

Iowa

263,838 Small Businesses

60,867 Small Businesses with Employees

202,971 Small Businesses without Employees (Nonemployers)

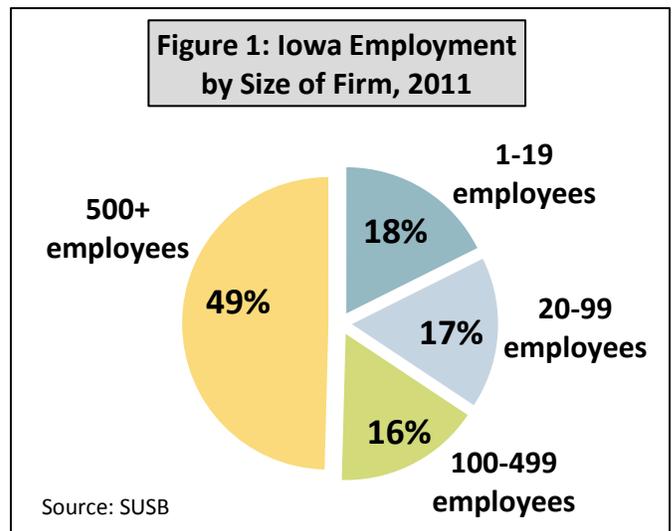
637,149 Workers Employed by Small Businesses

State Economy Overall

- Iowa's economy grew about the same rate as the United States in 2012. Iowa's real gross state product increased by **2.4 percent** compared to **2.5 percent** for U.S. gross domestic product. (Source: BEA)
- The employment situation in Iowa has improved. The unemployment rate in Iowa declined from **4.9 percent** in December 2012 to **4.2 percent** in December 2013. This is below the national average of **6.7 percent**. (Source: BLS)

Employment

- Iowa's small businesses employed half or **637,149** of the state's private workforce in 2011.
- Almost all firms with employees are small. They make up **97.1 percent** of all employers in the state. **Table 3** offers further industry detail on small firms.
- Firms with fewer than 100 employees have the largest share of small business employment. **Figure 1** offers further detail.
- The three industries with the most small business employment were: health care & social assistance, accommodation & food services, and manufacturing (**Table 4**).
- In Iowa, small businesses created **5,275** net new jobs in 2011. The biggest gain was in the smallest firm size category of 1-4 employees. (Source: BDS)
- The number of people who were primarily self-employed decreased in 2012. For demographic detail on the state's self-employment, see **Figure 2**.
- The state's private-sector employment increased in 2013 by **1.5 percent**, which was below the national average growth rate of **2.1 percent**. (Source: BEA, BLS)



The *Small Business State and Territory Profiles* report on the economic status of small business from 2010 to 2013. They include information on the number of firms, employment, demographics and other topics using the most recently available government data. They are a reference tool for researchers, policymakers, and small entities who are interested in how small firms are performing regionally or nationally. *Note that this report defines small businesses as firms with fewer than 500 employees.*

Income and Finance

- Most small businesses are sole proprietors. Annual income from sole proprietorships increased **6.6 percent** in the 3rd quarter of 2013 and totaled **\$13.2 billion**. (Source: BEA)
- The Federal Deposit Insurance Corporation tracks banks and bank branches and publishes annual data for each state. For more detailed information see www2.fdic.gov/sod/sodSummary.asp?barItem=3.
- In 2012, **62,799** loans under \$100,000 (and valued at **\$748.2 million**) were issued by Community Reinvestment Act lending institutions in Iowa. (Source: FFIEC)

Business Owner Demographics

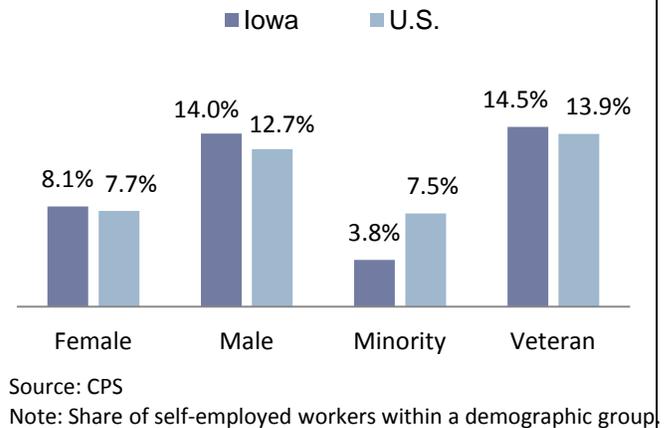
- In 2011, there were an estimated **68,000** woman-owned businesses and **8,000** minority-owned businesses. For additional business demographic information, see **Table 1** and **Figure 2**.

Table 1. Demographics of All Iowa Businesses, 2011

	Number of All Businesses ^e	Share of All Businesses (%) [*]
Male Owned	123,000	46.2
Woman Owned	68,000	25.5
Equally Male and Female Owned	65,000	24.4
Minority Owned	8,000	3.1
Veteran Owned	24,000	9.2

^e = Advocacy estimate. ^{*}2007 SBO. Note: This estimate is based on the share of business owners in the 2007 SBO. This share is multiplied by the total number of businesses in 2011 (employer + nonemployer firms). These shares will not be updated to 2012 until fall 2015. Thus, the 2011 estimates assume the 2011 shares are the same as 2007. For more information, visit www.sba.gov/sites/default/files/files/ia10.pdf.

Figure 2: Iowa Self-Employment Demographics, 2012



Business Turnover

- **Table 2** gives Iowa's establishment survival rates over an eight-year period, 2002-2010.
- In the 2nd quarter of 2013, **3,530** establishments opened and **3,089** closed in the state of Iowa. (Source: BED)
- Business bankruptcies declined in net from 2010 to 2013, signaling a stronger state economy. (Source: U.S. Courts)

Table 2. Survival Rates of Establishments in Iowa

	Establishments Opened [*]	Share Surviving Until 2012 (%)
2002	5,049	40.4
2007	5,344	51.8
2010	4,349	70.7

Source: BLS, BED. ^{*}Data year ending in March.

International Trade

- A total of **3,367** companies exported goods from the state in 2012. Of these, **2,786** or **82.7 percent** were small firms; they generated about one-fifth (**17.1 percent**) of the state's total known export value. (Source: ITA)

Table 3: Number of Iowa Small Firms by Industry, 2011
(ranked by number of small employer firms)

Industry	Employer Firms With 1-499 Employees	Employer Firms With 1-19 Employees	Nonemployer Firms	Total Small Firms
Other services (except public admin.)	8,423	8,009	30,546	38,969
Construction	8,351	7,852	26,606	34,957
Retail trade	7,459	6,611	22,550	30,009
Professional, scientific, & tech. svcs.	5,604	5,202	19,585	25,189
Health care & social assistance	5,446	4,346	21,994	27,440
Accommodation & food services	5,383	4,251	2,674	8,057
Finance & insurance	3,389	3,019	7,901	11,290
Wholesale trade	3,112	2,350	3,127	6,239
Transportation & warehousing	2,990	2,691	10,253	13,243
Admin., supp., waste mgt., remed. svcs.	2,957	2,649	14,109	17,066
Manufacturing	2,787	1,951	2,872	5,659
Real estate & rental & leasing	2,105	1,968	20,612	22,717
Arts, entertainment, & recreation	1,382	1,221	8,934	10,316
Information	798	647	2,186	2,984
Educational services	615	487	3,944	4,559
Management of comp. & enterprises	260	43	0	260
Forestry, etc. & agriculture support	248	231	4,848	5,096
Unclassified	129	129	0	129
Utilities	69	35	187	256
Mining	55	36	43	98
Total	60,867	53,640	202,971	263,838

Table 4: Employment in Iowa by Industry and Firm Size, 2011
(ranked by small firm employment)

Industry	Employment		Small Firm Share of Industry Employment (%)
	Small Firms	Total Firms	
Health care & social assistance	111,940	206,984	54
Accommodation & food services	75,785	111,759	68
Manufacturing	67,558	199,812	34
Retail trade	67,065	174,126	39
Construction	50,308	53,104	95
Other services (except public admin.)	47,109	51,208	92
Wholesale trade	43,940	64,571	68
Professional, scientific, & tech. svcs.	34,050	47,698	71
Finance & insurance	33,231	90,726	37
Admin., supp., waste mgt., remed. svcs.	28,738	70,279	41
Transportation & warehousing	21,869	53,169	41
Arts, entertainment, & recreation	13,933	20,765	67
Educational services	11,642	42,102	28
Information	11,174	31,266	36
Real estate & rental & leasing	9,250	13,802	67
Management of comp. & enterprises	5,202	20,563	25
Utilities	1,684	7,748	22
Forestry, etc. & agriculture support	1,299	1,955	66
Mining	1,246	1,902	66
Unclassified	D	D	D
Total	637,149	1,263,665	50

Source, Tables 3 and 4: SUSB

See www.sba.gov/advocacy/847/841921 for more detailed data.

Note: Small firms are defined as nonfarm firms having fewer than 500 employees.

(D) Data suppressed to protect the confidentiality of individual firms.

Abbreviations and Resources

BEA	Bureau of Economic Analysis, U.S. Department of Commerce, www.bea.gov .
BED	Business Employment Dynamics, U.S. Department of Labor, Bureau of Labor Statistics, www.bls.gov/bdm .
BDS	Business Dynamics Statistics, U.S. Census Bureau, www.census.gov/ces/dataproducts/bds .
BLS	Bureau of Labor Statistics, U.S. Department of Labor, www.bls.gov .
CPS	Current Population Survey, U.S. Census Bureau, and U.S. Department of Labor, Bureau of Labor Statistics, www.census.gov/cps .
FDIC	Federal Deposit Insurance Corporation, www.fdic.gov .
FFIEC	Federal Financial Institutions Examination Council, www.ffiec.gov .
ITA	International Trade Administration, U.S. Department of Commerce, www.trade.gov .
SBO	Survey of Business Owners, U.S. Census Bureau, www.census.gov/econ/sbo .
SUSB	Statistics of U.S. Businesses, U.S. Census Bureau, www.census.gov/econ/susb .
U.S. Courts	Administrative Office of the U.S. Courts, www.uscourts.gov .