

2021 Small Business Profile

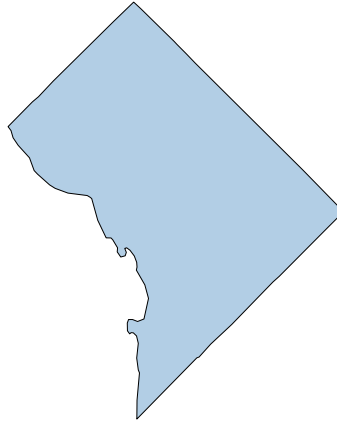
U.S. SMALL BUSINESS ADMINISTRATION
OFFICE OF ADVOCACY

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District of Columbia

79,814 small businesses
98.2 percent of DC businesses

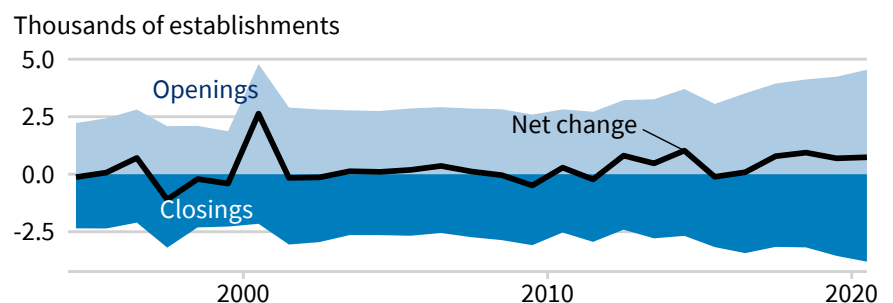
254,920 small business employees
47.2 percent of DC employees



Business dynamics

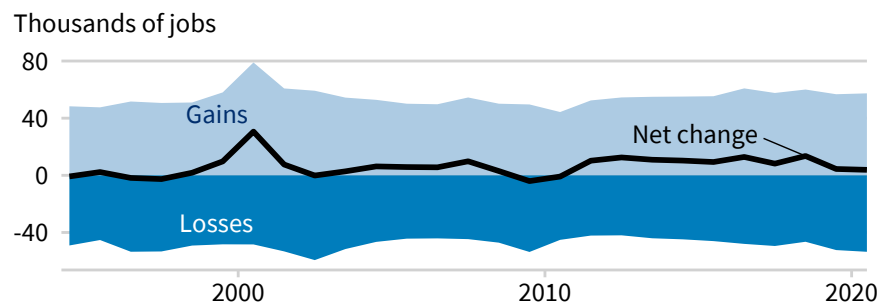
Establishments

Between March 2019 and March 2020, 4,538 DC establishments opened and 3,801 closed, for a net increase of 737. Employment expanded at 6,795 and contracted at 6,760. Small businesses accounted for 4,524 openings and 3,785 closings.



Employment

Opening and expanding DC establishments added 57,364 jobs, while closing and contracting establishments lost 53,524, for a net increase of 3,840 jobs. Small businesses gained 52,627 jobs and lost 46,814, for a net increase of 5,813 jobs.



Counts include temporary closures and reopenings

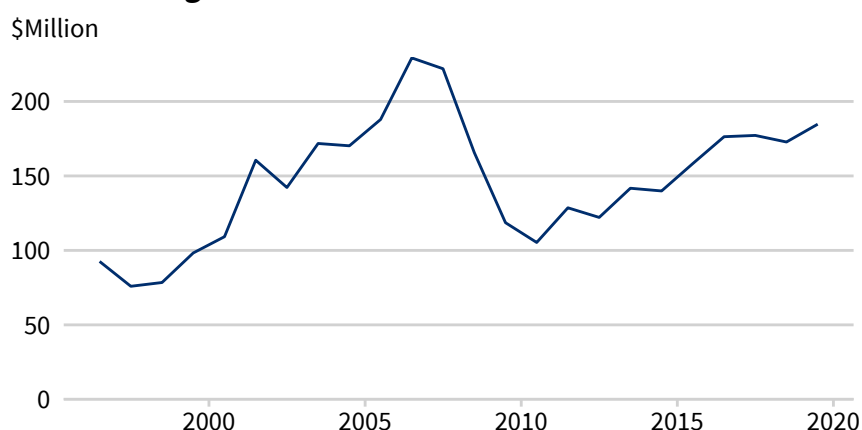
Source: [Business Employment Dynamics](#) (BLS)

Small business loans





The Community Reinvestment Act requires large banks to report new small business loans. In 2019, reporting banks issued \$184.7 million in loans to DC businesses with revenues of \$1 million or less. Total reported new lending to businesses through loans of \$100,000 or less was \$237.1 million, and total reported new lending to businesses through loans of \$1 million or less was \$609.2 million.

Source: [CRA Aggregate Data](#) (FFIEC)

New lending to businesses with revenues under \$1 million



Small business count by size and industry

| Industry | <div>     </div> | | | |
|--|---|----------------|------------------|----------------------|
| | No employees | 1–19 employees | 20–499 employees | All small businesses |
| Professional, Scientific, and Technical Services | 17,348 | 3,699 | 795 | 21,842 |
| Other Services (except Public Administration) | 5,723 | 2,979 | 831 | 9,533 |
| Transportation and Warehousing | 7,824 | 95 | 23 | 7,942 |
| Real Estate and Rental and Leasing | 5,924 | 663 | 115 | 6,702 |
| Health Care and Social Assistance | 4,649 | 1,377 | 323 | 6,349 |
| Arts, Entertainment, and Recreation | 5,619 | 243 | 69 | 5,931 |
| Administrative, Support, and Waste Management | 3,659 | 467 | 202 | 4,328 |
| Educational Services | 3,167 | 349 | 193 | 3,709 |
| Accommodation and Food Services | 1,489 | 1,310 | 676 | 3,475 |
| Retail Trade | 2,033 | 1,048 | 143 | 3,224 |
| Construction | 1,957 | 348 | 95 | 2,400 |
| Information | 1,504 | 333 | 117 | 1,954 |
| Finance and Insurance | 1,024 | 286 | 103 | 1,413 |
| Wholesale Trade | 287 | 193 | 38 | 518 |
| Manufacturing | 294 | 88 | 15 | 397 |
| Utilities | 45 | 7 | 0 | 52 |
| Management of Companies and Enterprises | * | 17 | 32 | 49 |
| Industries not classified | * | 42 | 0 | 42 |
| Agriculture, Forestry, Fishing and Hunting | 33 | * | * | 33 |
| Mining, Quarrying, and Oil and Gas Extraction | 4 | * | * | 4 |
| Total | 62,583 | 13,533 | 3,698 | 79,814 |

* Not reported by the Census Bureau

Sources: [Nonemployer Statistics](#), 2018 (Census); [Statistics of US Businesses](#), 2018 (Census)



Small business exports

A total of 597 identified firms exported goods worth \$937.0 million from the District in 2019. Of those exporters, 434—or 72.7 percent—were small. Small firms exported goods worth \$876.0 million, making up 93.5 percent of exports by identified firms.

Source: [A profile of US importing and exporting companies, 2018–2019](#) (Census)

Business ownership share by demographic group

Women



Women made up 52.5 percent of workers and owned 47.1 percent of businesses.

Veterans



Veterans made up 2.8 percent of workers and owned 4.6 percent of businesses.

Hispanics



Hispanics made up 10.9 percent of workers and owned 7.7 percent of businesses.

Racial minorities



Racial minorities made up 47.6 percent of workers and owned 42.8 percent of businesses.

Ownership shares include equal and majority ownership

Sources of data: [American Community Survey](#), 2018 (Census and IPUMS); [Annual Business Survey](#), 2018 (Census); [Nonemployer Statistics by Demographics](#), 2017 (Census)

Business count by owner demographic group

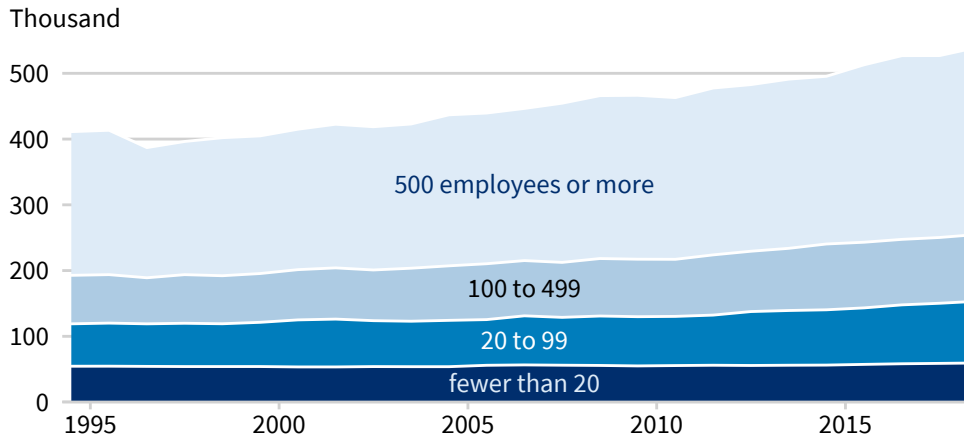
| Ownership | Without employees | With employees | Total |
|--|-------------------|----------------|--------|
| Female | 29,000 | 2,849 | 31,849 |
| Male | 30,000 | 8,103 | 38,103 |
| Owned equally by both groups | 700 | 1,326 | 2,026 |
| Veteran | 2,100 | 807 | 2,907 |
| Not veteran | 57,500 | 11,160 | 68,660 |
| Owned equally by both groups | 80 | * | * |
| Hispanic | 4,800 | 513 | 5,313 |
| Not Hispanic | 54,500 | 11,675 | 66,175 |
| Owned equally by both groups | 100 | 91 | 191 |
| American Indian and Alaska Native | 150 | 21 | 171 |
| Asian | 2,700 | 2,046 | 4,746 |
| Black or African American | 24,000 | 1,666 | 25,666 |
| Native Hawaiian and Other Pacific Islander | 40 | * | * |
| White | 32,500 | 8,582 | 41,082 |
| Hispanic or racial minority | 30,500 | 4,164 | 34,664 |
| White and not Hispanic | 29,000 | 7,921 | 36,921 |
| Owned equally by both groups | 200 | 195 | 395 |

* Not reported by the Census Bureau; counts include only businesses classifiable by owner demographic group

Sources: [Annual Business Survey](#), 2018 (Census); [Nonemployer Statistics by Demographics](#), 2017 (Census)

Total DC employment by business size

Source of data: [Statistics of US Businesses](#) (Census)



DC small business employment grew by 32.2 percent between 1994 and 2018, which exceeded the national small business employment growth rate.

Small business employment and payroll by industry

| Industry | Employers | | Employment | | Payroll (\$1,000s) | |
|--|-----------|-------|------------|-------|--------------------|-------|
| | Small | % | Small | % | Small | % |
| Professional, Scientific, and Technical Services | 4,494 | 92.2 | 48,148 | 46.4 | 5,874,493 | 41.6 |
| Other Services (except Public Administration) | 3,810 | 97.9 | 61,076 | 75.2 | 5,448,785 | 82.1 |
| Accommodation and Food Services | 1,986 | 94.7 | 41,352 | 55.1 | 1,141,091 | 49.7 |
| Health Care and Social Assistance | 1,700 | 95.0 | 29,795 | 40.4 | 1,389,730 | 30.6 |
| Retail Trade | 1,191 | 87.8 | 8,004 | 35.8 | 267,940 | 37.7 |
| Real Estate and Rental and Leasing | 778 | 92.2 | 6,363 | 62.1 | 529,706 | 65.1 |
| Administrative, Support, and Waste Management | 669 | 84.5 | 14,279 | 45.0 | 677,951 | 44.6 |
| Educational Services | 542 | 92.6 | 16,206 | 29.9 | 901,496 | 29.1 |
| Information | 450 | 78.0 | 7,730 | 32.4 | 752,297 | 26.3 |
| Construction | 443 | 95.5 | 7,642 | 76.0 | 516,681 | 72.8 |
| Finance and Insurance | 389 | 71.1 | 3,980 | 18.7 | 524,831 | 15.8 |
| Arts, Entertainment, and Recreation | 312 | 93.1 | 5,585 | 51.9 | 199,620 | 25.5 |
| Wholesale Trade | 231 | 74.5 | 1,947 | 47.4 | 157,081 | 44.2 |
| Transportation and Warehousing | 118 | 79.2 | 1,016 | 28.5 | 43,238 | 14.5 |
| Manufacturing | 103 | 91.2 | 932 | 78.3 | 41,623 | 76.4 |
| Management of Companies and Enterprises | 49 | 30.6 | 815 | 8.3 | 66,639 | 6.6 |
| Industries not classified | 42 | 100.0 | 35 | 100.0 | 1,330 | 100.0 |
| Utilities | 7 | 20.0 | 14 | 0.6 | 1,017 | 0.3 |
| Total | 17,231 | 92.3 | 254,920 | 47.2 | 18,535,595 | 42.6 |

Source: [Statistics of US Businesses](#), 2018 (Census)

About this profile

Small businesses are defined here as firms with fewer than 500 employees. Figures and statistics may incorporate approximations because of missing or otherwise problematic data. Data analyzed here predate the COVID-19 pandemic, the impacts of which have differed by industry, geography, and demographic group. More information about [the impacts of the pandemic](#), electronic versions of these and other [geographic profiles](#), and additional resources are available at <http://advocacy.sba.gov>.