

# 2019 Small Business Profile

## Iowa



**270,484** Small Businesses  
**99.3%** of Iowa Businesses

**651,635** Small Business Employees  
**48.1%** of Iowa Employees



**EMPLOYMENT**  
**9,470**  
net new jobs



**DIVERSITY**  
**25,822**  
minority-owned  
business employees



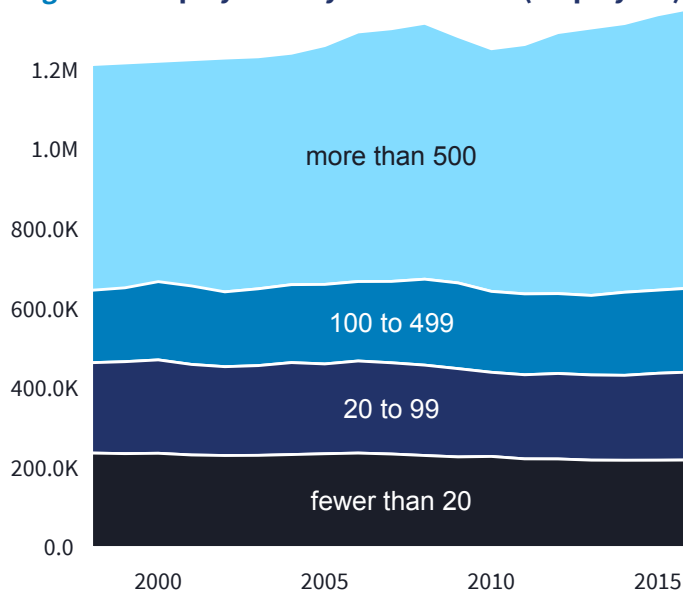
**TRADE**  
**2,616**  
small business  
exporters

### Overall Iowa Economy

- In the third quarter of 2018, Iowa grew at an annual rate of **3.3%**, which was slower than the overall US growth rate of **3.4%**. Iowa's 2017 growth rate of **0.3%** was down from the 2016 rate of less than **0.1%**. (Source: [BEA](#))
- In February 2019, the unemployment rate was **2.4%**, down from **2.7%** in February 2018. This was below the February 2019 national unemployment rate of **3.8%**. (Source: [CPS](#))

### Employment

**Figure 1: Employment by Business Size (Employees)**



- Iowa small businesses employed **651,635** people, or **48.1%** of the private workforce, in 2016. (Source: [SUSB](#))
- Firms with fewer than 100 employees have the largest share of small business employment. Figure 1 provides further details on firms with employees. (Source: [SUSB](#))
- Private-sector employment increased **1.6%** during the 12-month period ending in February 2019. This was above the increase of **0.7%** during the prior 12-month period. (Source: [CPS](#))
- The number of proprietors increased in 2017 by **1.4%** relative to the previous year. (Source: [BEA](#))
- Small businesses created **9,470** net jobs in 2016. Firms employing fewer than 20 employees experienced the largest gains, adding **8,226** net jobs. The smallest gains were in firms employing 100 to 499 employees, which added **516** net jobs. (Source: [SUSB](#))

The Small Business Profiles are produced by the US Small Business Administration's Office of Advocacy (<http://advocacy.sba.gov>). Each report incorporates the most up-to-date government data to present a unique snapshot of small businesses. Small businesses are defined for this profile as firms employing fewer than 500 employees. Net small business job change, employees of minority-owned businesses, and exporter share statistics are based on the 2016 Statistics of US Businesses (SUSB), 2016 Annual Survey of Entrepreneurs (ASE), and 2016 International Trade Administration (ITA) data, respectively.

## Income and Finance

- The number of banks decreased by 7 between June 2016 and June 2017 to 301 banks. (Source: FDIC)
- In 2017, 36,113 loans under \$100,000 (valued at \$605.3 million) were issued by Iowa lending institutions reporting under the Community Reinvestment Act. (Source: FFIEC)
- The median income for individuals self-employed at their own incorporated businesses was \$50,148 in 2017. For individuals self-employed at their own unincorporated firms, this figure was \$26,032. (Source: ACS)

Median income represents earnings from all sources. Unincorporated self-employment income includes unpaid family workers, a very small percent of the unincorporated self-employed.

## Employer Business Owner Demographics

**Figure 2: Iowa Employees per Business by Owner's Demographic, 2016**

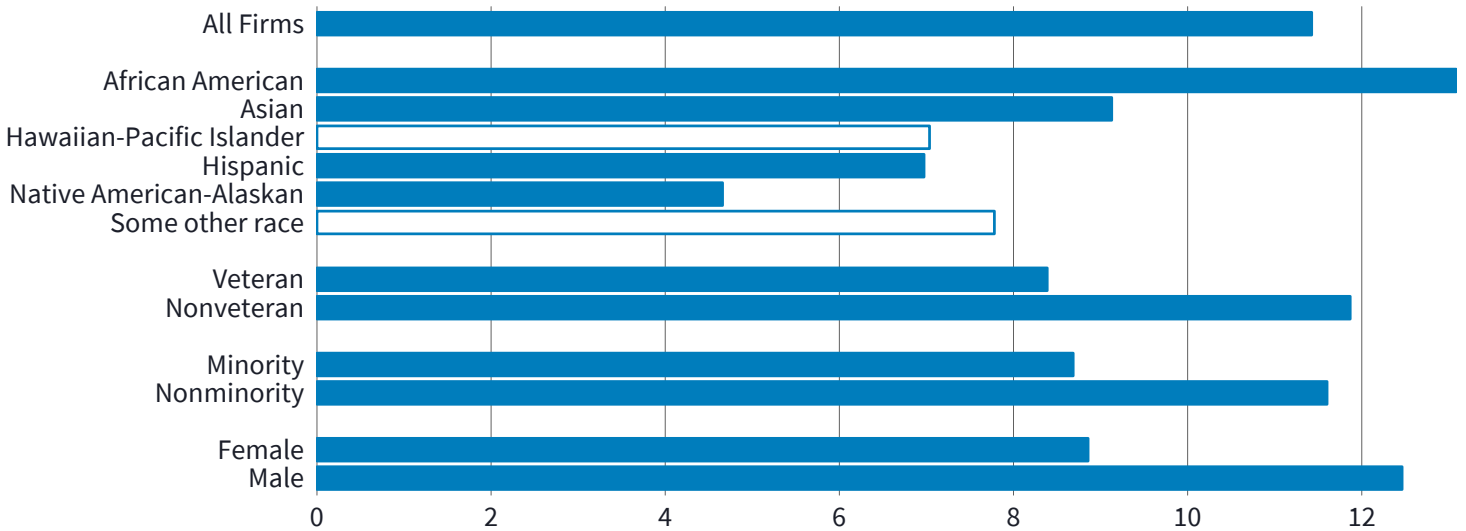
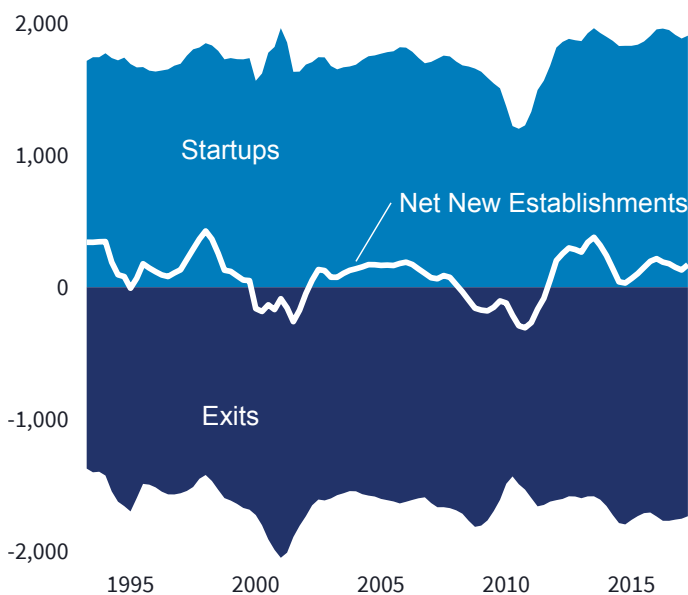


Figure 2 shows the average number of employees per employer business by owner's demographic group according to the 2016 Annual Survey of Entrepreneurs (ASE). Unshaded bars display US values; data were withheld because they do not meet Census Bureau publication standards or could disclose information regarding individual businesses.

## Turnover among Establishments with Employees

**Figure 3: Iowa Quarterly Startups and Exits**



- In the third quarter of 2017, 2,026 establishments started up, generating 7,463 new jobs in Iowa. Startups are counted when business establishments hire at least one employee for the first time. (Source: BDM)
- In the same period, 1,789 establishments exited resulting in 5,851 jobs lost. Exits occur when establishments go from having at least one employee to having none, and then remain closed for at least one year. (Source: BDM)
- Figure 3 displays quarterly startups and exits from 1993 to 2017. Each series is smoothed across multiple quarters to highlight long-run trends. (Source: BDM)

The BLS data covers only business establishments with employees. BLS refers to startups as births and exits as deaths. These terms are distinct from the BLS openings and closings categories. Openings include seasonal re-openings and closings include seasonal shutterings. Quarterly startup and exit values may not align with Figure 3 due to smoothing.

## International Trade

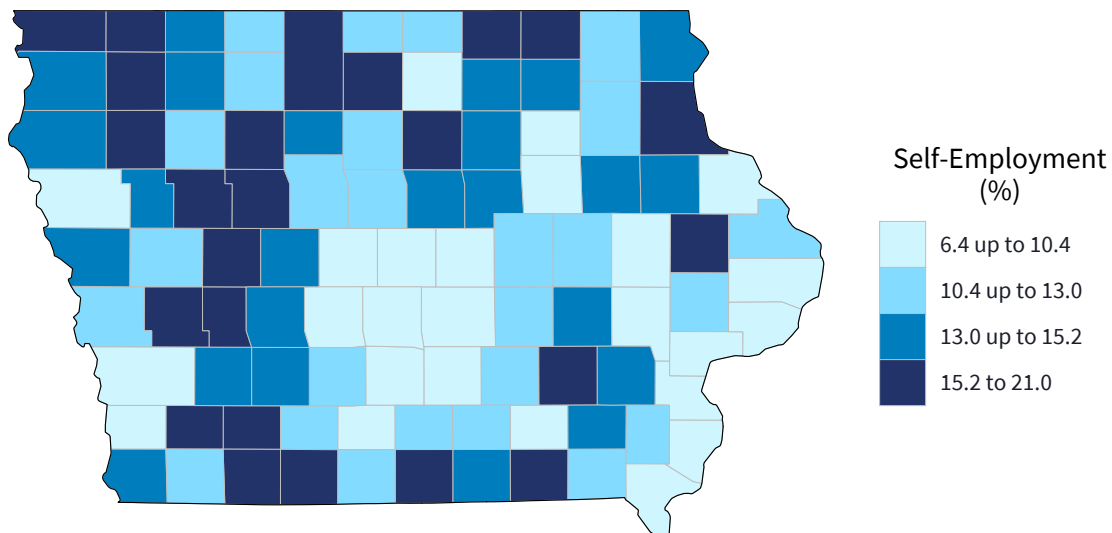
- A total of **3,163** companies exported goods from Iowa in 2016. Of these, **2,616**, or **82.7%**, were small firms; they generated **21.6%** of Iowa's **\$10.8 billion** in total exports. (Source: ITA)

## Small Business Employment by Industry and Self-Employment by County






**Table 1: Iowa Employment by Industry, 2016**

Industry	Small Business Employment	Total Private Employment	Small Business Employment Share
Health Care and Social Assistance	111,933	224,133	49.9
Accommodation and Food Services	84,566	121,432	69.6
Manufacturing	68,178	208,831	32.6
Retail Trade	64,204	187,275	34.3
Construction	58,809	66,874	87.9
Other Services (except Public Administration)	48,597	52,284	92.9
Wholesale Trade	43,205	68,683	62.9
Professional, Scientific, and Technical Services	35,547	55,168	64.4
Finance and Insurance	31,562	98,251	32.1
Administrative, Support, and Waste Management	27,777	77,808	35.7
Transportation and Warehousing	20,530	57,434	35.7
Arts, Entertainment, and Recreation	15,018	20,389	73.7
Educational Services	12,711	35,240	36.1
Real Estate and Rental and Leasing	10,350	13,679	75.7
Information	8,890	29,739	29.9
Management of Companies and Enterprises	5,006	24,568	20.4
Utilities	1,662	7,971	20.9
Agriculture, Forestry, and Fishing and Hunting	1,488	2,538	58.6
Mining, Quarrying, and Oil and Gas Extraction	1,424	2,012	70.8
Industries not classified	178	178	100.0
<b>Total</b>	<b>651,635</b>	<b>1,354,487</b>	<b>48.1</b>

**Figure 4: Iowa Self-Employment Rates by County, 2017**



**Table 2: Iowa Small Businesses by Industry and Firm Size, 2016**

				
Industry	1-499 Employees	1-19 Employees	Nonemployer Firms	Total Small Firms
Other Services (except Public Administration)	8,450	8,001	31,418	39,868
Construction	8,445	7,807	26,182	34,627
Retail Trade	6,843	5,998	23,199	30,042
Real Estate and Rental and Leasing	2,289	2,144	24,286	26,575
Professional, Scientific, and Technical Services	5,643	5,188	20,703	26,346
Health Care and Social Assistance	5,444	4,287	19,119	24,563
Administrative, Support, and Waste Management	3,057	2,750	14,082	17,139
Transportation and Warehousing	3,005	2,723	12,063	15,068
Arts, Entertainment, and Recreation	1,372	1,201	9,899	11,271
Finance and Insurance	3,324	2,968	7,495	10,819
Accommodation and Food Services	5,513	4,271	2,765	8,278
Wholesale Trade	3,036	2,320	3,145	6,181
Manufacturing	2,682	1,869	3,021	5,703
Educational Services	676	525	4,929	5,605
Agriculture, Forestry, and Fishing and Hunting	302	287	5,095	5,397
Information	742	606	2,131	2,873
Utilities	74	38	230	304
Mining, Quarrying, and Oil and Gas Extraction	66	45	32	98
<b>Total</b>	<b>60,690</b>	<b>53,124</b>	<b>209,794</b>	<b>270,484</b>

Tables 1 and 2 display data from the 2016 SUSB. Table 2 includes additional data from the 2016 Nonemployer Statistics (NES). Figure 4 provides estimates of the rate of self-employment among employed civilians, 16 years and over, including both incorporated and unincorporated businesses, from the 2017 American Community Survey (ACS).

**References**

The Small Business Profiles, source data, and methodology are available at <https://go.usa.gov/xmb5R>.

- ACS** American Community Survey, US Census Bureau
- ASE** Annual Survey of Entrepreneurs, US Census Bureau
- BEA** Bureau of Economic Analysis, US Department of Commerce
- BDM** Business Employment Dynamics, BLS
- BLS** Bureau of Labor Statistics, US Department of Labor
- CPS** Current Population Survey, BLS
- FDIC** Call Reports, Federal Deposit Insurance Corporation
- FFIEC** Federal Financial Institutions Examination Council
- ITA** International Trade Administration, US Department of Commerce
- NES** Nonemployer Statistics, US Census Bureau
- SUSB** Statistics of US Businesses, US Census Bureau