

## District of Columbia

**64,965** Small Businesses

**15,636** Small Businesses with Employees

**49,329** Small Businesses without Employees (Nonemployers)

**223,867** Workers Employed by Small Businesses

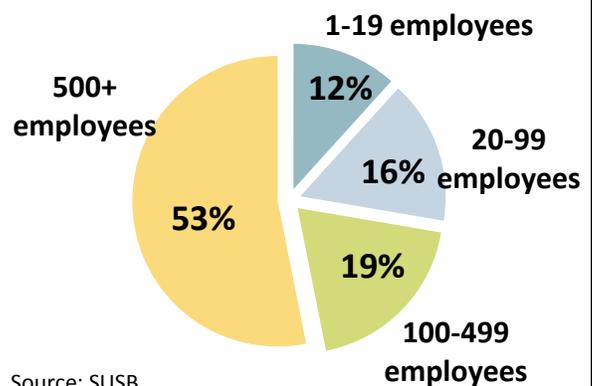
### Economy Overall

- The District of Columbia's economy grew at a slower rate than the United States in 2012. The district's real gross state product increased by **0.7 percent** compared to **2.5 percent** for U.S. gross domestic product. (Source: BEA)
- The employment situation in the District of Columbia has improved. The district's unemployment rate modestly declined from **8.5 percent** in December 2012 to **8.1 percent** in December 2013. This is above the national average of **6.7 percent**. (Source: BLS)

### Employment

- The district's small businesses employed about half or **223,867** of the district's private workforce in 2011.
- Almost all firms with employees are small. They make up **92.1 percent** of all employers. **Table 3** offers further industry detail on small firms.
- Firms with fewer than 100 employees have the largest share of small business employment. **Figure 1** offers further detail.
- The three industries with the most small business employment were: other services (except public administration); professional, scientific & technical services; and accommodation & food services (**Table 4**).
- Small businesses created **7,400** net new jobs in 2011. The biggest gain was in the smallest firm size category of 1-4 employees. (Source: BDS)
- The number of people who were primarily self-employed increased in 2012. For demographic detail on the district's self-employment, see **Figure 2**.
- The district's private-sector employment increased in 2013 by **2.8 percent**, which was above the national average growth rate of **2.1 percent**. (Source: BEA, BLS)

**Figure 1: District of Columbia Employment by Size of Firm, 2011**



The *Small Business State and Territory Profiles* report on the economic status of small business from 2010 to 2013. 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

- Most small businesses are sole proprietors. Annual income from sole proprietorships increased **7.6 percent** in the 3<sup>rd</sup> quarter of 2013 and totaled **\$6.3 billion**. (Source: BEA)
- The Federal Deposit Insurance Corporation tracks banks and bank branches and publishes annual data for each state. For more detailed information see [www2.fdic.gov/sod/sodSummary.asp?barItem=3](http://www2.fdic.gov/sod/sodSummary.asp?barItem=3).
- 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)

## Business Owner Demographics

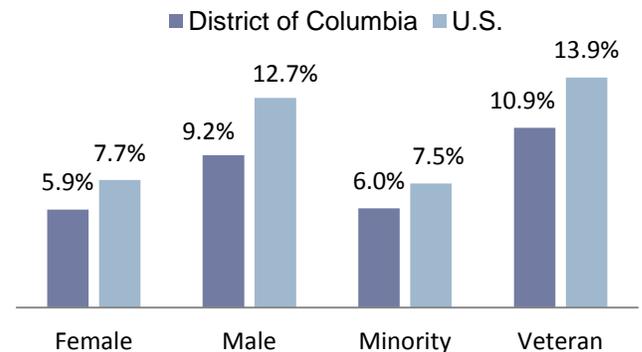
- In 2011, there were an estimated **23,000** woman-owned businesses and **27,000** minority-owned businesses. For additional small business demographic information, see **Table 1** and **Figure 2**.

**Table 1. Demographics of All District of Columbia Businesses, 2011**

	Number of All Businesses <sup>e</sup>	Share of All Businesses (%) <sup>*</sup>
Male Owned	33,000	49.4
Woman Owned	23,000	34.5
Equally Male and Female Owned	5,000	8.1
Minority Owned	27,000	40.2
Veteran Owned	5,000	7.2

e = Advocacy estimate. \*2007 SBO. Note: This estimate is based on the share of business owners in the 2007 SBO. This share is multiplied by the total number of businesses in 2011 (employer + nonemployer firms). These shares will not be updated to 2012 until fall 2015. Thus, the 2011 estimates assume the 2011 shares are the same as 2007. For more information, visit [www.sba.gov/sites/default/files/files/dc10.pdf](http://www.sba.gov/sites/default/files/files/dc10.pdf).

**Figure 2: District of Columbia Self-Employment Demographics, 2012**



Source: CPS

Note: Share of self-employed workers within a demographic group.

## Business Turnover

- **Table 2** gives the District of Columbia's establishment survival rates over an eight-year period, 2002-2010.
- In the 2<sup>nd</sup> quarter of 2013, **1,383** establishments opened and **1,240** closed in the District of Columbia. (Source: BED)
- Business bankruptcies declined in net from 2010 to 2013, signaling a stronger economy. (Source: U.S. Courts)

**Table 2. Establishment Survival Rates in the District of Columbia**

	Establishments Opened*	Share Surviving Until 2012 (%)
2002	2,342	29.2
2007	2,390	40.9
2010	2,171	61.4

Source: BLS, BED. \*Data year ending in March.

## 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 the district's total known export value. (Source: ITA)

**Table 3: Number of District of Columbia Small Firms by Industry, 2011**  
(ranked by number of small employer firms)

Industry	Employer Firms With 1-499 Employees	Employer Firms With 1-19 Employees	Nonemployer Firms	Total Small Firms
Professional, scientific, & tech. svcs.	3,833	3,189	13,808	17,641
Other services (except public admin.)	3,515	2,752	6,836	10,351
Accommodation & food services	1,651	1,183	887	2,538
Health care & social assistance	1,635	1,326	4,463	6,098
Retail trade	1,233	1,106	1,916	3,149
Admin., supp., waste mgt., remed. svcs.	694	485	3,416	4,110
Real estate & rental & leasing	646	538	4,650	5,296
Educational services	444	291	2,259	2,703
Construction	419	347	1,826	2,245
Finance & insurance	410	290	942	1,352
Information	366	268	1,469	1,835
Arts, entertainment, & recreation	263	223	4,078	4,341
Wholesale trade	257	208	268	525
Transportation & warehousing	119	89	2,156	2,275
Manufacturing	92	83	272	364
Unclassified	87	87	0	87
Management of comp. & enterprises	57	13	0	57
Utilities	3	2	33	36
Forestry, etc. & agriculture support	2	2	44	46
Mining	2	2	6	8
<b>Total</b>	<b>15,636</b>	<b>12,473</b>	<b>49,329</b>	<b>64,965</b>

**Table 4: Employment in District of Columbia by Industry and Firm Size, 2011**  
(ranked by small firm employment)

Industry	Employment		Small Firm Share of Industry Employment (%)
	Small Firms	Total Firms	
Other services (except public admin.)	56,837	72,048	79
Professional, scientific, & tech. svcs.	38,871	96,916	40
Accommodation & food services	30,791	57,584	53
Health care & social assistance	28,156	64,928	43
Admin., supp., waste mgt., remed. svcs.	18,169	34,188	53
Educational services	12,875	49,254	26
Retail trade	7,238	19,752	37
Real estate & rental & leasing	6,092	9,360	65
Information	5,596	20,035	28
Construction	5,424	6,419	84
Finance & insurance	4,588	17,528	26
Arts, entertainment, & recreation	4,211	7,744	54
Wholesale trade	1,948	4,336	45
Transportation & warehousing	1,309	4,462	29
Management of comp. & enterprises	854	10,115	8
Manufacturing	796	1,001	80
Forestry, etc. & agriculture support	D	D	D
Mining	D	D	D
Unclassified	D	D	D
Utilities	D	D	D
<b>Total</b>	<b>223,867</b>	<b>477,623</b>	<b>47</b>

Source, Tables 3 and 4: SUSB

See [www.sba.gov/advocacy/847/841921](http://www.sba.gov/advocacy/847/841921) for more detailed data.

Note: Small firms are defined as nonfarm firms having fewer than 500 employees.

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

## Abbreviations and Resources

<b>BEA</b>	Bureau of Economic Analysis, U.S. Department of Commerce, <a href="http://www.bea.gov">www.bea.gov</a> .
<b>BED</b>	Business Employment Dynamics, U.S. Department of Labor, Bureau of Labor Statistics, <a href="http://www.bls.gov/bdm">www.bls.gov/bdm</a> .
<b>BDS</b>	Business Dynamics Statistics, U.S. Census Bureau, <a href="http://www.census.gov/ces/dataproducts/bds">www.census.gov/ces/dataproducts/bds</a> .
<b>BLS</b>	Bureau of Labor Statistics, U.S. Department of Labor, <a href="http://www.bls.gov">www.bls.gov</a> .
<b>CPS</b>	Current Population Survey, U.S. Census Bureau, and U.S. Department of Labor, Bureau of Labor Statistics, <a href="http://www.census.gov/cps">www.census.gov/cps</a> .
<b>FDIC</b>	Federal Deposit Insurance Corporation, <a href="http://www.fdic.gov">www.fdic.gov</a> .
<b>FFIEC</b>	Federal Financial Institutions Examination Council, <a href="http://www.ffiec.gov">www.ffiec.gov</a> .
<b>ITA</b>	International Trade Administration, U.S. Department of Commerce, <a href="http://www.trade.gov">www.trade.gov</a> .
<b>SBO</b>	Survey of Business Owners, U.S. Census Bureau, <a href="http://www.census.gov/econ/sbo">www.census.gov/econ/sbo</a> .
<b>SUSB</b>	Statistics of U.S. Businesses, U.S. Census Bureau, <a href="http://www.census.gov/econ/susb">www.census.gov/econ/susb</a> .
<b>U.S. Courts</b>	Administrative Office of the U.S. Courts, <a href="http://www.uscourts.gov">www.uscourts.gov</a> .