

MAIN STREET

POLICY PULSE

SMALL BUSINESS VIEWS

ON FINANCIAL REFORM

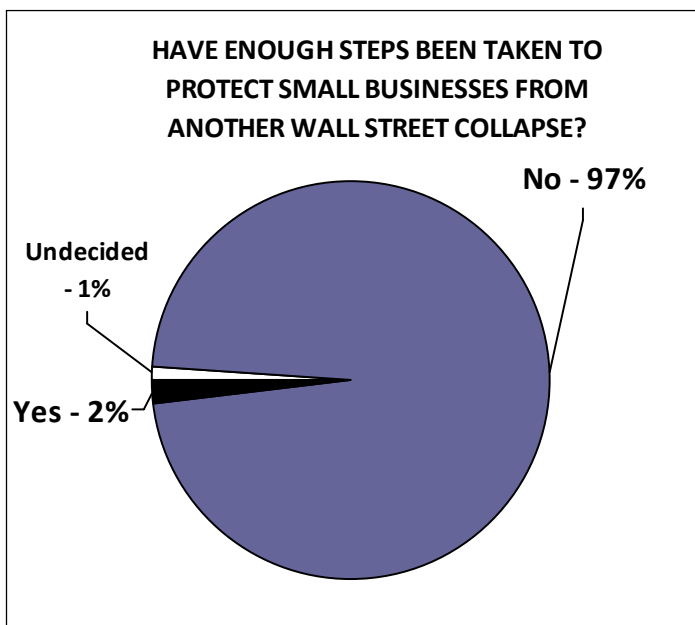
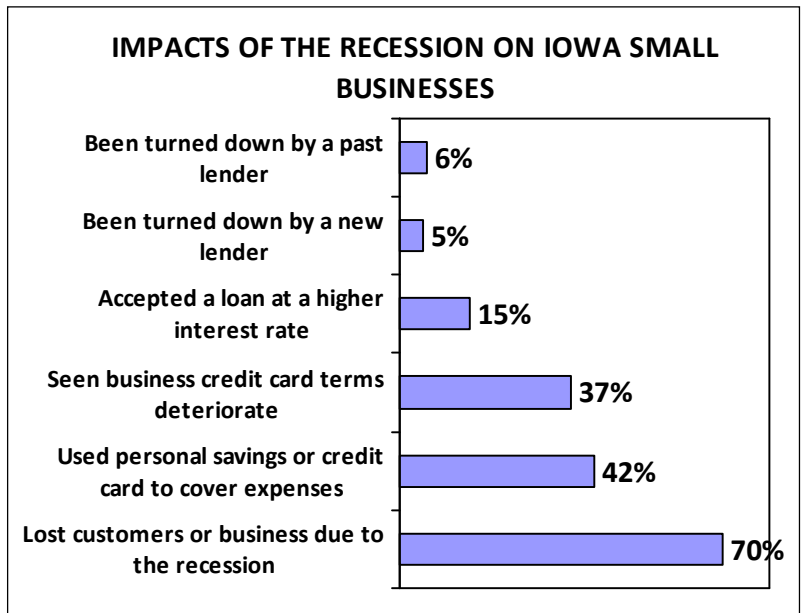
STATE SNAPSHOT: IOWA

In Iowa, 101 small business owners participated in the survey on financial issues and financial reform. Most respondents came from Ames, Des Moines, Grinnell, Humboldt, Iowa City, Marion, and Marshalltown.

Impacts of the Recession on Iowa Small Businesses

The survey asked small business owners about their experiences in the current recession.

Since June 2008, more than two thirds (70 percent) of Iowa respondents reported losing customers or business due to the recession. More than two in five (42 percent) used personal savings or credit cards for expenses normally covered with external loans or business credit cards. More than a third (37 percent) saw their business credit card terms deteriorate. Meanwhile, 6 percent reported being turned down by a past lender, while 5 percent reported being turned down by a new lender.



Perspectives on Protecting Small Businesses from Another Collapse

The survey next asked small business owners:

Do you believe enough steps have been taken to ensure that small businesses and the economy as a whole are protected from another Wall Street collapse?

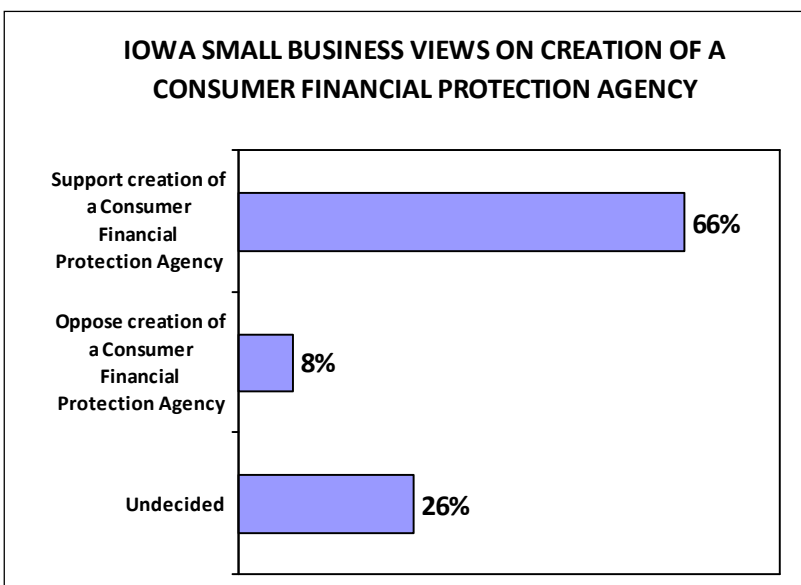
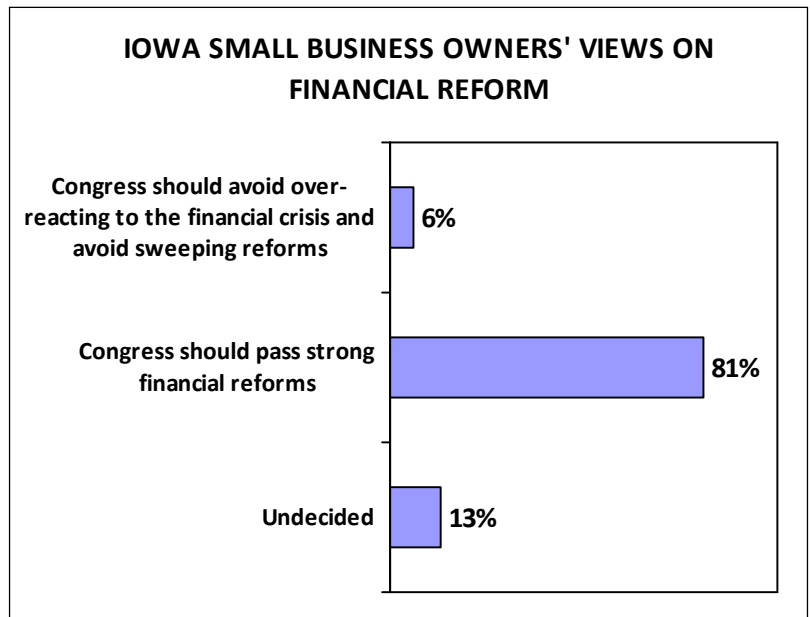
Almost all of Iowa respondents (97 percent) do not believe enough steps have been taken, while 2 percent believe enough has been done.

Iowa Small Business Owners' Views on Financial Reform

The survey presented respondents with two possible ways Congress could react to the financial crisis:

- A) Congress should avoid over-reacting to the financial crisis and avoid sweeping reforms. Too many regulations would stifle business growth and threaten our recovery.
Or,
B) Congress should pass strong financial reforms. Strong measures are needed to ensure accountability on Wall Street, promote fair access to credit for small businesses, and prevent another collapse.

More than eight tenths of responding Iowa small business owners (81 percent) support strong financial reforms, compared to less than one tenth (6 percent) favoring less government involvement.



Iowa Small Business Views on Creation of a Consumer Financial Protection Agency

Small business owners were then asked whether they would support or oppose creation of a Consumer Financial Protection Agency (CFPA).

Almost a third of Iowa respondents (66 percent) said they would support the creation of a CFPA, with less than one tenth (8 percent) opposing it.

Finally, respondents were asked if they believed a Consumer Financial Protection Agency would:

- A) *Help small businesses by ensuring access to credit on fair terms and making sure all lenders are playing by the same rules.*
Or,
B) *Hurt small businesses by limiting access to the widest array of credit options and applying a “one-size-fits-all” approach to oversight of lenders.*

More than eight tenths of Iowa respondents (82 percent) believed a Consumer Financial Protection Agency would help small businesses, while almost none (1 percent) believed it would hurt small businesses.