

# D.C. Entrepreneurs Project Strong Business Outlook

## Small Business Owners Around Nation's Capital Split on Impact of Tax Reform, Climate Change

Washington, D.C.

Local entrepreneurs project a positive business outlook this spring and are increasingly confident in the D.C.-area economy, according to the [spring 2019 Bank of America Business Advantage Small Business Owner Report](#). At the same time, D.C. entrepreneurs are less confident in the national economy, reporting mixed views on the impact of last year's landmark tax reform and trade tariffs.

The report is based on a semiannual survey of over 1,500 small business owners across the country and in the greater Washington, D.C. region. It reveals that:

### **D.C. entrepreneurs' business outlook over the next 12 months is strong:**

- Eighty-four percent plan to expand their business (up from 76 percent in fall 2018).
- Seventy percent believe their revenue will increase (level since fall 2018, and 11 percentage points above the national average of 59 percent this spring).
- Thirty percent plan to hire (vs. 32 percent in fall 2018).
- Sixteen percent plan to apply for a loan (down from 22 percent in fall 2018).

### **Optimism toward the local economy grows as outlook toward national economy declines. Over the next 12 months:**

- Sixty-one percent believe their local economy will improve (up from 58 percent in fall 2018, and 11 percentage points above the national average of 50 percent this spring).
- Forty-three percent believe the national economy will improve (down from 52 percent in fall 2018).

- Top economic concerns include health care costs (61 percent), the political environment (58 percent), consumer spending (50 percent) and stock market (50 percent).

“D.C. entrepreneurs recognize that our economy is thriving — major companies are investing in our city, and local real estate is booming,” said Ahmed Gilani, Washington, D.C. small business banker manager at Bank of America. “Though our business owners are concerned about the direction of the national economy, it’s clear that they’re focusing on the success of their businesses and planning for a strong 2019.”

### **D.C.-area business owners split on effects of recent policy changes, contemplate impact of climate change**

Fifty-eight percent of D.C. entrepreneurs expressed concern about the current political environment, though they are divided over how major policy issues are directly impacting them. A little less than half of D.C. business owners say the new tax code has had an impact on their business — with 26 percent reporting that impact as positive.

Regarding U.S. trade policy, 44 percent say they have been impacted by tariffs, with 17 percent reporting the impact as mixed, 14 percent reporting it as negative and 13 percent reporting it as positive. Additionally, 42 percent of entrepreneurs in the coastal metropolitan area of D.C., suburban Maryland and Northern Virginia say they’re concerned about climate change impacting their business — 9 percentage points above the national average.

### **Most D.C. entrepreneurs are preparing for the worst — but are they doing enough?**

Unexpected or major economic events can transform a business in the blink of an eye. While most D.C. entrepreneurs are taking steps to protect their business from potential threats such as natural disasters, an economic downturn or a cyber breach, most D.C. business owners do not have a plan to address reputational crises or challenges.

- Sixty-five percent have a business continuity plan in case of a flood, fire or other disaster.
- Seventy-six percent have taken steps to prepare for an economic downturn.
- Eighty-seven percent have taken at least one step to protect customer data from a cybersecurity breach.
- Only 37 percent have a plan to manage reputational issues and threats (13 percentage points above the national average of 24 percent).

### **The power of posts — are online reviews more of a trust broker or breaker?**

Customer feedback holds tremendous sway in the digital era, with online reviews serving as a powerful channel for sharing both compliments and criticisms. While 58 percent of D.C. and D.C.-area business owners have received a negative online review of their

business, 65 percent believe that positive reviews matter the most, and 35 percent say negative reviews have a greater impact on their business.

Furthermore, 72 percent say reviews are important to the success of their business, with 85 percent reporting that positive reviews have helped generate business opportunities. Recognizing that negative reviews do have an impact, 64 percent of D.C. business owners who have received one say they respond as soon as possible to limit the reputational damage.

For a complete, in-depth look at the insights of the nation's small business owners, read the [spring 2019 Bank of America Business Advantage Small Business Owner Report](#). For additional insights, download the [Small Business Owner Report infographic](#).

Bank of America Business Advantage Small Business Owner Report Ipsos Public Affairs conducted the Bank of America Small Business Owner Report Survey for spring 2019 online between February 8 and February 24, 2019 using a pre-recruited online sample of small business owners. Ipsos contacted a national sample of 1,504 small business owners in the United States with annual revenue between \$100,000 and \$4,999,999 and employing between two and 99 employees. In addition, a total of approximately 300 small business owners were also surveyed in each of 10 target markets: Atlanta, Boston, Chicago, Dallas, Houston, Los Angeles, Miami, New York, San Francisco and Washington, D.C. The final results were weighted to national benchmark standards for size, revenue and region.

Prior to 2016, previous waves of the Small Business Owner Report Survey were conducted by telephone and while best efforts were made to replicate processes, differences in sample, weighting and method suggests caution when making direct statistical comparisons of the results from pre-2016 and post-2016.

#### Bank of America

Bank of America is one of the world's leading financial institutions, serving individual consumers, small and middle-market businesses and large corporations with a full range of banking, investing, asset management and other financial and risk management products and services. The company provides unmatched convenience in the United States, serving approximately 66 million consumer and small business clients with approximately 4,400 retail financial centers, including approximately 1,800 lending centers, 2,200 financial centers with a Consumer Investment Financial Solutions Advisor, and 1,500 business centers; approximately 16,400 ATMs; and award-winning digital banking with more than 37 million active users, including over 27 million mobile users. Bank of America is a global leader in wealth management, corporate and investment banking and trading across a broad range of asset classes, serving corporations, governments, institutions and individuals around the world. Bank of America offers industry-leading support to approximately 3 million small business owners through a suite of innovative, easy-to-use online products and services. The company serves clients through operations across the United States, its territories and approximately 35 countries. Bank of America Corporation stock (NYSE: BAC) is listed on the New York Stock Exchange.

For more Bank of America news, including dividend announcements and other important information, visit the [Bank of America newsroom](#). Click [here](#) to register for news email alerts.

[www.bankofamerica.com](http://www.bankofamerica.com)

###

Reporters May Contact:  
Andy Aldridge, Bank of America, 1.980.387.0514  
[andrew.aldrige@bankofamerica.com](mailto:andrew.aldrige@bankofamerica.com)

## **Stock Info**

## **Categories**

Small Business Banking

---

Source URL: <https://newsroom.bankofamerica.com/press-releases/small-business-banking/dc-entrepreneurs-project-strong-business-outlook>