

## Iowa Economy Strong Despite National Trends

The national economy may be in a recession, but Iowa business owners say Iowa is the place to be.

Business owners and small business development professionals across the state agree that the economic condition in Iowa is better than across the country. In fact, many say they continue to grow and are quite strong.

Iowa Department of Economic Development Director Michael Tramontina said Iowa is better prepared to handle the financial storm.

"Iowa is not an island, the country is in a recession but Iowa's economy is stronger than the national economy," he said, "Iowa's economy is better diversified than most with manufacturing, financial services, agriculture, healthcare, etc."

North Central Iowa Small Business Development Center Director Lisa Shimkat agrees that Iowa's business climate is better suited to weather the storms in the economy.

"Iowa has not followed national statistics like other areas of the nation. We are a unique environment for businesses and offer many advantages for businesses to grow," she said. "The best advice during the current economic situation is to really do your homework and get assistance with preplanning."

In fact, Shimkat says they have been very busy and seen much growth and new business start-up.

Tom Williamson of Fort Dodge is one of those who has recently bought a new business. After many years working as a plant manager in a manufacturing setting, Williamson was laid off. He said that business started to be affected by the slowing economy about a year ago. After his lay-off, he decided to go into business for himself, and is the process of a business acquisition of a manufacturing company.

That company, he said "all in all is very strong."

Williamson and his wife also own a retail store in Ft. Dodge.

"In Fort Dodge, my wife's business has had a better than average year – we seem to be doing fine," he said.

In Ames, Terry Stark and his wife Anne operate Chocolaterie Stam. The chocolate store, Stark said, doesn't seem to be affected by a slowing economy either.

"People still want to come in and treat themselves and others," Stark said.

Stark speculated that Iowa businesses are doing better than the rest of the country because of the disposition of most Iowa business owners.

"We're traditionally a little more conservative here," he said "We realize we need to live within our means."

Reagan Osborne and her husband moved to Jefferson about three years ago after living in Colorado for 15 years. In fact, they rode RAGBRAI one summer and fell in love with the people and small towns of Iowa. Osborne owns her own graphic design company, and had operated on a national and international level when living in Colorado, never doing much business in her local area. After moving to Iowa, she said, all that changed.

"When we got to Iowa, I joined the Jefferson Chamber of Commerce and from there it took off," Osborne said. "I have more work than I can ever imagine and it's all local...we're trying to keep our business locally because the economy in Iowa seems to be just going about its business."

Osborne's husband telecommutes with a Colorado based company, and recently had a lay-off scare. The couple has since started yet another business venture, starting up Greene Ventures LLC, a coffee roasting venture in Jefferson. The couple has thought about the national economy with this business start-up, but feel they will still be successful despite the turbulent national trends.

"We did specifically address the economy in our business plan," she said.

The success in Iowa she said is partially because of the support of small town life and the ability to lean on each other.

"I think Iowans have always been a help and support your neighbor kind of people," Osborne said. "It's important to have relationships in the community and network."

From a banking and financial standpoint, Ames National Corporation President Thomas Pohlman said that business owners can enhance their success by surrounding themselves with good advisors - a banker, accountant and attorney to name a few.

"I think business owners need to anticipate change and be flexible enough to react quickly," he said. "Successful business owners are always trying to look ahead and have a contingency plan in place should certain conditions develop."

Pohlman echoes praise for Iowa's economy and says that if business owners can continually adapt quickly, they'll be more successful.

"Generally the Iowa economy doesn't experience the large swings we see in the national economy," he said. "Overall, I think the Iowa economy is in pretty good shape, but there will be weaknesses in certain sectors that will need to be properly managed."

David Sengpiel, Senior Investment Manager for the Iowa Farm Bureau Federation said that they've been receiving many inquiries from companies seeking bridge and/or equity financing as a result of the current economic times.

"Typically, those companies that are well prepared with a solid business plan and have a good handle on how to control their expenses in down times are easier to help than those that are just now learning how to react to restricted credit or new lending terms from their banks," he said. "Planning, networking and good communications with their lenders and investors become the critical elements for a company to survive."

## Farm Bureau's *Renew Rural Iowa* Program Wins Coveted Midwest Economic Development Award

Iowa Farm Bureau Federation's (IFBF) *Renew Rural Iowa* program is a multiple winner in the 2008 Mid America Economic Development Council's Annual Economic Development Competition (MAEDC), a 10-state regional competition that recognizes efforts to promote and increase access of economic development programs.

Participants in Iowa Farm Bureau's innovative business mentoring program, *Renew Rural Iowa*, increasingly turned to the program this year to not only weather the current economic storms gripping the nation, but to survive and even grow their companies.

"We couldn't be more pleased to receive this honor. With 10 other states in the running, there was plenty of competition, but the *Renew Rural Iowa* program stands out. Our one-on-one business mentoring seminars and assistance has helped more than 1,500 Iowans sustain and grow their businesses. And that's our goal; to expand the number and size of hometown businesses in rural Iowa," says *Renew Rural Iowa* community outreach coordinator, Sandy Ehrig.

Since the program's inception, participants in the *Renew Rural Iowa* program have seen quite a 'return on investment':

- 40 companies have engaged in mentoring services through *Renew Rural Iowa* seminars. The funding is designed to promote growth in rural Iowa companies.
- The program's Rural Vitality Fund has invested in six companies, with four more currently under consideration.
- 18 companies have been recognized as 'Entrepreneur of the Month'.
- The program's hands-on mentoring program has held 22 seminars across the state since its inception, with more than 1,500 rural Iowans participating.

In addition to the MAEDC awards announced last week in Chicago, *Renew Rural Iowa*'s Entrepreneur of the Month award recently won the coveted Oscar in Agriculture award. The Oscar in Agriculture is the highest honor for excellence in farm broadcasting. Ken Root, WHO radio Big Show host, is the host and producer of the *Renew Rural Iowa* entrepreneur of the month awards.

The reports not only feature innovative rural Iowa businesses; they provide information on upcoming *Renew Rural Iowa* business seminars. The next seminar is March 19 in Adel.

For more information on the *Renew Rural Iowa* program, visit [www.renewruraliowa.com](http://www.renewruraliowa.com) or call 800-254-9670.

## IRS Offers Newsletter for Self-Employed

The Internal Revenue Service is offering an electronic newsletter for small businesses and the self-employed.

The biweekly electronic newsletter provides updates on upcoming tax dates, information on new tax regulations and reminders and tips on tax compliance. The newsletter also provides IRS news releases and special announcements and links to various Web sites.

- Subscribe to E-News for small business : <http://www.irs.gov/businesses/small/article/0,,id=154825,00.html>

## ENTREFEST to be held in March

The second annual conference for Iowa's small businesses, ENTREFEST, will be held March 5-6, 2009 at the Coralville Marriott Hotel and Conference Center.

Business owners will find unique ways to boost their business with marketing techniques, advice from speakers and more.

For more information, visit [www.entrefest.com](http://www.entrefest.com).

