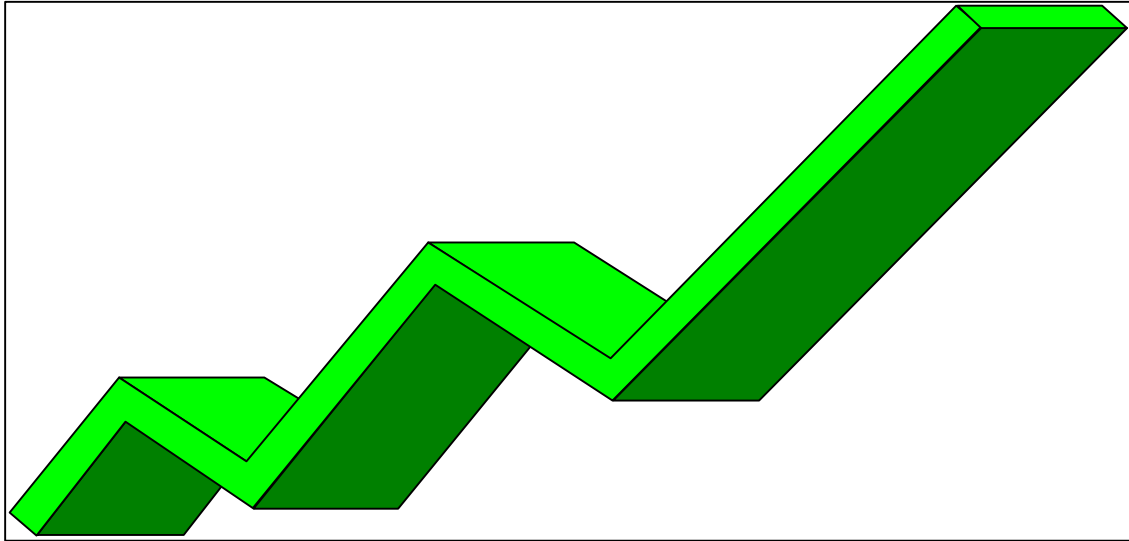


Threshold Levels for Selected Retail & Service Businesses in Iowa 1998-1999



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Ames, Iowa

...and justice for all

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THRESHOLD LEVELS FOR SELECTED IOWA RETAIL BUSINESSES 1998-1999

The following information shows the threshold levels for selected group of retail businesses in Iowa. Threshold level means the average number of people in the state per business. This information was obtained from retail sales tax permit data from the Iowa Department of Revenue and Finance.

How the Numbers Were Derived: The threshold levels were derived by dividing the estimated state population of 2,854,330¹ by the number of businesses. For example, the threshold level for beauty and barber shops was derived by dividing the state population (2,854,330) by the number of beauty and barber shops (6,461) to arrive at the number of people per business (442). This means that there is, on average, one beauty/barber shop in Iowa for every 442 people.

What the Numbers Mean: The threshold levels give a general idea of the number of people it takes to support a business. This is an average for the entire state and does not take into consideration differences in income, age, tourism, etc. Cities such as Des Moines have higher density of businesses than smaller towns because of higher income levels, the large trade area of the city, and the large tourist and business trade that it attracts. It is also important to bear in mind that the relationship between population and the number of businesses is not necessarily linear.

How to Use the Numbers: The threshold levels should be used as a general guide in determining how many businesses a community can support. For example, it can be seen that many small towns can probably support businesses such as beauty shops, hobby, toy, and craft stores, and restaurants. Conversely, it would be very risky to start a new camera and photographic store in a town of 300 people – the threshold level is 54,891. However, there are some small towns that have businesses with a high threshold. These firms are generally well established and well operated, and have usually been there a long time. If or when they go out of business, it may be very difficult for a new businessperson to operate the business successfully.

Additional Notes:

1. “NEC” is an abbreviation for Not Elsewhere Classified.
2. The code numbers refer to the business classifications used by the Iowa Department of Revenue and Finance. They generally follow typical NAICS (North American Industry Classification System) codes, but some differences may occur where the Department has consolidated or adjusted classes.
3. The numbers in the column titled “As a Percent of Total” refer to the proportion of the total number of firms (119,484) represented by each business category. Not all business categories are listed here.
4. These business counts are based on the number of active permits and may not match other business counts that are based on the number of retail sales tax returns filed.
5. The business classes are sorted by frequency on pages 2-3 and are sorted alphabetically on pages 4-5.

¹July 1, 1997 Census estimate

Threshold Levels for Selected Retail & Service Businesses in Iowa, 1998-1999

Frequency Order

Code #	Description	Number of Businesses	As a Percent of Total	Threshold Level (Persons Per Firm)
4487	Hobby & Toy	8,845	7.40%	323
7221	Restaurants, Taverns & Bars	8,061	6.75%	354
8121	Beauty & Barber Shops	6,461	5.41%	442
4539	Miscellaneous Retailers	5,841	4.89%	489
4533	Used Merchandise Stores	4,148	3.47%	688
8113	All Other Miscellaneous Repair	3,982	3.33%	717
8111	General Automotive Repair	2,603	2.18%	1,097
4511	Sporting Goods	2,603	2.18%	1,097
2331	General Contractors	2,293	1.92%	1,245
4493	Direct Sellers	2,046	1.71%	1,395
4529	All Other General Merchandise Stores	2,003	1.68%	1,425
8129	Parking (All Other Personal Services)	1,870	1.57%	1,526
4481	Clothing and Clothing Accessories Stores	1,768	1.48%	1,614
4413	Automotive Parts and Accessories	1,738	1.45%	1,642
2351	Plumbing, Heating, Air	1,695	1.42%	1,684
4218	Commercial/Machines & Equipment	1,686	1.41%	1,693
5419	Services, NEC	1,593	1.33%	1,792
4532	Stationary, Gift, Novelty	1,554	1.30%	1,837
4431	Household Appliance Stores	1,339	1.12%	2,132
4471	Gas Stations/Convenience Stores with Gas	1,335	1.12%	2,138
8146	Top & Body Repair	1,292	1.08%	2,209
5421	Photographic Studios	1,172	0.98%	2,435
2353	Electrical Contractors	1,133	0.95%	2,519
4411	New and Used Car Dealers	1,102	0.92%	2,590
8147	Other Auto	1,079	0.90%	2,645
4452	Specialized Groceries	1,077	0.90%	2,650
7211	Hotels & All Other Lodging Places	1,030	0.86%	2,771
3231	Printing & Related Support Activities	1,007	0.84%	2,834
4451	Grocery Stores and Convenience Stores	995	0.83%	2,869
8112	Electronic & Precision Equip Repair & Maintenance	986	0.83%	2,895
5131	Communications (Telephone, Radio, Television)	947	0.79%	3,014
4512	Book and Stationary Stores	916	0.77%	3,116
4841	Truck, General Freight, Local and Long Distance	914	0.76%	3,123
4217	Hardware/Plumbing/Heating Equipment & Supplies	908	0.76%	3,144
2355	Carpentry & Floor Contractors	876	0.73%	3,258
4441	Home Centers (Building Materials)	861	0.72%	3,315
2352	Painting and Wall Covering Contractors	861	0.72%	3,315
4531	Florists	814	0.68%	3,507
8148	Upholstery & Furniture Repair	753	0.63%	3,791
8150	Coin Operated Laundry	752	0.63%	3,796
5415	Computer Related Services	722	0.60%	3,953
4422	Home Furnishings Stores	716	0.60%	3,986
4421	Furniture Stores	709	0.59%	4,026
4484	Jewelry	699	0.59%	4,083
4442	Lawn & Garden	666	0.56%	4,286
8143	Car Washes	662	0.55%	4,312
5418	Advertising & Related Services	646	0.54%	4,418

Threshold Levels for Selected Retail & Service Businesses in Iowa, 1998-1999

Frequency Order

Code #	Description	Number of Businesses	As a Percent of Total	Threshold Level (Persons Per Firm)
4461	Beauty & Health (Drug)	596	0.50%	4,789
4542	Vending Machine Operators	555	0.46%	5,143
4486	Sewing & Needlework	540	0.45%	5,286
4550	Hardware Stores	537	0.45%	5,315
4412	Recreational and All Other Motorized Vehicles	499	0.42%	5,720
8122	Funeral Service & Crematories	470	0.39%	6,073
5420	Veterinary Services	465	0.39%	6,138
4485	Music Stores	419	0.35%	6,812
4213	Lumber & Other Construction Materials	357	0.30%	7,995
2370	Excavating & Grading Contractors	315	0.26%	9,061
4541	Electronic Shopping and Mail Order Houses	306	0.26%	9,328
4482	Shoes	282	0.24%	10,122
4211	Motor Vehicle Parts and Supplies	271	0.23%	10,533
5416	Management, Scientific & Technical Consulting Svcs	267	0.22%	10,690
4521	Department Stores	253	0.21%	11,282
8123	Dry Cleaning & Laundry Services	240	0.20%	11,893
2356	Roofing, Siding, and Sheet Metal Contractors	230	0.19%	12,410
4528	Variety Stores	202	0.17%	14,130
4549	Paint and Glass Stores	191	0.16%	14,944
7141	Bowling Alleys	181	0.15%	15,770
2357	Concrete Contractors	177	0.15%	16,126
4492	Liquefied Petroleum	119	0.10%	23,986
4453	Liquor Stores	115	0.10%	24,820
2354	Masonry, Drywall, Insulation, & Tile	107	0.09%	26,676
4483	Luggage and Other Leather Goods	97	0.08%	29,426
8145	Tire Retreading	93	0.08%	30,692
8114	Footwear & Leather Repair	82	0.07%	34,809
8149	Watch, Clock, Jewelry Repair	81	0.07%	35,239
7212	RV Parks & Recreational Camps	65	0.05%	43,913
4543	Fuel Oil Dealers	62	0.05%	46,038
4491	Fuel & Ice Dealers	58	0.05%	49,213
4490	Mobile Homes Dealers	55	0.05%	51,897
4494	Camera & Photographic Stores	52	0.04%	54,891
4489	Cigar Stores	45	0.04%	63,430
4212	Furniture & Home Furnishings	35	0.03%	81,552
4488	News Dealers	14	0.01%	203,881

Threshold Levels for Selected Retail & Service Businesses in Iowa, 1998-1999

Alphabetical Order

Code #	Description	Number of Businesses	As a Percent of Total	Threshold Level (Persons Per Firm)
5418	Advertising & Related Services	646	0.54%	4,418
4529	All Other General Merchandise Stores	2,003	1.68%	1,425
8113	All Other Miscellaneous Repair	3,982	3.33%	717
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8121	Beauty & Barber Shops	6,461	5.41%	442
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4494	Camera & Photographic Stores	52	0.04%	54,891
8143	Car Washes	662	0.55%	4,312
2355	Carpentry & Floor Contractors	876	0.73%	3,258
4489	Cigar Stores	45	0.04%	63,430
4481	Clothing and Clothing Accessories Stores	1,768	1.48%	1,614
8150	Coin Operated Laundry	752	0.63%	3,796
4218	Commercial/Machines & Equipment	1,686	1.41%	1,693
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Code #	Description	Number of Businesses	As a Percent of Total	Threshold Level (Persons Per Firm)
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4213	Lumber & Other Construction Materials	357	0.30%	7,995
5416	Management, Scientific & Technical Consulting Svcs	267	0.22%	10,690
2354	Masonry, Drywall, Insulation, & Tile	107	0.09%	26,676
4539	Miscellaneous Retailers	5,841	4.89%	489
4490	Mobile Homes Dealers	55	0.05%	51,897
4211	Motor Vehicle Parts and Supplies	271	0.23%	10,533
4485	Music Stores	419	0.35%	6,812
4411	New and Used Car Dealers	1,102	0.92%	2,590
4488	News Dealers	14	0.01%	203,881
8147	Other Auto	1,079	0.90%	2,645
4549	Paint and Glass Stores	191	0.16%	14,944
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5421	Photographic Studios	1,172	0.98%	2,435
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4511	Sporting Goods	2,603	2.18%	1,097
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