

Iowa

Small businesses totaled 257,376 in Iowa in 2009. They represent 97.2 percent of all employers and employ 51.8 percent of the private-sector workforce. Being such a large part of the state's economy, these businesses are central to Iowa's health and well-being.

This profile uses the latest available data to illustrate the status of Iowa's small businesses. (Note that a small business is defined as one with fewer than 500 employees.)

- Iowa's economy was mixed in 2010, with real gross state product increasing 0.1 percent and private-sector employment decreasing 0.7 percent (Bureau of Economic Analysis, Bureau of Labor Statistics).
- Most of Iowa's small businesses are very small as 75.4 percent of all businesses did not have employees and most employers have fewer than 20 employees.
- Small businesses employed 664,664 workers in 2009 (Table 1) with most of the employment coming from firms with 20-499 employees.
- While the employment situation in 2008-2009 was weak (Table 2), small businesses in Iowa represented 55.1 percent of the net new private-sector jobs from 2005-2008.
- Self-employment in Iowa surged over the last decade. Minority self-employment fared the best compared with other demographic groups during the decade.*
- Throughout 2010, the number of opening establishments was lower than closing establishments and the net employment change from this turnover was positive (Table 3).

For Further Information

- Data on all states and territories are 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.

* Because of the relatively low number of veterans in the survey data source, the veteran self-employment figure is susceptible to large fluctuations.

Iowa Small Business Facts

	2009*	2008	2000
Number of Businesses			
Small employers (<500 employees)	61,966	63,234	63,888
Large employers (500+ employees)	1,754	1,781	1,670
Nonemployers	195,410	198,028	171,483
Level in 2007* (000)			
	Firms	Employment	Receipts(\$)
Business Owner Demographics			
Male-owned	120	413	77,152
Woman-owned	66	61	6,711
Equally male/female-owned	63	105	13,628
African American-owned	2	2	212
Asian-owned	3	10	715
Hispanic-owned	2	3	381
Native American/Alaskan-owned	1	0	31
Hawaiian/Pacific Islander-owned	0	0	10
Veteran-owned	40	90	17,026
Publicly held, unclassified	10	672	206,922
	Level in 2010*	% Change from 2009 2000	
Workforce (Thousands)			
Private-sector employment	1,216	-0.7	-1.6
Government employment	254	-0.3	4.4
Self-employed (incorp. & uninc.)	185	-9.2	8.4
Female self-employment	61	3.5	-4.6
Male self-employment	124	-14.4	16.2
Minority self-employment	9	5.2	54.9
Veteran self-employment	18	-19.9	-43.6
Unemployment Rate (Percent)	6.1	0.5†	3.3†
Business Turnover			
Quarterly establishment openings	10,763	-13.8	-22.4
Quarterly establishment closings	11,695	-9.7	-20.4
Business bankruptcies	381	-0.8	78.0
	2010*	2009	2000
Income and Finance			
Proprietors' income (\$billion)	12.7	11.8	8.8
Number of bank branches	1,621	1,638	1,486
No. of bus. loans under \$100,000‡	55,973	51,511	23,260
Total value of business loans under \$100,000 (\$million)‡	935	664	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, 2009
(Nonfarm, Thousands)**

Industry	Nonemployer Firms	Employer Firms			Employment		
		Total	1-19 Employees	1-499 Employees	Total	1-19 Employees	1-499 Employees
Total	195.4	63.7	54.4	62.0	1,283.8	227.5	664.7
Forestry, etc. and agriculture support	4.5	0.3	0.2	0.2	1.8	0.5	1.2
Mining	0.0	0.1	0.0	0.1	1.9	0.2	1.3
Utilities	0.2	0.1	0.0	0.1	D	0.3	1.8
Construction	26.9	8.5	7.9	8.4	59.6	27.2	56.0
Manufacturing	2.8	3.2	2.0	2.9	204.0	10.9	72.4
Wholesale trade	3.0	3.5	2.5	3.3	65.8	12.4	46.2
Retail trade	22.0	8.1	6.8	7.8	177.6	33.8	71.1
Transportation and warehousing	10.3	3.2	2.8	3.1	56.2	9.3	23.2
Information	2.2	0.9	0.7	0.8	34.2	3.6	11.1
Finance and insurance	7.7	3.6	3.1	3.5	93.5	10.4	34.1
Real estate and rental and leasing	17.1	2.2	2.0	2.2	14.7	5.1	10.1
Professional, scientific, and technical svcs.	18.9	5.8	5.2	5.6	47.3	18.3	34.7
Management of companies and enterprises	--	0.4	0.0	0.3	19.8	D	5.4
Admin., support, waste mgt., remed. svcs.	14.1	3.1	2.7	3.0	68.5	9.4	30.2
Educational services	3.9	0.7	0.5	0.6	38.3	2.4	11.9
Health care and social assistance	22.0	5.6	4.3	5.5	205.4	22.0	112.7
Arts, entertainment, and recreation	8.7	1.4	1.2	1.4	21.7	4.9	14.2
Accommodation and food services	2.5	5.5	4.2	5.4	113.7	25.0	79.3
Other services (except public admin.)	28.8	8.6	8.1	8.5	52.1	31.6	47.6
Unclassified	--	0.1	0.1	0.1	0.1	0.1	0.1

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, 2005–2009 (Nonfarm)

	Total Net New Jobs	Employment Size of Firm						
		1-4	5-9	10-19	20-99	100-499	<500	500+
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	5,806	-4,704
2007 - 2008	28,356	7,913	-645	-1,744	149	4,162	9,835	18,521
2008 - 2009	-30,811	8,735	-271	-2,992	-7,412	-8,264	-10,204	-20,607

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, 2010 (Nonfarm, Thousands)

	Establishments				Employment			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Openings	2.7	2.0	2.4	3.6	9.0	7.7	10.3	13.7
Expansions	16.6	17.0	17.1	16.8	54.7	58.3	57.4	60.0
Contractions	17.9	17.0	17.3	17.6	55.3	56.4	58.0	56.1
Closings	3.2	2.0	3.2	3.3	10.2	7.9	10.1	11.5

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

Note: These figures contain all firm sizes; Census data from 2009 show that 85 percent of establishment births and deaths were in firms with fewer than 500 employees.