

District of Columbia

Small businesses totaled 58,616 in the District of Columbia in 2009. They represent 92.5 percent of all employers and employ 46.6 percent of the private-sector workforce. Being such a large part of the economy, these businesses are central to the district's health and well-being.

This profile uses the latest available data to illustrate the status of the District of Columbia's small businesses. (Note that a small business is defined as one with fewer than 500 employees.)

- The District of Columbia's economy was strong in 2010, with real gross state product increasing 3.4 percent and private-sector employment increasing 0.8 percent (Bureau of Economic Analysis, Bureau of Labor Statistics).
- Most of the District of Columbia's small businesses are very small as 72.1 percent of all businesses did not have employees and most employers have fewer than 20 employees.
- Small businesses employed 217,296 workers in 2009 (Table 1) with most of the employment coming from firms with 20-499 employees.
- While the employment situation in 2008-2009 was weak (Table 2), small businesses in the District of Columbia represented 95.6 percent of the net new private-sector jobs from 2005-2008.
- Self-employment in the District of Columbia surged over the last decade. Minority self-employment fared the best compared with other demographic groups during the decade.*
- Throughout 2010, the number of opening establishments was lower than closing establishments and the net employment change from this turnover was negative (Table 3).

For Further Information

- Data on all states and territories are available at www.sba.gov/advocacy/848.
- For other small business data and analysis, visit www.sba.gov/advocacy/847, call (202) 205-6533, or email advocacy@sba.gov.
- Visit <http://web.sba.gov/list> to subscribe to Advocacy's Listservs.

* Because of the relatively low number of veterans in the survey data source, the veteran self-employment figure is susceptible to large fluctuations.

District of Columbia Small Business Facts

	2009*	2008	2000
Number of Businesses			
Small employers (<500 employees)	15,471	15,627	15,243
Large employers (500+ employees)	1,257	1,238	1,085
Nonemployers	43,145	42,683	32,941
Level in 2007* (000)			
	Firms	Employment	Receipts(\$)
Business Owner Demographics			
Male-owned	28	94	15,320
Woman-owned	19	25	3,165
Equally male/female-owned	5	9	1,525
African American-owned	16	19	1,809
Asian-owned	3	12	1,768
Hispanic-owned	3	7	893
Native American/Alaskan-owned	1	0	32
Hawaiian/Pacific Islander-owned	--	--	--
Veteran-owned	5	16	2,444
Publicly held, unclassified	4	261	98,676
	Level in 2010*	% Change from	
		2009	2000
Workforce (Thousands)			
Private-sector employment	465	0.8	9.1
Government employment	246	2.4	9.9
Self-employed (incorp. & uninc.)	25	-12.1	52.4
Female self-employment	10	-5.9	51.7
Male self-employment	15	-15.8	52.8
Minority self-employment	12	-2.4	110.4
Veteran self-employment	2	-52.7	-49.7
Unemployment Rate (Percent)	9.9	0.3†	4.2†
Business Turnover			
Quarterly establishment openings	4,495	-6.0	-10.1
Quarterly establishment closings	4,537	-2.7	-5.7
Business bankruptcies	115	8.5	98.3
	2010*	2009	2000
Income and Finance			
Proprietors' income (\$billion)	5.6	5.2	2.7
Number of bank branches	244	237	203
No. of bus. loans under \$100,000‡	9,420	9,717	2,890
Total value of business loans under \$100,000 (\$million)‡	145	110	30
Source: U.S. Dept. of Commerce, Census Bureau, Bureau of Economic Analysis; U.S. Dept. of Labor, Bureau of Labor Statistics; Admin. Office of the U.S. Courts; Federal Deposit Insurance Corporation; and U.S. Small Business Admin., Office of Advocacy.			
* Latest available data. †Percentage point change. ‡Data are for CRA loans.			

Table 1: Firms and Employment in District of Columbia by Industry and Firm Size, 2009 (Nonfarm, Thousands)

Industry	Nonemployer Firms	Employer Firms			Employment		
		Total	1-19 Employees	1-499 Employees	Total	1-19 Employees	1-499 Employees
Total	43.1	16.7	12.3	15.5	466.6	55.0	217.3
Forestry, etc. and agriculture support	0.0	0.0	0.0	0.0	D	D	D
Mining	0.0	0.0	0.0	0.0	D	D	D
Utilities	0.0	0.0	0.0	0.0	D	0.0	D
Construction	1.7	0.4	0.3	0.4	6.5	1.5	5.3
Manufacturing	0.2	0.1	0.1	0.1	1.8	0.4	1.1
Wholesale trade	0.3	0.3	0.2	0.3	5.1	1.0	2.3
Retail trade	1.6	1.4	1.1	1.3	19.1	4.3	7.1
Transportation and warehousing	1.9	0.2	0.1	0.1	3.1	0.3	1.4
Information	1.5	0.5	0.3	0.4	21.7	1.1	6.0
Finance and insurance	0.9	0.5	0.3	0.4	16.9	1.2	4.8
Real estate and rental and leasing	3.9	0.7	0.5	0.6	9.1	1.9	5.8
Professional, scientific, and technical svcs.	13.2	4.1	3.1	3.8	89.9	12.2	37.6
Management of companies and enterprises	--	0.2	0.0	0.1	7.2	0.0	1.0
Admin., support, waste mgt., remed. svcs.	2.8	0.8	0.5	0.7	35.1	1.9	17.4
Educational services	2.2	0.5	0.3	0.4	48.4	1.6	13.3
Health care and social assistance	3.7	1.8	1.4	1.7	67.6	6.4	26.6
Arts, entertainment, and recreation	3.8	0.3	0.2	0.2	6.6	0.8	3.9
Accommodation and food services	0.8	1.6	1.1	1.6	55.0	6.3	27.3
Other services (except public admin.)	4.7	3.6	2.8	3.5	71.4	14.1	56.4
Unclassified	--	0.1	0.1	0.1	D	D	D

Source: U.S. Dept. of Commerce, Bureau of the Census, Statistics of U.S. Businesses. (See www.sba.gov/advocacy/849/12162 for data from other years, and for starts, closures, job creation and destruction by industry and by size category.)

(D) Data suppressed to protect the confidentiality of individual firms.

Table 2: Net Job Change by Firm Size, 2005–2009 (Nonfarm)

	Total Net New Jobs	Employment Size of Firm						
		1-4	5-9	10-19	20-99	100-499	<500	500+
2005 - 2006	6,510	2,346	1,431	1,055	5,807	2,155	12,794	-6,284
2006 - 2007	14,248	2,368	775	1,677	357	3,378	8,555	5,693
2007 - 2008	10,809	2,262	568	355	2,764	2,870	8,819	1,990
2008 - 2009	4,252	1,757	260	255	-222	-1,213	837	3,415

Source: U.S. Dept. of Commerce, Bureau of the Census. (For more detailed data see www.sba.gov/advocacy/849/12162.)

Table 3: Establishment and Employment Turnover by Quarter, 2010 (Nonfarm, Thousands)

	Establishments				Employment			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Openings	1.1	1.1	1.1	1.3	3.9	4.8	4.5	6.2
Expansions	4.2	4.6	4.5	4.6	19.5	22.0	20.3	20.9
Contractions	4.5	4.5	4.5	4.4	17.1	18.8	22.7	19.6
Closings	1.1	1.1	1.3	1.0	4.4	4.4	6.0	5.7

Source: U.S. Dept. of Labor, Bureau of Labor Statistics, Business Employment Dynamics. (For more detailed data see www.bls.gov/bdm/.)

Note: These figures contain all firm sizes; Census data from 2009 show that 85 percent of establishment births and deaths were in firms with fewer than 500 employees.