

# BUSINESS SENTIMENTS SURVEY



**D.C. POLICY CENTER**  
The Alice M. Rivlin Initiative

## 2024 QUARTER 1 RESULTS

The D.C. Policy Center Rivlin Initiative's Business Sentiments Survey intends to provide a detailed, comprehensive picture of what the business community is experiencing to elected officials, the media, and the broader community. To participate, visit [dcpolicycenter.org](https://dcpolicycenter.org).

### ECONOMIC OUTLOOK

#### Compared to the metro and national economies, businesses have a dim six-month outlook for the D.C. economy.

Respondents, including representatives from D.C. only businesses and businesses that operate in the region, indicated a pessimistic view of the D.C. economy for the next six months. Potential reasons for this observation include:

*The D.C. economy has experienced limited job growth in recent months.*

Between January 2023 and January 2024, the national economy added 2.76 million jobs, a 1.8% increase.

In the same time period, D.C. added 2,700 jobs, a 0.3% increase. However, this growth is not statistically significant and may just be noise.

#### *How to interpret the survey results:*

The survey sample is not representative of all businesses in D.C. and the metro area. Rather, the survey captured the views of an influential subset of businesses in the region, and the results do not reflect the full diversity of opinion of the D.C. region's business community. The survey results should be viewed as pointing to issues that deserve close and careful consideration when determining how best to re-establish the District's competitive edge.

*The commercial real estate market is weak, and recent vacancy and availability rates suggest it will get worse.*

➔ As of March 2024, D.C.'s Central Business District (CBD) and East End had a combined vacancy rate of 19% and an availability rate of 25%. The gap in availability and vacancy indicates the commercial real estate market will further weaken as leases expire.

### REVENUE EXPECTATIONS

#### Businesses are bracing for lower revenue.

**4** in **10** respondents are expecting their gross revenue to be "somewhat lower" or "much lower" in the next six months. Notably, revenue changes in the prior twelve months did not translate to overall changes in employment in the District.

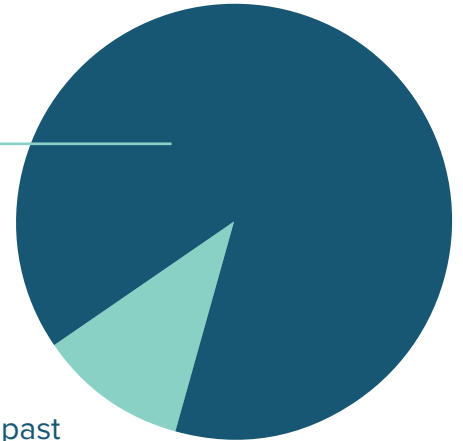
## IMPACT OF CRIME

### Businesses are investing in crime prevention measures.

81 respondents opted into the fourth section of the survey, which focused on the impact of crime on businesses.

89% of respondents reported making additional security investments in the last 12 months.

- The most common security investments were outdoor and indoor security cameras, alarms, and security personnel.
- Of respondents who experienced incidents of crime in the past 12 months, the most common crimes reported were disruptive behavior (loitering, drug or alcohol use) and property damage (including graffiti, vandalism, or arson).



## RESPONDENT MAKE UP

**91** respondents completed the survey. Participants primarily represented large, established companies with over 10 years in operation, over 100 employees, and over \$5 million in annual gross revenue. Nearly all respondents were the owners of or executives in their businesses.

**86%** of respondents are from businesses that have been in operation for 10 or more years. By industry, 45% are in real estate, rental, and leasing; 15% are in professional, scientific, and technical services; 9% and 8% represent nonprofits and restaurants, respectively. Less than 5% each are in retail trade, personal services, health care, arts and entertainment, and other education industries.

The survey was distributed to businesses in D.C and in the surrounding region.

64% of businesses represented in survey responses operate exclusively in D.C.

30% of businesses represented in survey responses operate in both D.C. and in the Washington metropolitan region.

7% of businesses represented in survey responses operate in the Washington metropolitan region but not in D.C.

