

Iowa

Iowa's 257,517 small businesses provide economic opportunities to diverse groups of people and bring innovative products and services to the marketplace.* This profile from the Office of Advocacy compiles the latest facts and figures on the status and role of small business in the state. (Note that a small business is defined here as one with fewer than 500 employees.)

- Iowa had 64,600 small employers in 2005, representing 97.5% of the state's employers and 52.4% of its private-sector employment.
- The health care and social assistance industry was the state's largest small business employer in 2005; manufacturing was the largest overall employer (Table 1).
- Small businesses created 61.9% of the state's net new jobs from 2004 to 2005 (Table 2).
- Iowa's real gross state product increased by 1.7% in 2007. By comparison, growth in the Plains region was 2.0% and the United States, 2.0%. (Source: U.S. Dept. of Commerce: Bureau of Economic Analysis)

For Further Information

- Data on all the states and territories is available at www.sba.gov/advo/research/profiles.
- For other small business data and analysis, visit www.sba.gov/advo/research, call (202) 205-6533, or email advocacy@sba.gov.
- To learn about state efforts to adopt or implement regulatory flexibility, visit www.sba.gov/advo/laws/law_modeleg.html.
- Visit <http://web.sba.gov/list> to subscribe to listservs for Advocacy's newsletter, press releases, regulatory news and research reports.
- Visit www.sba.gov/advo/rsslibrary.html for RSS feeds.

* The number of small businesses is the number of small employers plus the number of nonemployers in 2005.

Iowa Small Business Facts

	Level in 2005†	% Change from 2004 2000	
Number of Businesses			
Small employers (<500 employees)	64,600	0.7	1.1
Large employers (500+ employees)	1,641	1.7	-1.7
Nonemployers	192,917	2.1	12.5
	Level in 2002†	% Change from 1997	
Business Owner Demographics			
Male-owned	127,758	14.1	
Woman-owned	63,821	10.9	
Equally male/female-owned	36,302	-31.0	
African American-owned	1,609	18.9	
Asian-owned	1,786	4.9	
Hispanic-owned	1,536	14.4	
Native American/Alaskan-owned	640	NA	
Hawaiian and Pacific Islander-owned	17	-55.3	
	Level in 2007†	% Change from 2006 2000	
Workforce (Thousands) /Unemployment (%)			
Private-sector employment	1,267	0.8	2.6
Government employment	250	1.1	2.7
Self-employed (incorp. & uninc.)	193	-7.6	2.9
Female self-employment	66	-2.2	9.0
Male self-employment	127	-10.3	0.0
Minority self-employment	4	-10.7	821
Veteran self-employment	25	-13.2	-25.9
Unemployment rate (%)	3.8	-	1.0
Business Turnover			
Quarterly establishment openings	12,638	-1.6	-8.8
Quarterly establishment closings	12,454	2.5	-15.1
Business bankruptcies	243	16.8	-72.8
Income and Finance			
Proprietors' income (\$billion)	10.1	20.4	53.5
Bank branches	1,630	2.0	9.7
No. of bus. loans under \$100,000	87,758	3.9	NA
Total value of business loans under \$100,000 (\$million)	2,629	5.4	NA

Sources: U.S. Dept. of Commerce, Bureau of the Census and Bureau of Economic Analysis; U.S. Dept. of Labor, Bureau of Labor Statistics; Administrative Office of the U.S. Courts; Federal Deposit Insurance Corporation, Summary of Deposits; and U.S. Small Business Administration, Office of Advocacy (www.sba.gov/advo/research/lending.html).

† Latest available data; certain figures are economywide.

**Table 1. Firms and Employment in Iowa by Industry and Firm Size, 2005 and 2006
(Non-farm, thousands)**

Industry	Nonemployer firms (2006)	Employer firms (2005)			Employment (2005)		
		Total	1-19 Employees	1-499 Employees	Total	1-19 Employees	1-499 Employees
Total	195.5	66.2	57.0	64.6	1,261.1	235.5	661.0
Forestry, etc. and agriculture support	3.9	0.2	0.2	0.2	1.5	(D)	(D)
Mining	0.0	0.1	0.0	0.1	1.9	(D)	(D)
Utilities	0.2	0.1	0.0	0.1	8.0	(D)	1.7
Construction	27.3	9.0	8.3	9.0	62.9	29.5	58.7
Manufacturing	2.8	3.3	2.1	3.0	225.6	11.7	71.5
Wholesale trade	3.2	3.7	2.6	3.4	63.2	12.7	46.7
Retail trade	24.1	9.3	8.0	9.0	178.2	39.0	79.2
Transportation and warehousing	10.9	3.3	2.9	3.2	49.9	8.8	23.3
Information	2.2	0.9	0.7	0.8	36.7	3.6	9.6
Finance and insurance	7.8	3.8	3.2	3.6	91.7	10.8	33.1
Real estate and rental and leasing	18.8	2.4	2.2	2.3	14.0	5.5	10.3
Professional, scientific, and technical svcs.	18.1	5.7	5.2	5.6	42.5	18.6	34.4
Management of companies and enterprises	--	0.4	0.0	0.2	16.3	0.1	4.0
Admin., support, waste mgt., remed. svcs.	11.6	3.0	2.6	2.9	62.8	9.1	25.5
Educational services	3.5	0.6	0.5	0.6	33.1	2.1	13.3
Health care and social assistance	21.7	5.5	4.4	5.4	188.2	21.4	103.7
Arts, entertainment, and recreation	7.6	1.4	1.2	1.4	21.8	4.8	13.8
Accommodation and food services	2.6	5.6	4.3	5.5	108.4	24.1	80.3
Other services (except public admin.)	29.3	8.9	8.4	8.8	54.2	32.6	49.2
Unclassified	--	0.2	0.2	0.2	0.2	(D)	0.2

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

(D) Data suppressed to protect the confidentiality of individual firms.

Table 2: Net Job Change by Firm Size, 2002–2005 (Non-farm)

	Total	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
2003 - 2004	9,232	8,209	3,420	1,378	1,050	1,068	15,125	-5,893
2002 - 2003	2,232	8,523	1,753	190	1,237	-1,818	9,885	-7,653

Source: U.S. Dept. of Commerce, Bureau of the Census. (For more detailed data see www.sba.gov/advo/research/data.html.)

Table 3: Establishment and Employment Turnover by Quarter, 2007 (Non-farm, thousands)

	Establishments				Employment			
	Openings	Expansions	Contractions	Closings	Openings	Expansions	Contractions	Closings
Quarter 4	3.3	18.4	18.4	3.0	12.2	63.9	62.3	10.1
Quarter 3	3.0	18.1	18.9	2.8	11.2	60.5	65.9	9.0
Quarter 2	3.2	18.6	18.5	3.3	12.4	67.4	60.7	11.5
Quarter 1	3.2	18.3	18.8	3.3	11.1	61.5	62.5	11.0

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: The establishment turnover figures contain all firm sizes, but Census data from 2005 showed that 87 percent of establishment births and deaths were in firms with fewer than 500 employees.