

District of Columbia

66,514 Small Businesses

15,785 Small Businesses with Employees

50,729 Small Businesses without Employees (Nonemployers)

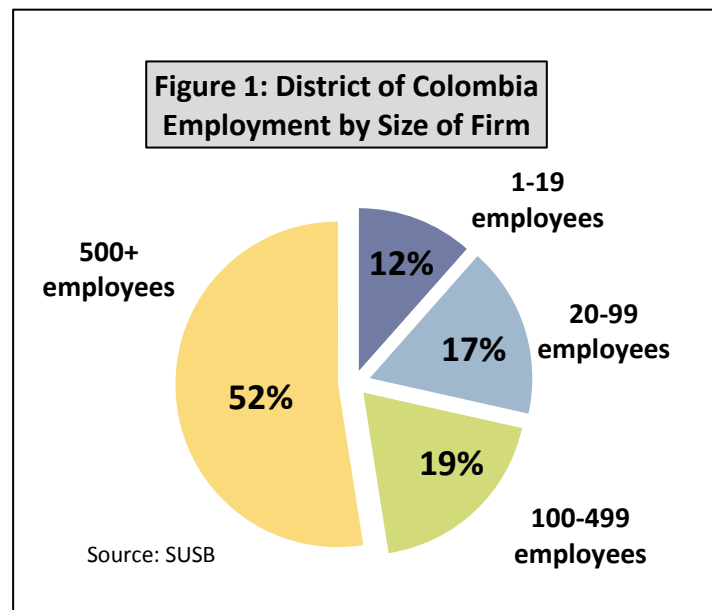
229,425 Workers Employed by Small Businesses

Overall District of Columbia Economy

- The District of Columbia's economy contracted slightly in 2013. The district's real gross state product decreased by **0.5 percent** compared to a **2.2 percent** increase for U.S. gross domestic product. (Source: BEA)
- The employment picture in the District of Columbia has improved. The unemployment rate in the district declined from **8.0 percent** in October 2013 to **7.6 percent** in October 2014. This is above the national average of **5.8 percent** for the same time period. (Source: BLS)

Employment

- The District of Columbia's small businesses employed about half or **229,425** of the state's private workforce in 2012. (Source: SUSB)
- Almost all firms with employees are small. They make up **92.2 percent** of all employers in the district. (Source: SUSB)
- Firms with fewer than 100 employees have the largest share of small business employment. **Figure 1** offers further detail.
- Small businesses created **8,357** net new jobs in the district in 2012. The biggest gain was in the smallest firm size category of 20-99 employees. (Source: BDS)
- The number of people who were primarily self-employed in 2013 decreased by **19.7 percent** relative to the previous year.
- The district's private-sector employment growth increased by **2.2 percent** over the 12-month period ending in October 2014; this was slightly below the national average growth rate of **2.3 percent**. (Source: BLS)



The *Small Business State and Territory Profiles* report on the economic status of small business from 2007 to 2014. They include information on the number of firms, employment, demographics and other topics using the most recently available government data. They are a reference tool for researchers, policymakers, and small entities who are interested in how small firms are performing regionally or nationally. *Note that this report defines small businesses as firms with fewer than 500 employees.*

Income and Finance

- The number of banks reported in the Call Reports between June 2013 and June 2014 declined. (Source: FDIC)
- In 2012, **10,821** loans under \$100,000 (and valued at **\$137.3 million**) were issued by Community Reinvestment Act lending institutions in the District of Columbia. (Source: FFIEC)
- The median income for individuals who are self-employed at their own incorporated businesses for the past 12 months was **\$91,644** in 2013. For individuals self-employed at their own unincorporated firms, this figure was **\$26,717**. (Source: ACS)

Note: Median income represents earnings from all sources. Unincorporated self-employment income includes unpaid family workers, a very small percent of the unincorporated self-employed.

Business Owner Demographics

- **Table 1** shows the top industry for nine business owner demographics. For example, **34.3 percent** of female-owned businesses were in the professional, scientific, and technical services industry, and female-owned firms made up **29.6 percent** of this industry.

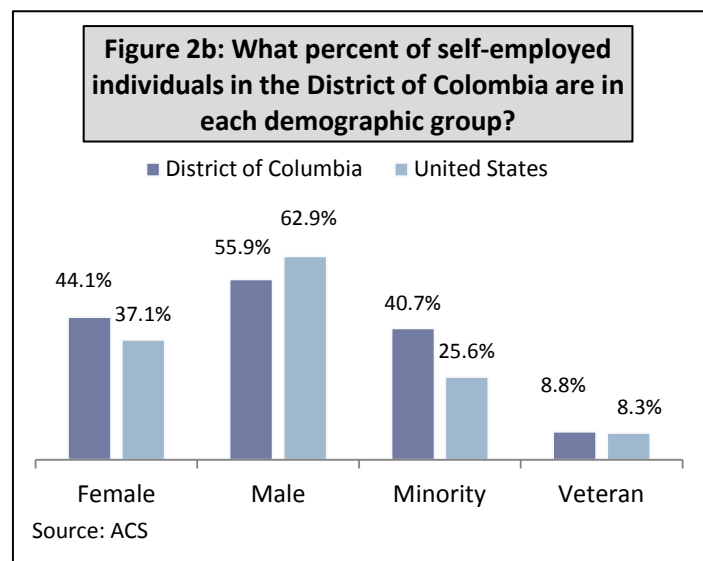
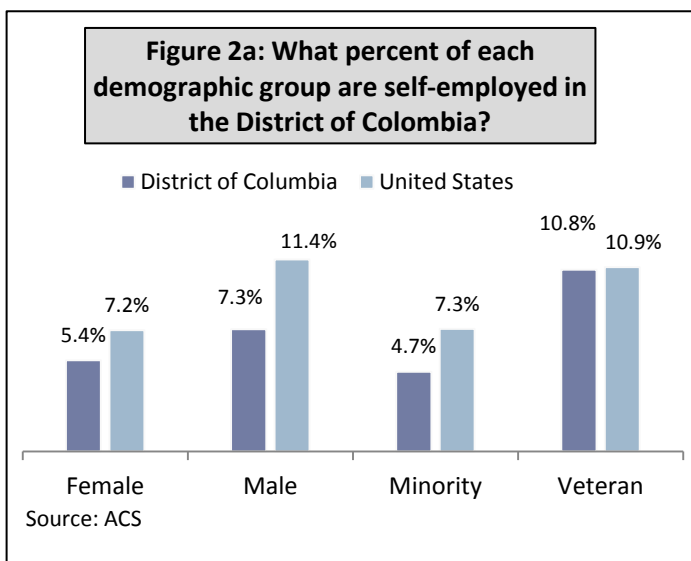
Table 1: Top Industry by Demographic Group in the District of Columbia, 2007

Demographic Group of Business Owners	Most Common Industry	% of Industry in Demographic Group	% of Demographic Group in Industry
Female	Prof., sci., & tech. services	34.3	29.6
Male	Prof., sci., & tech. services	51.8	31.2
American Indian and Alaska Native	*	*	*
Asian	Prof., sci., & tech. services	4.3	21.7
Black or African American	Prof., sci., & tech. services	15.6	16.4
Native Hawaiian and Other Pacific Islander	*	*	*
White	Prof., sci., & tech. services	73.3	37.6
Hispanic	Prof., sci., & tech. services	5.6	27.4
Veteran	Prof., sci., & tech. services	8.3	34.3

*Indicates that the sample size was too small to be representative of the population. For more detailed information on businesses in your state, see www.sba.gov/advocacy/847/841921.

Source: U.S. Department of Commerce, Census Bureau, 2007 Survey of Business Owners via American FactFinder.

- Figures **2a** and **2b** show the demographic makeup of the self-employed in four demographic groups. For example, **Figure 2a** shows that **5.4 percent** of females were self-employed, and **Figure 2b** shows that **44.1 percent** of all self-employed people were female.



Business Turnover

- In 2010, **2,171** establishments opened in the District of Columbia, and **61.4 percent** survived through 2012. In 2013, **2,552** establishments opened, and **76.1 percent** survived through 2014. (Source: BLS, BED)
- In the 1st quarter of 2014, **1,473** establishments opened and **1,162** closed in the district. (Source: BED)
- Business bankruptcies declined from 2010 to 2014, signaling a stronger local economy. (Source: U.S. Courts)

International Trade

- A total of **632** companies exported goods from the district in 2012. Of these, **492** or **77.8 percent** were small firms; they generated about four-fifths (**78.7 percent**) of D.C.'s total known export value. (Source: ITA)

Small Businesses and Employment by Industry

- **Table 2** ranks the district's industries by the number of small employer firms. For comparison, the three most common industries for small employer firms across the United States are professional, scientific, and technical services; other services (except public administration); and retail trade.

Industry	Employer Firms With 1-499 Employees	Employer Firms With 1-19 Employees	Nonemployer Firms	Total Small Firms
Professional, scientific, & tech. svcs.	3,916	3,217	14,061	17,977
Other services (except public admin.)	3,571	2,773	7,215	10,786
Accommodation & food services	1,687	1,164	913	2,600
Health care & social assistance	1,652	1,339	4,654	6,306
Retail trade	1,232	1,098	1,989	3,221
Real estate & rental & leasing	680	570	4,625	5,305
Admin., supp., waste mgt., remed. svcs.	679	459	3,444	4,123
Educational services	450	291	2,412	2,862
Construction	406	327	1,917	2,323
Finance & insurance	397	285	920	1,317
Information	383	267	1,508	1,891
Wholesale trade	259	206	307	566
Arts, entertainment, & recreation	258	212	4,256	4,514
Transportation & warehousing	120	93	2,146	2,266
Manufacturing	103	88	267	370
Management of comp. & enterprises	46	11	*	46
Unclassified	38	38	*	38
Utilities	4	4	44	48
Mining, quarrying, and oil & gas extrac.	1	1	9	10
Forestry, etc. & agriculture support	0	0	42	42
Total	15,785	12,434	50,729	66,514

Source: SUSB and Nonemployer Statistics. *Data for nonemployers not collected in these two categories.

See www.sba.gov/advocacy/additional-data-state-profiles for more detailed data.

- **Table 3** shows small firm employment by industry. The three D.C. industries with the most small business employment were: other services (except public administration); professional, scientific, and technical services; and accommodation and food services (**Table 3**).

Table 3: Employment in the District of Columbia by Industry and Firm Size, 2012 (ranked by small firm employment)			
Industry	Employment		Small Firm % of Industry Employment
	Small Firms	Total Firms	
Other services (except public admin.)	58,328	73,041	79.9
Professional, scientific, & tech. svcs.	40,480	93,836	43.1
Accommodation & food services	33,769	62,741	53.8
Health care & social assistance	29,365	63,611	46.2
Admin., supp., waste mgt., remed. svcs.	16,149	32,739	49.3
Educational services	13,443	52,867	25.4
Retail trade	7,055	20,420	34.5
Information	6,410	20,334	31.5
Real estate & rental & leasing	6,004	9,277	64.7
Construction	5,375	7,256	74.1
Arts, entertainment, & recreation	4,318	7,528	57.4
Finance & insurance	3,736	16,681	22.4
Wholesale trade	2,036	4,492	45.3
Transportation & warehousing	1,117	5,277	21.2
Management of comp. & enterprises	998	9,330	10.7
Manufacturing	812	1,157	70.2
Unclassified	22	22	100.0
Utilities	8	D	D
Forestry, etc. & agriculture support	0	0	-
Mining, quarrying, and oil & gas extraction	D	D	D
Total	229,425	482,838	47.5

Source: SUSB. (D) indicates data suppressed to protect the confidentiality of individual firms.

For more detailed information on businesses in your state, see www.sba.gov/advocacy/847/841921.

Abbreviations and Resources

ACS	American Community Survey, U.S. Census Bureau, www.census.gov/acs .
BEA	Bureau of Economic Analysis, U.S. Department of Commerce, www.bea.gov .
BED	Business Employment Dynamics, U.S. Department of Labor, Bureau of Labor Statistics, www.bls.gov/bdm .
BDS	Business Dynamics Statistics, U.S. Census Bureau, www.census.gov/ces/dataproducts/bds .
BLS	Bureau of Labor Statistics, U.S. Department of Labor, www.bls.gov .
CEA	Council of Economic Advisers, www.whitehouse.gov/administration/eop/cea .
FDIC	Federal Deposit Insurance Corporation, www.fdic.gov .
FFIEC	Federal Financial Institutions Examination Council, www.ffiec.gov .
ITA	International Trade Administration, U.S. Department of Commerce, www.trade.gov .
Nonemployer Statistics	Nonemployer Statistics, U.S. Census Bureau, www.census.gov/econ/nonemployer .
SUSB	Statistics of U.S. Businesses, U.S. Census Bureau, www.census.gov/econ/susb .
U.S. Courts	Administrative Office of the U.S. Courts, www.uscourts.gov .