



**IOWA  
ASSOCIATION  
OF BUSINESS  
AND INDUSTRY**

# BUSINESS

SEPT. 2023 MONTHLY



# Manufacturing packs punch in Iowa's economy

Mark Barglof, Kinetic Technologies

STORY ON PAGE 22

## CALENDAR OF EVENTS

### 2023

**SEPTEMBER 13**  
What's the Future of the Economy?  
WEST DES MOINES

**OCTOBER 4**  
Iowa Manufacturing Conference and  
Legends in Manufacturing Awards  
ANKENY

### 2024

**JANUARY 10**  
Legislative Briefing and Reception  
DES MOINES

**MARCH 6**  
Business Day in Des Moines  
DES MOINES

VISIT [WWW.IOWAABI.ORG](http://WWW.IOWAABI.ORG) AND CLICK THE "EVENTS" TAB FOR DETAILS ON ALL UPCOMING EVENTS.

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## FROM THE CHAIR:

# Exploring Iowa's Manufacturing Landscape and ABI's Advocacy Efforts

This edition of Business Monthly focuses on the state of manufacturing in Iowa. It provides a great opportunity to note that ABI's annual Iowa Manufacturing Conference and Legends in Manufacturing Awards will be held next month in Ankeny, on October 4th. These events celebrate and highlight Iowa manufacturing and include terrific programming and networking opportunities. Please go to [www.iowaabi.org/abimfg](http://www.iowaabi.org/abimfg) to find out more and register to attend.

Another vital issue at ABI right now is the association's public policy work. The most important part of these efforts is the strong participation by ABI members in developing and advocating for policies that help Iowa businesses grow

When the annual policy development process is completed at this month's board meeting, hundreds of members will have participated in one or more policy meetings throughout the state. This is terrific participation, and it sets the stage for the real work that follows including communicating with state administrators and elected officials of both parties across Iowa.

ABI has been fortunate to have some of the best public policy experts as staff members over the years and the current team is no exception. As good as the team is, it is the active participation by you and your fellow ABI members that is the key to ABI's award-winning public policy success over the past several decades.

Legislators and state officials want to hear from you on issues that you feel are important. They want to see your operations, meet your employees, and learn about your business. They want to support policies that will help you grow your business and create jobs. The best way to help them do that is to personally engage and even invite them to your facilities. When you reach out, you are creating awareness of issues important to you and building relationships that can help advance ABI's public policy agenda.

Thank you for your strong participation in ABI's policy work and thank you in advance for your work with your legislative delegation. ABI



**Chad Reece**  
ABI Vice Chair  
Winnebago Industries

## CAPITOL BUSINESS:

# How Public Policy Affects Iowa Manufacturers

Iowa is a manufacturing powerhouse. In 2022, according to the National Association of Manufacturers, the industry accounted for 17.14% of total output in the state, employing 14.45% of the workforce. Total output from manufacturing was \$38.56 billion in 2021. There was an average of 225,000 manufacturing employees in 2020, with an average annual compensation of just over \$79,000 in 2021. With approximately 4,100 manufacturers located across Iowa, the state of the industry is clearly vibrant and strong.

Public policy proposals drafted in Des Moines each spring can have an extraordinary impact on our economy, whether that be positive or negative. Given that a plurality of ABI members are manufacturers and the outsized influence the industry plays in providing opportunities and growth across all 99 counties, ABI public policy staff is working hard to ensure the needs of manufacturing and other industries are met when the Legislature convenes.

For example, Iowa is on a path to a 3.9% flat individual income tax rate 2026. The corporate income tax rate will be 5.5% in just a few years as well. It wasn't too long ago that Iowa had one of the highest individual income tax rates (8.98%) and corporate income tax rates (12.0%) in the country. We're now on our way to being one of the most competitive states in the nation, which will allow manufacturers to invest more in their companies and people.

Another example is unemployment insurance tax reform. Iowa's unemployment system was transformed in 2022 as policymakers passed reforms that put a focus on re-employment and will ensure the long-term integrity of the unemploy-



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ment insurance trust fund. Manufacturers and industry as a whole are seeing over \$100 million in payroll tax relief this year because of the legislation.

Following the arrival of COVID-19 in 2020, manufacturers were asked to step up, turn over product lines overnight and create personal protective equipment and other goods to help our fellow citizens in their time of need. Given their efforts and the significant liability risks and uncertainties created by COVID-19, policymakers passed "the gold standard" when it comes to COVID-19 liability protections for business and industry.

None of the aforementioned changes would have occurred without the leadership of Governor Kim Reynolds and pro-growth legislators. When manufacturers and others in the business community engage in the public policy process, elected officials listen as they know what kind of impact you have in making our state thrive. ABI public policy staff strongly encourages you to develop a relationship with your legislators and make your voice heard so that the state of manufacturing in Iowa continues to remain robust. ABI

## NEED TO KNOW:

# Estate Planning Before 2025

In 2023 the Internal Revenue Service maintains a \$12.92 million gift and estate exemption as part of the Tax Cuts and Jobs Act of 2017, meaning that you can leave up to \$12.92 million to a spouse automatically after death without your spouse incurring a federal estate tax. However, this is not the case after 2025 and advanced estate planners have begun preparing for the change.

For the 2026 tax year, the estate or gift tax exemption is reduced by over 50% to \$6.4 million. At that time, wealth transfer above that threshold could be taxed at the federal level while your beneficiaries could be levied an inheritance tax as well. The effective federal estate and gift tax rate ranges from 18% to 40% depending on the amount of the estate transfer above the untaxable threshold.

The bottom line is to rethink your estate planning for the future if you have a large estate. Here are a few other examples you can use to arrange your assets carefully and with purpose, so you can make the most of your estate.

- **Gift Business Assets** – Qualified Business Appraisers such as ourselves work with business owners all the time to maximize discounts on minority interest gifts of privately held companies.
- **Set aside money through trusts** – There are a variety of trust vehicles available to help you allocate and manage money purposefully, thus reducing the value of your estate after death.
- **Start 529 plans** – Set up 529 college funds for your grandchildren to give them a good head start on their careers and their futures.
- **Pursue philanthropy** or a



**Brian Crotty**  
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HDH Advisors, LLC  
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**foundation** – Donate Company Stock or assets to a donor advised fund or cause that is already well established to secure your investment.

- **Update wills and trusts** – Bonus: Update your will. Make sure you've updated your will to reflect these changes and updates to your estate plan.

Work with your attorney to set these vehicles in motion. If you own a business, HDH Advisors are always here to help walk you through your tax planning options or estate planning. ABI

**The bottom line is to rethink your estate planning for the future if you have a large estate.**

**WHAT'S TRENDING:**

# 4 Things to Watch For to Protect Your Workers

A worker with a nagging injury can't be as productive or engaged in their job, and it likely isn't good for team morale. That's why establishing a secure and efficient manufacturing work environment is paramount to overall productivity, profitability, and employee well-being. Not to mention it's a sound business practice and government regulation requires businesses to maintain safe working conditions.

Here are four top loss drivers to know and plan for to help you reduce risks.



**Sandy Smith**

Assistant VP – Policyholder Services  
Risk Improvement  
EMC Insurance Companies

## 1. Ergonomic Issues and Overexertion

Ergonomic injuries are responsible for a high number of claims in the manufacturing sector. They generally occur when tasks are repetitive, or if they require excessive lifting or awkward postures. Here's how you can improve manufacturing ergonomics and reduce overexertion injuries in the workplace:

- Determine which jobs are most likely to have ergonomic risk factors by examining your claims history, looking into jobs with especially high turnover or thinking about the jobs at your organization that are hard to fill
- Work with an ergonomics consultant to evaluate and improve your ergonomics program
- Rearrange your workflow to minimize manual material handling, such as unnecessarily moving materials

## 2. Struck-by Accidents

Struck-by accidents are preventable and can be reduced by implementing the following tactics:

- Ensure forklifts, cranes and other large equipment meets inspection requirements
- Use an operator evaluation to ensure operators understand how to operate equipment safely
- Create a machine guarding program that includes not removing machine guards and training employees on the types of machine guards and their safety requirements

## 3. Slips, Trips and Falls

Spills, bad weather conditions and improper ladder usage are all contributing factors to slip, trip and fall claims. Fortunately, reducing these risks can be simple:

- Conduct a slip and fall assessment and develop a prevention program with your provider
- Identify factors that increase accidents, such as poorly marked curbs, cords that cross pedestrian paths or liquid on the floor
- Implement safety changes, such as handrails, cleaning protocols and wearing slip-resistant shoes

## 4. Risk of Auto Accidents

Vehicle accidents can lead to employee injuries and loss of dollars, property, and life. Prepare your drivers for the roads, reduce accidents, and improve overall fleet safety with these tips:

- Collect driving histories and review each driver's motor vehicle record annually after hiring
- Train drivers on general driving safety and company expectations, including defensive driving techniques and any applicable state and local regulations

When it comes to workplace loss control and spending your safety budget, there are several techniques you can employ to make sure you get the most bang for your buck. For more information about loss prevention resources to protect your manufacturing facility, reach out to a local workers' compensation insurance carrier specializing in loss control. **ABI**



[www.IADG.com](http://www.IADG.com)

## Low-Cost Financing for Business Energy Efficiency Projects



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Finance energy efficiency and renewable energy projects through the **IADG Energy Bank**. With qualified energy improvement projects, facilities need no upfront or additional capital. Loan payments can be flexible and arranged to meet your energy savings.

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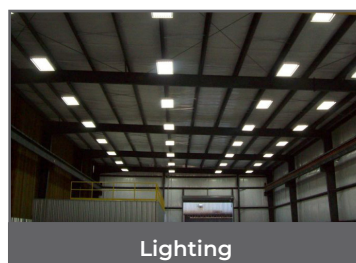
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- Term: Up to 10 Years
- Origination Fee: 1%

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Lighting



Equipment Upgrades

### MORE DETAILS:

For a program overview, related requirements, and ensure availability of funds visit:

[IADG.com/EnergyBank](http://IADG.com/EnergyBank)

**Contact:**  
**Bruce Nuzum**  
**800-888-4743**



COVER STORY FROM PAGE 19

# Manufacturing Packs Punch in Iowa's Economy

BY EMERY STYRON

Iowa's reputation as a major national producer of agricultural commodities such as corn, soybeans and pork may cause some casual observers to overlook the potent economic impact of manufacturing in the Hawkeye state. Humming factories in Iowa — many of them utilizing advanced technology — accounted for \$38.56 billion in output in 2021 — 17.14% of the state's total GDP — while employing 225,000 people, nearly 14.5% of the state's workforce at an impressive average annual compensation of \$79,356, according to figures compiled by the National Association of Manufacturers.

Those figures may surprise some people, but not ABI members involved with manufacturing. They are well aware of the importance of making things to the state's jobs picture and GDP. And they're bullish on the future of manufacturing in Iowa, with high praise for the state's workforce, location and business climate.

## 'Overwhelmingly Good'

"Each year, the business climate continues to improve for employers and manufacturers in the state," said Dave Zrostlik, president of Garner-based Stellar Industries, an employee-owned manufacturer of high-quality work trucks and trailers, along with service truck and van accessories.

"We started here, so we didn't have to move here," said Mr. Zrostlik, who believes the word on Iowa's business-friendly climate is spreading, motivating companies across the U.S. to relocate to Iowa.

One of many multi-generation manufacturers in Iowa, Stellar roots date back to 1961 when Mr. Zrostlik's father, Francis, began retooling tire molds for the retreading industry in a Quonset hut behind his home. His company, Iowa Tool Molding, became Stellar Industries in 1990 and has grown to five locations in Iowa, Nebraska and Pennsylvania, employing more than 800 team members and serving a global market.

"I think it's fantastic, what the current legislature has been doing. It's overwhelmingly good for a start-up manufacturing business in Iowa," said Mark Barglof, who launched Algona-based Kinetic Technologies in the fourth quarter of 2021. One of Kinetic's main product lines is robotic welding fixtures and positioners that allow manufacturers to weld bigger, more complex parts and increase production capacity. The company, which employs 12, also provides design and fabrication services.

Mr. Barglof praises Gov. Kim Reynolds' pro-business leadership and various supportive programs the state offers, including 260E, 260F and Industry 4.0 grants. The governor and legislature "are doing a lot of really, really good things, and they have through the pandemic," he said.

Along with a supportive state government, rural economic activity is impressive, Mr. Zrostlik said. He praised North Iowa Area Community College at Mason City and local groups such as Kossuth County Economic Development Group and the Algona Area Economic Development Corporation for their efforts to make rural communities attractive to manufacturers and their employees.

ABI Executive Vice President Nicole Crain concurs with Mr. Zrostlik and Mr. Barglof on Iowa's support for manufacturers. "We have a great climate in Iowa for



manufacturing and manufacturers," she said.

"A few things have really helped multi-generational companies and companies looking to automate." She listed grants that helped small manufacturers, continuing reductions in workers' compensation insurance rates and a favorable tax climate.

"We are fortunate to be in Iowa. Local governments work together with industry to make communities stronger and businesses stronger."

The trio also agree that business conditions are improving in the state. The numbers back that up, said Ms. Crain. "A few years ago, we were trying to get to \$30 or \$32 billion (in state manufacturing output). Now we're at \$38 billion. We have a ton of small manufacturers in rural Iowa. They are really helping the sustainability of rural communities. We definitely see the manufacturing economy strong in Iowa."

## Workforce Challenges Remain

Business is never without challenges, however, and the workforce is at the top of the list for many Iowa manufacturers and other firms.

"Just finding housing and daycare in rural Iowa is hard," said Mr. Zrostlik. Availability of daycare is key "to attracting young people to come join our factories."

Partnerships with Iowa State University, the University of Iowa and University of Northern Iowa, along with Northern Iowa Community College, have been helpful in recruiting younger workers, he said. "People come in for summer internships and many stay as well," he said.

Supply chain issues have eased over the past few years, but some components are still issues, he said. Having been spoiled by long-term suppliers with stable pricing until the pandemic upended relationships, Stellar has developed secondary suppliers to improve resiliency in the future.

"Workforce, workforce, workforce," is the big chal-

lenge, said Ms. Crain. Elevate Advanced Manufacturing, a 10-year-old program to educate junior high and high school students, and their parents, manufacturing careers, is one part of the solution, she said. The state's emphasis on training workers is helping manufacturing, as is the adoption of technology. "Automation is helping upskill current jobs and helping companies stay in communities," she said.

Mr. Barglof said his company has not yet had trouble finding workers and is fortunate to offer a product that helps solve workforce problems. "There is help through technology for workforce solutions."

Iowa is one of the top five states in the country for adopting workforce technology, but it will have to get even more creative with workforce solutions to attract people to rural areas.

## Iowa's Strength: 'It's Iowa'

Iowa's core strength in manufacturing lies in the people and culture of the state and its central location, all agree.

"The people" are Iowa's indispensable asset," said Mr. Zrostlik. "That's been the key for us to be successful all these years. The workforce understands what it's like to come and put in a hard day's work. We're 100% employee owned. They understand that if a company is profitable, it's going to be felt in their ESOP accounts."

"There's a real sense of community" that extends to the relationship between companies and team members, adds Ms. Crain. "We have the ability to speak, to contact legislators. Everyone works together."

"It's Iowa," said Mr. Barglof. Logistical costs are fairly manageable with access to air, train, truck and river transportation. "The administration makes it easy to do business. At the local level, economic development people do a great job. We have the best work force in the world. They are smart, entrepreneurial and hard workers. That makes it a fantastic place to do business." ABI

## Kinetic Technologies



"Manufacturing selling to manufacturing is a cool thing," said Mr. Barglof. "We identify with customers. We deal with the same issues they do."

Working in automation and tooling, Kinetic doesn't have any competitors in its present form, he said. "Our project is not a robot in and of itself," he said, but Kinetic's positioning systems enable companies to make better use of collaborative robots. Kinetics positioning systems will be built using Kinetic's positioning systems, he said.

"We provide very high-quality custom-made tooling. There is a huge difference in durability and quality of traditional compared to Kinetic Technologies. Our equipment is built to endure some really large parts. It pushes cobot innovation and makes robotics very viable for manufacturers making very large pieces."

Coming out of an ag tech startup, Mr. Barglof saw a need in Iowa for manufacturing to adopt robotic tech. "We're seeing the need for skilled labor, welders, and machinists, for example. Robotics could fill a gap by building tooling to make robotics introduction simpler. We are coming out this fall with a whole slew of new products with other positioning technology. Simple parts will reduce the upfront cost to help manufacturers get started with robotics."



## Stellar Industries



"We're a 33-year-old company, 100% employee-owned," said Mr. Zrostlik. "We don't have a larger corporate parent. We are our own boss. That's been beneficial. In 2009 when many companies were laying off engineering staff, we made a decision to go forward and develop all new products. We haven't looked back since."

Stellar emphasized getting its people out in the field to see how products work and could be improved. "We spend a lot of time with people who use our equipment. The interaction with our customers sets us apart from our competition," Mr. Zrostlik said. "Innovative use of materials and components makes equipment work better for end users. Staying ahead of competition has made us successful over the years."



## Iowa Association of Business and Industry (ABI)



"Our main goal is to speak for all Iowa businesses. We know they are busy running their businesses every day," said Ms. Crain. "Our job is to be their voice. We're at the capital educating lawmakers, or helping Iowans understand the importance of manufacturing. Our role is to connect."

ABI's main focus this summer has been address business challenges is state agencies. That includes providing feedback on a review of the agency

rulemaking process that will conclude this month. Other priorities include workforce proposals, regulatory reform and updating Iowa's drug and alcohol testing laws, a workplace safety issue.

ABI also sends manufacturing leaders to the nation's capital to work on issues in partnership with the National Association of Manufacturers.

Here in Iowa, the tax climate is improving, the cost of doing business is decreasing and the word is getting out, said Ms. Crain.

"Iowa has flown under the radar for a long time. People are realizing what a great place we have here. We have so many multi-generational family businesses, especially manufacturing, that keep our economy thriving."

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# Q and A: Is “Made in America” back?

In 2020, the pandemic’s strain on supply chains served as a wake-up call to Americans, highlighting our dependence on imported products and an intricate web of global logistics. Public support for manufacturing noticeably shifted. Businesses across the country also felt the financial pains of offshore products. Many of the risks that have long been theoretical were simultaneously real: a global pandemic, geopolitical problems, freight delays. Emergency shipments, lost sales, and more offset the savings of sourcing from low-cost countries. Impacts to our medical and defense supply chains were suddenly front-page news. Moving work back to the U.S. became a popular discussion.

Now that the economy seems to have settled, the question remains, is Made in America back, or was it just a fun idea that made as much sense as a dozen Zoom meetings every day?

## What is reshoring?

Reshoring is the act of bringing globally sourced products back to the U.S. Another option is “nearshoring”, which focuses on bringing work to Canada and Mexico. While much of the focus tends to be on moving work from China to the U.S., products can be reshored from anywhere.

## If we’re back to “normal,” why is reshoring still being considered?

American manufacturing has taken leaps in cost competitiveness. In 2018, the Boston Consulting Group reported that, on average, manufacturing costs in the southern U.S. were within 6% of China. Coupled with increased costs associated with geopolitical, environmental, and human risks, the math on part costs has continued to change. Strong bipartisan support for manufacturing as part of our national economic and defense strategies has also driven policy change at the state and federal levels.

## Is “reshoring” really happening?

The Reshoring Initiative, a non-profit founded in 2010 to help manufacturers understand the total cost of offshore parts, tracks reshoring announcements and foreign direct investment (FDI) into new factories in the U.S. They reported 364,904 manufacturing job announcements from reshoring and FDI in 2022, a 53% increase from the previous record set in 2021. We see three main components to the broad reshoring trend: government procurements, existing commercial products, and new commercial products.

The Bipartisan Infrastructure Act of 2021 included a provision called “Build America, Buy America”. These provisions

set minimum standards for American content and a strict waiver process. Unlike previous regulations, the waivers are typically time-bound to require the transition of production to the U.S. over a reasonable period. This is beginning to influence the procurement process and will have some impact on reshoring.

Reshoring existing commercial products presents a challenge: starting up a production line involves significant one-time investments in tooling and equipment, making the business case to reshore existing commercial products very difficult. While many companies have strategies to reshore work, this component of reshoring is real but playing out slowly.

Where we see the most change is in new commercial products, specifically in new factories. Construction spending on private manufacturing facilities has nearly tripled since 2017. U.S. cost competitiveness, coupled with a better understanding of the real risks of global supply chains and significant government incentives, has resulted in record levels of new manufacturing investment. While inflation certainly impacts these numbers, the message remains clear: companies worldwide are investing in U.S. manufacturing.

## Where is reshoring happening?

While there is little information about locations of reshoring in federal procurements and existing commercial products, the U.S. Census Bureau provides regional data regarding manufacturer spending on construction put in place. The Mountain district (AZ, CO, ID, MT, MN, NV, UT, WY) is the fastest growing region, with an 800% increase since 2017. The East North Central district (IL, IN, MI, OH, WI) is second at 620%. The Mountain district has benefited from semiconductor investments and the East North Central from automotive and battery investments. Iowa is in the West North Central district, which lags the national average with 195% growth. From a technical and geographic perspective, Iowa manufacturers are well-positioned to participate in supply chains in the major growth regions.

## How can Iowa manufacturers leverage these trends?

Now is the time to step back and assess your supply chain strategy. As previously mentioned, simply reshoring or nearshoring existing parts is a lower priority given the needed capital investment. The big opportunity today is to update the guidance given to product development and sourcing teams as they design new products. Finding and identifying U.S.-based partners early in the development

phase, where they can co-influence design to minimize cost, can result in near-term cost-neutral solutions while reducing long-term risks.

If you are a manufacturer looking for new sales opportunities from reshoring, follow the data. Convincing a large buyer to move a product from offshore to your business is a long shot. The growth of new construction in the EV markets has created significant demand for new sources of electrical components, wire harnesses, and mechanical systems, while the semiconductor industry is creating new opportunities for advanced tooling. Your approach to reshoring opportunities should continue to follow the basics of marketing: understand your core competencies, see how they fit into growing markets, and develop a plan to win business in that space. The key difference is that these growing markets are likely to involve new customers and new products, presenting challenges in the shift.

## What is being reshored?

Electrical equipment (electric vehicle batteries), computers and electronics (semiconductor manufacturing), transportation equipment (automotive), and chemicals make up nearly 70% of reshoring cases and 90% of jobs announced in the first quarter of 2023, according to the Reshoring Initiative. Medical supplies and machinery have also been significant contributors to reshoring over the past several years.

## What are the drawbacks?

Iowa’s shortage of manufacturing employees may be more intense than other states, but workforce challenges are a national issue. While many of the pandemic-induced workforce issues have subsided, a larger challenge was left in their wake: there simply are not enough people entering manufacturing to replace the retiring baby boomer generation. This will continue to impact lead time and costs, potentially eroding some of the key advantages the U.S. has built in the past decade.

## Where do we go from here?

No industry provides such high numbers of middle-class jobs with career progression like manufacturing. Manufacturing has transformed from “dark, dirty, and dangerous” to a high-tech environment where people can create rewarding careers. Real challenges remain: workforce, policy, strategic, and operational issues must be addressed to reach our potential. But for now, there is real momentum in bringing the right products back to the U.S., and Iowa has significant opportunities to capture new market share. **ABI**



**Mike O'Donnell**

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## FROM THE FOUNDATION:

# Changes in Season: Planning for Continued Success

As summer's breeze fades into a crisp fall chill, it marks a change in season and the arrival of a new ABI Foundation programming year. Akin to the four seasons, each statewide education program has its own unique set of characteristics and cycles. Seasonal changes at the ABI Foundation are accompanied by forward-thinking excitement and renewed sense of appreciation. As the ABI Foundation undergoes its transition, it's an opportunity to reflect on the culmination of deliverables benefiting businesses and industries in communities across the state.



### Kendall Antle

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## LEADERSHIP IOWA

Forty leaders across the state took part and completed Leadership Iowa's 2022-23 program. Each monthly session focused on a different issue facing our state. Participants were provided an in-depth understanding of those opportunities and challenges through discussions with subject-matter experts, interactive community experiences, and behind-the-scenes industry tours. The program exists to educate, inspire, and grow a network of informed leaders as well as to encourage their ongoing local and statewide engagement to create a better future for Iowans.

*"Leadership Iowa has been the best networking and professional development experience in my career. I enjoyed seeing best practices spanning a variety of industries in communities across the state, but above all, the people make this program. I had the privilege of meeting incredible leaders, who quickly became close friends. I'd recommend Leadership Iowa to anyone looking to take that next step in professional growth."*

– Allyson Krull,  
Mason City Chamber of Commerce

## BUSINESS HORIZONS

To commemorate the 40th year, Business Horizons was held on the campus of Drake University – the original host site. Over 50 high school students from each corner of the state attended. By combining hands-on, entrepreneurial experiences with team-oriented challenges, students created either a product or service that addressed a real-world problem impacting youth. Off-site business visits, dynamic workshops, and hearing from industry professionals enabled students to refine their product/service throughout the week while also learning more about career and education opportunities available in Iowa. The action-packed week culminated with investor presentations, infomercial delivery, and an interactive tradeshow.

*"Business Horizons provided me a glimpse into what college life could look like and introduced me to new friends and professionals from a plethora of industries. As the week progressed, my view on a future in Iowa became clearer. Seeing so many volunteers and companies invest their time and resources in this program has shown me that they truly believe in cultivating a future of bright minds."*

– Isaac Brinker,  
Marquette Catholic High School

## LEADERSHIP IOWA UNIVERSITY

2023 marked the 15th year of Leadership Iowa University. 28 students representing 11 different colleges/universities participated in this year's program, which took place August 6-10 in the surrounding Des Moines metropolitan area. Throughout the week, participants attended networking events, engaged in round-table discussions, and toured businesses across several different industries. Designed to bridge the gap between college and career, the program showcased the abundance of opportunities available in Iowa and demonstrated why our state is the ideal place to live and work.

*"Leadership Iowa University has given me so much appreciation for Iowa. Being a part of this program has provided me with new considerations and perspectives, not just about the opportunities here, but also about the type of leader I have the potential to be."*

– Faith Wahls, Coe College

## THANK YOU

The support of our sponsors, volunteers, alumni network, and partnering communities is never taken for granted, and the ABI Foundation extends its sincerest heartfelt thank you to everyone involved. Your contributions are an investment in Iowa's greatest asset: its people. To learn more about each program or how you can get involved with the ABI Foundation, visit [www.IowaABIFoundation.org](http://www.IowaABIFoundation.org). **ABI**



Leadership Iowa Class of 2022-23



Business Horizons Class of 2023



Leadership Iowa University Class of 2023

## EXPERT ADVICE:

Impacted by supply chain disruptions?  
IRS Clarifies ERC Eligibility

The IRS continues to warn taxpayers to use caution when approached by vendors saying the employee retention credit (ERC) is “easy money” and “everyone is entitled to the claim.”

New guidance released in July — the Generic Legal Advice Memorandum (GLAM) — specifically examines whether an employer experienced a full or partial suspension of operation of a trade or business due to a supply chain disruption, making them eligible to claim the ERC.

The new guidance emphasizes what does not qualify an employer. For example:

- **Vague confirmations from suppliers about “COVID delays”** are NOT sufficient. To qualify under a supplier shutdown the employer must demonstrate: (1) a governmental COVID order suspended the supplier’s operations; (2) this lack of goods/materials caused the employer’s business operations to be suspended; and (3) the employer was not able to obtain the goods/materials from an alternate supplier.
- **Generic statements about bottlenecks at ports or truck driver shortages** are NOT sufficient.
- Qualification under a supplier shutdown ends when the order is lifted. **Residual issues after the order ends** do NOT qualify the employer.
- **Incurring higher costs for critical goods/materials** does NOT qualify an employer for the credit.
- **Not being able to stock/produce a few or limited number of products and/or having to increase prices** does NOT qualify an employer.

Proper documentation and caution when approached by vendors claiming eligibility for the credit is critical. Vendors may not always properly factor eligibility, which is a huge clue that the IRS may look at ERC in their audits if not properly documented.

Full text of the GLAM can be found on the IRS website.

**The Bottom Line**

If you claimed a credit and now wonder if the credit is valid — or if you haven’t applied and wonder if you qualify for a credit — please contact your tax advisor. CLA can help.

For more information on ERC guidance in Iowa, contact Justin Zimmerman at [justin.zimmerman@claconnect.com](mailto:justin.zimmerman@claconnect.com) or 319-558-0265.

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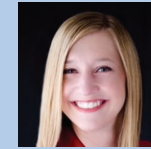
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