatbed, hopper, and refrigerated equipment.

Transporting commodities via waterway is the slowest and least flexible of these three modes. However, it is the most fuel-efficient, the cheapest, and can handle the largest volumes per trip. Figure 2.18 compares these three modes by the amount of freight each can carry at a time. This comparison shows that one barge can handle as much freight as 70 trucks or more than 16 rail cars.

Figure 2.17: Value of freight per pound by mode in Iowa

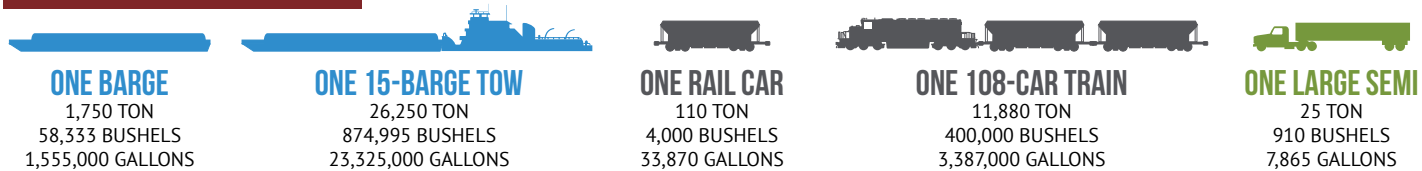


Source: U.S. DOT, Bureau of Transportation Statistics, Commodity Flow Survey 2007

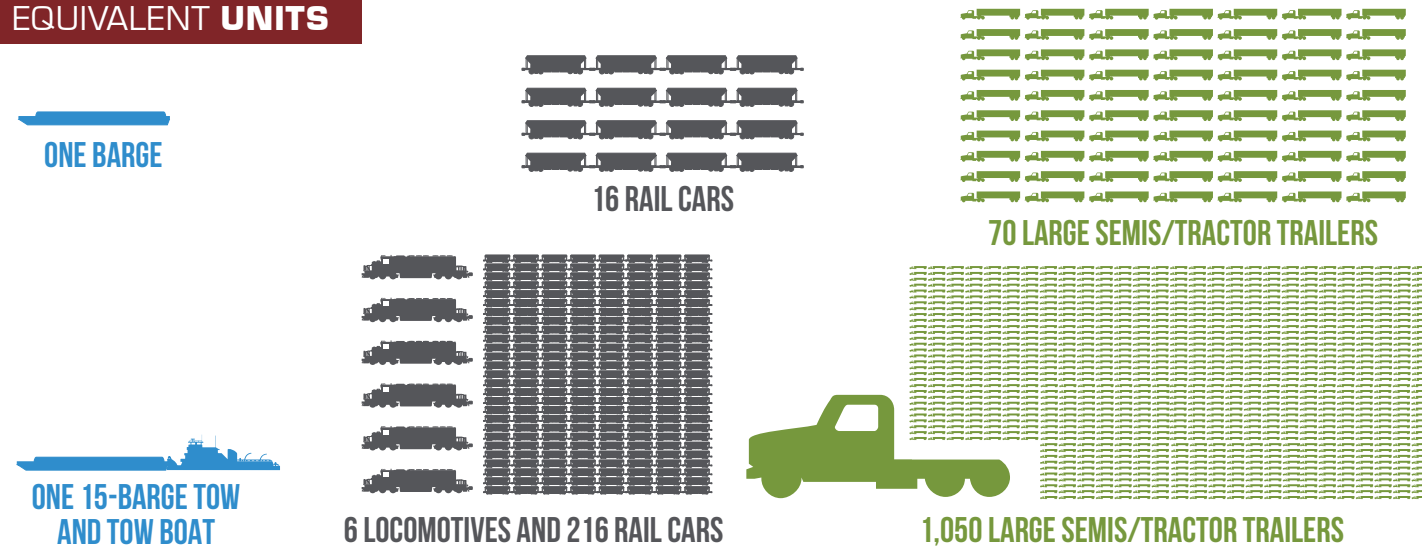
Figure 2.18: Iowa freight tonnage comparisons across truck, rail, and water transportation

# COMPARE ...

## CARGO CAPACITY



## EQUIVALENT UNITS



## EQUIVALENT LENGTHS



Source: Iowa DOT

Each of the freight transportation options in Iowa has its own strengths that play a critical role in the state's freight transportation network. These options enable Iowa to be a major player in the global economy.

## Iowa's freight is expected to steadily increase through 2045

In 2015, Iowa's transportation system facilitated the movement of approximately 1.1 billion tons of freight with an estimated value exceeding \$608 billion. These numbers are anticipated to grow to 1.4 billion tons of freight with an estimated value exceeding \$896 billion in 2045. Table 2.3 illustrates the tonnage and value for freight movements in 2015 and 2045. While all categories of movements are anticipated to increase significantly, goods exported from Iowa are projected to grow much more than goods imported into the state or moving solely within the state.

- The weight of goods **exported from Iowa** is expected to grow 39.5 percent from 2015 to 2045, with the value of these goods increasing 61.3 percent.
- The weight of goods being **imported into Iowa** is expected to grow 16.5 percent from 2015 to 2045, with the value of these goods increasing 40.9 percent.
- The weight of goods that have **both an origin and destination in Iowa** is expected to grow 21.2 percent from 2015 to 2045, with the value of these goods increasing 26.4 percent.

**Table 2.3: Iowa commodity flows\* by tonnage and value, 2015 and 2045**

	2015		2045		Percent change, 2015-2045	
	Tons (millions)	Value (\$ millions)	Tons (millions)	Value (\$ millions)	Tons	Value
From Iowa	448.14	\$263,256	625.18	\$424,680	39.5%	61.3%
To Iowa	405.09	\$242,671	471.88	\$341,927	16.5%	40.9%
Within Iowa	264.53	\$102,582	320.68	\$129,622	21.2%	26.4%
Total	1,117.75	\$608,508	1,417.74	\$896,228	26.8%	47.3%

*\*Commodity flow data does not include freight moving solely through Iowa.*

Source: Federal Highway Administration (FHWA), Freight Analysis Framework (FAF)



## Iowa's freight growth will not be uniform across modes

Truck is the dominant mode used for transporting freight in Iowa, handling 80 percent of the total freight in 2015. The total tonnage transported by truck is poised to grow by 25.7 percent by 2045. Rail and pipeline are the next largest contributors, handling 9 percent and 8 percent of the total tonnage, respectively. This trend is projected continue through 2045. Table 2.4 shows tonnage by mode projections from 2015 to 2045.

**Table 2.4: Freight tonnage and value by mode, 2015 and 2045**

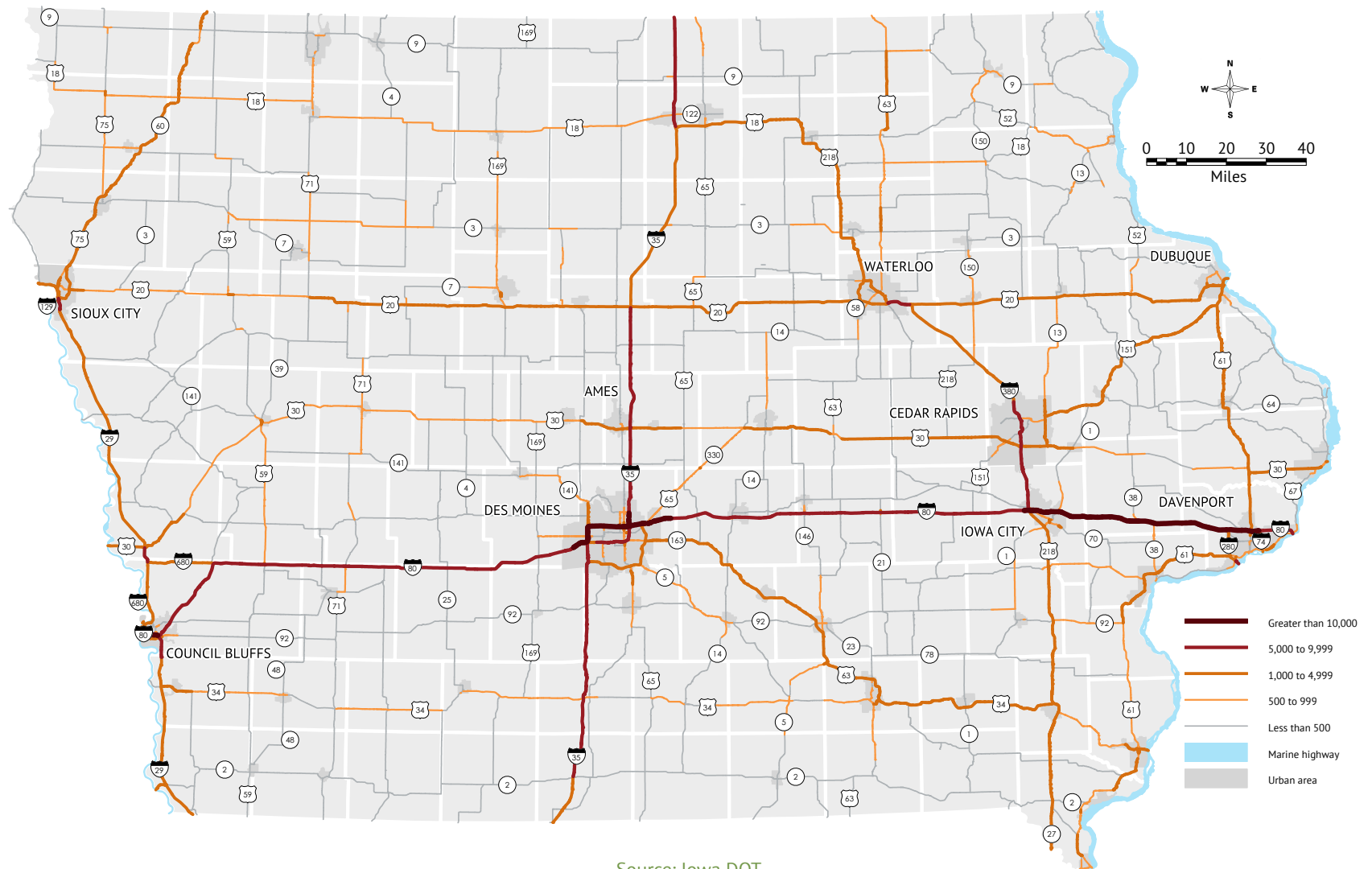
	2015		2045		Percent change, 2015-2045	
	Tons (millions)	Value (\$millions)	Tons (millions)	Value (\$millions)	Tons	Value
Truck	895.16	\$486,707	1,125.36	\$682,484	25.7%	40.2%
Rail	99.90	\$39,512	129.98	\$63,828	30.1%	61.5%
Water	7.29	\$6,522	15.53	\$19,691	112.9%	201.9%
Air (include truck-air)	0.10	\$4,200	0.29	\$16,044	188.4%	282.0%
Multiple modes & mail	21.23	\$48,265	41.55	\$87,453	95.7%	81.2%
Pipeline	94.04	\$23,022	104.90	\$25,626	11.6%	11.3%
Other and unknown	0.03	\$281	0.13	\$1,102	285.7%	292.8%
Total	1,117.75	\$608,509	1,417.74	\$896,229	26.8%	47.3%

Source: FHWA, FAF

## The majority of Iowa's freight will continue to be moved by truck

Commodity movement by truck in Iowa is heavily concentrated on the Interstate Highway System and Commercial and Industrial Network (CIN), which comprise the majority of the National Highway System in the state (see Figure 2.19). The Interstate System carried 54 percent of the state's total truck traffic (single and combination units) in 2015, the CIN carried 32 percent, and the rest of the primary system carried the remaining 14 percent.

Figure 2.19: Total annual average daily truck traffic (AADTT), 2015



Source: Iowa DOT

### Increasing amounts of freight will move through Iowa via rail main lines

Rail service in Iowa is dominated by the six Class I carriers that operate 83 percent of the state's rail mileage, generate 91 percent of the ton-miles, and earn 94 percent of the revenues. Iowa's two busiest rail lines are the Union Pacific Railroad's Overland Route, an east-west double track route that passes through the center of Iowa (Clinton to Council Bluffs) and the BNSF Railway Co.'s line in southern Iowa, an east-west route that is partially double tracked (Burlington to west of Pacific Junction). The Class II and III railroads often provide feeder service to the Class I carriers which results in smaller allocations of mileage, ton-miles, and revenue.

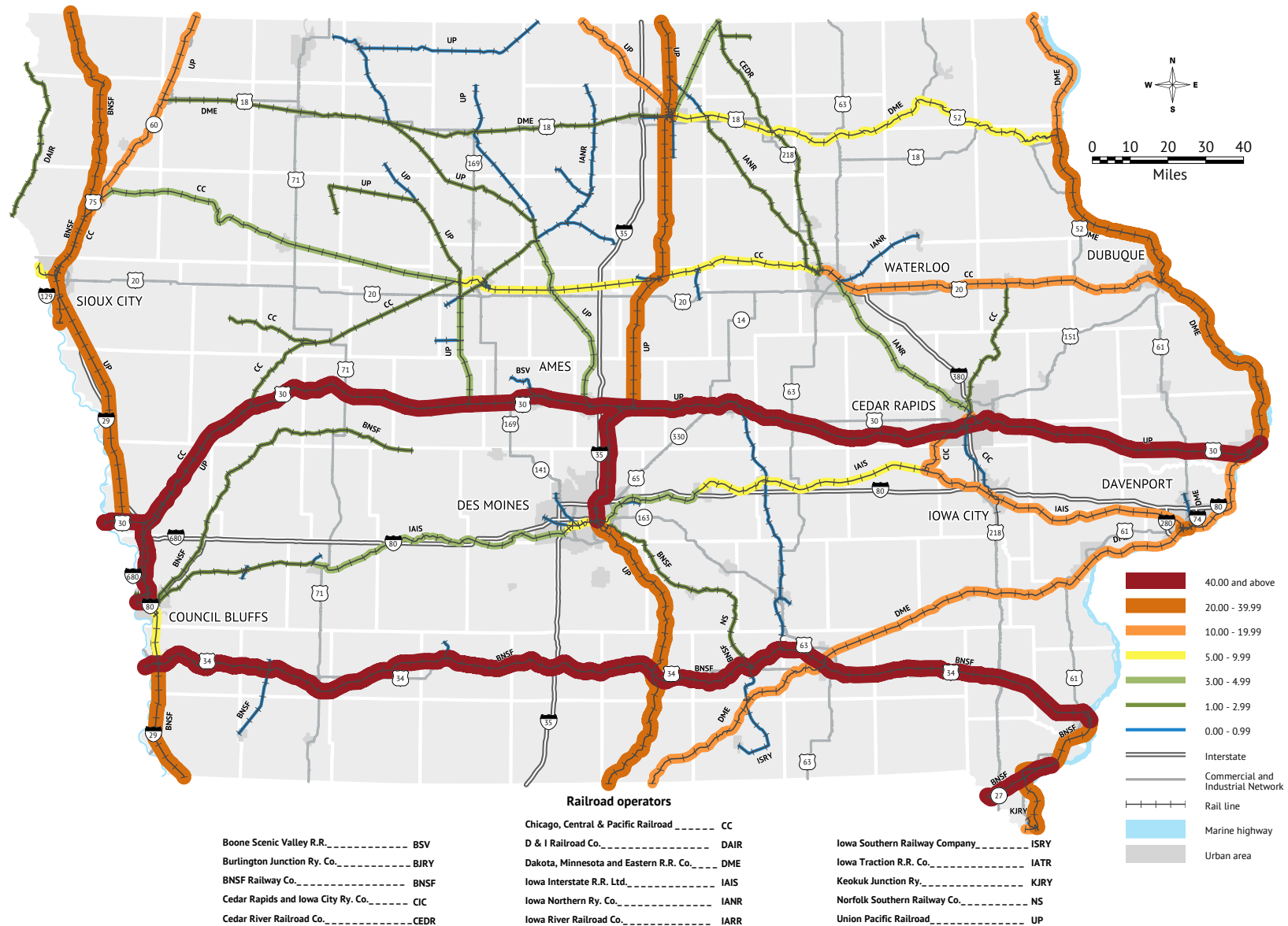
The activity on individual rail lines is measured in terms of density or gross ton-miles per mile (gtm/m). Gross ton-miles are defined as the total weight of all freight traveling on the rail line, including the weight of freight train cars and locomotives. While Iowa's rail miles have remained stable, the amount of gross tonnage moving over the network has been increasing.

Between 1985 and 2015, gross ton-miles increased by approximately 134 percent while rail miles fell by 18 percent. Average rail line density has nearly tripled over the last 30 years, primarily as a result of the increased through traffic moving on Iowa's main lines. As of 2015, the average rail line density in Iowa was 29.5 gtm/m. Figure 2.20 shows Iowa's rail traffic density in 2015.

Additionally, railroads continue to focus their attention on heavier axle-load freight equipment and using longer, heavier trains to lower costs. Using larger rail cars in 100-plus car unit trains allows the greatest savings and economic benefits, and keeps would-be truck traffic off the highways, resulting in less congestion and roadway deterioration. The current industry standard for rail car weight, which includes the weight of the commodities and the rail car combined, is 286,000 pounds. Iowa has rail lines that are unable to carry the sizes and weights of railroad equipment that meet this threshold (reference Figure 5.7).



Figure 2.20: Rail density, gross ton-miles per mile, 2015



Source: Iowa DOT, Railroads' annual reports

## Iowa exports to other states and other countries will continue to increase

### Iowa will continue to trade primarily with Midwestern states

Iowa's regional trading partners provide markets for its producing industries and serve as suppliers to Iowa's consuming industries. In 2015, nearly 67 percent of the freight tonnage and 49 percent of the freight value leaving Iowa went to states in the Midwest. About 75 percent of the freight tonnage and 60 percent of the value coming into Iowa was from Midwestern states. This trend is projected to continue through 2045. Table 2.5 provides both tonnage and value of freight being shipped to and from Iowa in 2015 and projections for 2045. Figure 2.21 provides a visual of Iowa's regional trading partners and the projected amount of freight tonnage being sent from Iowa to those areas and from those areas to Iowa in 2045. Typically, the only region that sends more to Iowa than it receives from Iowa is the North Plains. A large portion of this tonnage is coal being delivered from Wyoming for utility generation. The amount of tonnage coming from the North Plains is expected to decrease roughly 45 percent by 2045, most likely because Iowa is increasingly using other resources such as wind and natural gas to generate power.

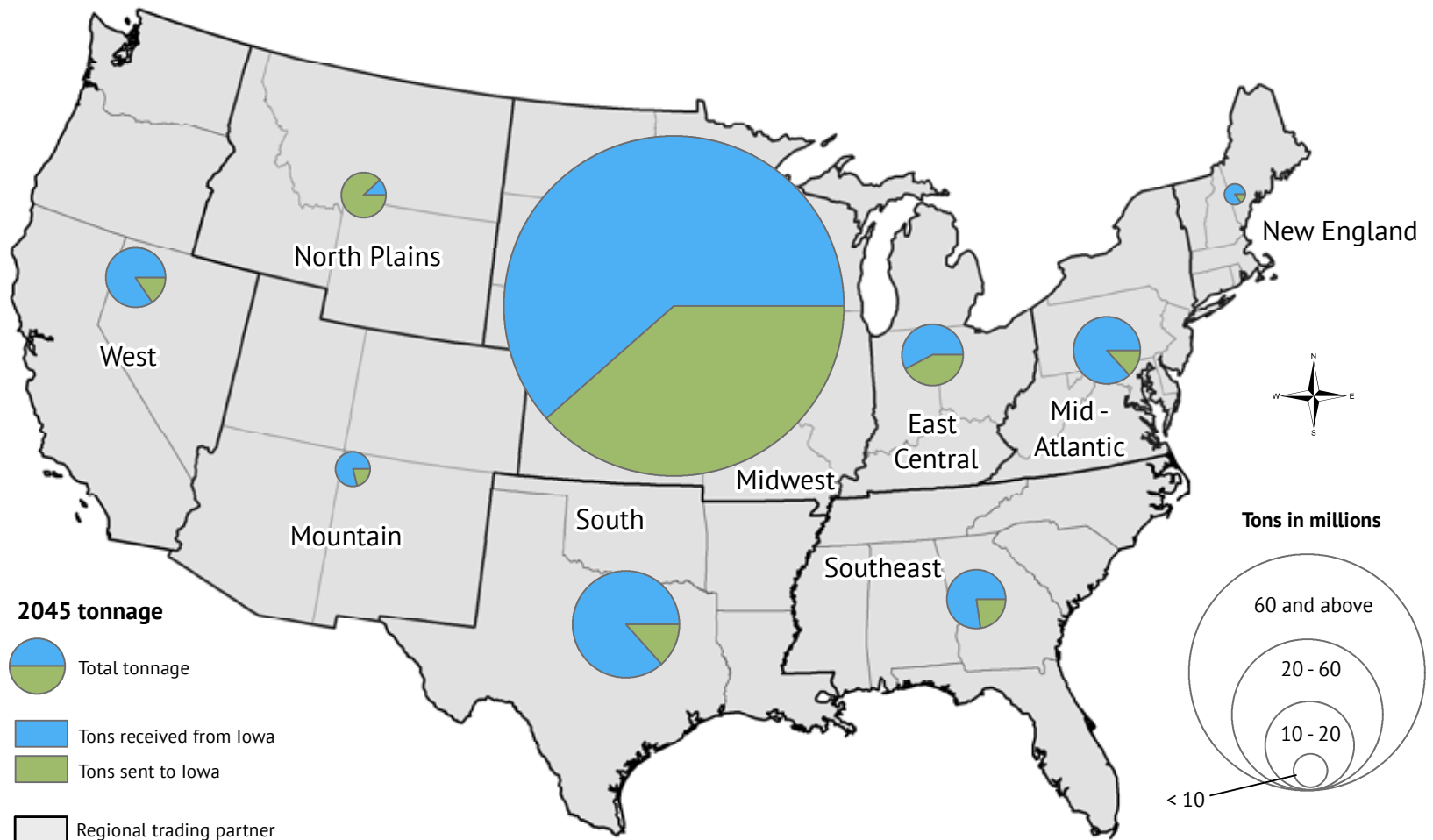
**Table 2.5: Domestic trade by region, 2015 and 2045**

Region	2015				2045			
	Sent to Iowa		Received from Iowa		Sent to Iowa		Received from Iowa	
	Tons	\$ millions	Tons	\$ millions	Tons	\$ millions	Tons	\$ millions
West	1.40	\$7,826	7.73	\$13,288	2.96	\$14,981	15.93	\$28,837
North Plains	16.99	\$973	0.73	\$1,192	9.36	\$1,195	1.30	\$1,851
Mountain	0.84	\$1,970	2.99	\$4,249	1.34	\$3,221	5.01	\$6,835
South	5.73	\$10,340	23.50	\$19,464	8.13	\$19,638	52.60	\$40,091
East Central	5.25	\$13,054	5.65	\$13,724	8.44	\$20,903	11.53	\$28,881
Southeast	3.34	\$9,165	8.59	\$12,675	4.16	\$13,630	14.29	\$22,104
Mid-Atlantic	2.03	\$10,654	10.58	\$15,733	3.15	\$18,555	20.70	\$35,001
New England	0.28	\$2,863	1.07	\$2,131	0.34	\$4,123	1.97	\$3,842
Midwest	104.71	\$83,243	122.78	\$78,217	113.32	\$116,060	181.16	\$127,615
Iowa	264.52	\$102,582	264.52	\$102,582	320.68	\$129,622	320.68	\$129,622

Source: FHWA, FAF



Figure 2.21: Regional trading partners and projected freight tonnage movements in 2045



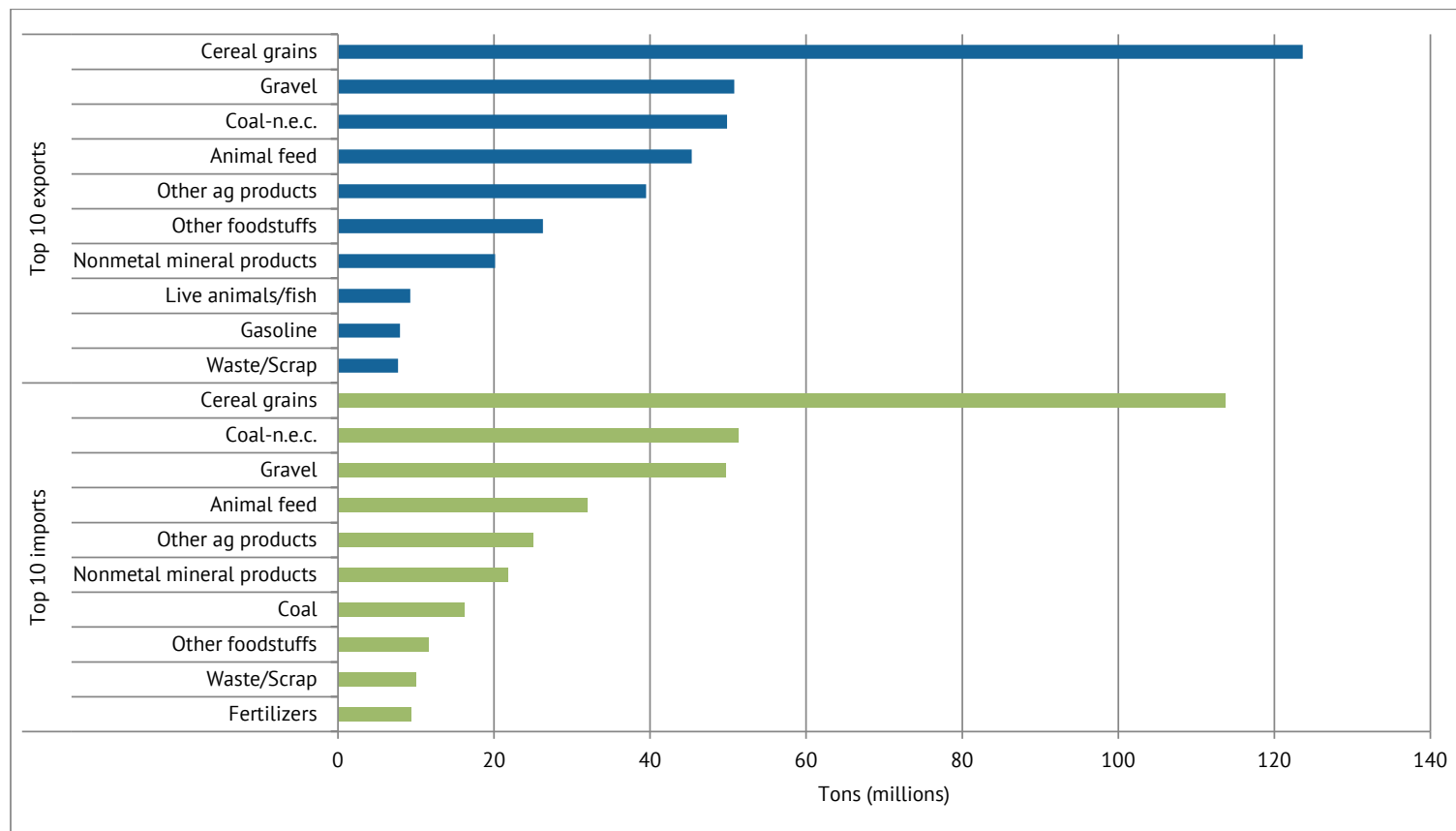
\*Midwest does not include tonnage movements within Iowa

Source: FHWA, FAF

In terms of types of commodities being moved, agriculture plays a key role in originating and terminating movements. Iowa is one of the leading states in the production of corn, soybeans, eggs, pork, and beef each year. However, cereal grains (includes corn, oats, and wheat) account for 123.6 million tons originating in the state and 113.7 million tons terminating in the state, far more than any other commodity. This accounts for nearly 27.6 percent of the total

commodities shipped from Iowa, as well as 28.1 percent of the total commodities received into the state (for processing and transport to export terminals). Other top commodities being imported to and/or exported from Iowa include gravel, animal feed (includes eggs), coal-n.e.c. (includes natural gas and propane), other agricultural products (includes soybeans), and other foodstuffs. Figure 2.22 shows the top commodities originating and terminating in Iowa by total tonnage.

**Figure 2.22: Top 10 domestic commodities exported from and imported to Iowa by weight, 2015**



Source: FHWA, FAF

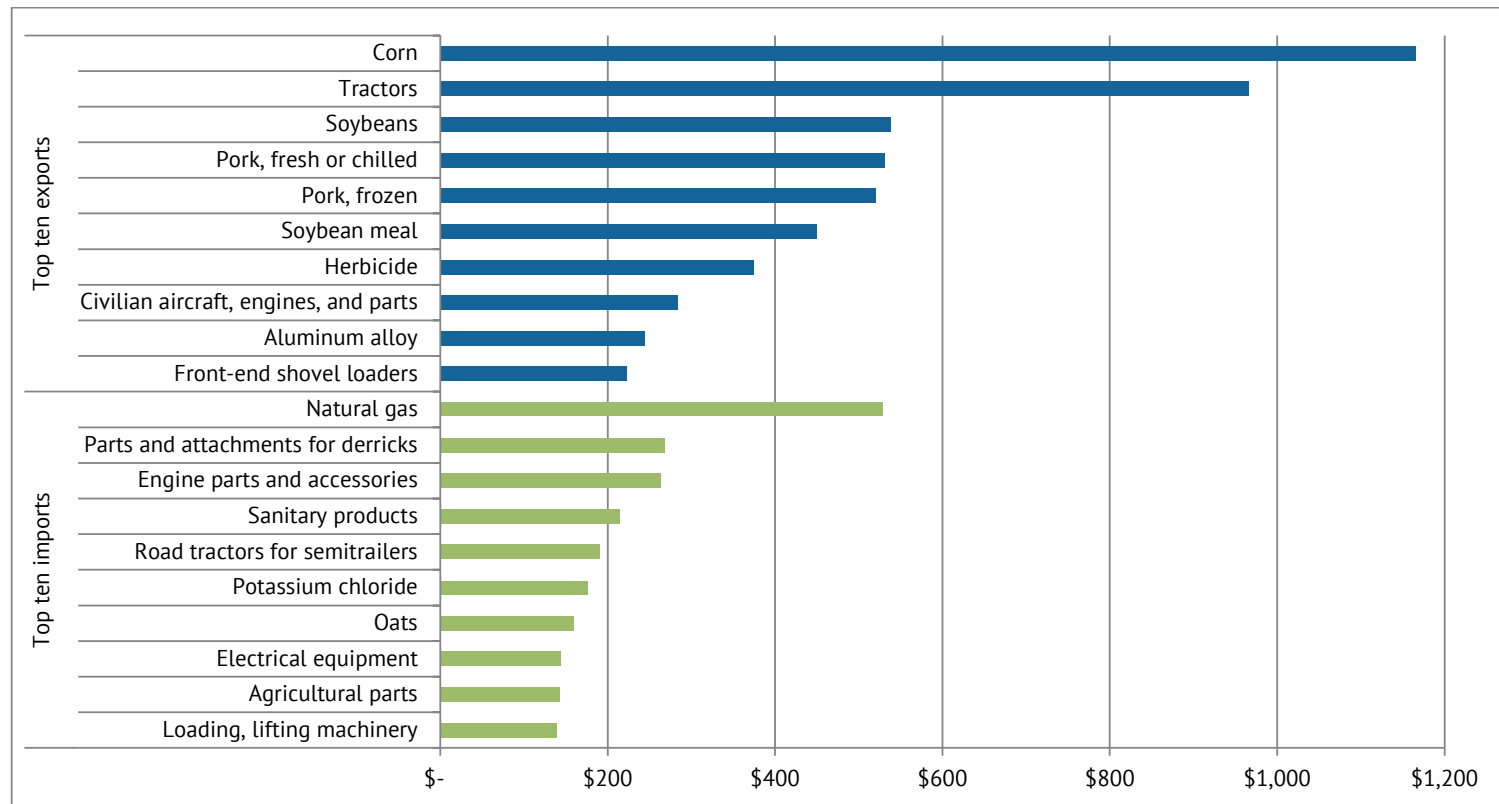
## Canada and Mexico are Iowa's largest international trading partners

The state of Iowa exported roughly \$15.1 billion in goods in 2014, which is about a 1 percent share of the entire U.S. export market. Corn was the top exported commodity by value at approximately \$1.2 billion; tractors were the second-largest commodity group at \$966 million; and soybeans were third at \$538 million. Other top exports included pork (chilled and frozen), soybean meal, herbicides, and machinery parts.

Similar to the domestic import/export climate, Iowa's import totals from foreign countries are less than that of exports. In 2014, Iowa's

total foreign imports were approximately \$10 billion, contributing about a 0.4 percent share of the U.S. total foreign import market. Natural gas was by far the largest imported commodity by value at \$528 million, followed by parts and attachments for derricks at \$268 million. Other commodities in the top 10 included engine parts and accessories, sanitary products, road tractors, potassium chloride, oats, electrical equipment, agricultural parts, and loading/lifting machinery. Figure 2.23 shows the top 10 internationally imported and exported commodities by value in 2014.

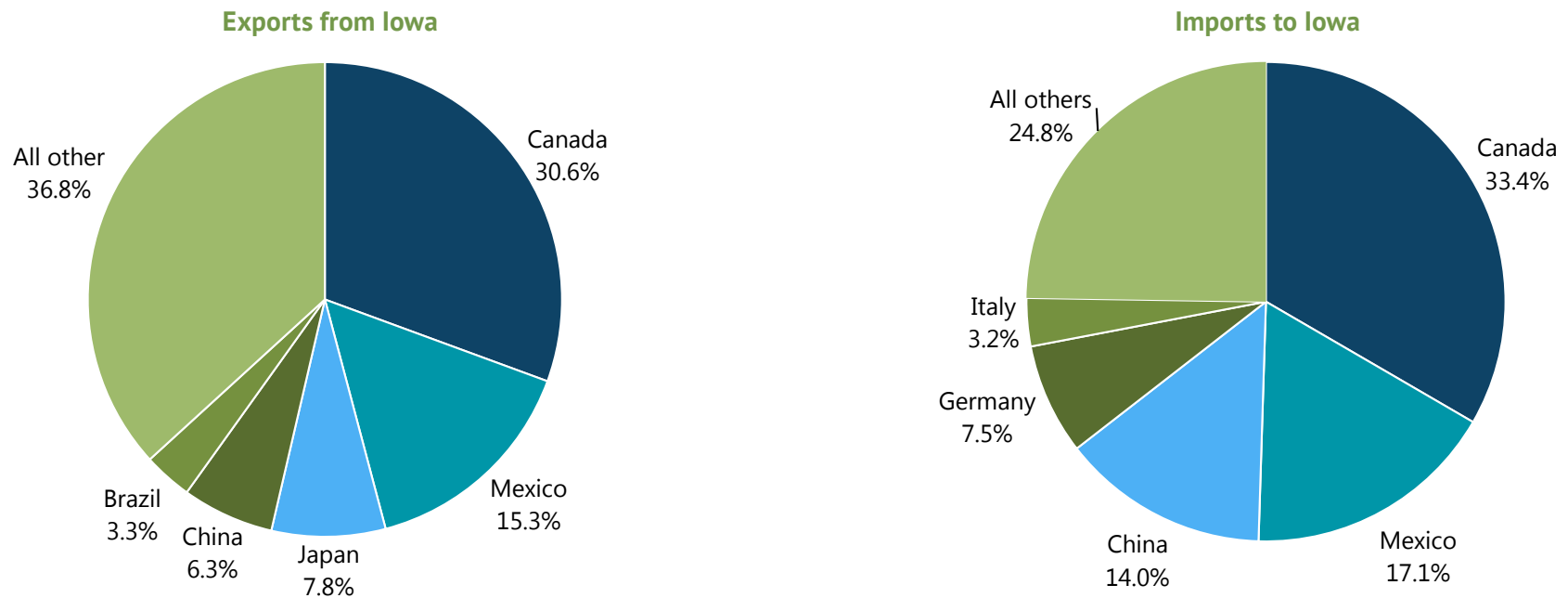
**Figure 2.23: Top 10 international commodities exported from and imported to Iowa by value, 2014 (\$ millions)**



Source: U.S. Census Bureau, Foreign Trade Division

In 2014, Iowa's top international trading partner was Canada with exports valued at \$4.6 billion. Other notable countries by value of exports included Mexico, Japan, China, and Brazil. Canada was also a leader in Iowa's foreign import trade market with imports valued at \$3.4 billion or 33.4 percent of the market share. Other notable countries included Mexico, China, Germany, and Italy, making up approximately 75 percent of total imports to Iowa. Figure 2.24 show the breakdown of Iowa's exports to and imports from foreign trading partners.

Figure 2.24: Top international trading partners, 2014



Source: U.S. Census Bureau, Foreign Trade Division

## Implications for transportation – freight trends

The advancement of globalization leads to constantly shifting market variables. This makes adapting and evolving a challenge for all involved parties, including manufacturers, shippers, and government agencies. To be proactive in addressing developing patterns and overcoming new obstacles, it is necessary to identify current trends and issues and attempt to forecast the changes that will come. A number of these major trends in the freight industry will affect Iowa's transportation system. These items include:

- Globalization and growth in both national and international trade are placing more demands on the freight system.
- With value-added production and overall economic activity increasing in Iowa, freight movements will increase.
- The growing demand for freight increases concerns about safety, energy consumption, and environmental impacts.
- With freight projected to increase, the effects of congestion on freight mobility, reliability, and costs will need to be taken into consideration.
- Reducing delays, maintaining infrastructure, and optimizing the state's freight system are key priorities.
- With weight limitations on trucks being relaxed in recent years, the impacts to infrastructure and operations need to be taken into consideration.

