

Why Des Moines?

James Chung
October 2018





About 41,100,000 results (0.55 seconds)

Des Moines, Iowa: How America's Dullest City Got Cool - POLITICO ...

<https://www.politico.com/magazine/story/.../how-des-moines-iowa-got-cool-213552> ▼

Jan 21, 2016 - To make **Des Moines** hip, civic leaders did something almost unheard of.

Living & Working in Des Moines, Iowa | US News Best Places to Live

<https://realestate.usnews.com/places/iowa/des-moines> ▼

The capital of this so-called flyover state may not top your to-visit list, but **Des Moines** is a great place to live and raise a family. Elegant colonial and Tudor- style ...

[Des Moines, Iowa Photos](#) · [Job Market](#) · [Crime](#) · [Schools](#)

Des Moines, Iowa - Wikipedia

https://en.wikipedia.org/wiki/Des_Moines,_Iowa ▼

Des Moines, Iowa. ... It was incorporated on September 22, 1851, as Fort **Des Moines**, which was shortened to "**Des Moines**" in 1857. It is on and named after the **Des Moines River**, which likely was adapted from the French colonial name, *Rivière des Moines*, meaning "River of the Monks".

[History](#) · [Geography](#) · [Demographics](#) · [Culture](#)

21 Things You Need To Know About Des Moines Before You Move ...

<https://www.movoto.com/blog/opinions/moving-to-des-moines/> ▼

May 21, 2014 - With a thriving downtown, a bike race to end all bike races, and a football rivalry that turns brother against brother, **Des Moines** is no ordinary ...

Des Moines, Iowa Is Actually Cool | HuffPost

https://www.huffingtonpost.com/.../des-moines-iowa-is-actually-cool_us_59d782e4e4... ▼

Oct 6, 2017 - Who knew though? I certainly didn't. After all, I only came here in 2012 for a girl (who dumped me a month later.) All I knew of **Des Moines** ...

Des Moines, Iowa among top places to live, U.S. News says

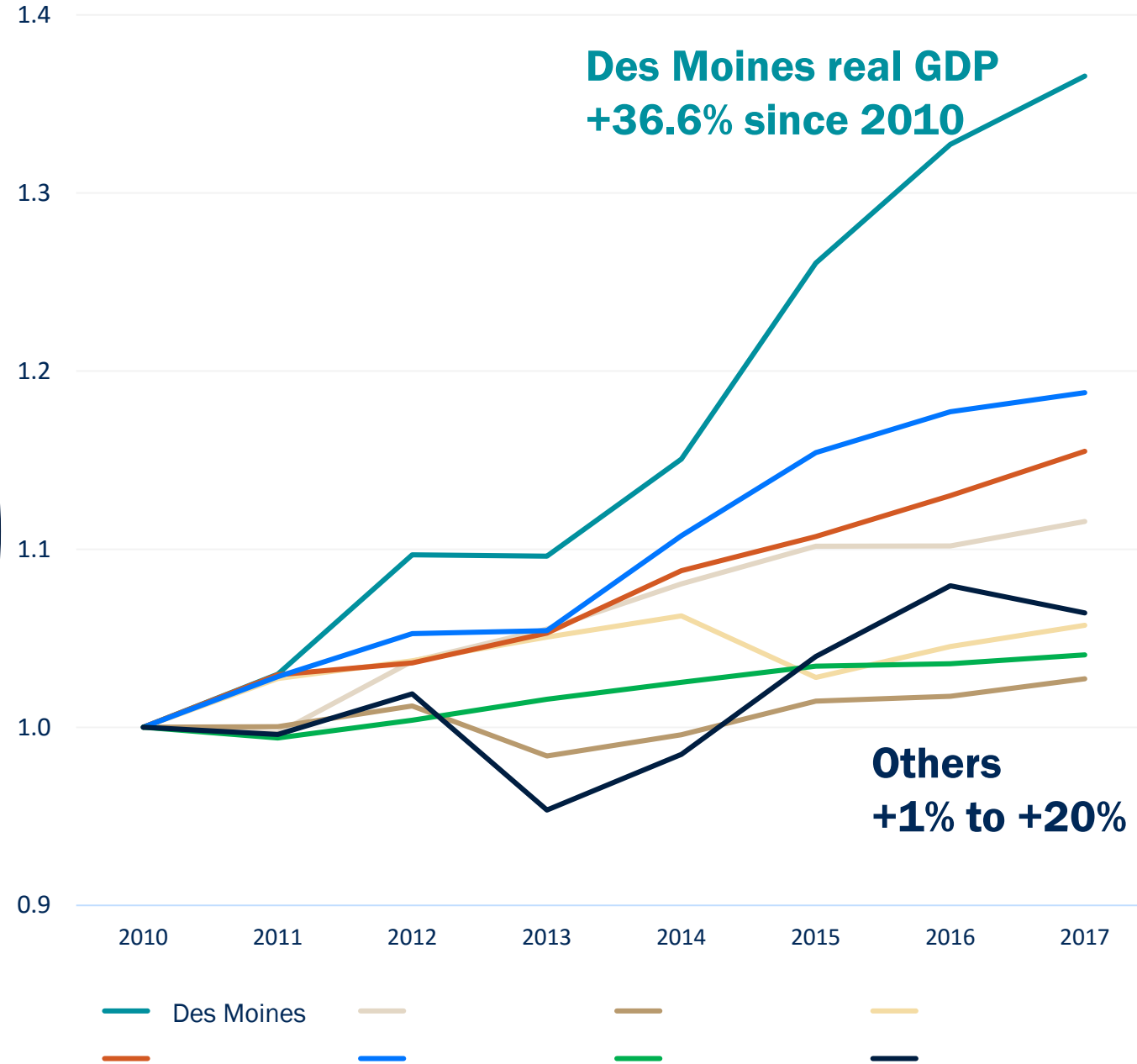
<https://www.desmoinesregister.com/story/news/2018/...des-moines.../503446002/> ▼

Apr 10, 2018 - U.S. News & World Report ranked **Des Moines** fourth in its Best Places rankings released Tuesday — which analyzed 125 metro areas in the ...



GDP growth (indexed to 2010)

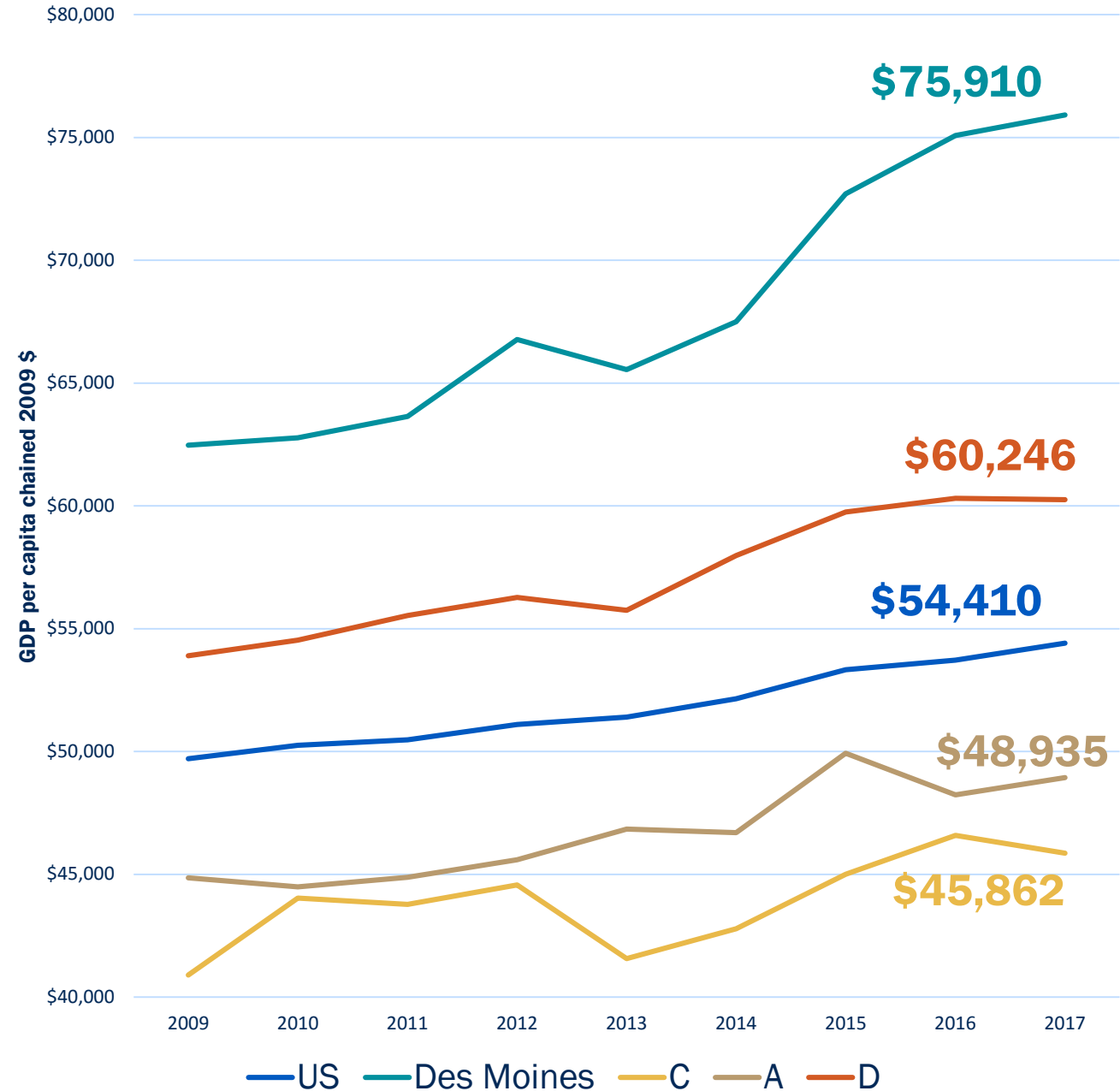
Des Moines GDP grows faster than average Central US comps



Source: Bureau of Economic Analysis, U.S. Department of Commerce/Reach Advisors analysis

**DSM productivity
higher overall *and*
faster-growing**

GDP per capita



Source: Bureau of Economic Analysis,
U.S. Department of Commerce/Reach Advisors analysis

Better off in DSM vs. Central US comp cities...

Average
annual HHI

**\$11,000
higher**

Average
home value

**\$52,000
more**

Average
net worth

**\$80,000
higher**

Des Moines

LOOK WHO'S TALKING ABOUT GREATER DES MOINES

#1 "WEALTHIEST CITY
IN AMERICA" - NBC's TODAY Show, 2014

#2 "BEST PLACES FOR
BUSINESS AND CAREERS"
- Forbes, 2014

#1 "UP AND COMING
DOWNTOWN"
- Fortune, 2014

#1
"STRONGEST
LOCAL ECONOMY"
- Policom Corporation, 2014

#1 "BEST MEDIUM-SIZED METRO AREA
FOR HOMEOWNERSHIP" - NerdWallet, 2014

#2 "TOP 10 FARMERS' MARKETS IN AMERICA"
- Shape Magazine, 2014

#3 "TOP 10 CITIES FOR NEW COLLEGE GRADS"
- SmartAsset, 2015

#1
"BEST CITIES FOR
YOUNG PROFESSIONALS"
- Forbes, 2014

#1 "PAYROLL TO POPULATION"
- Gallup, 2015

#3 "TOP 10 U.S. CITIES TO
LAND WORK" - NBC News, 2015

#1 "AMERICA'S MOST LGBT
FRIENDLY CITY"

#2
"BEST CITIES
TO START A
BUSINESS"

#2 "AMERICA'S TOP 5
UNDER-THE-RADAR TECH HUBS"
- The SpareFoot Blog, 2014

#2 "BEST CITIES FOR JOBS"
- Entrepreneur, 2015

Photos

in Mobile Uploads



July 14, 2016 near Des Moines, IA · 🧑🏻‍🧑🏻‍🧑🏻

Excited to be at the National Governors Association annual summer meeting! Des Moines is lovely. Who knew?

👍 15

1 Comment

👍 Like

💬 Comment

lowans?

Like · Reply · 2y

I believe so!

Like · Reply · 2y

Write a reply...



Write a comment...

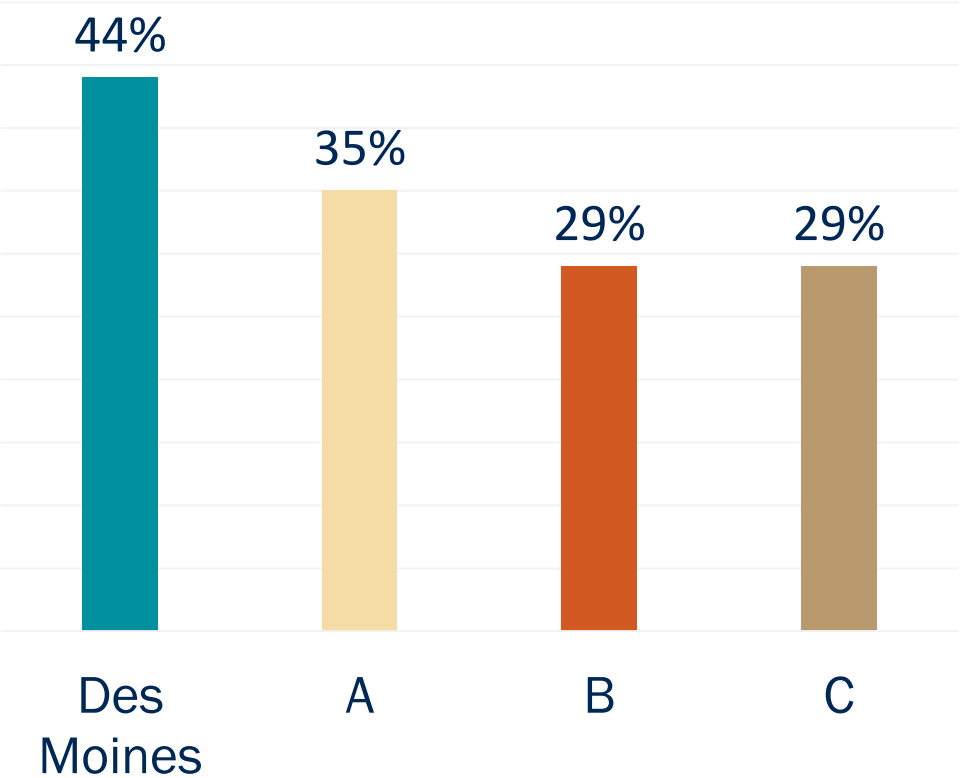


Suggested Pages

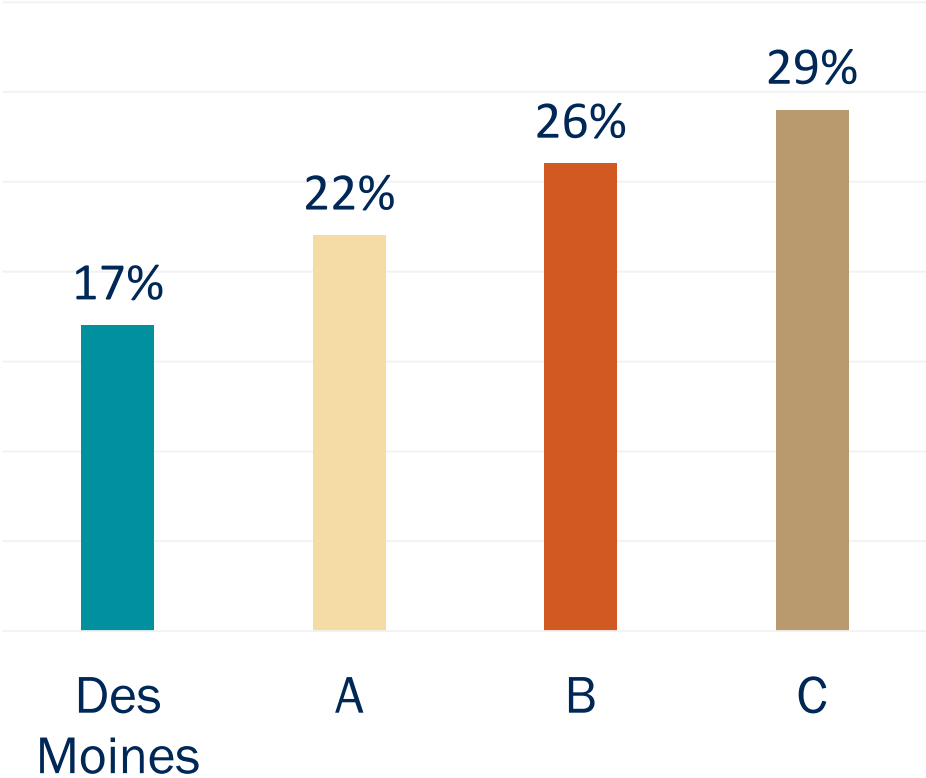
See All

People want to stay in DSM...unlike other places

I'd absolutely stay where I am



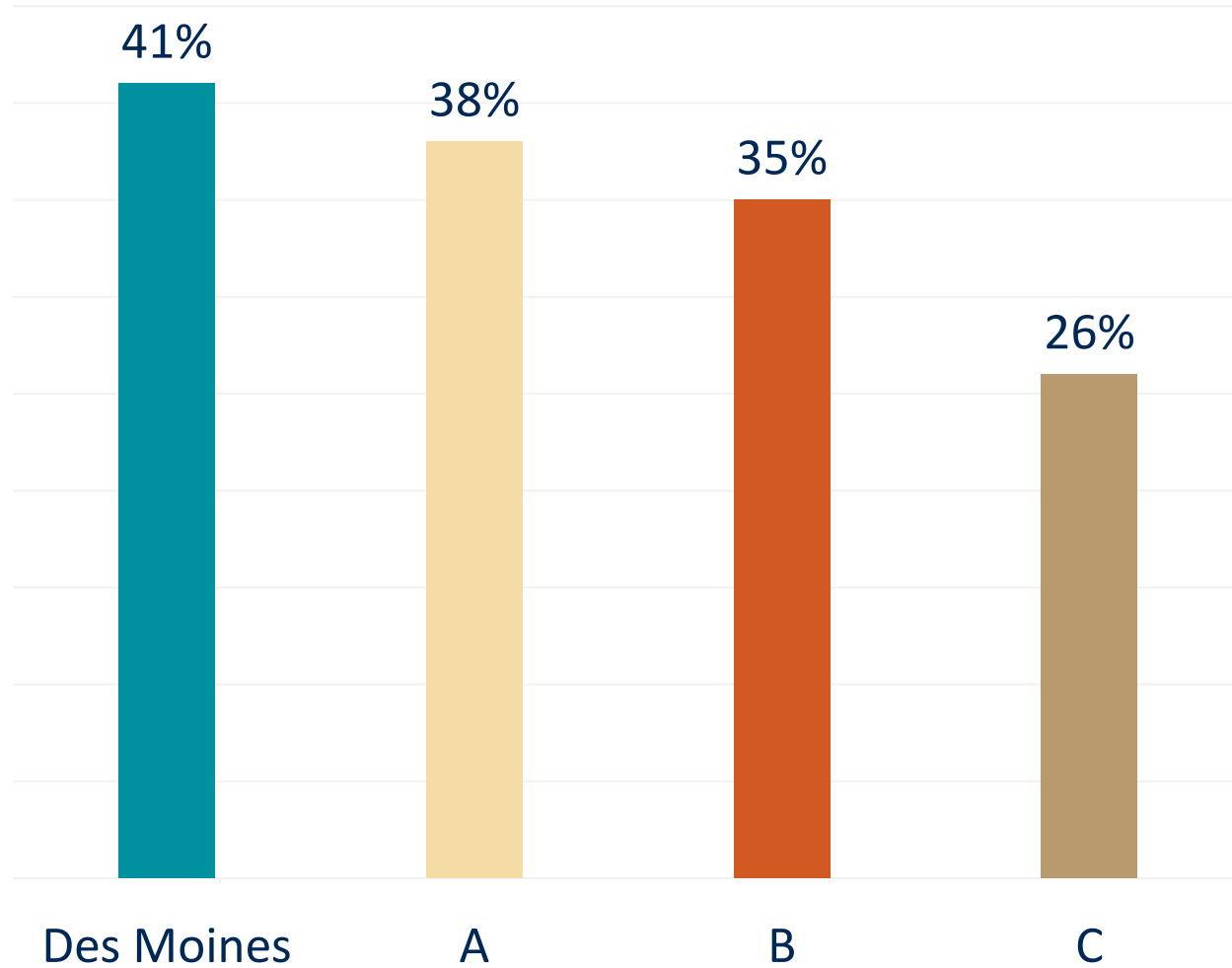
I'd love to leave / leaving now



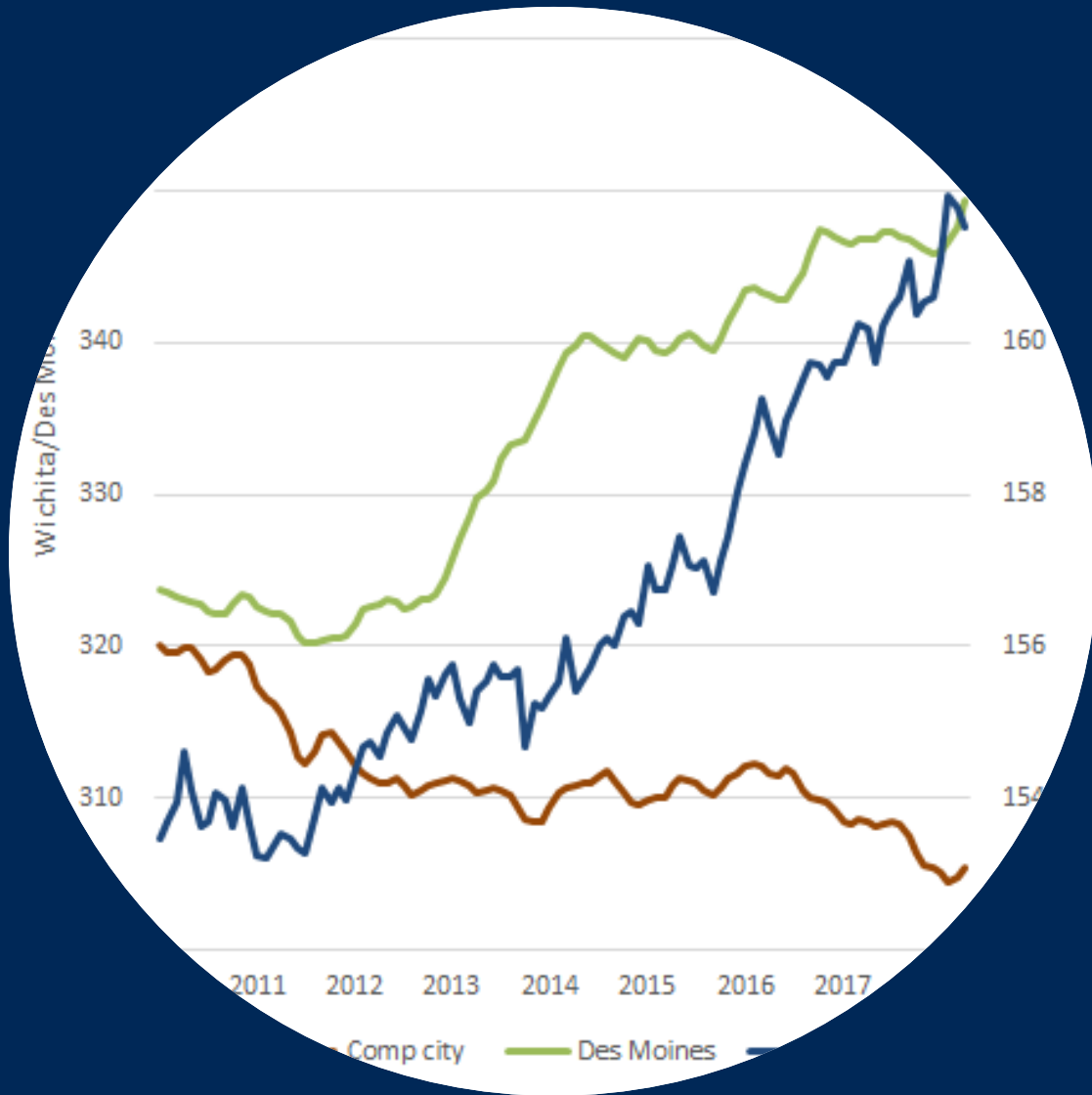
Source: Reach Advisors survey of 5,000 adults in IA, KS, NE, and OK

People in DSM more optimistic about their city's future, compared to other cities

"Very optimistic about future of city"

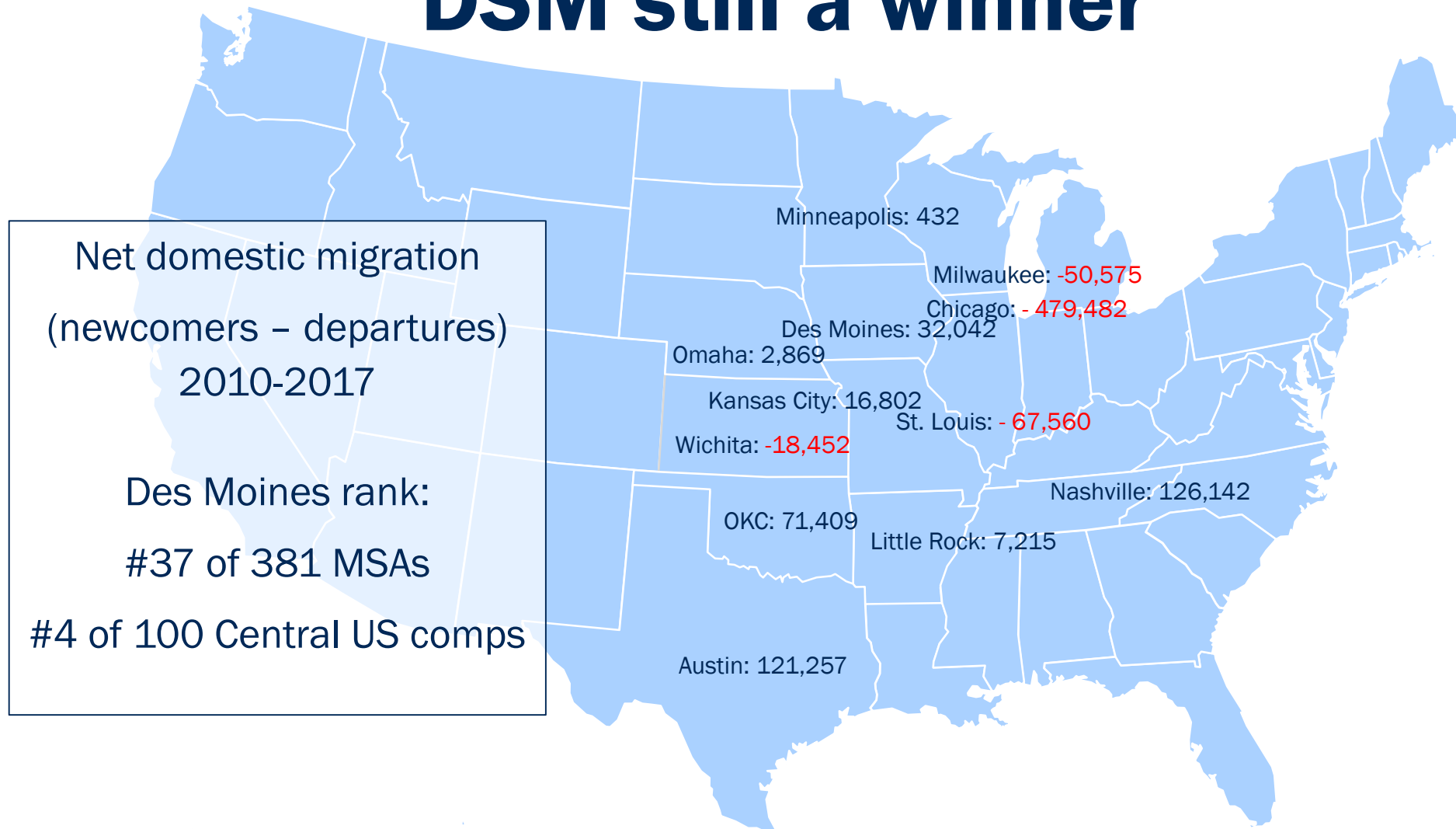


Why Des Moines?

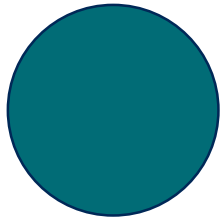


Difference #1
Abundant labor market

Updated story of population growth: DSM still a winner



Positive domestic migration has real dollar impact



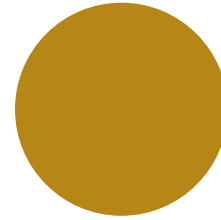
Des Moines 2015 to 2016

Net gain:

2,020 households

Added aggregate AGI:

\$110,886,000



Comp city 2015 to 2016

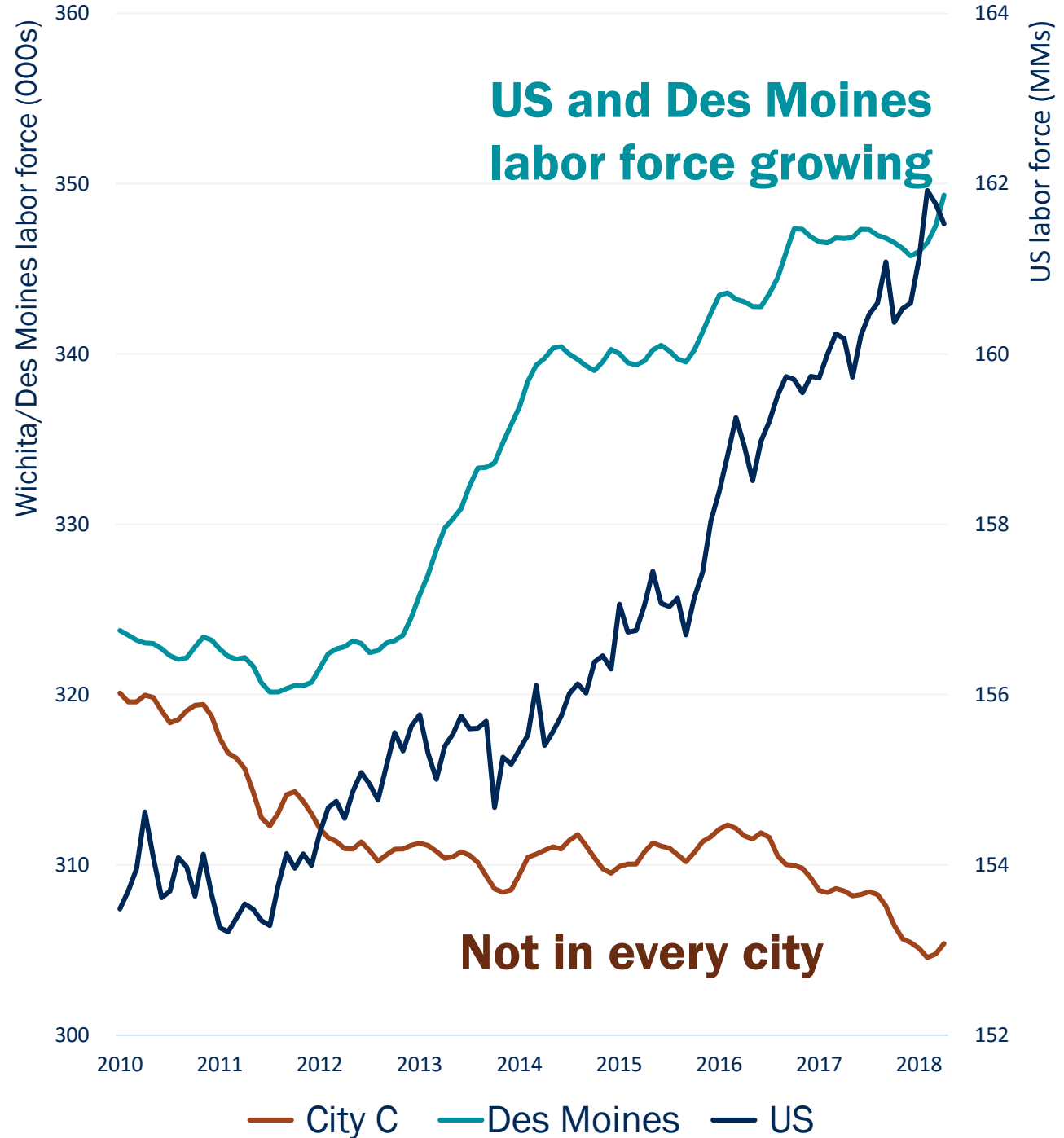
Net loss:

-778 households

Lost aggregate AGI:

-\$67,764,000

**Open jobs...
hot economy**



Source: U.S. Bureau of Labor Statistics

19,000 fewer adults compared to that city...

Population age 16+



...but 17,000 person *larger* labor force in DSM

Population age 16+ in labor force



Impact of deep labor force?

Easier for businesses to grow

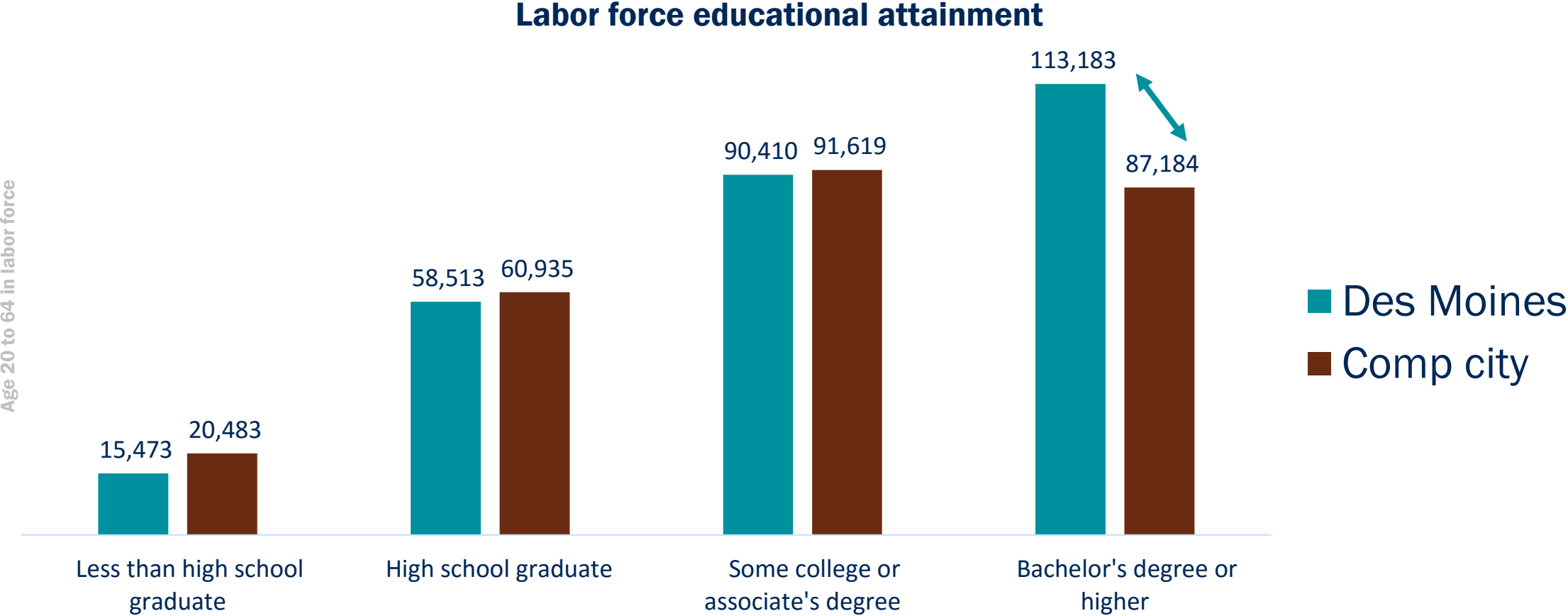
Easier to attract new businesses



Difference #2

More college-educated
workers

DSM: 26,000 more college-educated workers



Source: U.S. Census Bureau American Community Survey/Reach Advisors analysis

Each 1% increase in college educational attainment adds
\$1,349 to a city's median household income

**A better-educated
city generates
stronger pay for
*everyone***

Each 1% increase in college educational attainment boosts median wages for...

- College graduates by .4%
- Those with some college by 1.6%
- High school graduates by 1.6%
- High school dropouts by 1.9%

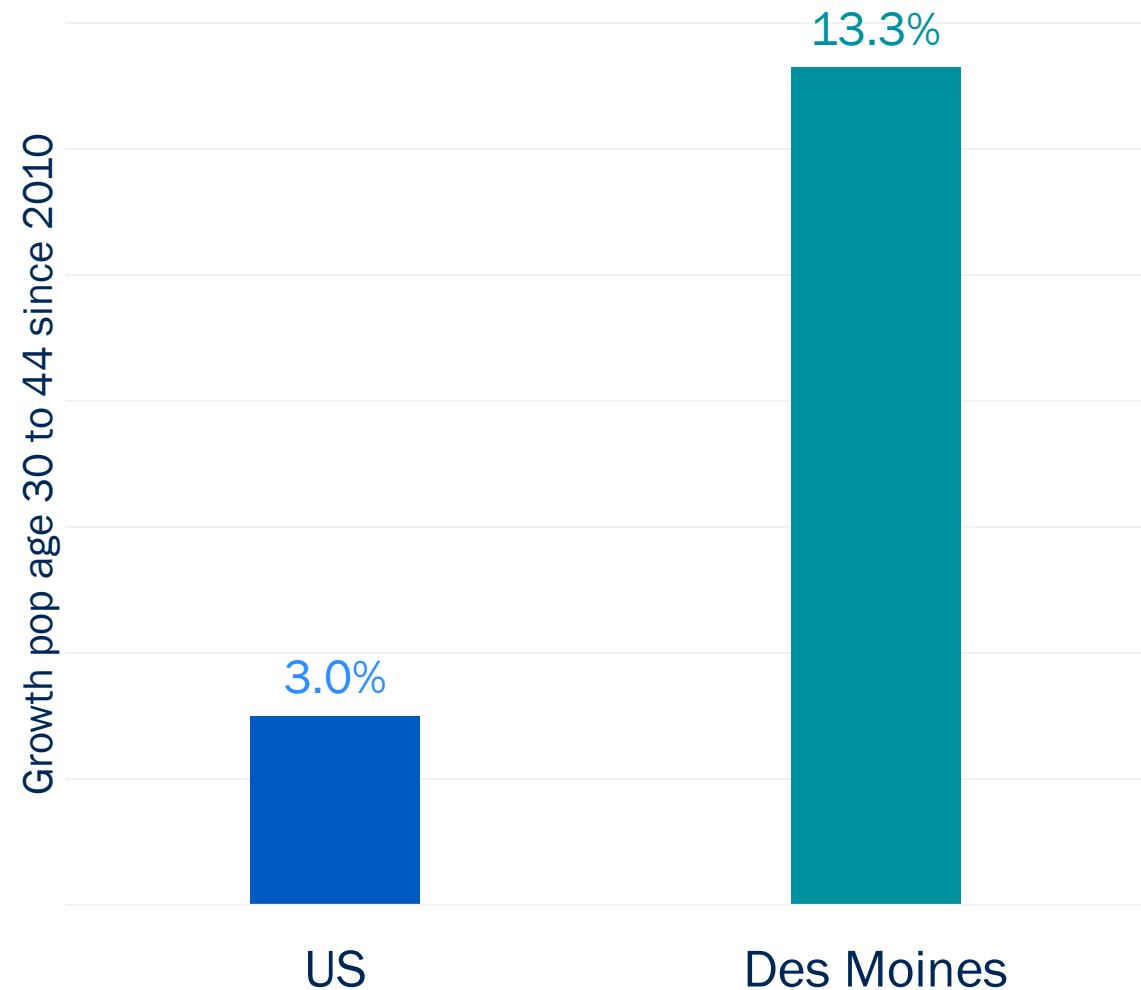


Difference #3

Mid-career talent strength

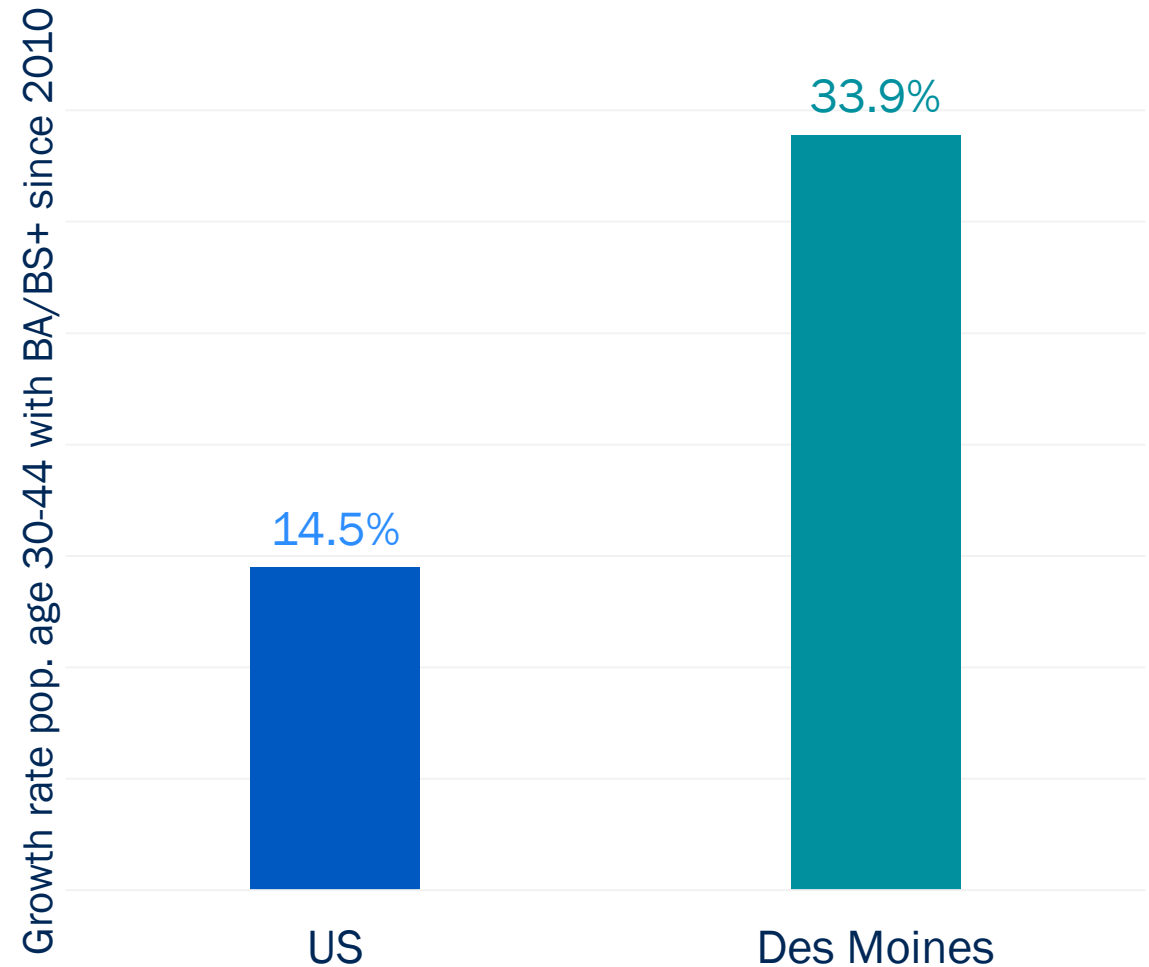
**Des Moines:
Younger adult
population grew 4x
faster than US**

Age 30 to 44 growth since 2010



**Disproportionate
attraction of
college-educated
mid-career adults**

**34% growth since 2010
(age 30-44)**





Segment builder: household income by age

Des Moines-West Des Moines, IA MSA

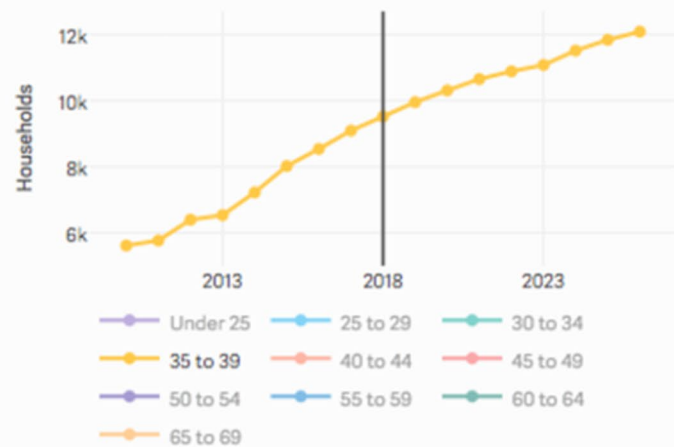
In 2018 the average household income in **Des Moines** is **\$92,879** (1.02x the US average of \$91,245). Over the past five years, average household income has increased in this market by **13.8%** (2.61% annualized) from **\$81,639**. average household income growth in this market has lagged behind the US rate by **0.00%** per year over the past five years (US: 2.61% annualized). The StratoDem Analytics Engine forecasts that over the next five years, average household income in this market will increase by **8.4%** (1.63% annualized) to **\$100,676**, trailing US by **0.05%** per year (US: 1.68% annualized).

Age: 69 years or younger

HH income: \$100,000 or more

MANAGE SEGMENT CARDS

Households with household income of \$100,000+ by age



Segment builder: educational attainment by age

Des Moines-West Des Moines, IA MSA

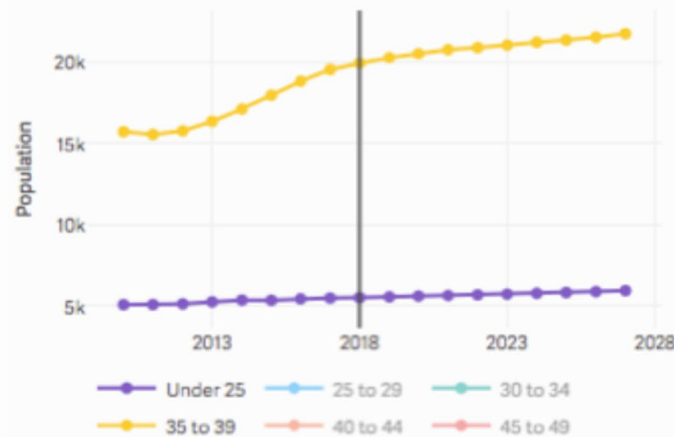
In 2018 the most common level of educational attainment in Des Moines is **A HS degree** with **234,162** people, making up **49.4%** of the population (0.97x the US concentration of 50.9%). Over the past five years, the number of people in this segment in this market has increased by **9.8%** (**1.89%** annualized) from **213,210** people. Growth for this segment in this market has outpaced the US rate by **0.99%** per year over the past five years (US: 0.90% annualized). The StratoDem Analytics Engine forecasts that over the next five years, the population in this segment in this market will increase by **8.3%** (**1.60%** annualized) to **253,498** people, outperforming US growth by **0.79%** per year (US: 0.81% annualized).

Age: 49 years or younger

Education: A bachelor's degree or higher

MANAGE SEGMENT CARDS

Population with educational attainment of a bachelor's degree or higher by age





Difference #4

Outsized community investment

Civic investment




**DSM downtown
civic development:
5x more than some
comp cities**



Hilton

**DSM downtown
hotels in development:
10x comp cities**

An architectural rendering of a modern city skyline at dusk. The central focus is a tall, glass-clad skyscraper with a grid-like facade, illuminated from within. To its left is a shorter, more traditional building with a dark, tiered top. To its right is a building with a curved, metallic facade and a large, curved overhang. The sky is a mix of deep blue and vibrant pinkish-purple clouds. In the foreground, the dark silhouettes of other buildings are visible.

**DSM downtown
residential in development:
5x comp cities**



**DSM downtown
commercial in development:
5x comp cities**

DSM mega-projects: 5x comp cities



Principal \$400MM



Apple \$1.4BB



**Microsoft
\$3.5BB**

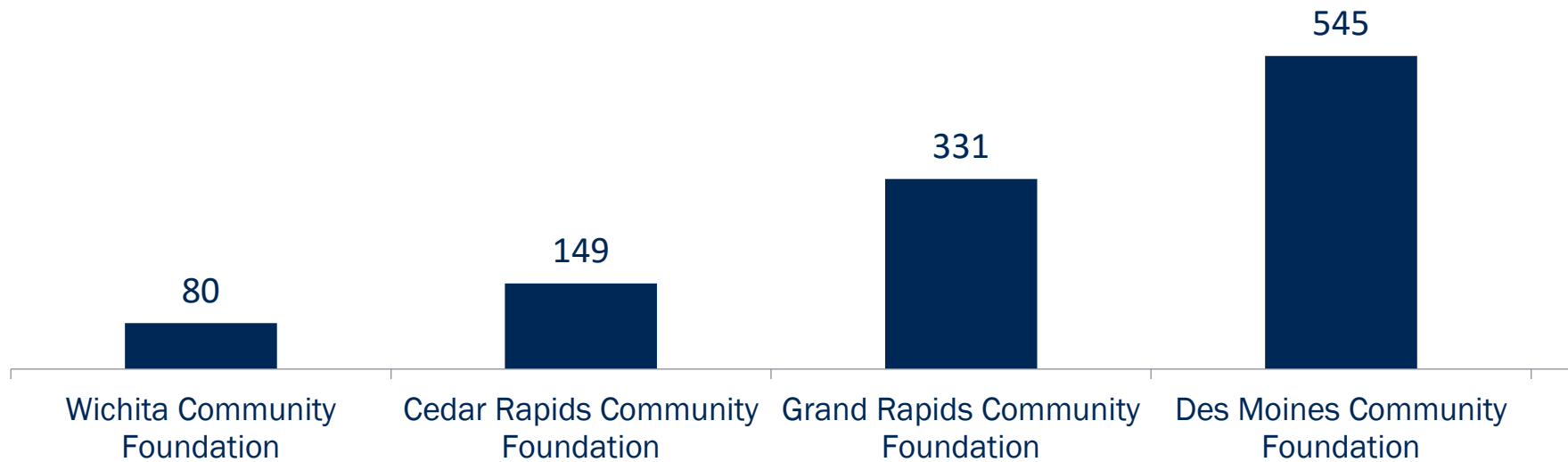


Facebook \$3BB

Philanthropic investment

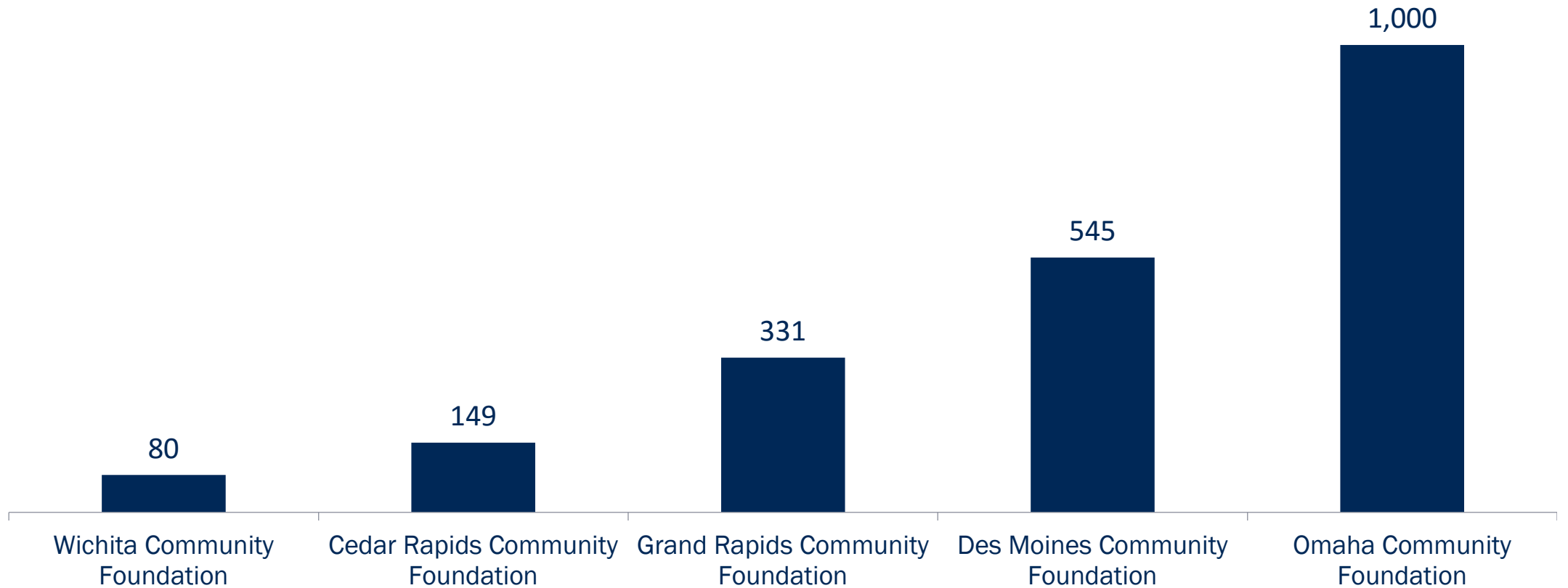
Community foundation assets

Assets (in millions of dollars)



Community foundation assets

Assets (in millions of dollars)





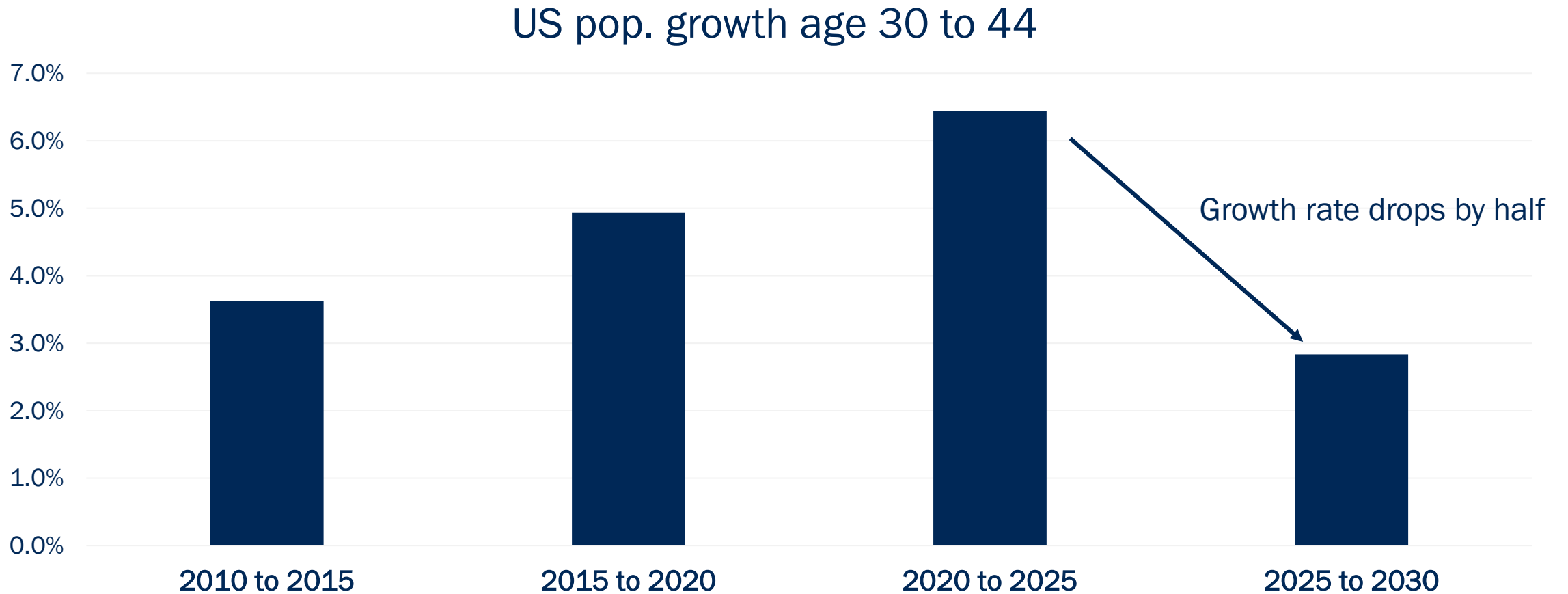
Three challenges

Significant shifts entering
the next decade

Challenge #1

Young adult population growth slows

Growth in younger adult population starts to slow mid-decade



Increasing battle with top markets
for smaller pool of top mid-career talent...

Challenge #2

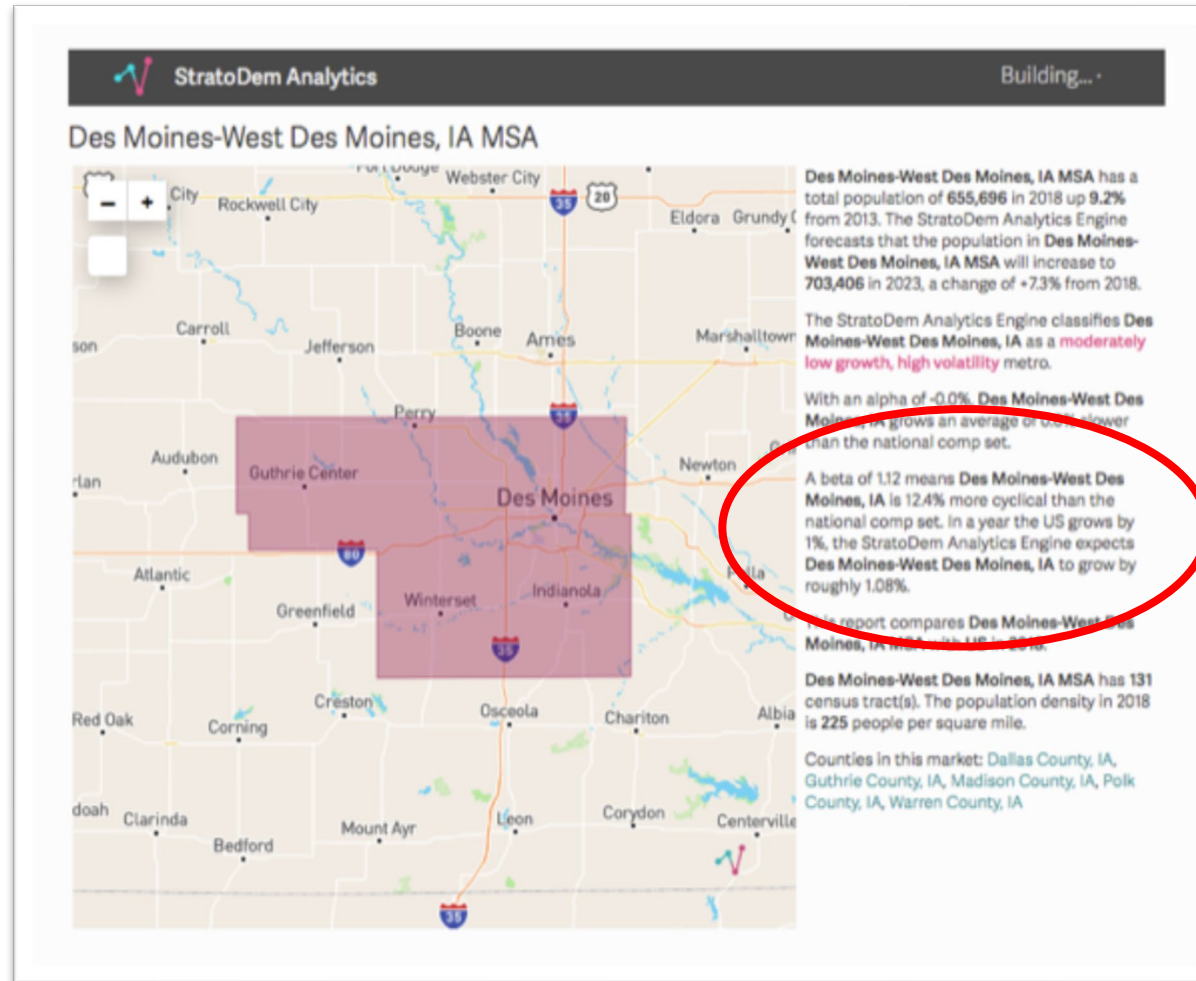
Des Moines is a high beta economy

**Digging deeper by applying
financial portfolio-theory tools**

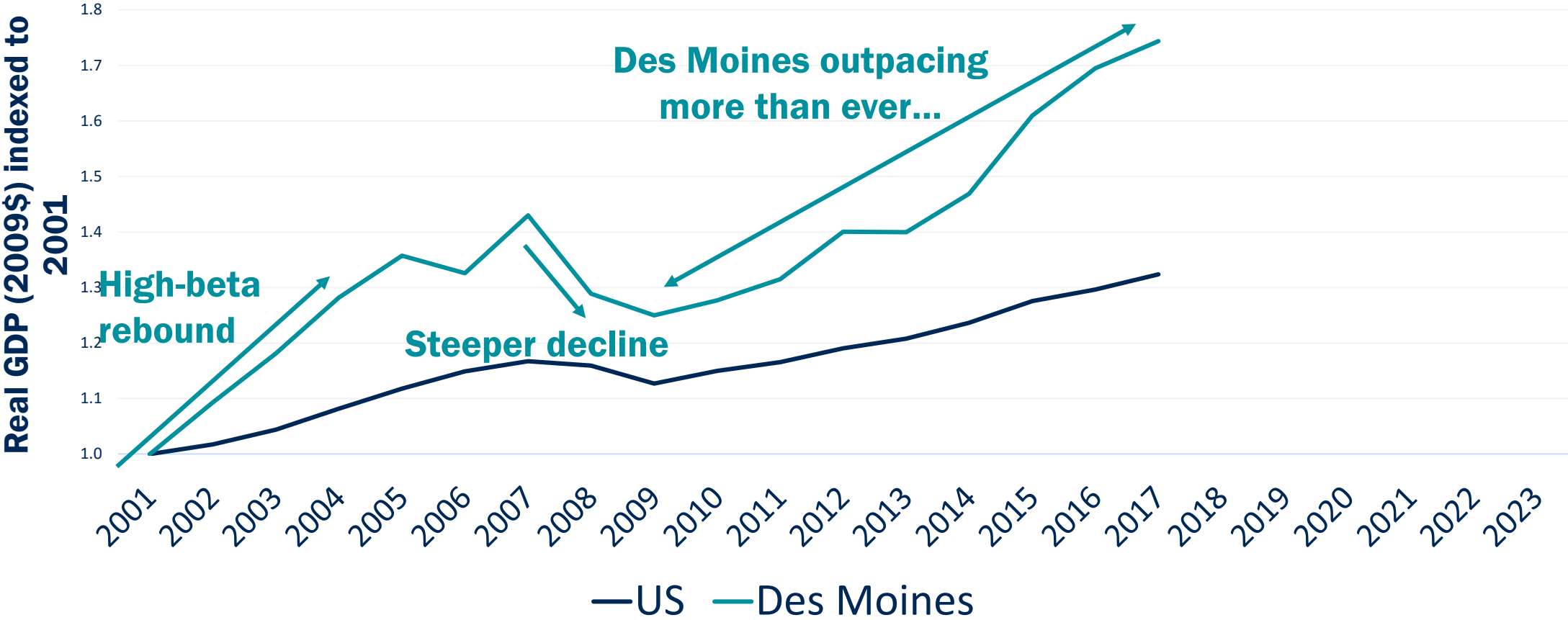
Alphas and betas

α β

High-beta economy (12.4% more cyclical)

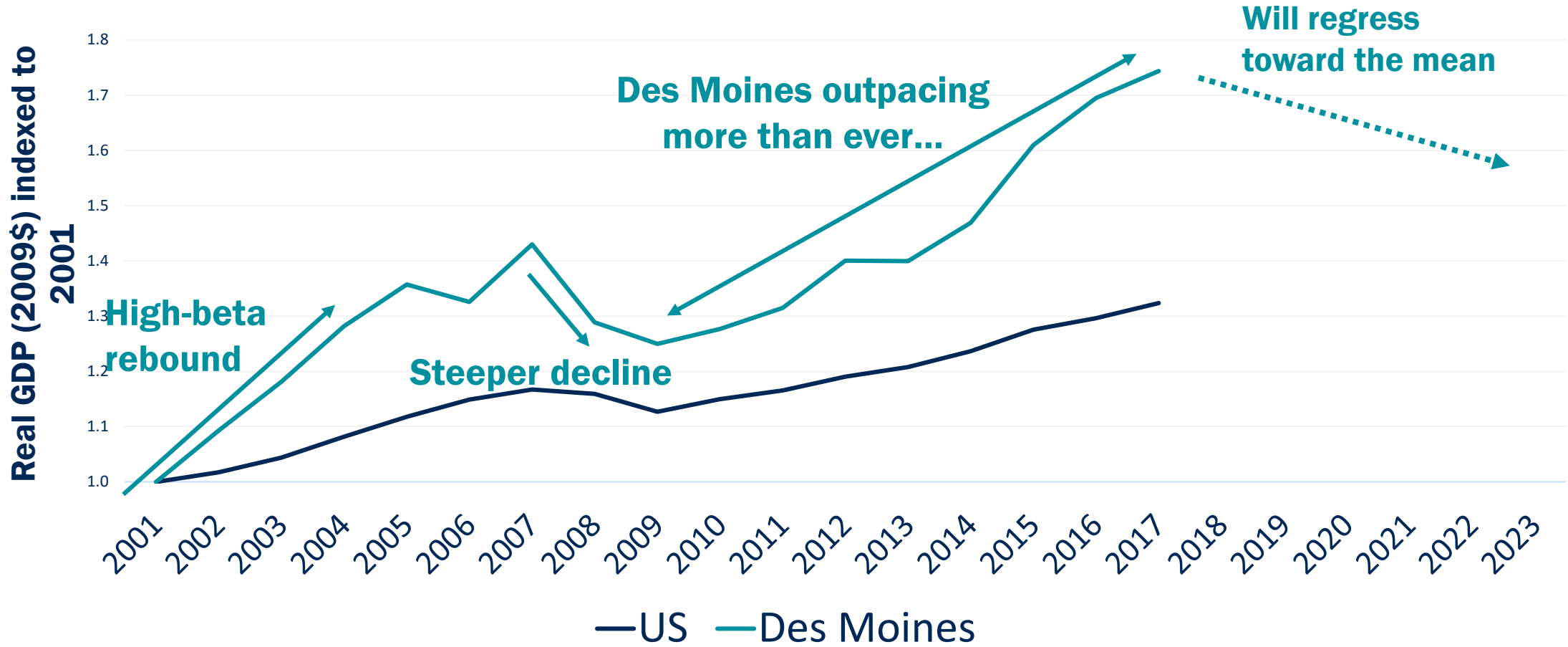


High beta = strong recovery...

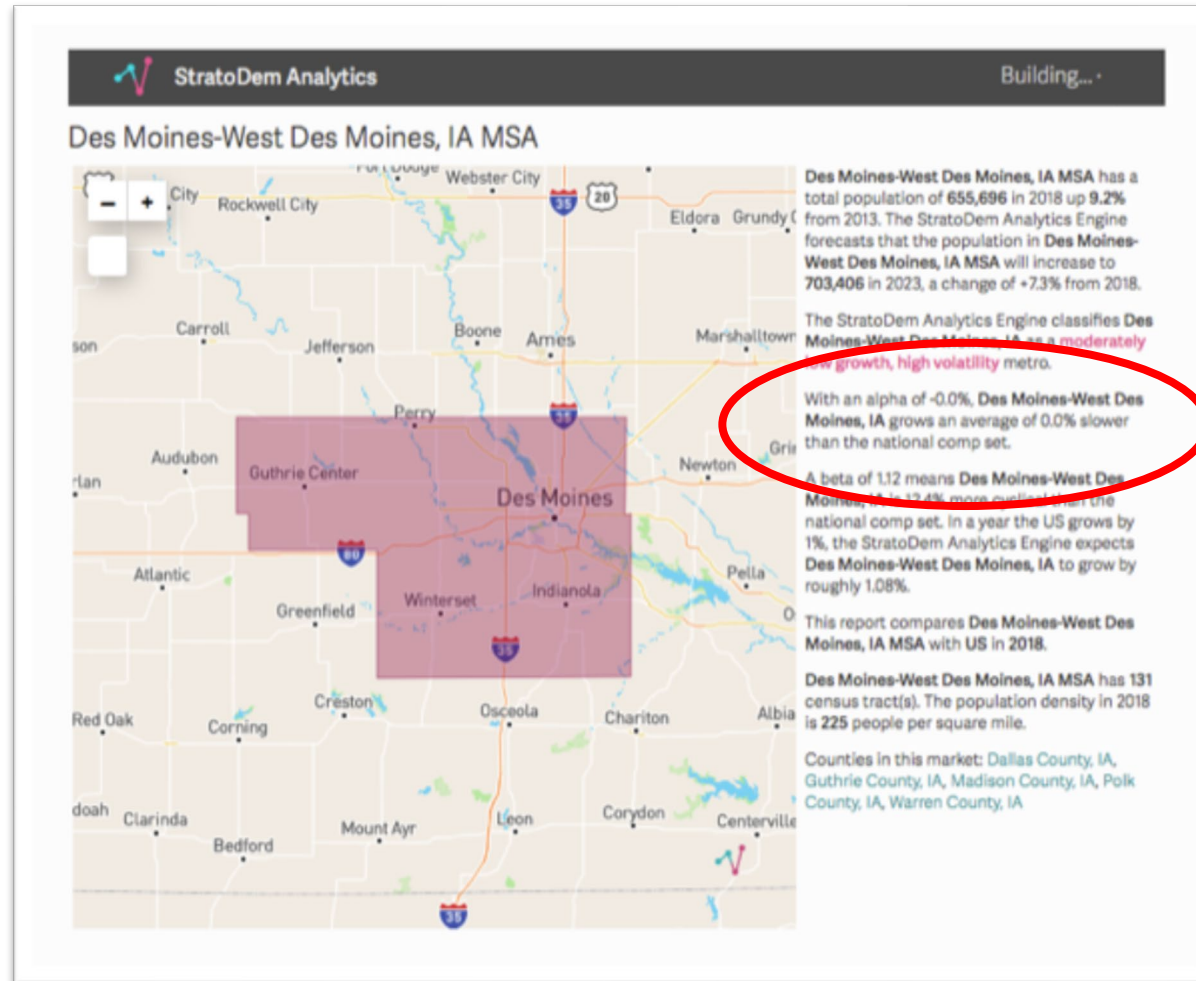


Source: Bureau of Economic Analysis, U.S. Department of Commerce/Reach Advisors analysis

High beta = strong recovery... but also steeper declines



No alpha in the economy (0.0%)



Challenge #3

Disruptive innovation...
or putting more alpha into the economy

Will Des Moines rely on what's worked in the past...
or re-invent as the economy evolves?

In a city where 33% of the GDP driven by
Financial / Insurance / Real Estate (FIRE industries)...

What happens when AI replaces...

Accountants, actuaries, agents, claims adjusters,
customer service representatives, examiners and
investigators, financial managers, loss control
specialists, marketing managers, salespeople,
underwriters...

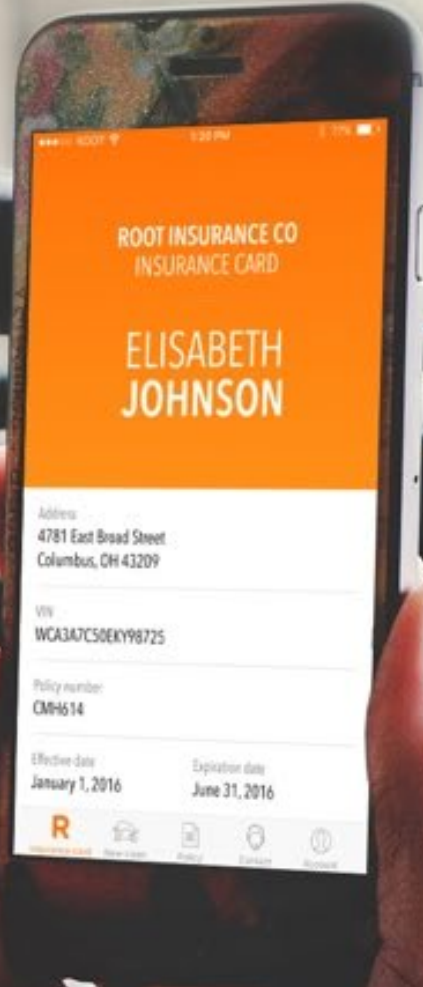
The digital and algorithmic reality...





drivewise





ROOT INSURANCE CO
INSURANCE CARD

ELISABETH
JOHNSON

Address
4781 East Broad Street
Columbus, OH 43209

VIN
WCA3A7C50EKY98725

Policy number
CMH614

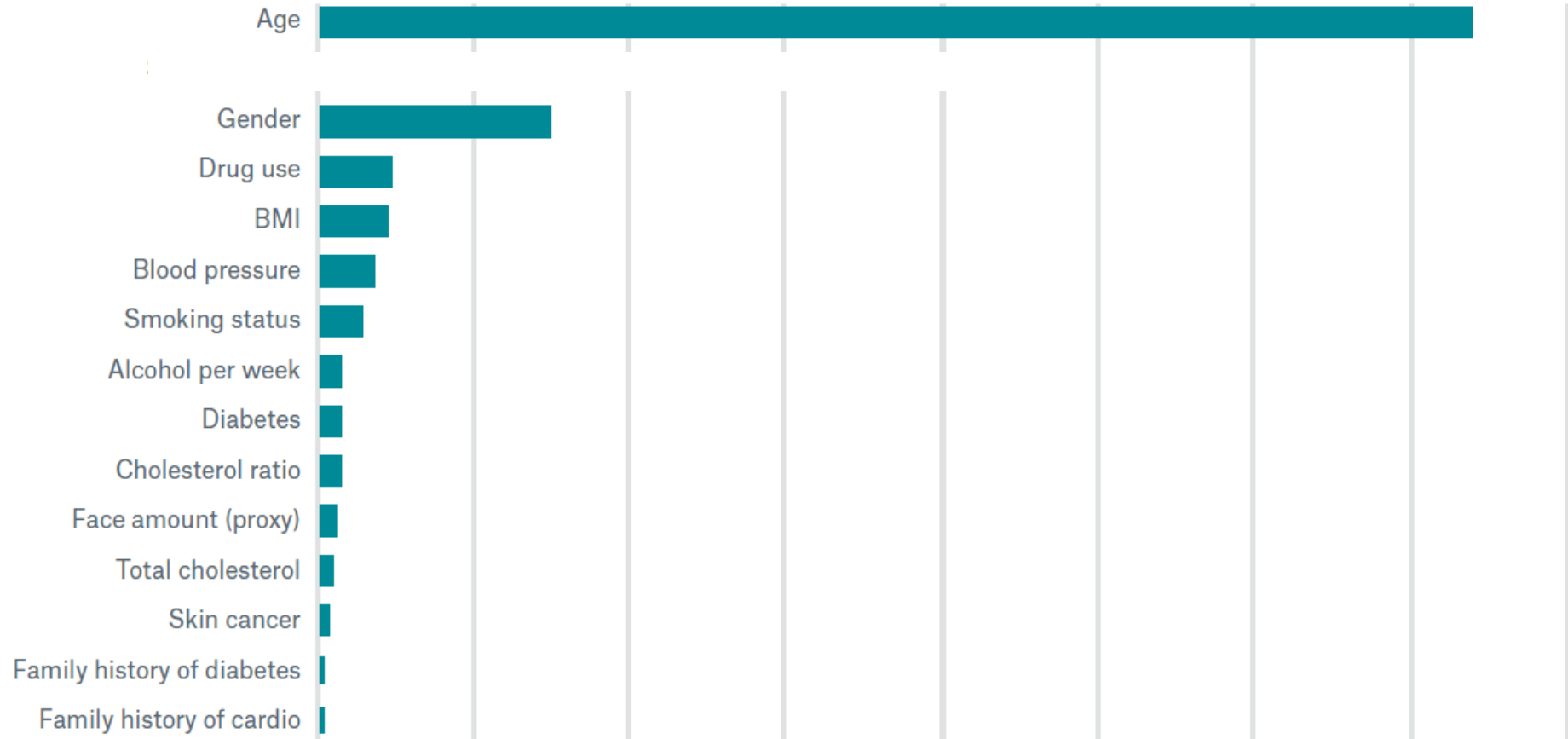
Effective date
January 1, 2016

Expiration date
June 31, 2016

- root.com
- Home
- Policy
- Claims
- Support

Another industry example of digital transformation...

Figure 6. Variable Importance



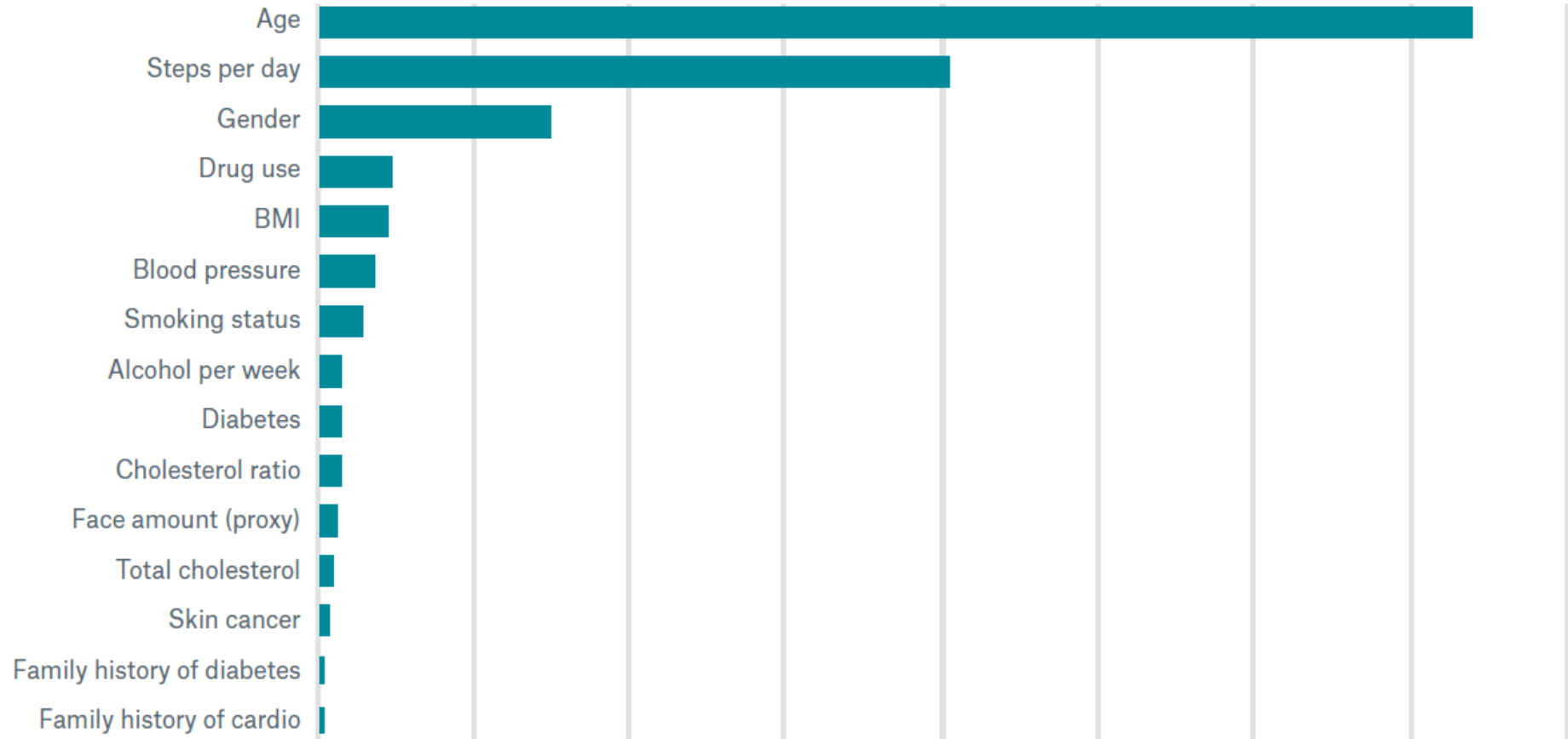


MAR 20
TUE
RAIN
35
STEPS
445
CALORIES
252
81
BPM

165

fitbit

Figure 6. Variable Importance



Choosing your own future...







BLACKSMITHING

BLACKSMITHING

F. G. LAWYER
AUTO SPRING
REPAIR

Mobiloil

Mobiloil

NO. 1

Mobiloil

Mobiloil

377

87

in 10 minutes
change




James Chung

**Reach Advisors
StratoDem Analytics
0213eight**

**james@reachadvisors.com
518.439.6942**

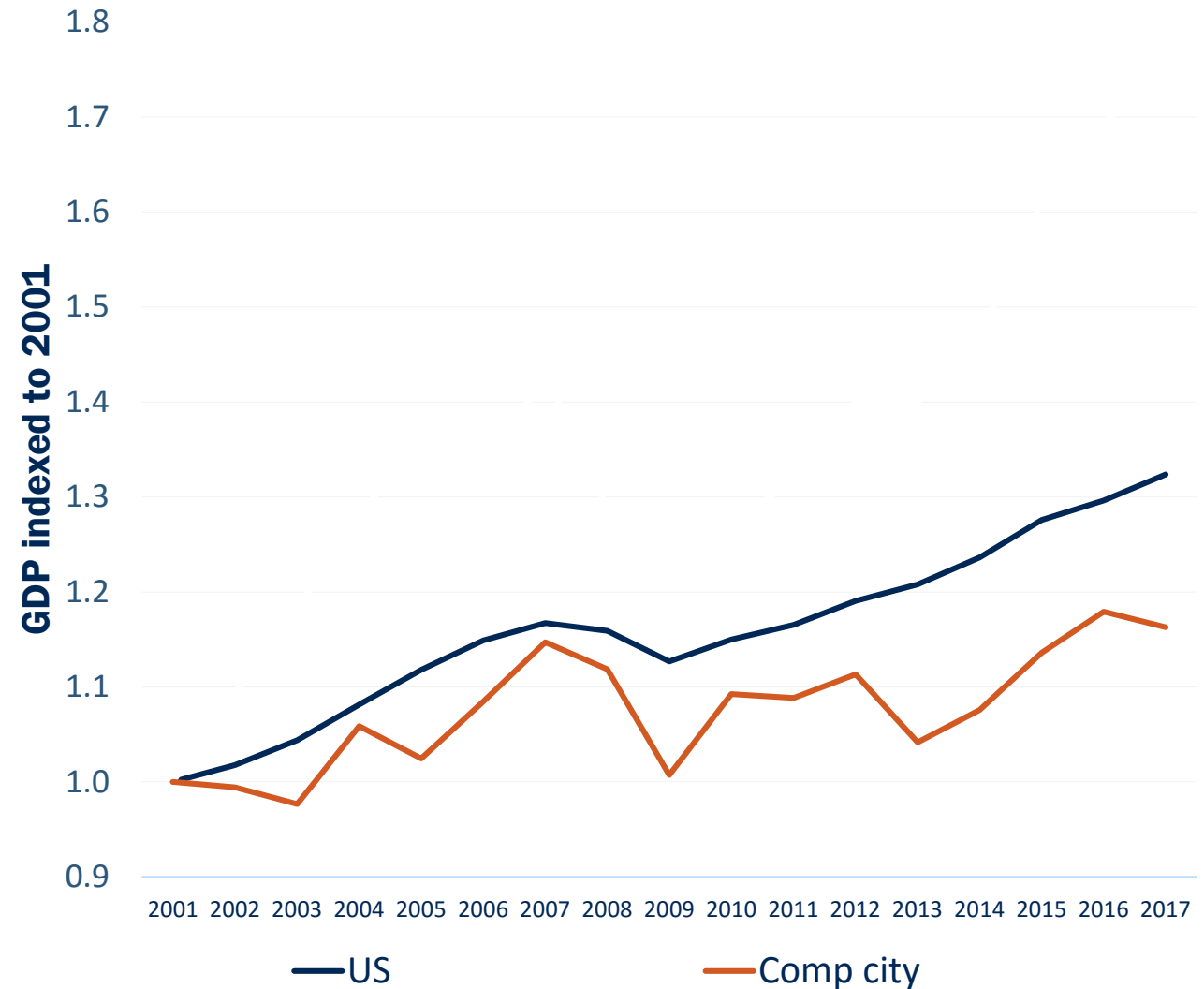
What will Des Moines do to stay ahead of the curve?



**Extra slides and
alternate template
slides follow**

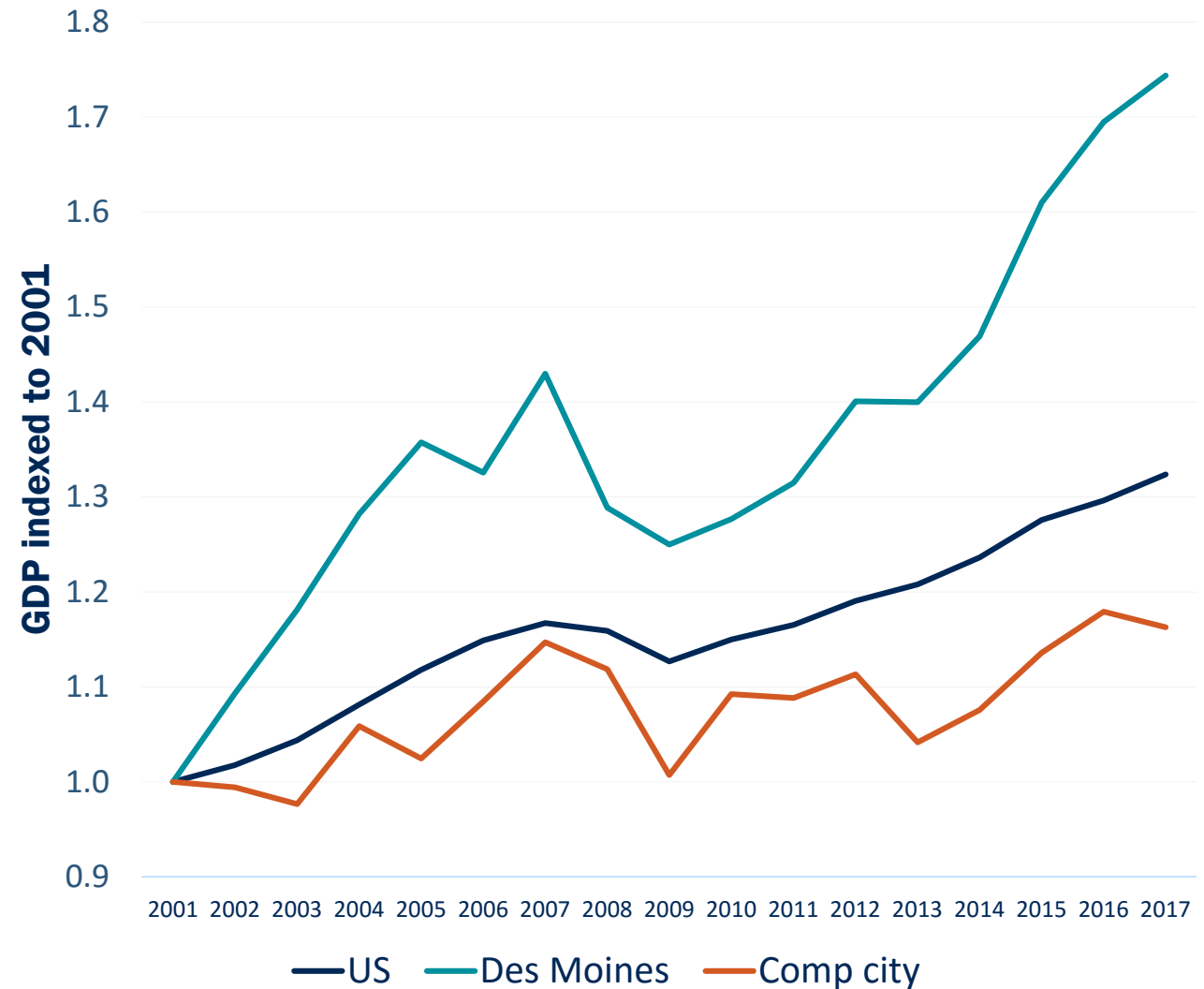
**High beta comp city:
Beta swings and
increasingly negative
alpha choke a recovery**

2017 GDP indexed to 2001

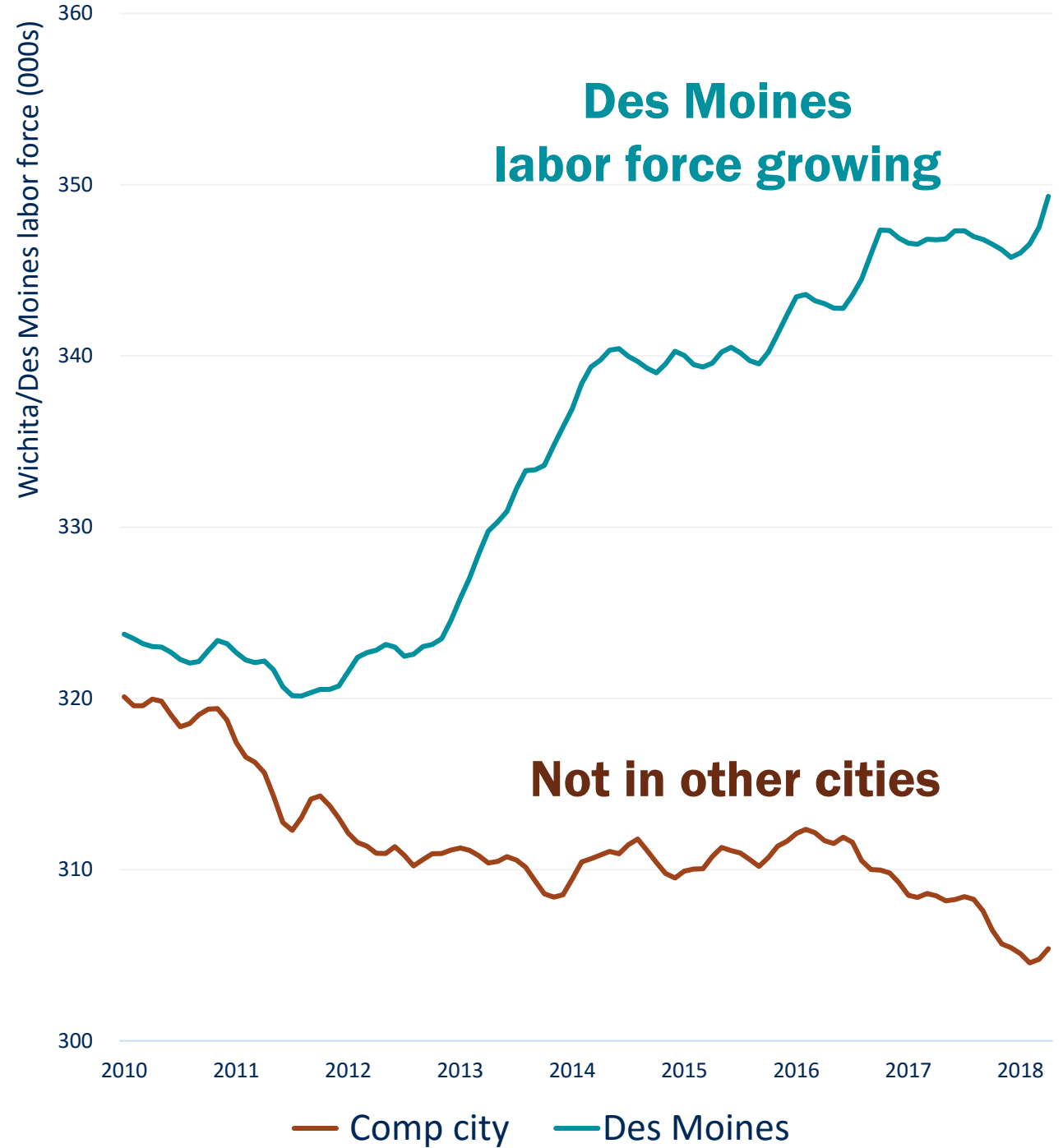


**Des Moines:
Higher beta swings
drive greater recovery
and continuing cycles
up**

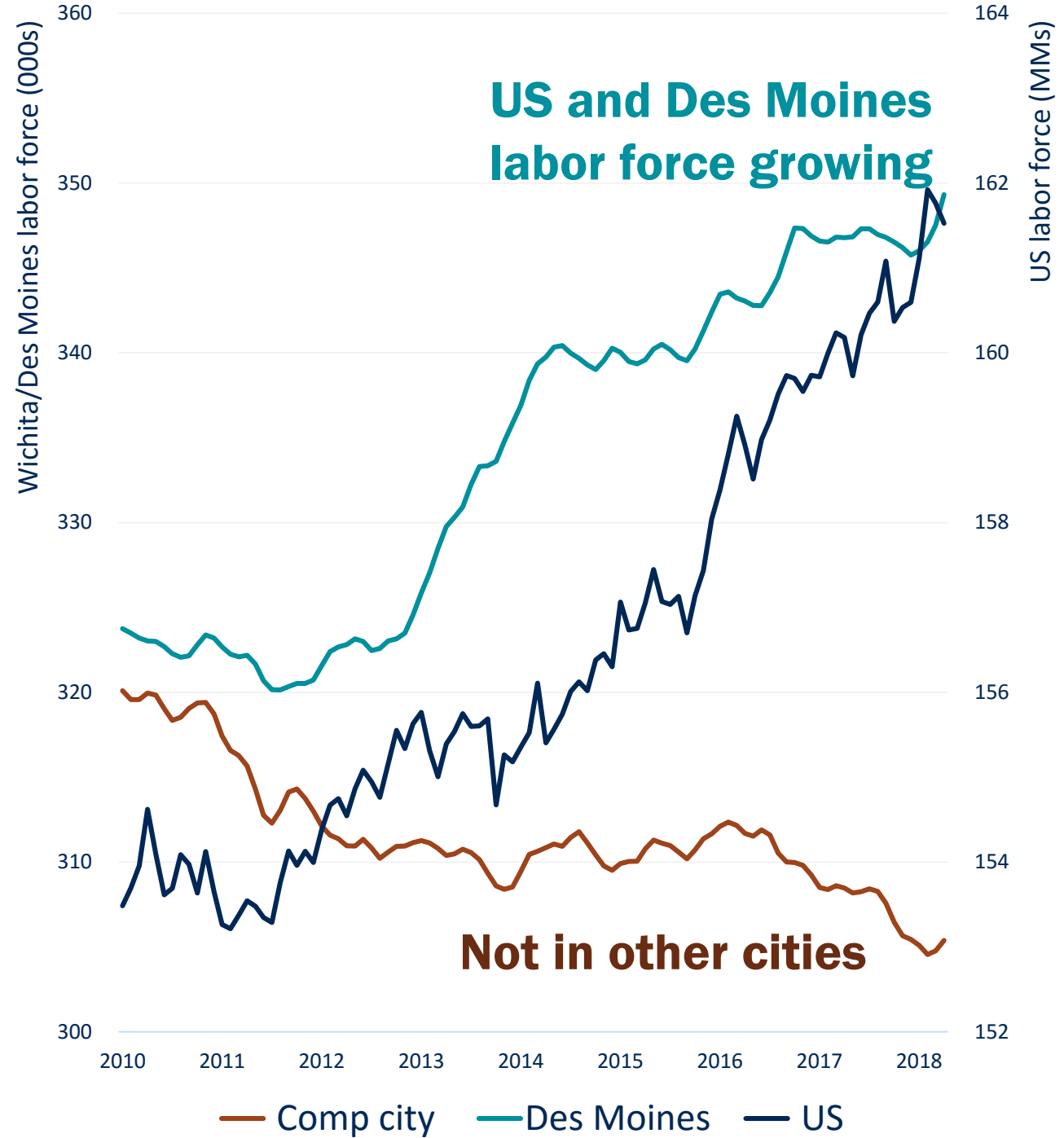
2017 GDP indexed to 2001



**Open jobs...
hot economy**



**Open jobs...
hot economy**



**Des Moines:
Has more young college
educated adults vs. US**

1.4x

Higher index

**Des Moines:
Attracts more young
talent vs. US**

2.3x

growth rate

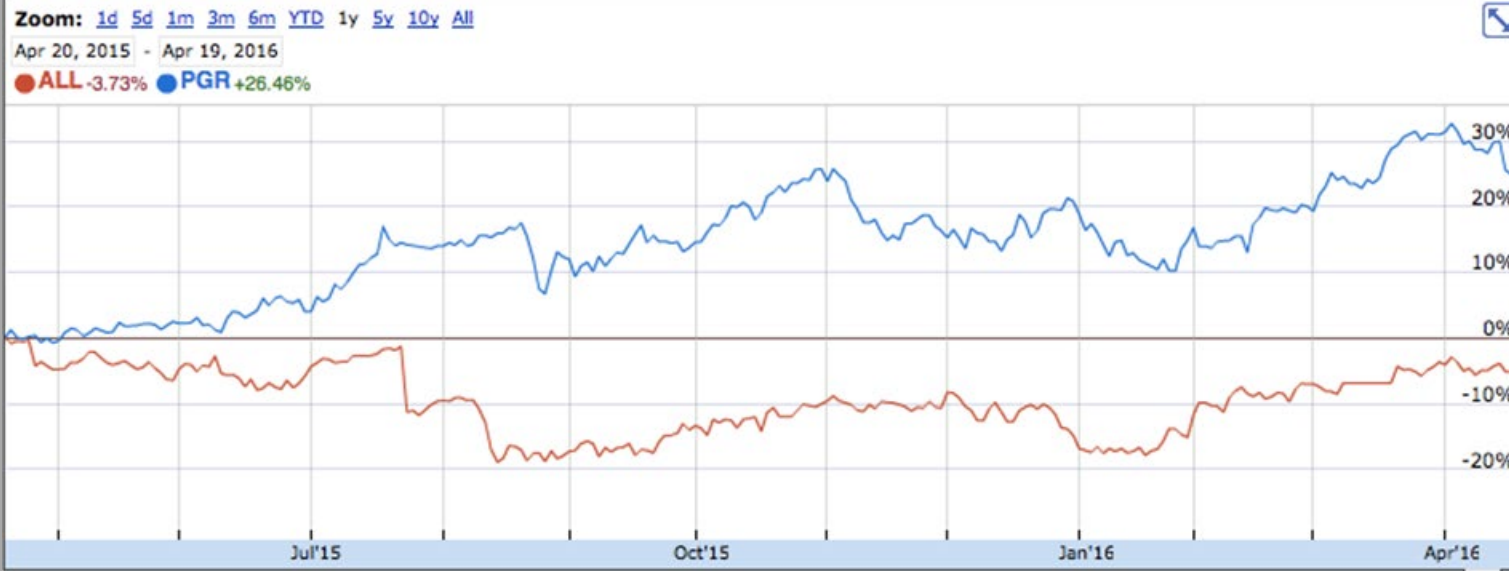
Disrupting immune businesses

Snap and save up
to 30% more.



PROGRESSIVE

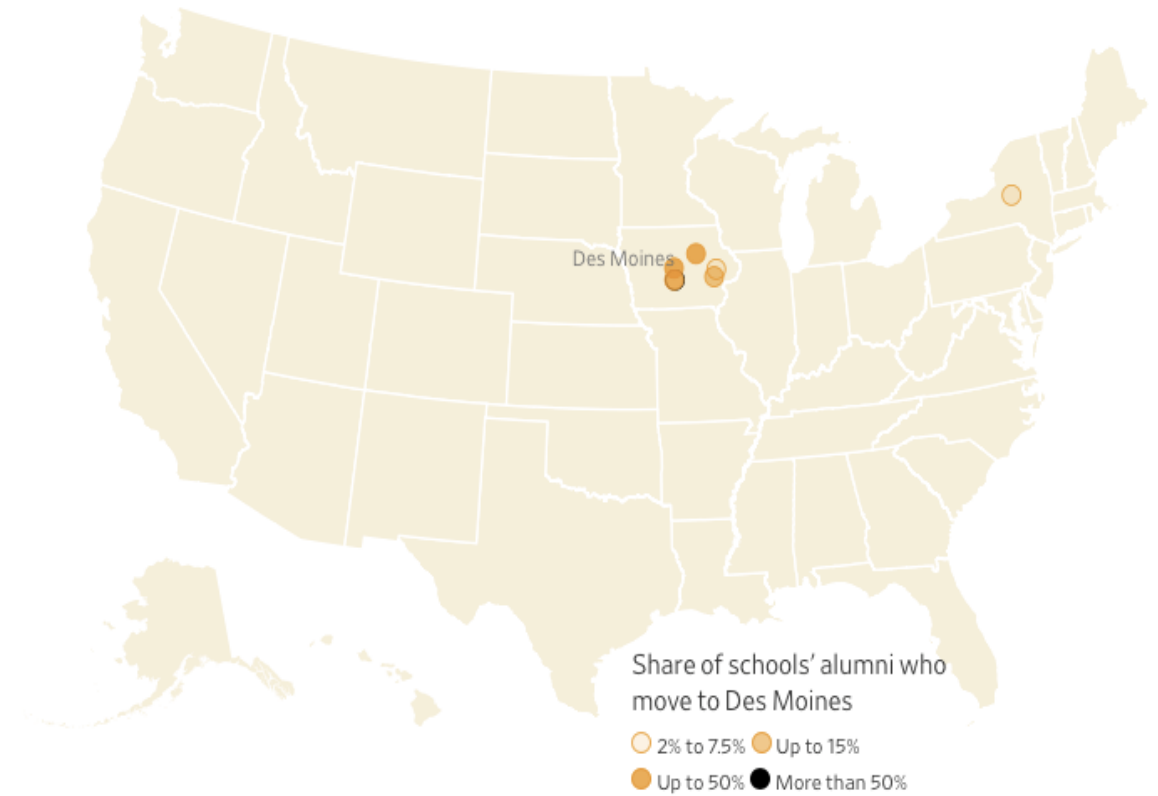
Snapshot
Discount



REACH ADVISORS

Some growth due to retention and attraction of college grads...

Des Moines



COLLEGE	PERCENTAGE
Drake	31.6
Iowa State	19.0
Northern Iowa	17.1
Iowa	7.9

Venture capital investment: Past two years

City C

5 tracked deals

\$5.4MM

City D

15 tracked deals

\$20.8MM

DSM

23 tracked deals

\$130MM

Younger adult population growth likely to slow

Annual growth slows to .7% nationally, to 1.3% in Des Moines

Section divider

Lorem ipsum dolor sit amet, consectetur adipiscing elit. Maecenas porttitor congue massa. Fusce posuere, magna sed pulvinar ultricies, purus lectus malesuada libero, sit amet commodo magna eros quis urna.



Content 01

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Nunc viverra imperdiet enim. Fusce est. Vivamus a tellus.

Pellentesque habitant morbi tristique senectus et netus et malesuada fames ac turpis egestas. Proin pharetra nonummy pede. Mauris et orci.



Content 02

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Pellentesque habitant morbi tristique senectus et netus et malesuada fames ac turpis egestas. Proin pharetra nonummy pede. Mauris et orci.



Comparison 01



TOPIC 01

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TOPIC 02

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Comparison 02



TOPIC 01 COMES HERE

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Pellentesque habitant morbi tristique senectus et netus et males

Pellentesque habitant morbi tristique senectus et netus et malesuada fames ac



TOPIC 02 COMES HERE

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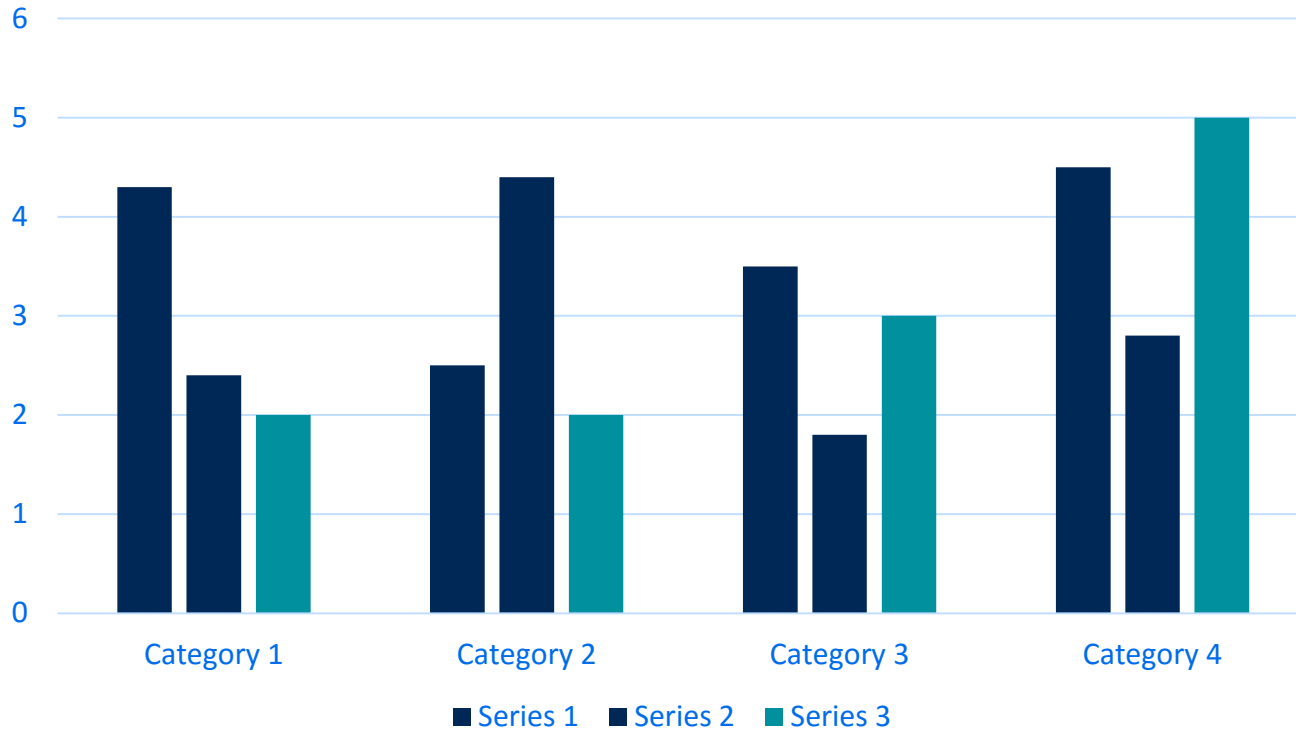
Nunc viverra imperdiet enim. Fusce est. Vivamus a tellus.

Pellentesque habitant morbi tristique senectus et netus et males

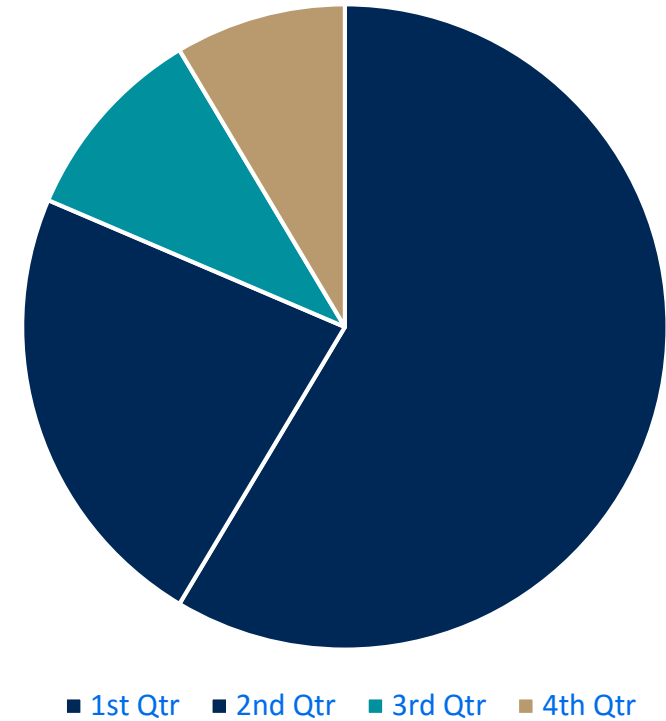
Pellentesque habitant morbi tristique senectus et netus et malesuada fames ac

Chart

Statistics here



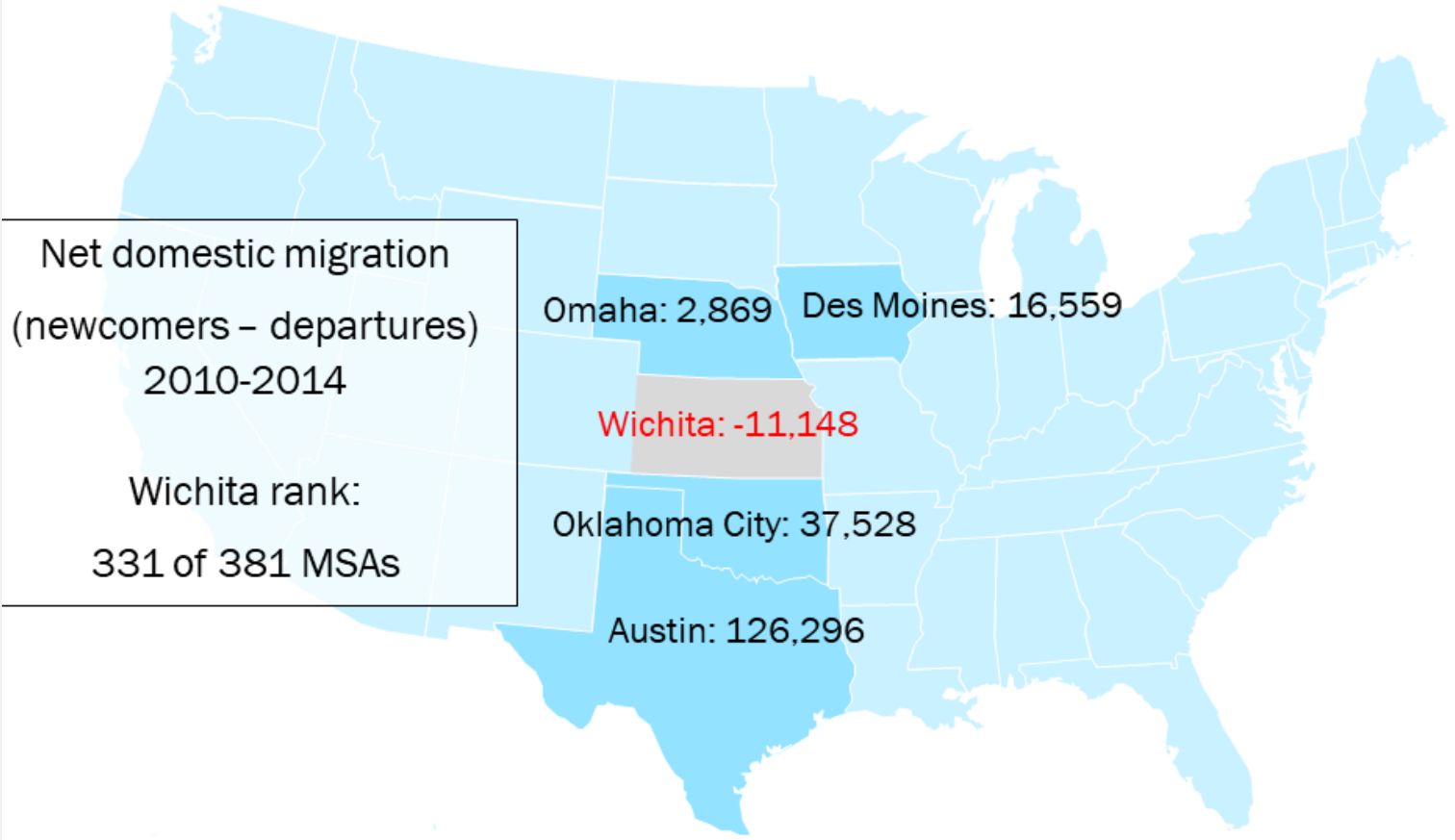
Sales



Table

TOPIC 01	TOPIC 02	TOPIC 03	TOPIC 04	TOPIC 05
Item 01	Text	Text	Text	Text
Item 02	Text	Text	Text	Text
Item 03	Text	Text	Text	Text
Item 04	Text	Text	Text	Text
Item 05	Text	Text	Text	Text
Item 06	Text	Text	Text	Text
Item 07	Text	Text	Text	Text
Item 08	Text	Text	Text	Text
TOTAL	Text	Text	Text	Text

The real story of population growth



Venture investment

Funding rounds and dollars: Past two years

City A

30 tracked deals

\$53.0MM

City B

117 tracked deals

\$600.5MM

City C

205 tracked deals

\$681.0MM

DSM

141 tracked deals

\$1,119.4MM