

# 2019 Small Business Profile

## District of Columbia

**76,083** Small Businesses  
**98.2%** of District of Columbia Businesses

**247,461** Small Business Employees  
**47.0%** of District of Columbia Employees



**EMPLOYMENT**  
**11,207**  
net new jobs



**DIVERSITY**  
**49,015**  
minority-owned  
business employees



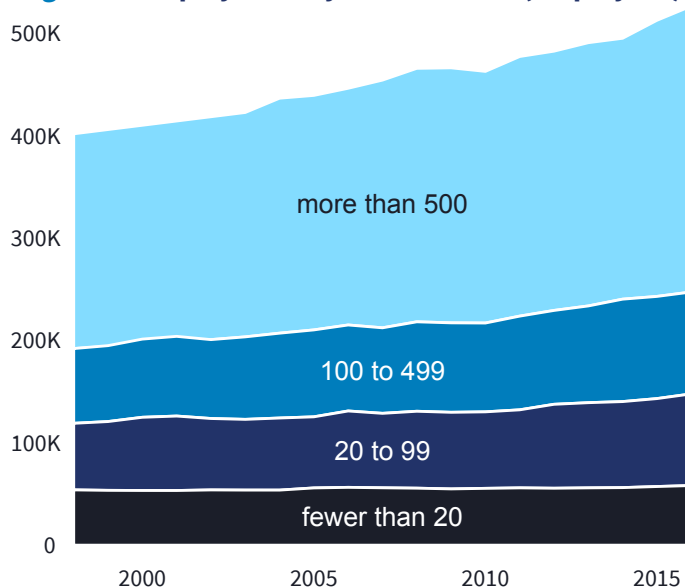
**TRADE**  
**448**  
small business  
exporters

### Overall District of Columbia Economy

- In the third quarter of 2018, the District of Columbia grew at an annual rate of **1.9%**, which was slower than the overall US growth rate of **3.4%**. The District of Columbia's 2017 growth rate of **2.2%** was up from the 2016 rate of **2.0%**. (Source: BEA)
- In February 2019, the unemployment rate was **5.5%**, down from **5.8%** in February 2018. This was above the February 2019 national unemployment rate of **3.8%**. (Source: CPS)

### Employment

**Figure 1: Employment by Business Size (Employees)**



- District of Columbia small businesses employed **247,461** people, or **47.0%** of the private workforce, in 2016. (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 **0.1%** during the 12-month period ending in February 2019. This was below the increase of **1.7%** during the prior 12-month period. (Source: CPS)
- The number of proprietors increased in 2017 by **2.4%** relative to the previous year. (Source: BEA)
- Small businesses created **11,207** net jobs in 2016. Firms employing fewer than 20 employees experienced the largest gains, adding **5,065** net jobs. The smallest gains were in firms employing 100 to 499 employees, which added **2,061** net jobs. (Source: SUSB)

The Small Business Profiles are produced by the US Small Business Administration's Office of Advocacy (<http://advocacy.sba.gov>). 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, employees of minority-owned businesses, and exporter share statistics are based on the 2016 Statistics of US Businesses (SUSB), 2016 Annual Survey of Entrepreneurs (ASE), and 2016 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 2017, **14,827** loans under \$100,000 (valued at **\$215.4 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 **\$70,370** in 2017. For individuals self-employed at their own unincorporated firms, this figure was **\$42,374**. (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, 2016**

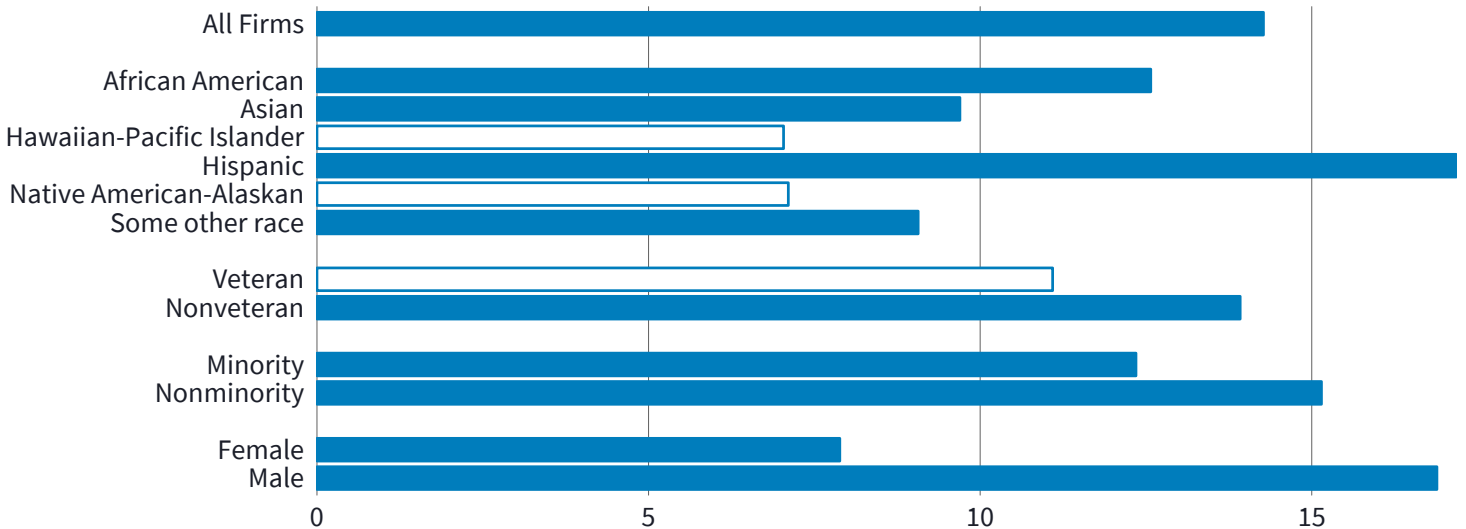
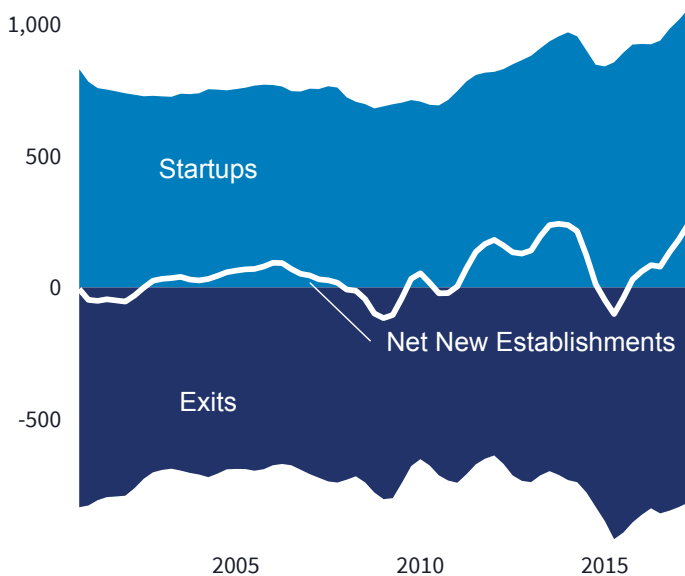


Figure 2 shows the average number of employees per employer business by owner's demographic group according to the 2016 Annual Survey of Entrepreneurs (ASE). Unshaded bars display US values; data were withheld because they do not meet Census Bureau publication standards or could disclose information regarding individual businesses.

## Turnover among Establishments with Employees

**Figure 3: District of Columbia Quarterly Startups and Exits**



- In the third quarter of 2017, **1,168** establishments started up, generating **4,306** 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, **803** establishments exited resulting in **3,212** 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 2017. 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 shutters. Quarterly startup and exit values may not align with Figure 3 due to smoothing.

## International Trade

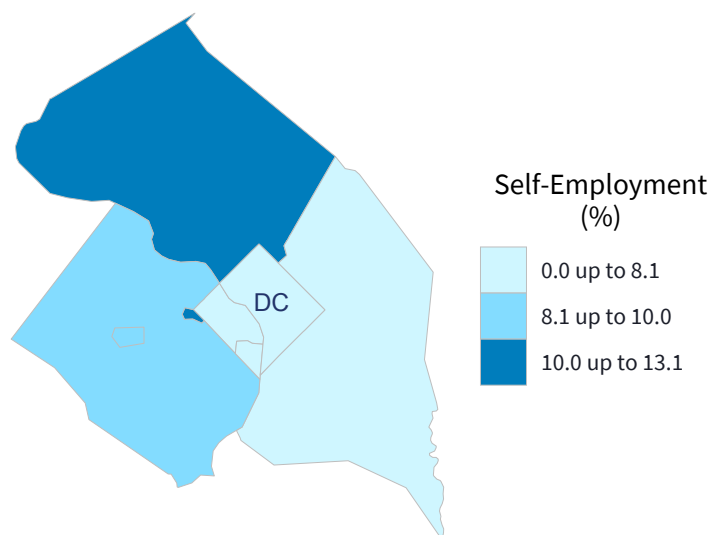
- A total of 592 companies exported goods from the District of Columbia in 2016. Of these, 448, or 75.7%, were small firms; they generated 90.4% of the District of Columbia's \$141.0 million in total exports. (Source: ITA)

## Small Business Employment by Industry and Self-Employment by County

**Table 1: District of Columbia Employment by Industry, 2016**

Industry	Small Business Employment	Total Private Employment	Small Business Employment Share
Other Services (except Public Administration)	59,921	75,210	79.7
Professional, Scientific, and Technical Services	46,962	102,780	45.7
Accommodation and Food Services	39,226	72,186	54.3
Health Care and Social Assistance	28,391	68,675	41.3
Educational Services	15,249	49,847	30.6
Administrative, Support, and Waste Management	15,149	33,333	45.4
Retail Trade	7,802	22,143	35.2
Construction	7,742	10,049	77.0
Information	6,843	22,834	30.0
Real Estate and Rental and Leasing	6,231	12,340	50.5
Arts, Entertainment, and Recreation	4,554	9,565	47.6
Finance and Insurance	4,014	17,729	22.6
Wholesale Trade	2,145	4,702	45.6
Transportation and Warehousing	1,120	3,875	28.9
Management of Companies and Enterprises	1,034	18,452	5.6
Manufacturing	978	1,258	77.7
Industries not classified	78	78	100.0
Utilities	20	1,820	1.1
Agriculture, Forestry, and Fishing and Hunting	s	s	-
Mining, Quarrying, and Oil and Gas Extraction	s	s	-
<b>Total</b>	<b>247,461</b>	<b>526,879</b>	<b>47.0</b>

**Figure 4: District of Columbia Self-Employment Rates by County, 2017**



**Table 2: District of Columbia Small Businesses by Industry and Firm Size, 2016**

Industry	1-499 Employees	1-19 Employees	Nonemployer Firms	Total Small Firms
Professional, Scientific, and Technical Services	4,277	3,510	16,066	20,343
Other Services (except Public Administration)	3,661	2,839	6,954	10,615
Transportation and Warehousing	116	93	6,736	6,852
Real Estate and Rental and Leasing	724	611	5,487	6,211
Health Care and Social Assistance	1,648	1,346	4,313	5,961
Arts, Entertainment, and Recreation	285	232	5,187	5,472
Administrative, Support, and Waste Management	672	468	3,436	4,108
Educational Services	514	331	2,982	3,496
Accommodation and Food Services	1,902	1,276	1,252	3,154
Retail Trade	1,249	1,101	1,798	3,047
Construction	428	328	2,020	2,448
Information	413	306	1,488	1,901
Finance and Insurance	387	278	983	1,370
Wholesale Trade	252	212	301	553
Manufacturing	101	87	297	398
Utilities	8	7	46	54
Agriculture, Forestry, and Fishing and Hunting	1	1	51	52
Mining, Quarrying, and Oil and Gas Extraction	1	1	s	1
<b>Total</b>	<b>16,685</b>	<b>13,118</b>	<b>59,398</b>	<b>76,083</b>

Tables 1 and 2 display data from the 2016 SUSB. Table 2 includes additional data from the 2016 Nonemployer Statistics (NES). Figure 4 provides estimates of the rate of self-employment among employed civilians, 16 years and over, including both incorporated and unincorporated businesses, from the 2017 American Community Survey (ACS). Values labeled "s" in Tables 1 and 2 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/xmb5R>.

- ACS American Community Survey, US Census Bureau
- 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
- SUSB Statistics of US Businesses, US Census Bureau