

Iowa

Iowa's small businesses are key to the state's well-being. They account for a significant share of the state's economic production and hiring. This profile from the Office of Advocacy uses the latest available data to illustrate the status and contributions of Iowa small businesses. (Note that a small business is defined as one with fewer than 500 employees.)

- Small businesses totaled 261,262 in the state in 2008. Of these, 63,234 were employers, and they accounted for 51.3% of private-sector jobs in the state (Table 1). Small firms made up 97.3% of the state's employers.
- Iowa's real gross state product increased by 2.1% and private-sector employment decreased by 3.7% in 2009. By comparison, real GDP in the United States grew 0.7% and private-sector employment declined by 5.5%.
- Business ownership is becoming more inclusive in the state. The number of both women and minority business owners has grown. In particular, minority-owned businesses numbered 8,157 in 2007, a 48.6% increase over 2002.
- The state's small business employment has undergone major shifts in recent years (Table 2).
- The state's businesses showed signs of stability and improvement in the fourth quarter of 2009 compared to the first quarter (Table 3).

For Further Information

- Data on all states and territories is available at www.sba.gov/advocacy/848.
- For other small business data and analysis, visit www.sba.gov/advocacy/847, call (202) 205-6533, or email advocacy@sba.gov.
- Visit <http://web.sba.gov/list> to subscribe to Advocacy's Listservs.

Iowa Small Business Facts

	2008*	2007	2000
Number of Businesses			
Small employers (<500 employees)	63,234	64,123	63,888
Large employers (500+ employees)	1,781	1,736	1,670
Nonemployers	198,028	202,717	171,483
	Level in 2007*	% Share in 2007	% Change 2002-2007
Business Owner Demographics			
Male-owned	120,163	46.2	-5.9
Woman-owned	66,285	25.5	3.9
Equally male/female-owned	63,401	24.4	74.6
African American-owned	2,190	0.8	36.1
Asian-owned	2,862	1.1	60.2
Hispanic-owned	2,455	0.9	59.8
Native American/Alaskan-owned	604	0.2	-5.6
Hawaiian/Pacific Islander-owned	188	0.1	1005.9
Veteran-owned	23,887	9.2	n.a.
	Level in 2009*	% Change from 2008 2000	
Workforce (Thousands) /Unemployment (%)			
Private-sector employment	1,208	-3.7	-0.9
Government employment	236	0.7	5.9
Self-employed (incorp. & uninc.)	188	2.9	0.1
Female self-employment	64	8.2	6.2
Male self-employment	123	0.4	-2.9
Minority self-employment	9	18.4	643.9
Veteran self-employment	23	4.5	-32.1
Unemployment rate (%)	6.0	1.6†	3.2‡
Business Turnover			
Quarterly establishment openings	11,859	-4.3	-14.5
Quarterly establishment closings	12,735	-3.5	-13.2
Business bankruptcies	384	12.3	79.4
	2009*	2008	2000
Income and Finance			
Proprietors' income (\$billion)	11.7	13.2	6.6
Number of bank branches	1,638	1,639	1,486
No. of bus. loans under \$100,000‡	51,511	75,439	23,260
Total value of business loans under \$100,000 (\$million)‡	664	908	368

Source: U.S. Dept. of Commerce, Census Bureau, Bureau of Economic Analysis; U.S. Dept. of Labor, Bureau of Labor Statistics; Admin. Office of the U.S. Courts; Federal Deposit Insurance Corporation; and U.S. Small Business Admin., Office of Advocacy.
* Latest available data. †Percentage point change. ‡Data are for CRA loans.

**Table 1: Firms and Employment in Iowa by Industry and Firm Size, 2008
(Nonfarm, Thousands)**

Industry	Nonemployer Firms	Employer Firms			Employment		
		Total	1-19 Employees	1-499 Employees	Total	1-19 Employees	1-499 Employees
Total	198.0	65.0	55.5	63.2	1,317.1	231.0	674.1
Forestry, etc. and agriculture support	4.4	0.2	0.2	0.2	1.7	0.5	1.2
Mining	0.0	0.1	0.0	0.1	1.7	0.2	1.2
Utilities	0.2	0.1	0.0	0.1	D	0.3	1.8
Construction	27.3	8.7	8.0	8.6	62.7	28.1	57.5
Manufacturing	2.8	3.3	2.1	3.0	228.2	11.7	76.1
Wholesale trade	3.2	3.6	2.5	3.3	66.0	12.4	47.3
Retail trade	22.8	8.3	7.1	8.0	180.3	35.1	73.4
Transportation and warehousing	10.9	3.3	2.8	3.1	54.0	9.5	23.5
Information	2.2	0.9	0.7	0.8	34.6	3.5	11.1
Finance and insurance	7.8	3.7	3.1	3.5	94.5	10.3	34.3
Real estate and rental and leasing	17.9	2.3	2.1	2.2	14.7	5.3	9.9
Professional, scientific, and technical svcs.	18.9	5.8	5.3	5.7	46.6	18.5	34.4
Management of companies and enterprises	--	0.4	0.0	0.3	21.1	0.1	4.8
Admin., support, waste mgt., remed. svcs.	14.1	3.1	2.6	3.0	76.0	9.3	31.5
Educational services	3.8	0.6	0.5	0.6	35.7	2.2	12.4
Health care and social assistance	22.0	5.6	4.4	5.5	200.8	22.1	108.8
Arts, entertainment, and recreation	8.5	1.4	1.2	1.4	22.8	4.9	14.7
Accommodation and food services	2.6	5.6	4.2	5.5	115.1	25.1	81.0
Other services (except public admin.)	28.6	8.6	8.1	8.6	53.1	31.6	49.0
Unclassified	--	0.4	0.4	0.4	0.3	0.3	0.3

Source: U.S. Dept. of Commerce, Bureau of the Census, Statistics of U.S. Businesses. (See www.sba.gov/advocacy/849/12162 for data from other years, and for starts, closures, job creation and destruction by industry and by size category.)

Table 2: Net Job Change by Firm Size, 2004–2007 (Nonfarm)

	Total Net New Jobs	Employment Size of Firm						
		1-4	5-9	10-19	20-99	100-499	<500	500+
2004 - 2005	19,114	8,196	721	-556	-1,566	5,045	11,840	7,274
2005 - 2006	34,457	8,665	2,446	1,260	3,989	3,234	19,594	14,863
2006 - 2007	1,102	7,818	586	-2,490	-1,096	988	-4,704	5,806

Source: U.S. Dept. of Commerce, Bureau of the Census. (For more detailed data see www.sba.gov/advocacy/849/12162.)

Table 3: Establishment and Employment Turnover by Quarter, 2009 (Nonfarm, Thousands)

	Establishments				Employment Change Due To:			
	Openings	Expansions	Contractions	Closings	Openings	Expansions	Contractions	Closings
Quarter 1	2.9	16.2	19.4	3.4	10.7	51.8	73.8	12.2
Quarter 2	3.0	16.5	19.0	3.3	11.2	56.6	71.1	10.4
Quarter 3	2.6	16.6	17.8	2.9	9.1	54.9	62.0	9.3
Quarter 4	3.4	16.2	18.7	3.2	12.1	55.5	62.8	11.1

Source: U.S. Dept. of Labor, Bureau of Labor Statistics, Business Employment Dynamics. (For more detailed data see www.bls.gov/bdm/home.htm.)

Note: These figures contain all firm sizes; Census data from 2007 show that 86 percent of establishment births and deaths were in firms with fewer than 500 employees.