

## District of Columbia

Small businesses significantly impact the District of Columbia's economy. They represent 92.3 percent of all employers and employ 46.9 percent of the private-sector labor force. Small businesses are crucial to the fiscal condition of the state and numbered 61,622 in 2010.

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 2011, with real gross state product increasing 3.9 percent and private-sector employment increasing 3.3 percent (Bureau of Economic Analysis, Bureau of Labor Statistics).
- Small businesses employed 217,123 workers in 2010 (Table 1) with most of the employment coming from firms with 20-499 employees.
- The employment situation from 2007-2010 was strong, and small businesses in the District of Columbia represented 80.4 percent of the net new private-sector jobs (Table 2). The unemployment rate in 2010-2011 increased by 0.1 percent.
- Most of the District of Columbia's small businesses are very small as 73.1 percent of all businesses have no employees, and most employers have fewer than 20 employees.
- In 2011, the number of opening establishments was higher than closing establishments, and the net employment change from this turnover was positive (Table 3).
- Self-employment in the District of Columbia improved over the last decade. Minority self-employment fared the best compared with other demographic groups.

### For Further Information

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

### District of Columbia Small Business Facts

	2010*	2009	2000
<b>Number of Businesses</b>			
Small employers (<500 employees)	15,612	15,471	15,243
Large employers (500+ employees)	1,301	1,257	1,085
Nonemployers	46,010	44,124	32,941
<b>Level in 2007* (000)</b>			
	<b>Firms</b>	<b>Employment</b>	<b>Receipts(\$M)</b>
<b>Business Owner Demographics</b>			
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
	<b>Level in 2011*</b>	<b>% Change from</b>	
		<b>2010</b>	<b>2000</b>
<b>Workforce (Thousands)</b>			
Private-sector employment	480	3.3	12.6
Government employment	248	0.3	10.6
Self-employed (incorp. & uninc.)	24	-9.2	44.9
Female self-employment	9	-19.9	35.7
Male self-employment	15	-1.2	51.1
Minority self-employment	11	-2.1	94.3
Veteran self-employment	2	-12.4	-47.6
Unemployment Rate (Percent)	10.2	0.1†	4.5‡
<b>Business Turnover</b>			
Quarterly establishment openings	5,118	13.9	2.3
Quarterly establishment closings	4,384	-3.4	-8.8
Business bankruptcies	68	-40.9	17.2
	<b>2011*</b>	<b>2010</b>	<b>2000</b>
<b>Income and Finance</b>			
Proprietors' income (\$billion)	6.0	5.6	2.7
Number of bank branches	244	244	203
No. of bus. loans under \$100,000‡	4,079	8,741	2,890
Total value of business loans under \$100,000 (\$million)‡	94	103	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, 2010 (Nonfarm, Thousands)**

Industry	Nonemployer Firms	Employer Firms			Employment		
		All Firms Total	1-19 Employees	1-499 Employees	All Firms Total	1-19 Employees	1-499 Employees
Total	46.0	16.9	12.5	15.6	463.1	55.5	217.1
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	D	D
Construction	1.8	0.4	0.3	0.4	6.1	1.5	5.0
Manufacturing	0.2	0.1	0.1	0.1	1.4	0.4	0.8
Wholesale trade	0.3	0.3	0.2	0.3	4.6	0.9	1.9
Retail trade	1.7	1.4	1.1	1.3	19.2	4.4	7.1
Transportation and warehousing	2.1	0.2	0.1	0.1	4.2	0.2	1.3
Information	1.4	0.5	0.3	0.4	20.1	1.1	5.1
Finance and insurance	0.9	0.5	0.3	0.4	16.6	1.3	4.4
Real estate and rental and leasing	4.5	0.7	0.5	0.7	9.1	2.0	5.9
Professional, scientific, and technical svcs.	13.5	4.2	3.2	3.8	89.3	12.1	37.4
Management of companies and enterprises	0.0	0.2	0.0	0.1	10.6	D	0.9
Admin., support, waste mgt., remed. svcs.	3.1	0.8	0.5	0.7	33.6	2.0	17.1
Educational services	2.2	0.5	0.3	0.4	49.4	1.6	13.5
Health care and social assistance	4.0	1.7	1.4	1.7	65.2	6.4	27.8
Arts, entertainment, and recreation	4.0	0.3	0.2	0.3	6.9	0.8	4.2
Accommodation and food services	0.8	1.7	1.2	1.6	55.1	6.5	28.8
Other services (except public admin.)	5.5	3.6	2.8	3.5	69.6	14.1	55.7
Unclassified	0.0	0.1	0.1	0.1	0.1	0.1	0.1

Source: U.S. Dept. of Commerce, Bureau of the Census, Statistics of U.S. Businesses. (See [www.sba.gov/advocacy/849/12162](http://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, 2007–2010 (Nonfarm)**

	Total Net New Jobs	Employment Size of Firm						
		1-4	5-9	10-19	20-99	100-499	<500	500+
2010	1,459	1,809	424	-85	384	-867	1,665	-206
2009	3,115	1,571	254	-116	-883	-1,320	-494	3,609
2008	12,011	1,979	515	267	2,699	2,470	7,930	4,081
2007	6,041	2,224	833	1,108	1,249	3,682	9,096	-3,055

Note: Data source differs from previous publications.

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

**Table 3: Establishment and Employment Turnover by Quarter, 2011 (Nonfarm, Thousands)**

	Establishments				Employment			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Openings	1.3	1.3	1.2	1.3	5.6	5.6	5.3	6.8
Expansions	4.7	4.6	4.7	4.5	27.0	22.6	20.5	18.9
Contractions	4.4	4.6	4.4	4.5	17.5	20.6	19.2	20.7
Closings	1.1	1.1	1.1	1.0	3.7	5.2	5.4	4.0

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

Note: These figures contain all firm sizes; Census data from 2010 show that 87 percent of establishment births and deaths were in firms with fewer than 500 employees.