

Iowa

264,617 Small Businesses

60,916 Small Businesses with Employees

203,701 Small Businesses without Employees (Nonemployers)

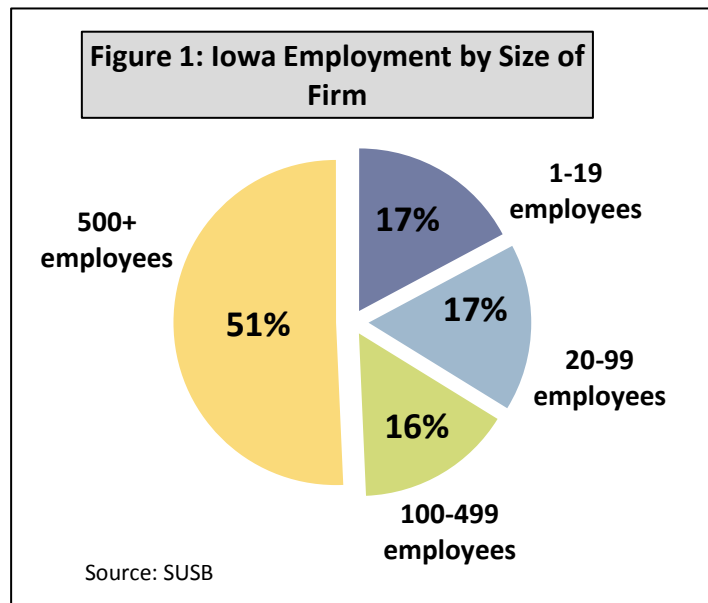
637,837 Workers Employed by Small Businesses

State Economy Overall

- Iowa's economy grew at a faster rate than the United States in 2013. Iowa's real gross state product increased by **2.9 percent** compared to **2.2 percent** for U.S. gross domestic product. (Source: BEA)
- The employment picture in Iowa has weakened. The unemployment rate in Iowa increased from **4.4 percent** in October 2013 to **4.5 percent** in October 2014. This is below the national average of **5.8 percent** for the same time period. (Source: BLS)

Employment

- Iowa's small businesses employed about half or **637,837** of the state's private workforce in 2012. (Source: SUSB)
- Almost all firms with employees are small. They make up **97.1 percent** of all employers in the state. (Source: SUSB)
- Firms with fewer than 100 employees have the largest share of small business employment. **Figure 1** offers further detail.
- In Iowa, small businesses created **17,768** net new jobs in 2012. 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 in 2013 decreased by **5.5 percent** relative to the previous year.
- The state's private-sector employment growth increased by **2.2 percent** over the 12-month period ending in October 2014; this was below the national average growth rate of **2.6 percent**. (Source: BEA, BLS)



The *Small Business State and Territory Profiles* report on the economic status of small business from 2007 to 2014. 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

- The number of banks reported in the Call Reports between June 2013 and June 2014 declined. (Source: FDIC)
- 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)
- The median income for individuals who are self-employed at their own incorporated businesses for the past 12 months was **\$42,365** in 2013. For individuals self-employed at their own unincorporated firms, this figure was **\$26,139**. (Source: ACS)

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

Business Owner Demographics

- **Table 1** shows the top industry for nine business owner demographics. For example, **53.8 percent** of female-owned businesses were in the health care and social assistance industry, and female-owned firms made up **22.3 percent** of this industry.

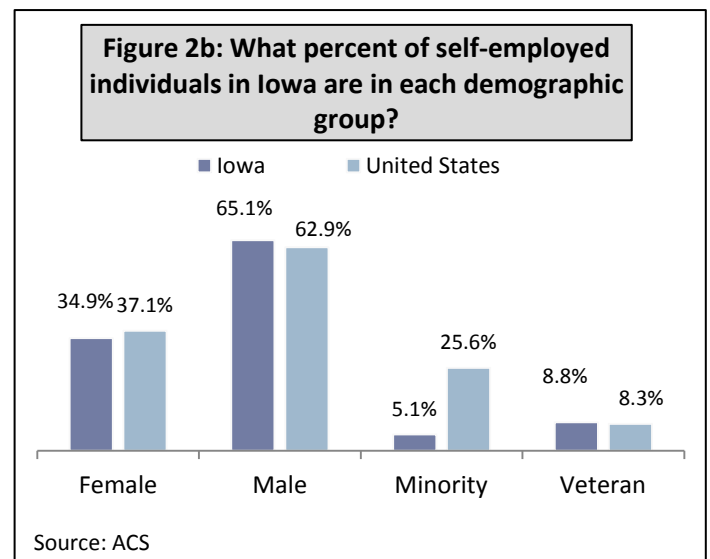
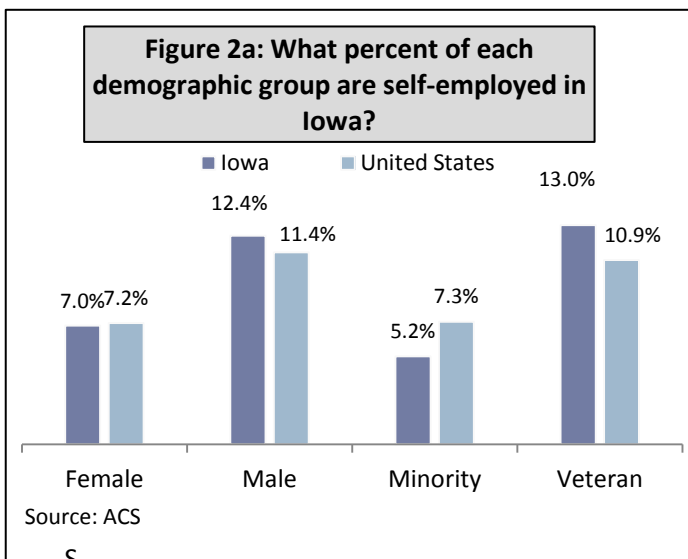
Table 1: Top Industry by Demographic Group in Iowa, 2007

Demographic Group of Business Owners	Most Common Industry	% of Industry in Demographic Group	% of Demographic Group in Industry
Female	Health care & social assistance	53.8	22.3
Male	Construction	70.1	21.6
American Indian and Alaska Native	*	*	*
Asian	Accommodation & food services	7.5	21.8
Black or African American	Health care & social assistance	2.9	36.1
Native Hawaiian and Other Pacific Islander	*	*	*
White	Construction	97.0	14.7
Hispanic	Health care & social assistance	1.7	18.5
Veteran	Construction	12.7	19.7

*Indicates that the sample size was too small to be representative of the population. For more detailed information on businesses in your state, see www.sba.gov/advocacy/847/841921.

Source: U.S. Department of Commerce, Census Bureau, 2007 Survey of Business Owners via American FactFinder.

- Figures **2a** and **2b** show the demographic makeup of the self-employed in four demographic groups. For example, **Figure 2a** shows that **7.0 percent** of females were self-employed, and **Figure 2b** shows that **34.9 percent** of all self-employed people were female.



Business Turnover

- In 2010, **4,349** establishments opened in Iowa, and **70.7 percent** survived through 2012. In 2013, **5,719** establishments opened, and **80.5 percent** survived through 2014. (Source: BLS, BED)
- In the 1st quarter of 2014, **3,262** establishments opened and **3,498** closed in the state of Iowa. (Source: BED)
- Business bankruptcies declined from 2010 to 2014, signaling a stronger state economy. (Source: U.S. Courts)

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)

Small Businesses and Employment by Industry

- **Table 2** ranks the state's industries by the number of small employer firms. For comparison, the three most common industries for small employer firms across the United States are professional, scientific, and technical services; other services (except public administration); and retail trade.

Table 2: Number of Iowa Small Firms by Industry, 2012
(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.)	8,444	8,030	30,501	38,945
Construction	8,354	7,829	26,045	34,399
Retail trade	7,332	6,465	22,911	30,243
Professional, scientific, & tech. svcs.	5,634	5,192	19,915	25,549
Accommodation & food services	5,490	4,305	2,623	8,113
Health care & social assistance	5,467	4,347	21,161	26,628
Finance & insurance	3,358	2,992	7,878	11,236
Wholesale trade	3,126	2,343	3,201	6,327
Admin., supp., waste mgt., remed. svcs.	2,981	2,672	14,144	17,125
Transportation & warehousing	2,970	2,664	10,203	13,173
Manufacturing	2,807	1,957	3,053	5,860
Real estate & rental & leasing	2,140	2,007	21,242	23,382
Arts, entertainment, & recreation	1,390	1,227	9,227	10,617
Information	771	629	2,246	3,017
Educational services	610	472	4,092	4,702
Forestry, etc. & agriculture support	279	261	5,000	5,279
Management of comp. & enterprises	249	35	*	249
Utilities	76	41	212	288
Unclassified	71	71	*	71
Mining, quarrying, and oil & gas extrac.	60	39	47	107
Total	60,916	53,503	203,701	264,617

Source: SUSB and Nonemployer Statistics. *Data for nonemployers not collected in these two categories.

See www.sba.gov/advocacy/additional-data-state-profiles for more detailed data.

- **Table 3** shows small firm employment by industry. The three Iowa industries with the most small business employment were: health care and social assistance; accommodation and food services; and manufacturing (**Table 3**).

Table 3: Employment in Iowa by Industry and Firm Size, 2012 (ranked by small firm employment)			
Industry	Employment		Small Firm % of Industry Employment
	Small Firms	Total Firms	
Health care & social assistance	111,378	211,199	52.7
Accommodation & food services	78,197	114,653	68.2
Manufacturing	69,381	205,375	33.8
Retail trade	66,029	175,899	37.5
Construction	51,881	56,878	91.2
Other services (except public admin.)	46,607	50,089	93.0
Wholesale trade	45,119	66,920	67.4
Professional, scientific, & tech. svcs.	34,337	49,890	68.8
Finance & insurance	32,481	91,258	35.6
Admin., supp., waste mgt., remed. svcs.	25,805	77,693	33.2
Transportation & warehousing	21,801	55,148	39.5
Arts, entertainment, & recreation	13,557	21,020	64.5
Educational services	11,934	45,917	26.0
Information	10,668	29,759	35.8
Real estate & rental & leasing	9,315	13,011	71.6
Management of comp. & enterprises	4,390	16,648	26.4
Forestry, etc. & agriculture support	1,752	2,423	72.3
Utilities	1,702	7,785	21.9
Mining, quarrying, and oil & gas extraction	1,437	2,063	69.7
Unclassified	66	66	100.0
Total	637,837	1,293,694	49.3

Source: SUSB.

For more detailed information on businesses in your state, see www.sba.gov/advocacy/847/841921.

Abbreviations and Resources

ACS	American Community Survey, U.S. Census Bureau, www.census.gov/acs .
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 .
CEA	Council of Economic Advisers, www.whitehouse.gov/administration/eop/cea .
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 .
Nonemployer Statistics	Nonemployer Statistics, U.S. Census Bureau, www.census.gov/econ/nonemployer .
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 .