

SMALL BUSINESS PROFILE

U.S. SMALL BUSINESS ADMINISTRATION

OFFICE OF ADVOCACY

REGULATION • RESEARCH • OUTREACH

IOWA



266,382
99.3%

Small Businesses
of Iowa Businesses

641,288
48.7%

Small Business Employees
of Iowa Employees



EMPLOYMENT
6,126
net new jobs



DIVERSITY
14,686
minority-owned
businesses



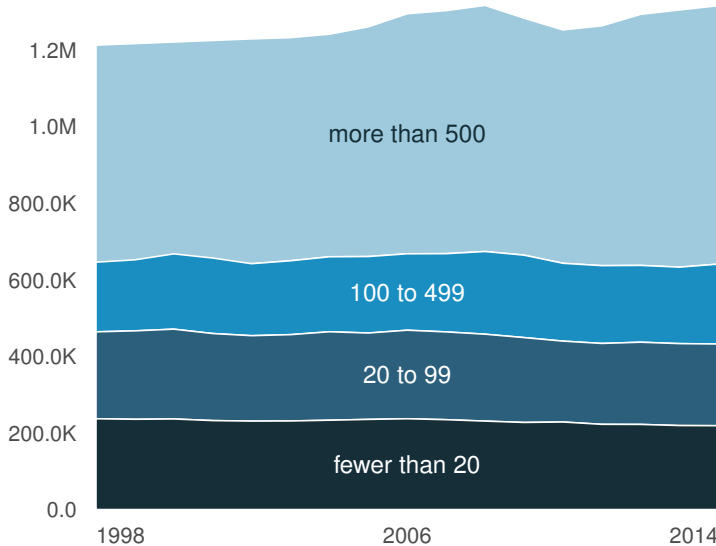
TRADE
82.9%
of Iowa exporters

OVERALL IOWA ECONOMY

- In the second quarter of 2016, Iowa grew at an annual rate of 1.3%, which was faster than the overall US growth rate of 1.2%. Iowa's 2015 growth rate of 1.3% was down from the 2014 rate of 2.6%. (Source: BEA)
- In November 2016, the unemployment rate was 3.8%, up from 3.5% at the close of 2015. This was below the November 2016 national unemployment rate of 4.6%. (Source: CPS)

EMPLOYMENT

Figure 1: Iowa Employment by Business Size (Employees)



- Iowa small businesses employed 641,288 people, or 48.7% of the private workforce, in 2014. (Source: SUSB)
- Firms with fewer than 100 employees have the largest share of small business employment. See Figure 1 for further details on firms with employees. (Source: SUSB)
- During the year ending November 2016, private-sector employment increased 0.6%. This was above the previous year's increase of 0.5%. (Source: CPS)
- The number of proprietors increased in 2015 by 2.1% relative to the previous year. (Source: BEA)
- Small businesses created 6,126 net jobs in 2014. Among the seven BDS size-classes, firms employing 100 to 249 employees experienced the largest gains, adding 2,733 net jobs. The largest losses were in firms employing 1 to 4 employees, which lost 304 net jobs. (Source: BDS)

The Small Business Profiles are produced by the US Small Business Administration's Office of Advocacy. Each report incorporates the most up-to-date government data to present a unique snapshot of small businesses. Small businesses are defined as firms employing fewer than 500 employees. Net small business job change, minority small business ownership, and exporter share statistics are based on the 2014 Business Dynamics Statistics (BDS), 2012 Survey of Business Owners (SBO), and 2014 International Trade Administration (ITA) data, respectively.

INCOME AND FINANCE

- The number of banks reported in the Call Reports between June 2015 and June 2016 declined. (Source: [FDIC](#))
- In 2014, **37,562** loans under \$100,000 (valued at **\$556.5 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 **\$44,861** in 2015. For individuals self-employed at their own unincorporated firms, this figure was **\$25,201**. (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.

BUSINESS OWNER DEMOGRAPHICS

Figure 2: Iowa Small Business Ownership, 2012

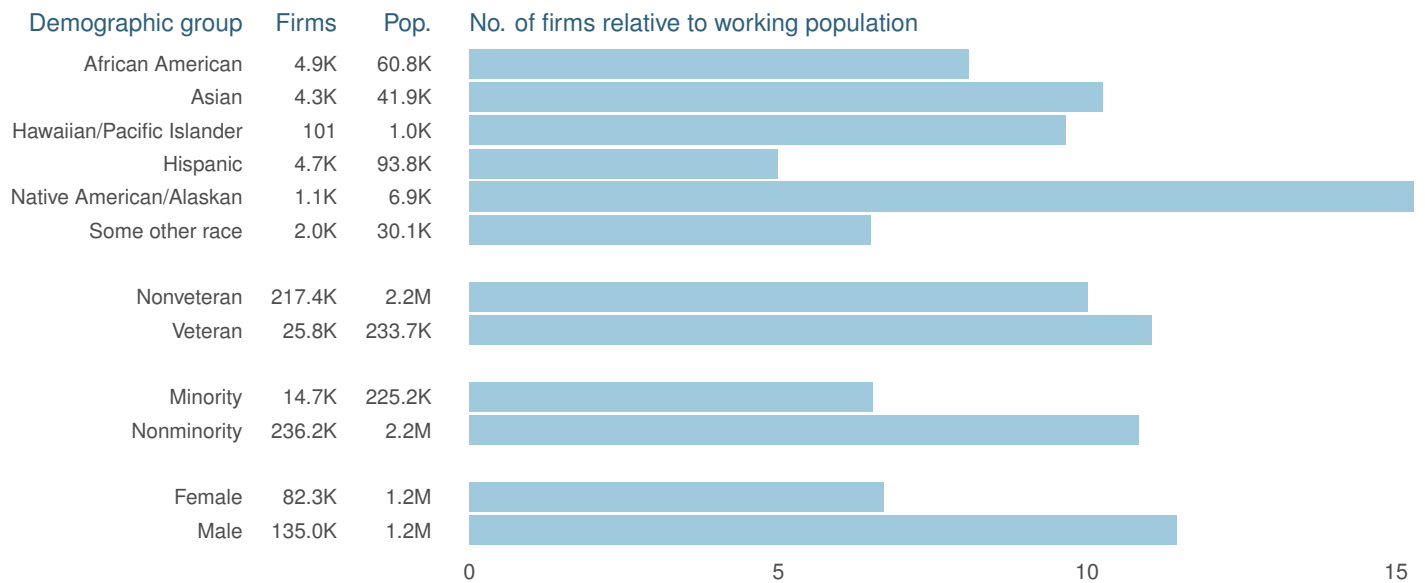
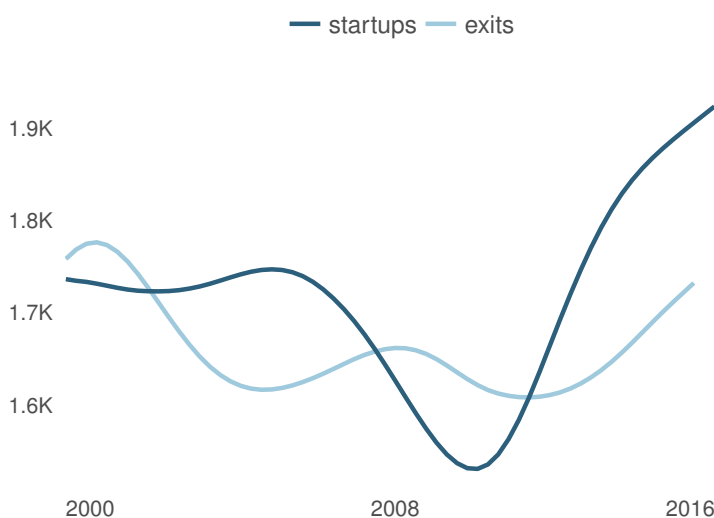


Figure 2 displays the number of small firms (SBO) per 100 people 16 years and over (ACS). For example, there are approximately 7 female-owned firms per 100 working age females or $82.3K \div 1.2M \times 100$. ACS and SBO differ in their classifications of individuals reporting more than one race. ACS provides a distinct category for two or more races while SBO tabulates these businesses into more than one group.

BUSINESS TURNOVER

Figure 3: Iowa Quarterly Startups and Exits



- In the second quarter of 2015, **1,767** establishments started up, generating **7,398** 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, **1,659** establishments exited resulting in **5,985** 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 2000 to 2016. Each series is smoothed across multiple quarters to highlight long-run trends.

The 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.

INTERNATIONAL TRADE

- A total of 3,374 companies exported goods from Iowa in 2014. Among these, 2,798, or 82.9%, were small firms; they generated 19.8% of Iowa's \$13.4 billion in total known exports. (Source: ITA)

SMALL BUSINESS EMPLOYMENT BY INDUSTRY AND COUNTY

Table 1: Iowa Employment by Industry, 2014





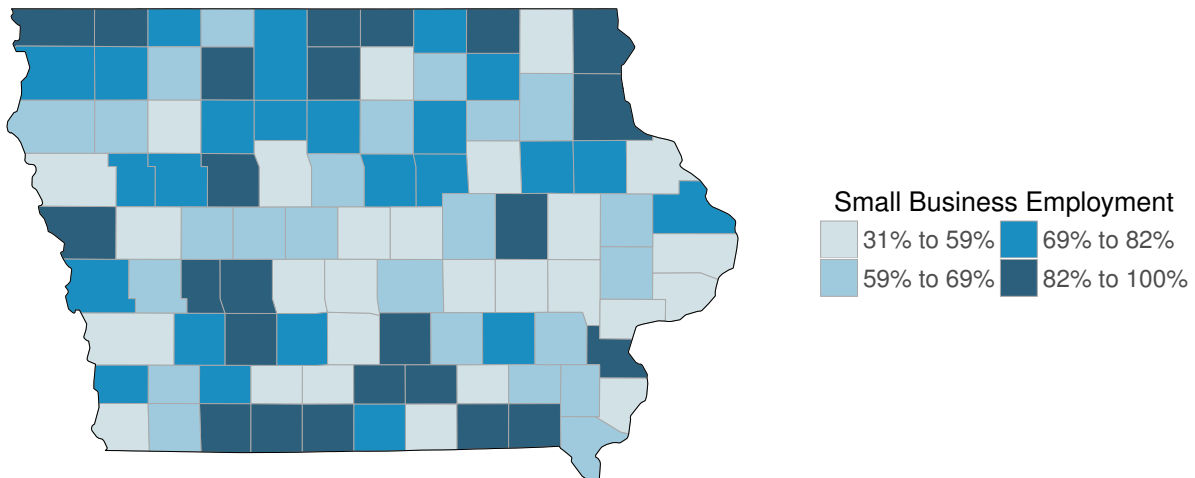
 Industry	 Small Business Employment	 Total Private Employment	 Small Business Employment Share
Health Care and Social Assistance	112,401	216,134	52%
Accommodation and Food Services	81,159	116,374	70%
Manufacturing	69,620	209,256	33%
Retail Trade	64,528	180,421	36%
Construction	52,256	59,784	87%
Other Services (Except Public Administration)	47,454	51,213	93%
Wholesale Trade	45,718	66,512	69%
Professional, Scientific, and Technical Services	33,804	51,433	66%
Finance and Insurance	32,071	90,882	35%
Administrative, Support, and Waste Management	25,842	74,073	35%
Transportation and Warehousing	20,909	55,733	38%
Arts, Entertainment, and Recreation	14,482	21,366	68%
Educational Services	12,240	45,058	27%
Information	9,578	30,883	31%
Real Estate and Rental and Leasing	9,376	12,403	76%
Agriculture, Forestry, and Fishing and Hunting	1,817	2,581	70%
Utilities	1,697	7,964	21%
Mining, Quarrying, and Oil and Gas Extraction	1,497	2,056	73%
Total	641,288	1,316,447	49%

Figure 4: Iowa Small Business Percent of Employment by County



SMALL BUSINESSES BY INDUSTRY

Table 2: Iowa Small Businesses by Industry and Firm Size, 2014



Industry



1-499 Employees



1-20 Employees



Nonemployer Firms



Total Small Firms

Industry	1-499 Employees	1-20 Employees	Nonemployer Firms	Total Small Firms
Other Services (Except Public Administration)	8,395	7,969	31,449	39,844
Construction	8,305	7,751	26,267	34,572
Retail Trade	7,110	6,276	22,580	29,690
Professional, Scientific, and Technical Services	5,597	5,165	20,268	25,865
Health Care and Social Assistance	5,398	4,262	20,053	25,451
Real Estate and Rental and Leasing	2,209	2,077	22,898	25,107
Administrative, Support, and Waste Management	2,969	2,666	13,990	16,959
Transportation and Warehousing	3,001	2,709	10,362	13,363
Finance and Insurance	3,393	3,036	7,733	11,126
Arts, Entertainment, and Recreation	1,393	1,226	9,438	10,831
Accommodation and Food Services	5,406	4,219	2,722	8,128
Wholesale Trade	3,050	2,280	3,104	6,154
Manufacturing	2,745	1,906	3,017	5,762
Agriculture, Forestry, and Fishing and Hunting	296	277	4,990	5,286
Educational Services	641	502	4,587	5,228
Information	739	611	2,198	2,937
Utilities	75	39	206	281
Mining, Quarrying, and Oil and Gas Extraction	65	45	46	111
Total	60,474	53,092	205,908	266,382

Data for counties shown in white in Figure 4 and values labeled "s" in Tables 1 and 2 were withheld by the Census Bureau because they do not meet publication standards or could disclose information regarding individual businesses. (Source: SUSB, NES)

REFERENCES

The Small Business Profiles, source data, and methodology are available at <http://go.usa.gov/x9yxK>.

ACS	American Community Survey, 5-year estimates, U.S. Census Bureau
BEA	Bureau of Economic Analysis
BDM	Business Employment Dynamics, BLS
BDS	Business Dynamics Statistics, U.S. Census Bureau
BLS	Bureau of Labor Statistics, U.S. Department of Labor
CES	Current Employment Statistics, BLS
CEW	Census of Employment and Wages, BLS
CPS	Current Population Survey, BLS
FDIC	Federal Deposit Insurance Corporation
FFIEC	Federal Financial Institutions Examination Council
ITA	International Trade Administration
NES	Nonemployer Statistics, U.S. Census Bureau
SBO	Survey of Business Owners, U.S. Census Bureau
SUSB	Statistics of U.S. Businesses, U.S. Census Bureau

