

# 2018 SMALL BUSINESS PROFILE

U.S. SMALL BUSINESS ADMINISTRATION

## OFFICE OF ADVOCACY

REGULATION • RESEARCH • OUTREACH

### DISTRICT OF COLUMBIA



**72,837** Small Businesses  
**98.2%** of District of Columbia Businesses

**243,121** Small Business Employees  
**47.4%** of District of Columbia Employees

**EMPLOYMENT**  
**8,375**  
net new jobs

**DIVERSITY**  
**29,958**  
minority-owned  
businesses

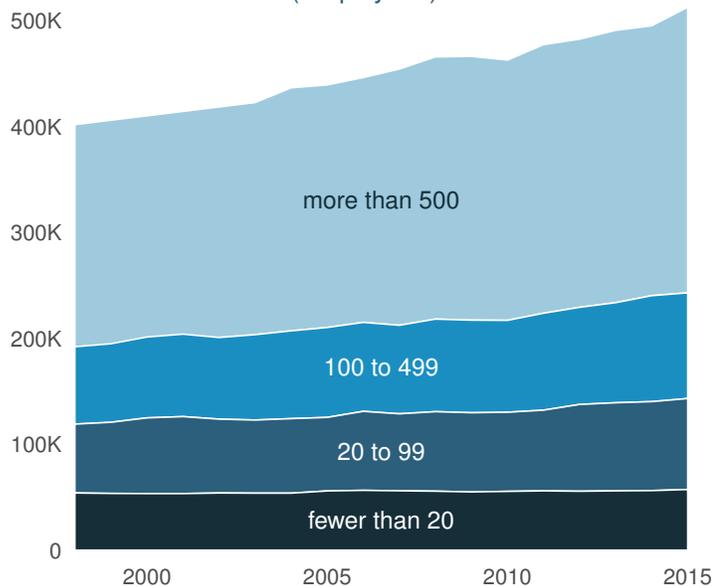
**TRADE**  
**577**  
small business  
exporters

#### OVERALL DISTRICT OF COLUMBIA ECONOMY

- In the third quarter of 2017, the District of Columbia grew at an annual rate of **2.5%**, which was slower than the overall US growth rate of **3.4%**. The District of Columbia's 2016 growth rate of **2.1%** was up from the 2015 rate of **1.8%**. (Source: [BEA](#))
- In January 2018, the unemployment rate was **5.8%**, down from **6.0%** in January 2017. This was above the January 2018 national unemployment rate of **4.1%**. (Source: [CPS](#))

#### EMPLOYMENT

Figure 1: District of Columbia Employment by Business Size (Employees)



- District of Columbia small businesses employed **243,121** people, or **47.4%** of the private workforce, in 2015. (Source: [SUSB](#))
- Firms with fewer than 100 employees have the largest share of small business employment. Figure 1 provides further details on firms with employees. (Source: [SUSB](#))
- Private-sector employment increased **1.1%** during the 12-month period ending in January 2018. This was below the increase of **1.9%** during the prior 12-month period. (Source: [CPS](#))
- The number of proprietors increased in 2016 by **3.2%** relative to the previous year. (Source: [BEA](#))
- Small businesses created **8,375** net jobs in 2015. Firms employing fewer than 20 employees experienced the largest gains, adding **4,052** net jobs. The smallest gains were in firms employing 20 to 99 employees, which added **1,853** net jobs. (Source: [SUSB](#))

The Small Business Profiles are produced by the US Small Business Administration's Office of Advocacy. Each report incorporates the most up-to-date government data to present a unique snapshot of small businesses. Small businesses are defined for this profile as firms employing fewer than 500 employees. Net small business job change, minority small business ownership, and exporter share statistics are based on the 2015 Statistics of US Businesses (SUSB), 2012 Survey of Business Owners (SBO), and 2015 International Trade Administration (ITA) data, respectively.

## INCOME AND FINANCE

- The number of banks was unchanged at 3 between June 2016 and June 2017. (Source: FDIC)
- In 2016, 13,297 loans under \$100,000 (valued at \$190.2 million) were issued by District of Columbia lending institutions reporting under the Community Reinvestment Act. (Source: FFIEC)
- The median income for individuals self-employed at their own incorporated businesses was \$66,500 in 2016. For individuals self-employed at their own unincorporated firms, this figure was \$34,113. (Source: ACS)

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

## EMPLOYER BUSINESS OWNER DEMOGRAPHICS

Figure 2: District of Columbia Employees per Business by Owner's Demographic, 2015

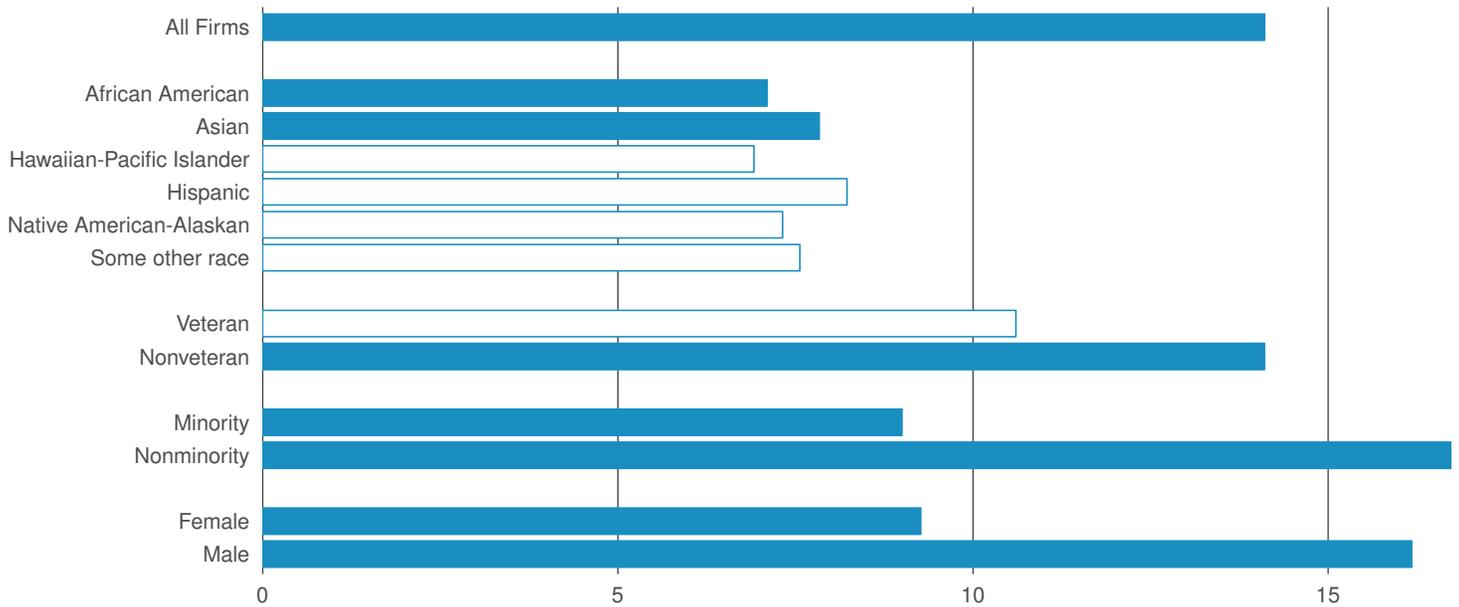
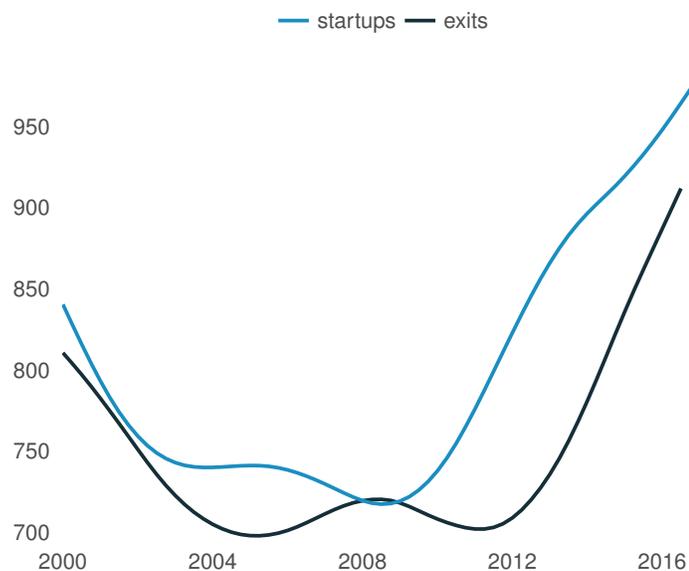


Figure 2 shows the average number of employees per employer business by owner's demographic group according to the Annual Survey of Entrepreneurs (ASE). Unshaded bars display US values; data were withheld because they do not meet Census Bureau publication standards or could disclose information regarding individual businesses.

## TURNOVER AMONG ESTABLISHMENTS WITH EMPLOYEES

Figure 3: District of Columbia Quarterly Startups and Exits



- In the third quarter of 2016, 914 establishments started up, generating 4,387 new jobs in the District of Columbia. Startups are counted when business establishments hire at least one employee for the first time. (Source: BDM)
- In the same period, 942 establishments exited resulting in 3,296 jobs lost. Exits occur when establishments go from having at least one employee to having none, and then remain closed for at least one year. (Source: BDM)
- Figure 3 displays quarterly startups and exits from 2000 to 2016. Each series is smoothed across multiple quarters to highlight long-run trends. (Source: BDM)

The BLS data covers only business establishments with employees. BLS refers to startups as births and exits as deaths. These terms are distinct from the BLS openings and closings categories. Openings include seasonal re-openings and closings include seasonal shutterings. Quarterly startup and exit values may not align with Figure 3 due to smoothing.

## INTERNATIONAL TRADE

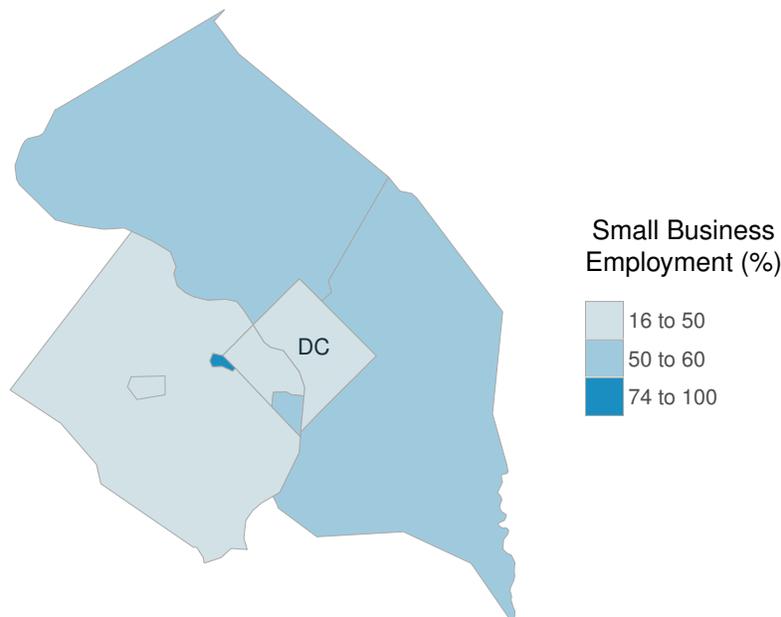
- A total of 751 companies exported goods from the District of Columbia in 2015. Of these, 577, or 76.8%, were small firms; they generated 79.5% of the District of Columbia's \$128.0 million in total exports. (Source: ITA)

## SMALL BUSINESS EMPLOYMENT BY INDUSTRY AND COUNTY

Table 1: District of Columbia Employment by Industry, 2015

Industry	Small Business Employment	Total Private Employment	Small Business Employment Share
Other Services (except Public Administration)	59,650	75,051	79.5
Professional, Scientific, and Technical Services	46,088	100,443	45.9
Accommodation and Food Services	37,627	68,875	54.6
Health Care and Social Assistance	29,015	66,439	43.7
Educational Services	14,827	53,247	27.8
Administrative, Support, and Waste Management	14,472	32,087	45.1
Construction	7,659	9,314	82.2
Retail Trade	7,196	21,999	32.7
Information	6,727	24,055	28.0
Real Estate and Rental and Leasing	6,014	11,067	54.3
Arts, Entertainment, and Recreation	4,257	7,801	54.6
Finance and Insurance	3,921	17,156	22.9
Wholesale Trade	2,398	4,455	53.8
Management of Companies and Enterprises	1,345	14,734	9.1
Transportation and Warehousing	1,051	3,076	34.2
Manufacturing	783	1,013	77.3
Industries not classified	77	77	100.0
Utilities	9	2,106	0.4
Agriculture, Forestry, and Fishing and Hunting	s	s	-
Mining, Quarrying, and Oil and Gas Extraction	s	6	-
<b>Total</b>	<b>243,121</b>	<b>513,002</b>	<b>47.4</b>

Figure 4: District of Columbia Small Business Employment by County, 2015



## SMALL BUSINESSES BY INDUSTRY

Table 2: District of Columbia Small Businesses by Industry and Firm Size, 2015

 Industry	 1-499 Employees	 1-20 Employees	 Nonemployer Firms	 Total Small Firms
Professional, Scientific, and Technical Services	4,229	3,483	15,795	20,024
Other Services (except Public Administration)	3,605	2,802	6,802	10,407
Accommodation and Food Services	1,831	1,235	1,125	2,956
Health Care and Social Assistance	1,657	1,355	4,348	6,005
Retail Trade	1,238	1,109	1,824	3,062
Real Estate and Rental and Leasing	719	607	5,148	5,867
Administrative, Support, and Waste Management	648	445	3,359	4,007
Educational Services	503	323	3,009	3,512
Construction	440	348	2,022	2,462
Information	401	300	1,426	1,827
Finance and Insurance	390	281	960	1,350
Arts, Entertainment, and Recreation	276	228	4,749	5,025
Wholesale Trade	263	218	306	569
Transportation and Warehousing	116	94	5,113	5,229
Manufacturing	91	81	283	374
Utilities	7	7	55	62
Mining, Quarrying, and Oil and Gas Extraction	2	2	4	6
Agriculture, Forestry, and Fishing and Hunting	1	1	31	32
<b>Total</b>	<b>16,478</b>	<b>13,021</b>	<b>56,359</b>	<b>72,837</b>

Figure 4 and Tables 1 and 2 display data from the 2015 SUSB. Table 2 includes additional data from the 2015 Nonemployer Statistics (NES). Values labeled "s" in Table 1 were withheld by the Census Bureau because they do not meet publication standards or could disclose information regarding individual businesses.

## REFERENCES

The Small Business Profiles, source data, and methodology are available at <https://go.usa.gov/xQT4w>.

ASE	Annual Survey of Entrepreneurs, US Census Bureau
BEA	Bureau of Economic Analysis, US Department of Commerce
BDM	Business Employment Dynamics, BLS
BLS	Bureau of Labor Statistics, US Department of Labor
CPS	Current Population Survey, BLS
FDIC	Call Reports, Federal Deposit Insurance Corporation
FFIEC	Federal Financial Institutions Examination Council
ITA	International Trade Administration, US Department of Commerce
NES	Nonemployer Statistics, US Census Bureau
SBO	Survey of Business Owners, US Census Bureau
SUSB	Statistics of US Businesses, US Census Bureau