

# BUSINESS SENTIMENTS SURVEY



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

## 2024 QUARTER 2 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).

### REGULATORY IMPACTS

**Compared to before the Covid-19 pandemic, businesses are more concerned with taxes and the regulatory environment when making business location decisions.**

Respondents were asked to rank the importance of location factors compared to their importance pre-pandemic.

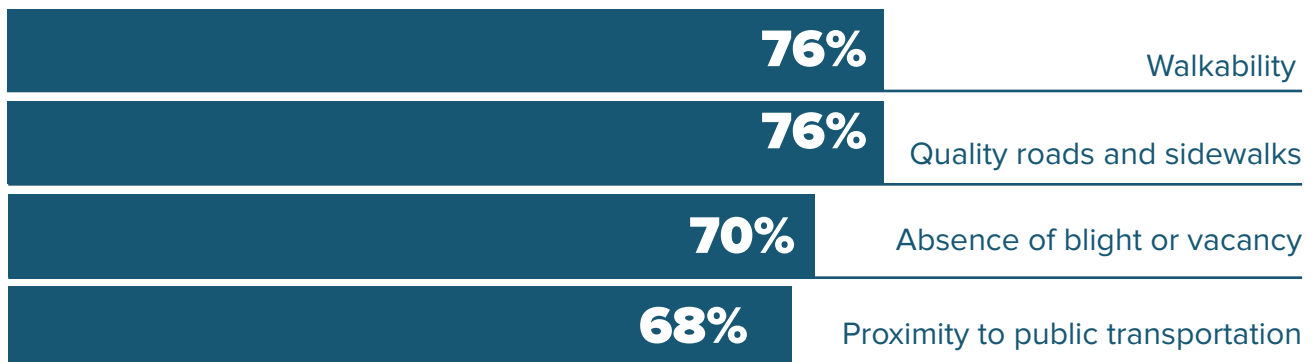
**58%** of respondents ranked tax rates as 'somewhat more' or 'much more' important to decisionmaking than pre-pandemic.

**54%** of respondents ranked regulatory climate as 'somewhat more' or 'much more' important to decisionmaking than pre-pandemic.

### INVESTMENT DECISIONS

**Businesses are concerned with accessibility and appearance when choosing a location.**

When asked about business location decisions, between 68 and 76 percent of respondents rated matters related to accessibility and appearance as 'somewhat' or 'very' important. In contrast, only 25 and 37 percent of respondents rated large square footage available for rent or proximity to highways as 'somewhat' or 'very' important, respectively.



## REGIONAL INVESTMENT

### Respondents remain hesitant to invest in the D.C. region.

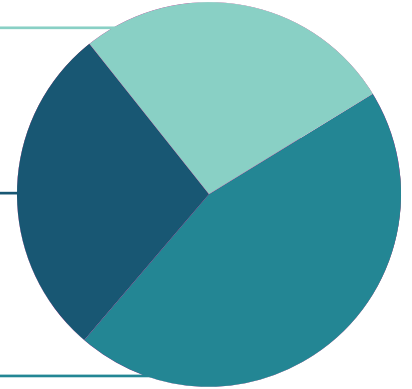
As with round-one, participants reported low likelihoods to invest in the region in the next six months. Nearly half indicated being unlikely or very unlikely to invest.

When asked about hypothetical places for potential investment in the region, businesses still favored D.C. over nearby jurisdictions. However, 23 percent of respondents reported that they would invest elsewhere in the United States but outside the D.C. region.

**28%** of respondents reported being **unsure** if they would invest in the region in the next six months.

**27%** of respondents reported being **likely** or **very likely** to invest in the region in the next six months.

**45%** of respondents reported being **unlikely** or **very unlikely** to invest in the region in the next six months.



## POLICY IMPACT

### Policymakers can have a direct influence on business location decisions.

The results of the second round of the Business Sentiments Survey highlight the importance of policy and regulatory measures on attracting businesses to and retaining businesses in the District.

To improve the **regulatory climate**, policymakers can focus on limiting unnecessary or duplicative constraints on businesses. For example, raising the threshold on the Clean Hands certification and improving communication between regulating agencies would reduce barriers for entrepreneurship.

Respondents indicated **walkability, quality roads and sidewalks**, and the **absence of blight and vacancy** are key factors in business location decisions. By focusing on strong city services, policymakers can ensure the city's attractiveness to investment.

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

The round-two survey received 411 responses, with diverse industry and business sizes. Compared to round-one, the survey received a higher proportion of responses from small, yet established businesses in D.C. and the region.

The sample was weighted according to the Quarterly Census of Employment and Wages industry data.