

District of Columbia

The District of Columbia's 56,383 small businesses provide economic opportunities to diverse groups of people and bring innovative products and services to the marketplace.* This profile from the Office of Advocacy compiles the latest facts and figures on the status and role of small business in the district. (Note that a small business is defined here as one with fewer than 500 employees.)

- The District of Columbia had 15,896 small employers in 2005, representing 93.1% of its employers and 48.2% of its private-sector employment.
- The other services (except public administration) industry was the state's largest small business employer in 2006; professional, scientific, and technical services was the largest overall employer (Table 1).
- Small businesses created all of the district's net new jobs from 2004 to 2005 (Table 2).
- The District of Columbia's real gross economic product increased by 4.3% in 2007. By comparison, growth in the Mid-Atlantic region was 2.8% and the United States, 2.0%. (Source: U.S. Dept. of Commerce: Bureau of Economic Analysis)

For Further Information

- Data on all the states and territories is available at www.sba.gov/advo/research/profiles.
- For other small business data and analysis, visit Advocacy's www.sba.gov/advo/research, call (202) 205-6533, or email advocacy@sba.gov.
- To learn about state efforts to adopt or implement regulatory flexibility, visit www.sba.gov/advo/laws/law_modeleg.html.
- Visit <http://web.sba.gov/list> to subscribe to listservs for Advocacy's newsletter, press releases, regulatory news and research reports.
- Visit www.sba.gov/advo/rsslibrary.html for RSS feeds.

* The number of small businesses is the number of small employers plus the number of nonemployers in 2006.

District of Columbia Small Business Facts

	Level in 2006†	% Change from 2005 2000	
Number of Businesses			
Small employers (<500 employees)	15,896	1.4	4.3
Large employers (500+ employees)	1,173	3.6	8.1
Nonemployers	40,487	2.6	22.9
	Level in 2002†	% Change from 1997	
Business Owner Demographics			
Male-owned	24,616	6.6	
Woman-owned	15,675	12.1	
Equally male/female-owned	2,626	-32.9	
African American-owned	12,198	11.8	
Asian-owned	2,411	-	
Hispanic-owned	2,169	0.7	
Native American/Alaskan-owned	220	NA	
Hawaiian and Pacific Islander-owned	48	336.4	
	Level in 2007†	% Change from 2006 2000	
Workforce (Thousands) /Unemployment (%)			
Private-sector employment	463	1.8	8.6
Government employment	232	-0.5	3.6
Self-employed (incorp. & uninc.)	27	9.9	36.8
Female self-employment	12	9.6	33.3
Male self-employment	15	10.2	39.6
Minority self-employment	10	17	30.3
Veteran self-employment	3	3.1	-23.7
Unemployment rate (%)	5.7	-0.2	-
Business Turnover			
Quarterly establishment openings	4,817	2.1	-3.7
Quarterly establishment closings	5,022	8.2	4.5
Business bankruptcies	36	33.3	-72.1
Income and Finance			
Proprietors' income (\$billion)	4.6	-0.2	67.9
Bank branches	229	4.1	12.8
No. of bus. loans under \$100,000	353	13.9	NA
Total value of business loans under \$100,000 (\$million)	10	38.0	NA

Sources: U.S. Dept. of Commerce, Bureau of the Census and Bureau of Economic Analysis; U.S. Dept. of Labor, Bureau of Labor Statistics; Administrative Office of the U.S. Courts; Federal Deposit Insurance Corporation, Summary of Deposits; and U.S. Small Business Administration, Office of Advocacy (www.sba.gov/advo/research/lending.html).

† Latest available data; certain figures are economywide.

**Table 1. Firms and Employment in District of Columbia by Industry and Firm Size, 2006
(Non-farm, thousands)**

Industry	Nonemployer firms	Employer firms			Employment		
		Total	1-19 Employees	1-499 Employees	Total	1-19 Employees	1-499 Employees
Total	40.5	17.1	12.9	15.9	446.6	56.5	215.2
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	1.9	(D)	(D)
Construction	1.5	0.4	0.3	0.4	6.2	1.4	(D)
Manufacturing	0.2	0.1	0.1	0.1	1.7	0.5	(D)
Wholesale trade	0.3	0.4	0.2	0.3	6.0	1.0	2.8
Retail trade	1.5	1.6	1.3	1.4	20.1	5.1	8.7
Transportation and warehousing	1.8	0.2	0.1	0.1	3.7	0.3	(D)
Information	1.5	0.5	0.3	0.4	23.3	1.1	5.3
Finance and insurance	1.0	0.6	0.3	0.5	19.6	1.4	4.8
Real estate and rental and leasing	4.7	0.7	0.6	0.7	9.6	2.0	6.3
Professional, scientific, and technical svcs.	11.7	4.2	3.3	3.9	88.5	12.4	40.9
Management of companies and enterprises	--	0.2	0.0	0.1	4.1	0.1	1.0
Admin., support, waste mgt., remed. svcs.	2.5	0.8	0.5	0.7	30.2	1.9	17.6
Educational services	1.8	0.5	0.3	0.4	47.5	1.6	12.4
Health care and social assistance	3.7	1.8	1.4	1.7	60.6	6.5	24.0
Arts, entertainment, and recreation	3.4	0.3	0.2	0.3	7.2	0.8	4.9
Accommodation and food services	0.7	1.6	1.1	1.5	49.4	6.3	25.3
Other services (except public admin.)	4.3	3.5	2.8	3.5	66.6	13.9	52.4
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/advo/research/data.html 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, 2002–2005 (Non-farm)

	Total	Employment size of firm						
		1-4	5-9	10-19	20-99	100-499	<500	500+
2004 - 2005	3,266	2,316	796	710	2,052	465	6,339	-3,073
2003 - 2004	13,231	1,506	287	-71	2,434	2,833	6,989	6,242
2002 - 2003	3,363	1,897	230	990	1,059	1,234	5,410	-2,047

Source: U.S. Dept. of Commerce, Bureau of the Census. (For more detailed data see www.sba.gov/advo/research/data.html.)

Table 3: Establishment and Employment Turnover by Quarter, 2007 (Non-farm, thousands)

	Establishments				Employment			
	Openings	Expansions	Contractions	Closings	Openings	Expansions	Contractions	Closings
Quarter 4	1.2	4.8	4.4	1.3	6.0	20.9	21.1	5.3
Quarter 3	1.2	4.7	4.7	1.3	3.8	22.5	22.2	6.7
Quarter 2	1.1	4.7	4.6	1.2	5.1	22.5	21.1	5.3
Quarter 1	1.3	4.8	4.4	1.2	5.1	23.3	18.7	4.6

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

Note: The establishment turnover figures contain all firm sizes, but Census data from 2005 showed that 87 percent of establishment births and deaths were in firms with fewer than 500 employees.