Business Barriers Study & Action Plan

2023

PRINCE WILLIAM
COUNTY, VIRGINIA

Contents

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Introduction

What is an Entrepreneur Ecosystem and Why Does it Matter?

A region's capacity to support new and growing entrepreneurial ventures depends on the depth and strength of its entrepreneurial ecosystem, i.e., the mix of resources, programs, and cultural attributes that support local people who seek to start, manage, and grow new businesses and other ventures.

The literature on entrepreneurial ecosystems is extensive, but most researchers agree that effective and robust ecosystems excel with these core elements:

- **Capital:** Providing diverse sources of capital to help firms start and grow

- **Workforce/Human Capital:** Building a regional talent base

- **Business Assistance:** Providing easy access to technical assistance

- **Specialized Infrastructure and Facilities:** Meeting the unique space needs of entrepreneurs

- **Community Culture:** Honoring and embracing entrepreneurship

- **Effective Regulation:** Cutting red tape and promoting flexibility

- **Market Access:** Helping entrepreneurs identify, access, and succeed in new markets

Prince William County's Ecosystem Assessment

Business owners and aspiring entrepreneurs operate in a very robust regional ecosystem anchored in Northern Virginia and the wider Washington DC metropolitan area. The essential ecosystem building blocks are in place, and even more sophisticated support services, such as specialized incubator facilities and a robust venture capital market, also exist.

While these essential building blocks and support tools are present in the region, they are not always easily accessed by local business owners and entrepreneurs. In some cases, this may be due to legacies of discrimination and exclusion, and, in other instances, lack of access may simply be the result of limited awareness of available support resources.

This project is especially focused on improving Prince William County's responsiveness to these underserved business owners and aspiring entrepreneurs who may lack the knowledge, networks, or capacities needed to access the full range of support tools available in the county and the wider region.

Action Areas

Effectively supporting these entrepreneurs does not require the creation of significant new programs and capabilities, but it will require rethinking how local people start and proceed on a successful entrepreneurial journey.

Key future priorities should include:

- **Improving local awareness and access** to county business assistance programs and other support tools

- **Developing customized outreach and programming** for underserved entrepreneurs

- **Nurturing a robust pipeline of diverse talent** to start and grow new companies and to work in existing and new ventures

- **Providing "a seat at the table" for underserved entrepreneurs** via new venues and opportunities to redesign existing programs and develop new initiatives

Landscape Assessment

This chapter presents an overview of the state of Prince William County's small business and startup community from the perspective of underrepresented business owners and entrepreneurs. It summarizes notable findings from the data analysis as well as key themes from the stakeholder engagement efforts. Feedback from the business community and support organizations, paired with data analytics, is the primary driver of the strategy.

What we learned from the data analysis

To provide a general framework for our recommendations, we conducted a demographic and economic assessment of the small business and startup ecosystem in Prince William County, VA. Key findings from this analysis are provided below and the complete data analysis is found in the Appendix.

FINDING: **The county is rapidly growing and diversifying**

Prince William County's population is growing rapidly and through that growth, becoming increasingly racially and ethnically diverse. Its share of diversity is significantly more than that of the state.

This growth is driving an uptick in entrepreneurship and innovation, especially by undersupported founders, by creating opportunities to access new markets and customers from a wide range of cultural backgrounds. Small business owners interviewed for this project noted this as a primary reason for doing business in Prince William County.
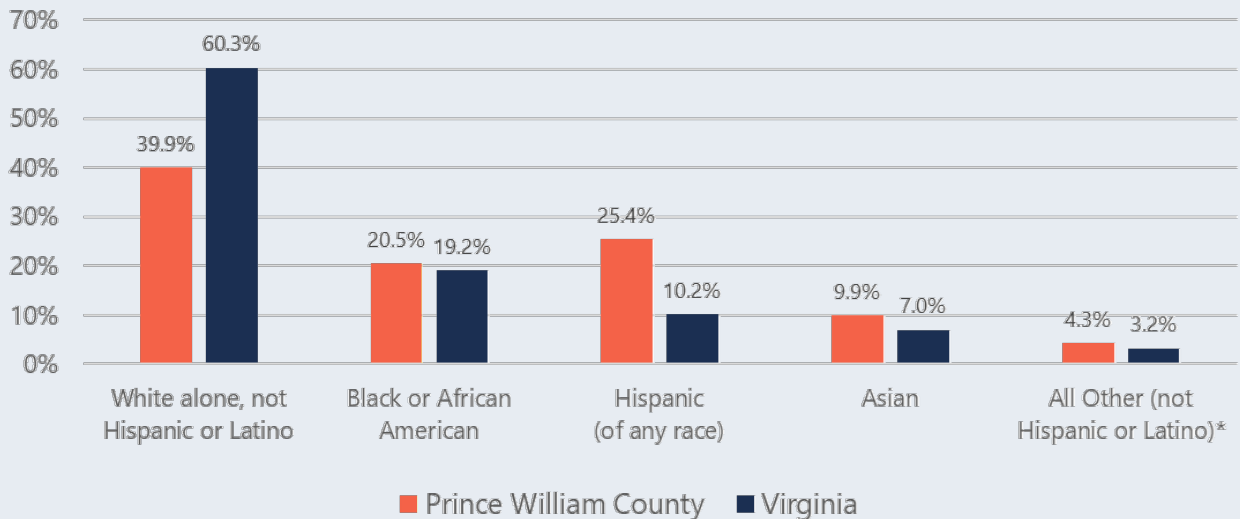
Prince William County Population

484,472

5.6% of Virginia's population

4.5% increase in total population compared to 2% in VA (2017-2021)

Figure 1

Population by Race and Ethnicity (2021)

	Prince William County	Virginia
White alone, not Hispanic or Latino	39.9%	60.3%
Black or African American	20.5%	19.2%
Hispanic (of any race)	25.4%	10.2%
Asian	9.9%	7.0%
All Other (not Hispanic or Latino)*	4.3%	3.2%

■ Prince William County   ■ Virginia

Prince William County's median household income was $107,707 in 2020, an increase of $16,609 since 2010 (18%). While all households saw gains in income, the magnitude varied significantly by race and ethnicity, and no other race or ethnic groups have yet to meet the 2010 income levels of White households. White households experienced the largest increases, with $22,336 (22%) in income growth between 2010 and 2020. The next highest income increases were for Black or African American households, with $18,963 in income growth. However, in 2020, Black or African American household income was only 76% of White household income.

Wide racial and ethnic gaps in household income rates have significant implications for creating equitable entrepreneurial environments. Lower income households typically have lower savings rates as paying for basic needs leaves little left to save. Therefore, lower income households have fewer resources to invest in new ventures. However, entrepreneurship can be a path to prosperity. Rates of return on business investment for Black entrepreneurial households have been found to be around 20% annually, 17% for Hispanic households, and 15% for White households.

Figure 2

Median Household Income by Race & Ethnicity (2010 - 2020)
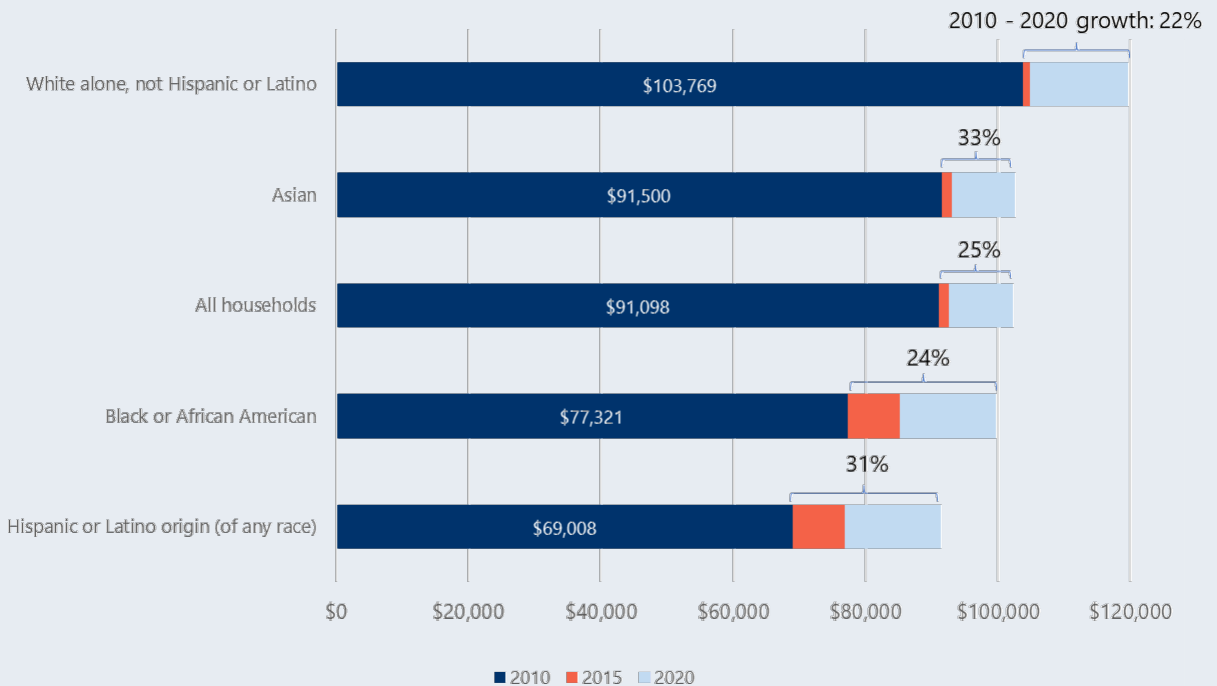
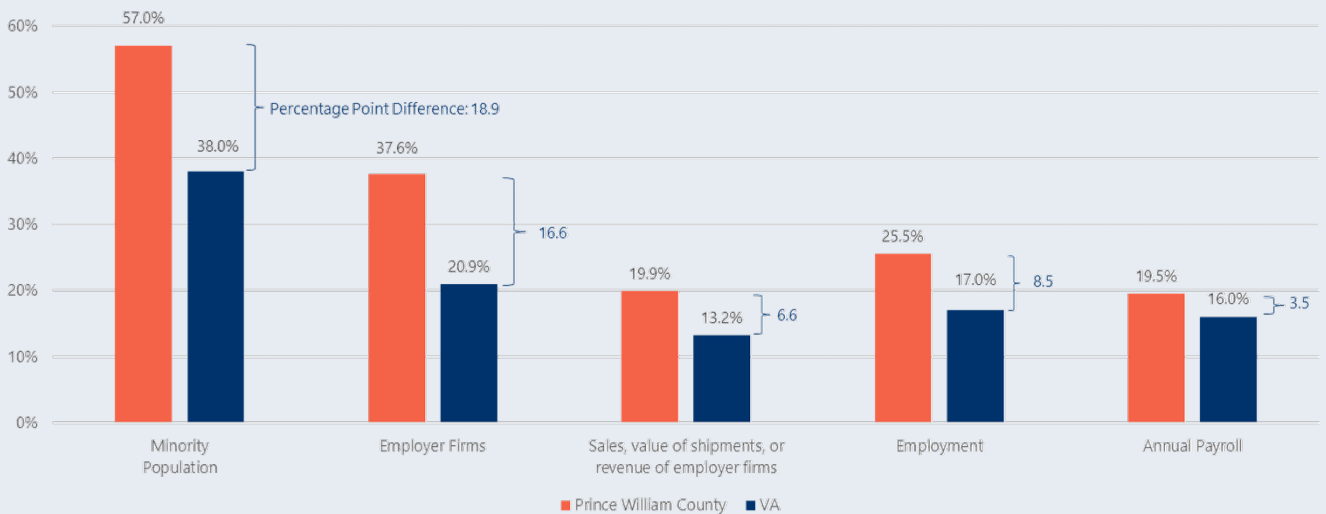Source: 2010, 2015, 2020 American Community Survey 5-year Estimates

FINDING: **Disproportionately fewer minority-owned businesses**

Relative to its large minority population, Prince William County's share of minority-owned firms was disproportionally low. In addition, minority-owned businesses had a lower share of sales, employees, and annual payroll, relative to their share of firms.

Minority-owned firms account for a significantly larger share of business ownership and activity in Prince William County compared to the state; however, this was largely a function of the county's significantly larger minority population. While the county's minority population was 18.9 percentage points larger than of the state level, it had 16.6 percentage points more minority-owned firms, and those firms only accounted for 6.6 percentage points more in sales, 8.5 points more in employment, and 3.5 points more in payroll than firms across the state.

Figure 2

Minority-Owned Businesses' Share of Business Activity Relative to the Minority Share of Population (2017)

Source: U.S. Census Bureau, Non-employer Statistics by Demographics, Annual Business Survey Program (2017). Note that data from this source is older than data used elsewhere in this report.

A self-employed individual directly offers their personal services to others in return for compensation, instead of earning an income from a business, corporation, or employer.

In Prince William County, there is a disproportionate share of self-employed firms that are White-owned relative to the population. Individuals who are Hispanic or Latino are the least likely to be self-employed, with a 10.3 percentage point difference in their share of self-employed firms compared to their share of the population.

Self-employment is the first step on the pathway to entrepreneurship and in Prince William County, Black, Hispanic, or Asian individuals are less likely to take that step compared to their White counterparts.

62%
of Americans have a dream business in mind

41%
would start it in six months if they could

<2%
actually do

Source: Survey by the Small Business Administration (SBA) with righttostart.org

Figure 4

Self-Employed Firms by Race and Ethnicity (2021)

Percentage Point Difference: 18.2

White — Self-Employed 58.2%, Population 39.9%
Black or African American — Self-Employed 15.4%, Population 20.5%, -5.1
Hispanic or Latino — Self-Employed 15.1%, Population 25.4%, -10.3
Asian — Self-Employed 6.9%, Population 9.9%, 3.0

■ Self-Employed ■ Population
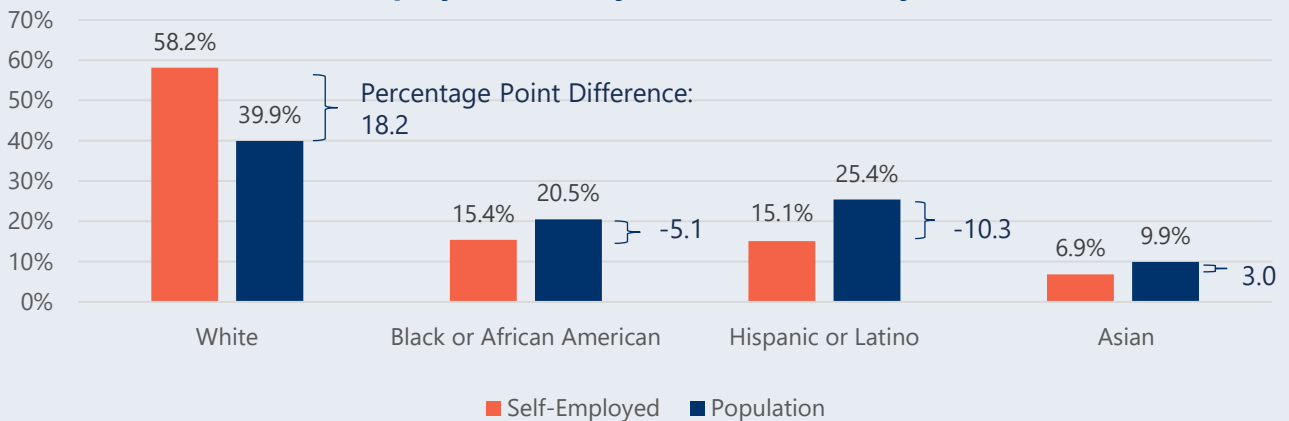
FINDING: **Below-average microbusiness online sales performance**

Many small businesses require a robust online presence to succeed in today's economy. On this count, many local microentrepreneurs may be challenged.

Recent data from GoDaddy examines online business activity among "microbusinesses," which is defined as a business with a discrete domain name and an active website, and less than 10 employees. Prince William County had 24,357 microbusinesses according to GoDaddy data in 2022, compared to 22,114 in 2019, which was a 10.1% increase. Virginia overall had a 2.3% increase in microbusinesses during the same period.

Overall, Prince William County has a higher Activity Index compared to the state, meaning that the online businesses in the county are performing better than the state average. However, Prince William County's microbusinesses are not performing as well as those in the nearby counties of Arlington, Fairfax, and Loudoun.

On the measure of Engagement, Prince William County online businesses consistently rank about 4-5 points lower than the state. Engagement is the measure of how active websites are in the community and suggests that microbusinesses in Prince William County would benefit from digital marketing assistance to drive higher engagement to their sites. This finding corresponds with what we heard during the interview process where many small business owners indicated they have basic websites but are not "doing enough" or "doing what they should" in the digital marketing space.
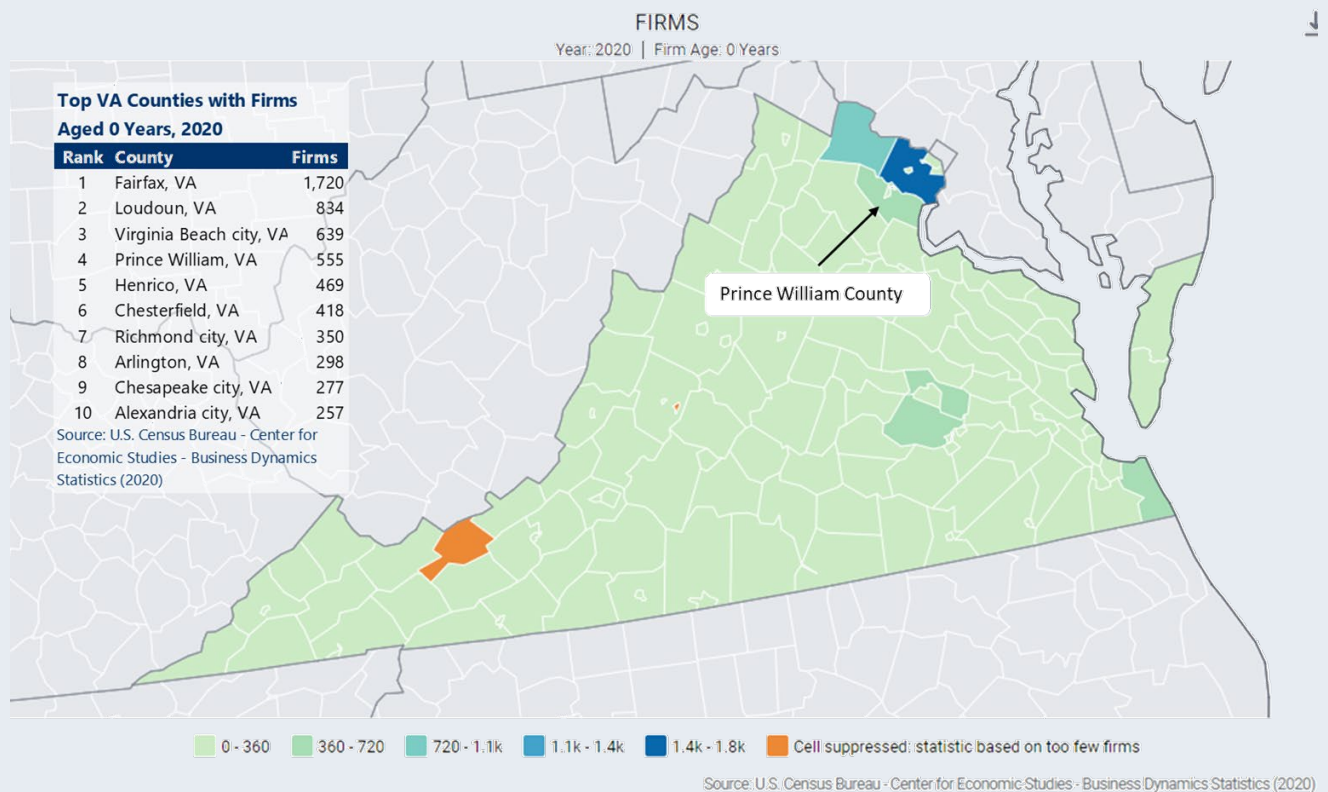
Figure 5

Microbusiness Activity (2019-2022)
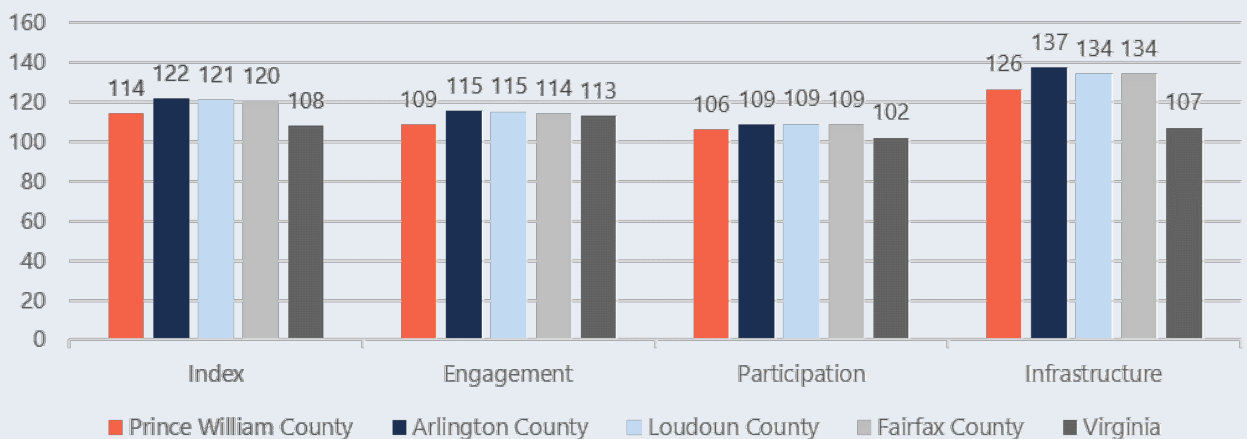
FINDING: **High rates of startup activity**

Prince William County is among the top counties in the state of Virginia for startup activity, with 550 to 600 new firms starting each year between 2016-2020. In 2020, the County ranked fourth among all Virginia counties for number of new firms overall and seventh for establishment entry rate.

With all of these new firms starting up each year, it can be challenging for business support organizations to ensure new founders are aware of the resources and support available to them. It can also challenge the capacity of the system to provide high-quality support that is appropriate for the broad range of diverse founders and business types entering the system.

FIRMS
Year: 2020 | Firm Age: 0 Years

Top VA Counties with Firms Aged 0 Years, 2020

Rank	County	Firms
1	Fairfax, VA	1,720
2	Loudoun, VA	834
3	Virginia Beach city, VA	639
4	Prince William, VA	555
5	Henrico, VA	469
6	Chesterfield, VA	418
7	Richmond city, VA	350
8	Arlington, VA	298
9	Chesapeake city, VA	277
10	Alexandria city, VA	257

Source: U.S. Census Bureau - Center for Economic Studies - Business Dynamics Statistics (2020)

Prince William County

Legend: 0 - 360 | 360 - 720 | 720 - 1.1k | 1.1k - 1.4k | 1.4k - 1.8k | Cell suppressed: statistic based on too few firms

Source: U.S. Census Bureau - Center for Economic Studies - Business Dynamics Statistics (2020)

FINDING: **Local businesses are less resilient to economic shock**

In the 1980s and 90s, Prince William County tended to experience greater spikes in the rate of business closures compared to the state and benchmark counties. It fared better in the late 90s and early 00s, but during the Great Recession from late 2007 into 2009, Prince William County had a higher rate of business exit that lasted longer than the other counties. Its 2020 exit rate during the COVID-19 pandemic was second only to Loudoun County.

This data suggests that Prince William County businesses tend to be less resilient and less able to withstand economic disruptions. Many businesses do not seek out assistance until they experience a major disruption during a regional or national recession, at which time many other businesses are experiencing the same, meaning the support structures are flooded with requests.

In these recession periods, business-sustaining support tends to travel first within existing networks and to those with established relationships. It takes longer to reach undersupported businesses, sometimes to their peril. Proactive, ongoing business engagement is needed to connect with undersupported small businesses and ensure they know exactly where to go for help when the next disruption occurs.
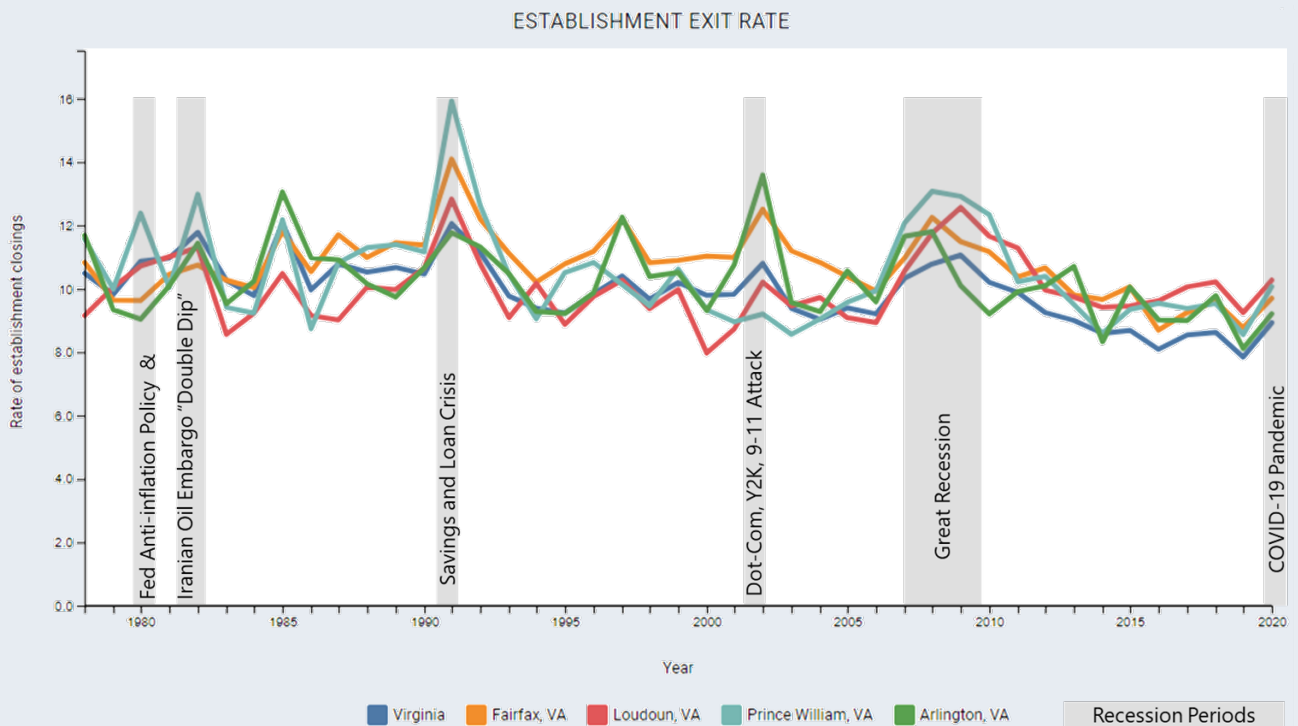
ESTABLISHMENT EXIT RATE

Source: U.S. Census Bureau - Center for Economic Studies - Business Dynamics Statistics (2020)

FINDING: **Lower small business loan amounts**

As defined by the Small Business Administration (SBA), a small business has less than 500 employees. In 2019, the average small business loan in Prince William County was $27,552, which was lower than the benchmark counties of Arlington ($29,395), Fairfax ($29,396) and Loudoun ($31,847).

Prince William County is significantly more racially and ethnically diverse than the benchmark counties, which is perhaps one factor contributing to lower average small business loan amounts. Research by the Federal Reserve Bank of Cleveland shows that firms owned by people of color tend to seek smaller amounts of financing and are less likely to be approved for financing than White-owned firms.

Figure 6

Average Amount of Small Business Loans, 2019
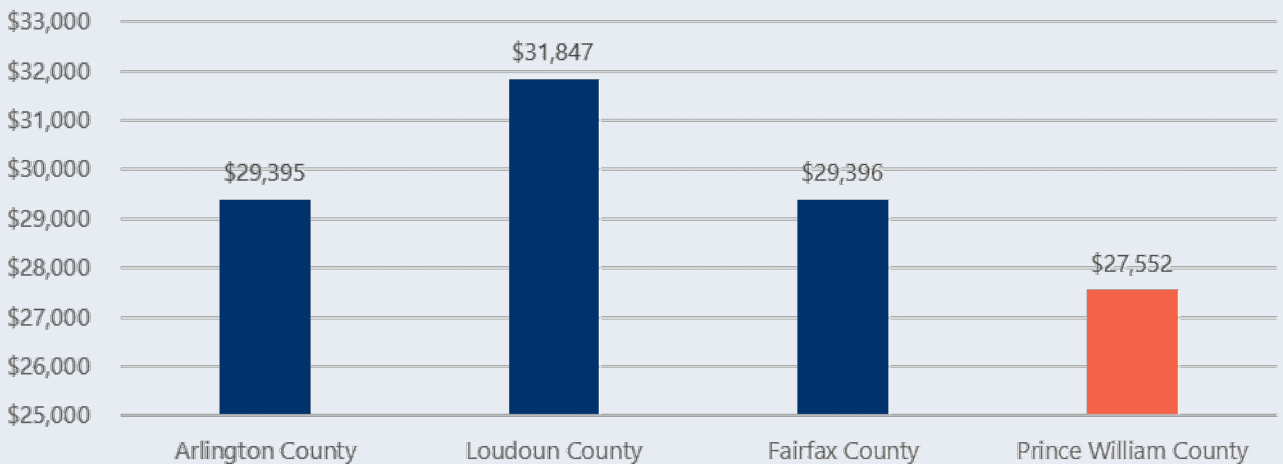
Source: Federal Financial Institutions Examination Council: Community Reinvestment Act

What we heard

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Engagement Approach

We undertook a variety of approaches to understanding the local and regional entrepreneurial ecosystem and its impacts on aspiring entrepreneurs and business owners in Prince William County.

We began with an extensive literature review and assessment of county programs managed by Prince William County's Economic Development Department and other agencies. Among other things, this assessment examined the county's recent, and largely successful, efforts to assist companies affected by the COVID-19 pandemic and recent reports, such as the work of the Northern Virginia Community Foundation's Minority Business Working Group, on the region's minority entrepreneurs and their experiences during the pandemic.

This research fed into our review of existing data and analytics related to the entrepreneurial landscape in Prince William County. This material, presented above, was also used to guide our additional outreach efforts, which drove the bulk of our analysis and helped to refine the policy and program recommendations presented in this report.

Outreach efforts focused primarily on gaining inputs and insights from area business owners, especially minority and immigrant-owned businesses. The research team hosted a series of individual interviews and focus groups (both virtual and in-person). Additionally, discussions were held with businesses operating at Potomac Mills Mall, and with companies operating at Brickyard Coworking in Woodbridge and the CenterFuse coworking space in Manassas.

These efforts were further bolstered by the support and engagement of our Project Advisory Committee, which included local business owners. A full listing of interviewees can be found in the Acknowledgements section of this report.

In addition to engaging with local business owners, we held several interviews and focus groups with representatives from key county, local, and state agencies that work with new and existing businesses. These included personnel from the Prince William County Development Services Department, the Department of Tax Administration, the county library system, and the Virginia Cooperative Extension.

We also interviewed leaders of various county business networks, such as the Prince William Chamber of Commerce; minority business-focused networks, such as the Northern Virginia Black Chamber of Commerce and the new MOVE Chamber, supporting the Muslim business community; and community/neighborhood business networks, such as those operating in Gainesville, Haymarket, and Occoquan.

Finally, we obtained input from leading business service providers, such as the Mason Small Business Development Center network, the Women's Business Center, and the Community Business Partnership.

What we heard

Opportunity Areas

The vast majority of interviewees expressed positive opinions about the climate for small businesses and entrepreneurs in Prince William County. In general, business owners noted that they "chose" Prince William County over other area locations for a variety of reasons. These included lower operating costs, cheaper real estate, a fast-growing local market, and the area's diverse population.

As the county's population has rapidly increased, some growth challenges, especially related to traffic and housing costs, are emerging. Yet, many new market opportunities are also developing. Many interviewees noted that, even with rapid growth, Prince William County remains a good place to do business. As one entrepreneur noted, the county remains small enough that you can "get to know folks" and you need not own a huge business to get attention.

Interviewed entrepreneurs also agreed that local business networks were generally open and available. Engaging with the county's many business networks and support organizations is fairly easy if a business owner has the time, interest, and awareness of networking opportunities.

Business owners also shared positive experiences based on their interactions with Prince William County's Economic Development Department and other agencies. Some problem areas (discussed below) were identified, but general perceptions were very positive. When entrepreneurs did engage with county agencies, they felt supported and effectively served.

For some entrepreneurs, these positive perceptions were especially focused on the county's pandemic-related small business programming. At a time of dire need for many area small businesses, Prince William County's support programs, such as the Small Business Micro-Grants and Restore Retail grants, were an essential lifeline for many companies. Other specialized programs, such as the regional FireUp Business Mentoring and Coaching Program, also received high marks.

It is important to note that the county's small business program is in its infancy compared to neighboring jurisdictions around the region with more robust services and staff support. In 2017, the Department received funding for a small business development manager to complement the contract services of the Flory Small Business Center. In 2019, the program ended the contract services and brought those services under the direct control of the Economic Development Department. The program quickly ramped up County-led business engagement and programming in response to the COVID-19 pandemic.

What we heard

Challenge Areas

While business sentiment was very positive about Prince William County's small business climate, some challenge areas were identified. These issues, discussed in further detail below, typically related to awareness, access, and opportunity.

Too many local business owners, especially minority and immigrant entrepreneurs, were unaware of various support tools and programs. In other cases, they faced obstacles in accessing needed support or lacked the in-house capability to take advantage of potential opportunities. At the same time, many newer business owners would benefit from programs targeted to specific business populations, especially non-native English speakers. Similarly, more specialized programs targeting acute needs, such as accessing talent or enhanced marketing tools and techniques would be beneficial.

The following pages provide more context around each of the themes from the stakeholder engagement.

Awareness

Local people would benefit from greater awareness of local small business opportunities and support resources.

Opportunity

New and existing business owners would benefit from new programming targeted to underserved residents, sectors, and businesses.

Access

New and existing business owners would benefit from easier access to appropriate support resources and programs.

1) Better understanding and community AWARENESS about entrepreneurship

Local people should know that small business help is available at every stage of the business lifecycle—from the ideation stage where they may learn the entrepreneurial mindset, to the early startup phase where they learn key skills like business planning and marketing, to the growth phase where more specialized support, funding, and coaching may be needed.

Awareness can be a major challenge in a large and rapidly growing location like Prince William County. Many residents are new to the county, with a limited history of working with local and county agencies, area non-profits, business service providers, and other partners. As a result, they may fail to take advantage of existing business support programs.

Many new business owners start a business and successfully grow it through a (sometimes painful) process of learning by

doing. While this approach works, it is not the only way to achieve business success. Prince William County hosts a wide array of business support services operated by public, private, and non-profit entities. In most cases, these services are offered free of charge or at reduced costs.

While essential business services are in place, many local business owners are not aware of them or not aware of new funding opportunities when they arise. Many new business owners lack the time, knowledge, or networks that would allow them to easily identify and access relevant support programs. Efforts to close these knowledge gaps are essential. Improved and expanded marketing, along with efforts to engage all county residents, will be needed.

2) Easier ACCESS to learning and support opportunities

Once a local resident takes the entrepreneurial leap, they should be able to easily access needed support. They can find "the right tool at the right time" from online resource guides and other marketing materials, business concierge or coaching services, business networks, and other sources.

In most communities, small business owners seeking assistance face an often-complex mix of agencies, acronyms, and programs offering help and support. Help may be available, but entrepreneurs often do not

know "where to go for what." This may lead them to miss out on opportunities for funding or assistance, or, more commonly, they may simply give up due to the frustrations of failing to find the "right" resources.

Many interviewed entrepreneurs expressed frustration with the processes of finding and accessing assistance. This process often took too long and required too much time to identify and research support options. Better guidance for resource navigation is also needed.

Many steps can help to improve program access and resource navigation. One means to improve local knowledge of ecosystem resources involves engaging business owners in the design and delivery of support services and assistance. New business owners can and should be more regularly engaged in offering their input on existing initiatives and in developing new programs to address new issues and challenges.

During this study, the county's economic development team engaged with a wide variety of business stakeholders. These partners were enthusiastic about participating in these discussions and were also hungry to continue these types of engagements. More permanent mechanisms to engage small business owners are needed. These steps will better engage businesses while also improving both the awareness and responsiveness of county small business programming.

Creating a central hub for small business support presents a more expansive means to address issues of effective resource navigation and awareness. While our pandemic-era experiences suggest that many services can be provided in a virtual setting, many business owners are eager for building connections and networks in real life. The Business Innovation Hub can support this work. It can serve as a place (or places) where entrepreneurs and other members of the ecosystem can convene, network, learn, create, and celebrate.

Ideally, the Business Innovation Hub serves as the "front door" to business support services, and as the physical embodiment of the region's entrepreneurial ecosystem. If a local resident wants to learn about business, innovation, and entrepreneurship, they will find what they need at the Hub.

These types of centers exist around the US, and their designs and programming vary depending on local conditions and business needs. Typically, they house small business support programs, such as those operated by the Prince William County Economic Development Department and the Mason Small Business Development Center (SBDC) network. In addition to various public and non-profit support programs, the center may offer "business concierge" services that assist business owners in accessing needed assistance. The center may include space for other business groups, such as local Chambers of Commerce, or space for new entrepreneurs and remote workers. The facility also typically includes meeting space and may even feature a café or other places for informal meetings, reflection, or refreshment. Ideally, the Center is viewed as a community meeting space as opposed to a facility that houses government programs.

Our interviewees raised a number of issues, but these diverse inputs all coalesce around common themes. The process for starting and growing a business (or nonprofit venture) in Prince William County should be more clear, more transparent, and more welcoming. When entrepreneurs do interact with county staff or service providers, such as SBDC counselors, their experiences are typically positive. But getting to that point can sometimes be challenging.

3) Tailored resources to meet challenges and OPPORTUNITIES

Robust ecosystems support entrepreneurs across the business lifecycle, from the ideation phase through startup and growth and to the process of potential business closure as well. They also provide tailored support depending on specific populations, industries, and business needs.

Most communities can offer basic small business support, but, in some cases, new programs and services may be required. In others, new program models and approaches can be used to support specific communities or populations. This tailoring may range from simple steps, such as translating program materials into multiple languages, or it may involve more active efforts, such business accelerator programs targeted to minority business owners or companies operating in specific industries such as retail, childcare, or government contracting.

New programs should also be tailored to key business challenges and opportunities.

Our business interviewees identified four key challenges that impeded their ability to start and grow companies. The first challenge concerns talent. Like all employers in today's economy, Prince William's business owners face real challenges in recruiting and retaining workers. In addition, marketing and business development remains challenging. A third challenge concerns information technology. Many local business owners are not tech-savvy, and thus may be missing out on marketing opportunities on social media and other on-line venues as well as other time-saving IT tools that can help streamline business processes. Finally, access to capital remains a perennial challenge, especially for new fast-growing ventures.

Implementation Strategy

This chapter presents the recommended projects and actions to implement the Prince William County Business Barriers Strategy.

Robust and effective entrepreneurial ecosystems provide residents with education, resources, and programs that are well-aligned with company and founder needs as their ventures grow and evolve. These core objectives are well-supported in Prince William County and the wider Washington DC Metro area ecosystem. In most cases, aspiring entrepreneurs and small business owners can tap into a wide array of support resources. Yet, the process could be clearer and more user-friendly for many entrepreneurs, and in a few areas, several new programs or updated programs may be needed for targeted groups of business owners.

Below, we offer a series of policy and program recommendations tied to these concepts of **enhanced awareness**, **easier access**, and **tailored support**.

Enhanced Awareness

Project 1: Enhance and expand marketing and communications

Improving awareness of existing support programs and training can help to ensure that all Prince William residents can find needed business support. As a first step, Prince William Economic Development and key partners should undertake an enhanced and expanded marketing effort to support entrepreneurship around the county. This effort could be organized around a targeted campaign, such as "Prince William Means Business" or "Follow Your Dream in Prince William," that utilizes the county's current communications tools to promote entrepreneurship in the county. These efforts might include a focused website, social media campaign, and the development of materials for use by other government agencies and partners. Hard copy materials might include brochures and information packets that can be included in business license-related materials, how-to guides, and other materials, provided in English and other common foreign languages.

Project 2: Organize a business success network

The marketing and communication efforts can be amplified via collaborations, which could be supported by closer partnerships with key business service providers who could come together under a common umbrella such as the Prince William Business Success Network. Partner organizations should include prominent business service providers, such as the Mason SBDC network , the Community Business Partnership, and leading business networks such as the county's numerous Chambers of Commerce. In addition, local business organizations, such as those in Haymarket and Occoquan, should be engaged. Private partners, such as coworking spaces or business service providers, could also support this work. Finally, county services such as Procurement, Tourism, Development Services, Finance, Cooperative Extension, and the Public Libraries should be central to the network.

Enhanced Awareness cont.

As a first step, this Success Network would primarily focus on marketing and outreach, i.e., ensuring that more residents are made aware of training and support opportunities. Over time, this network could consider embracing new missions, such as shared delivery of business support services. At the outset, however, the group should remain focused on the important and achievable task of improving the outreach and promotion of existing resources.

This sustained media campaign would publicize key messages related to entrepreneurship and innovation. These types of campaigns typically emphasize themes such as the importance of taking risks, the availability of local support tools, the benefits of buying local, and the power of entrepreneurship to support both community building and individual empowerment.

The work of the Innovation Collaborative in Erie, PA, offers an instructive model. The Collaborative's early research (in 2014) found that local people did not fully understand why entrepreneurship mattered to the local economy. In response, the Collaborative's early media messages emphasized the role of entrepreneurship in driving local prosperity, while also highlighting local support resources. As the campaign proceeded, later messaging sought to expand the effort's reach by engaging new program partners and attracting more people to consider starting or investing in new local businesses.

Project 3: Develop a website for small business resources

Effective ecosystem outreach efforts are often anchored by a focused website that may include an ecosystem asset map, guide to resources, event calendars, and other support tools.

Communities around the US, and around the world, have developed excellent online resource guides and maps designed to help local people succeed as entrepreneurs.

Excellent examples include the following:

- **Kansas City, MO:** KC SourceLink Resource Rail
- **Sacramento, CA:** Startup Sacramento
- **St. Louis, MO:** ITEN Ecosystem Map and EQ Startup Map
- **Springfield, OH:** Expand Greater Springfield
- **Akron, OH**: Akron is for Entrepreneurs!

Successful resource navigation websites share several features. They include all important players in the ecosystem and provide referrals based on areas of expertise and local need. The central point of contact can be accessed in multiple ways (phone, web, social media) and is available 24/7. When done right, they serve as the virtual front door for a community's business concierge services.

Taking Action:

Hearing about this issue early in the project, County staff jumped into action and have begun to improve resource navigation for small businesses on the County's website.

Easier Access

Project 4: Meet entrepreneurs where they are

More and better marketing of existing resources is a necessary step, but, on its own, it will not solve the access challenges noted by interviewed business owners. Effective ecosystems "meet entrepreneurs where they are." For minority and underserved businesses, this means engaging in their communities, with their preferred program partners, and in venues where they are comfortable and feel represented.

Resource navigation efforts offer an excellent tool to help these business owners more easily access support programs, leading some to refer to them as "game changers" for underserved entrepreneurs.

This tailored outreach should include materials in multiple languages, and partnerships with relevant organizations that might include social clubs, churches, or other partners. It will likely also require more expansive efforts to identify and support community partners who can serve as trusted intermediaries in terms of publicizing opportunities for local business owners.

Project 5: Form a network of small business resource champions

To support this work, county leaders should consider formalizing a network of entrepreneur coaches or champions who have a solid understanding of existing ecosystem resources. These designated champions would help to promote support services and ensure that new and existing business owners are aware of and can access available support programs.

Anyone with a passion for entrepreneurship and community building can be an entrepreneur champion. They typically have standing in a given community and are viewed as "trusted connectors." This network of trusted connectors might include representatives from minority-serving organizations, such as targeted Chambers of Commerce, the NAACP, or the local chapter of HOLA, the Hispanic Organization for Leadership and Action. Other existing networks, such as Leadership Prince William, should also be tapped. However, champions need not be affiliated with a formal organization, as some of the most effective advocates will often be individuals who assume more informal community leadership roles.

Numerous models like this already exist. In fact, the US Small Business Administration has supported a Community Navigator Pilot Program that has funded 51 different organizations to support this type of community support and outreach.

Easier Access cont.

This program has backed several national partners, such as the US Pan Asian Chamber of Commerce Foundation, Syracuse University's Institute for Veterans and Military Families, the National Disability Institute, and the US Hispanic Chamber of Commerce. The pilot project operates according to a "hub and spokes" model, so these larger hub organizations are further bolstered by numerous local groups that serve as "spokes" in various resource networks.

Thanks in part to these new SBA funds, new community navigator programs are being adopted around the US. Prominent examples include Oregon's Venture Catalyst program which began in 2006 and has gained wide support across the state. In Akron, OH, the mayor appointed an Entrepreneurship and Innovation Advocate who not only champions entrepreneurship, but also helps guide potential business owners to the right support resources. Oklahoma's Build in Tulsa program trains and supports a team of mentors and guides focused on helping minority business owners. In Miami-Dade County (FL), the local SBDC office coordinates its Resource Navigator program with a mix of area non-profit organizations targeting specific populations and business needs.

These types of awareness and resource navigation programs vary greatly and should be tailored to unique local needs.

Effective programs work with a diverse array of partners and provide some basic training and professional development opportunities to coaches and navigators. These trainings typically educate local champions about the various business resources available in the community, and may also provide training in effective outreach, facilitation, and coaching strategies.

These entrepreneurial coaches will help improve awareness of existing support programs but serve other functions as well. They greatly assist local people in finding the right resources at the right time, saving them time and money. At the same time, these coaches can provide essential market intelligence to business service providers. What types of problems are impeding local entrepreneurs? What types of support services are needed? Where and how should they be delivered?

This network of entrepreneur champions can also serve as a supplement to existing business retention and expansion efforts already underway in Prince William County.

Easier Access cont.

Project 6: Expand business retention and expansion (BRE) to include small underrepresented businesses

The county should employ business retention and expansion (BRE) tactics to proactively connect with under-represented founders, build relationships, and expand resource access. This can be done by expanding the county's existing BRE program, which currently focuses on the major employers in Prince William County.

Currently, county staff aims to visit 40 businesses each year. Data obtained during these visits are tracked in Salesforce. In recent years, discussions with these employers have focused primarily on workforce needs, as that has become the top issue for most employer-businesses in the county and across the U.S.

The existing program can be expanded to include small businesses by taking the following steps:

Define data to be collected: Review the BRE questions currently used and identify those most appropriate for a small business. Add any additional questions that are specific to small businesses. Try to keep the number to around 20 questions.

Create a survey tool: Using some of these questions, create a brief digital survey that asks the most important questions. Ask the new Small Business Advisory Group to complete the survey as a beta-test and provide feedback. Analyze the data provided to ensure the answers provided are offering quality data in a usable format.

Develop a small business list: Use existing contact lists to create a list of businesses to participate in the BRE program.

Design the program: The small business BRE program should include an annual digital survey to the full business list as well as in-person site visits to select businesses.

Implement online survey: Employ an annual marketing campaign that encourages businesses to complete the survey themselves. Utilize email, social media, and other forms of outreach. The online survey should have a question asking the business if they would like a follow-up.

Set feasible internal goals: Set feasible internal goals for the number of small businesses to be engaged in person each month and each year. Additional staff capacity will be crucial for growing the program.

Additionally, all conversations with a business should be considered BRE. Information provided during discussions is data and should be entered into Salesforce.

Track trends: Frequently analyze the data to identify pervasive problems or trends in the under-supported business community.

Report: As part of the county's annual report, present data on the small businesses that summarizes the findings, follow-up actions taken, and emerging trends.

Collaborate: Host an annual BRE campaign where partners collaborate on the business engagement over the course of one week. The partners, which should include the new Small Business Resource Network (Project 5) and the Small Business Advisory Group (Project 8), should use the same digital questionnaire that automatically populates Salesforce. At the end of the week, host a happy-hour style event for partners to come together and talk about what they learned from the business community. Within one month, prepare a report summarizing the findings from the outreach and planned actions that will occur. Email the report to all partners and businesses that were engaged.

Examples of digital BRE surveys include:

- Advance Albany County Alliance, Albany County, NY

- Lake George-Lake Champlain Regional Planning Board, NY

Easier Access cont.

Project 7: Establish a hub

Awareness and active use of business support resources can be further enhanced by the establishment of a physical "home" for these ecosystem support resources. Our experience during the pandemic suggests that many support and training programs can be delivered virtually. Yet, not all programs work best in a virtual setting, and many new and existing business owners may prefer face-to-face interaction. In addition, many underserved entrepreneurs may lack ready access to reliable internet service and information technology tools.

Underserved entrepreneurs in Prince William County could benefit greatly from the creation of a county-supported Small Business Entrepreneurship Hub.

This facility should be in an easily accessible central location, with easy access via public transit. Given the size of Prince William County, the creation of several satellite facilities, perhaps in locations in library branches or other public facilities, should also be considered.

As with other parts of the local ecosystem, business centers should be closely aligned with local business needs and market conditions. More generally, these ecosystem hubs typically serve several key functions:

- **As a place to meet**. Hubs can offer event and meeting space, but that alone is insufficient. Ideally, it should become the "go-to" place where innovators, creators, and entrepreneurs can gather and collaborate. Event and meeting space may be supplemented with office space and coworking facilities as well.

- **As a place to connect.** Effective centers often operate as community concierges that link local people to a wide range of community resources.

- **As a place to tell stories**. In many ways, the hub facility becomes a physical embodiment of the regional innovation ecosystem.

- **As a place to learn.** Local business owners, aspiring entrepreneurs, and residents can visit the Hub facility to attend classes and events, and to access business support services.

As leaders in Prince William County consider developing a locally-focused innovation and entrepreneurship center, the project team should reach out to local entrepreneurs and business service providers to identify specific needs and areas of potential focus for the Hub facility.

The center should house key county programs, especially those led by the Economic Development Department, but it should also offer office space for other key partners. Examples might include the Mason SBDC network, the Community Business Partnership, and various Chambers of Commerce.

The Hub can also provide office and training space for programs managed by Prince William County Schools, Northern Virginia Community College, George Mason University, and other education/training partners.

Innovation hub facilities are becoming an increasingly common part of the policy and program mix in many US communities. These programs and spaces are often connected to a college, university, or other anchor institution, but they also operate as stand-alone efforts as well.

Easier Access cont.

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Across the Commonwealth of Virginia, recent new facilities include the Staunton Innovation Hub, Southern Virginia (SOVA) Innovation Hub, Roanoke's RAMP program, Charlottesville's Venture Central, and the 1717 Center in Richmond.

Innovation centers work best when state-of-the-art spaces are combined with effective small business- and entrepreneurship-related programming. Programming may be open to all or targeted to specific industries or populations. In Atlanta, Opportunity Hub serves as an anchor for Atlanta's minority business community, providing business development services, workforce training, and equity investment funding. Its early success in Atlanta has led to its expansion to Kansas City and a second Atlanta site on the Morehouse College campus.

In Detroit, the BUILD Institute, built on the site of the old Tigers stadium, has become a fixture in the local startup scene. BUILD focuses on nurturing Detroit's underserved entrepreneurs and offers coworking space, access to support programs, funding, and pop-up retail space for new businesses seeking to test new models and concepts.

Innovation centers are typically not profit-driven organizations. Rather, they are typically highly subsidized, and often funded by many partners including government, universities, foundations, and/or private investors who value supporting entrepreneurial activity. The "ROI" is measured by the success of the companies that are supported and the resulting economic output generated.

Tailored Support

While steps to improve access and awareness are needed, most of the key small business support tools are already available in Prince William County. However, in a few cases, Prince William-based business owners and aspiring entrepreneurs would benefit from the development of several new initiatives to improve local small business programming, especially for underserved entrepreneurs and small business owners.

Project 8: Small Business Advisory Group

Where possible, these local entrepreneurs should be actively engaged in the process of improving existing programs and designing new initiatives. To support this effort, the Prince William County Economic Development Department should consider chartering a Small Business Advisory Group, composed of local entrepreneurs and advocates from local business support networks.

This Advisory Group should meet on a regular (perhaps quarterly) basis and could be based on the existing Business Barriers Advisory Group that has helped to oversee and support this research project. The group would operate in a manner similar to other advisory bodies, such as the Commercial Development Committee that offers input on the county's processes for managing commercial real estate development.

The Advisory Group can support several functions, including:

- **Offering guidance** on potential new small business-related programs

- **Offering input** on the strengths and weaknesses of existing program offerings

- **Serving as champions** for local entrepreneurship

- **Enhancing outreach** to underserved communities and business owners

- **Providing market intelligence** on key issues and challenges facing Prince William-based businesses.

Tailored Support cont.

Project 9: Develop new sector-specific microenterprise programs

Prince William County's economy is driven by small businesses, which represent the vast majority of area employers. Overall, Prince William hosts around 5,000 firms with less than 20 employees and an additional share of approximately 20,000 self-employment ventures.[1]

Microbusiness owners[2] often face an especially complex and volatile marketplace that can be adversely affected by their small size and limited resources. During the pandemic, microbusinesses were the most likely to shut their doors, but they have also seen the most rapid growth in new startups since the pandemic's worst effects have subsided.

Given these market conditions, microbusiness owners often benefit from programming targeted to their unique needs. These new entrepreneurs may require access to financial literacy training, and specialized financial support that is typically not provided by banks or other sources of financing. They also benefit from the types of technical assistance provided by programs such as Mason Enterprise Center and the Community Business Partnership.

In addition to developing new programs specifically targeted to local microenterprises and self-employed businesses, the county might also consider developing specialized programs in sectors with especially high concentrations of microbusinesses.

Potential sectors to focus on include childcare, construction, and retail. Home-based businesses, such as government contractors, should also be a priority. Business owners in these sectors could benefit from specialized training, and focused support in key challenge areas, such as information technology, digital marketing and sales, and human resources.

Fairfax County's (VA) Office of Children may offer a useful model for supporting childcare-related businesses. Its Institute for Early Learning offers regular courses on the business of childcare, so that local childcare providers can learn about issues such as dealing with taxes and regulation and supporting employees. Currently, the Commonwealth of Virginia also supports childcare providers with its ARPA-backed Child Care Stabilization Program, which supports childcare providers addressing key operational issues such as staff recruitment and retention, and facility upgrades and maintenance.

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[1] BDS Explorer: 5,000 firms 1-19 employees (2020); Lightcast: 19,321 self-employed firms (2021); GoDaddy: 24,357 microbusinesses (June 2022).

[2] Microbusiness refers to firms with less than ten employees, and those seeking $50,000 or less in capitalization to start or grow their companies.

Tailored Support cont.

Project 10: Support a focused business accelerator program

During the height of the COVID-19 pandemic, Prince William County participated in several regional initiatives designed to support minority business owners who were hit especially hard by the pandemic-related economic downturn. In addition to the County's own grant programs, these efforts included the Northern Virginia Minority-Owned Business Working Group which in turn supported the FireUp Business Mentoring and Coaching Program, developed by Ureeka. This successful program engaged a number of minority business owners across Northern Virginia, providing them with specialized coaching/mentoring and peer support.

Going forward, Prince William County should consider creating a similar set of coaching/mentoring programs focused on the county's underserved entrepreneurs. These efforts could be structured around a curated mentoring program, where new business owners are matched with coaches based on their needs, industries, and personal connections. Some regions use an accelerator model, where small cohorts of business owners jointly proceed through a multi-week training, peer learning, and coaching program that hopefully ends with a new business startup or some other business milestone (e.g., new equity investment).

Focused accelerator programs are booming, with some estimates identifying as many as 7,000 incubators/accelerators operating around the world. The first accelerator programs, such as Y Combinator, targeted fast-growing technology firms, but accelerators are now targeted for multiple industries and multiple purposes.

As the pandemic's business impacts were felt, many communities responded with new accelerator programs targeted to underserved entrepreneurs. Some of these efforts are built on existing foundations.

Meanwhile, others, such as the 2022 FireUp program, were developed to support new business growth as the pandemic's effects waned. Ideally, these accelerator programs should continue post-pandemic and be provided as a regular offering with at least one program cohort per year. Program focus areas could evolve over time, with a potential focus on key sectors (e.g., retail, technology, government contracting), specific populations (e.g., youth, women-owned businesses), or specific communities and neighborhoods. For example, Cincinnati's award-winning Minority Business Accelerator targets existing businesses seeking new contracting opportunities with the region's large corporate employers. Launch New York's Founders Go Big Program supports Western New York-based entrepreneurs, connecting them to mentors, training, and targeted funding pools.

Founders Go Big is part of Launch NY's portfolio of accelerator programs, which also includes accelerators focused on cleantech, agtech, and other sectors. In Silicon Valley, the Manos Accelerator has operated since 2012 with a mission to engage more Latinos in the region's tech economy. Finally, in Norfolk, the 757 Accelerate network is enjoying great success, having supported 32 companies led by "underrepresented founders."

Tailored Support cont.

Project 11: Develop New Capital Sources for Local Business Owners

As it continues to expand programs supporting small business development, Prince William County should also consider creating a new funding pool to support these companies via small grants and loans. The county has extensive experience in this area. Its IGNITE grant program targets firms with high-growth potential, providing grants of up to $100,000 to fast-growing local companies.

In addition, the County managed several grant programs for firms affected by the COVID-19 pandemic. These pandemic-era grant programs were hugely popular and provided an essential lifeline for many local businesses.

The county's small business owners, especially new microentrepreneurs, could benefit greatly from access to new funding pools similar to those operated during the pandemic. Planning for a new County microloan fund is already underway. A partnership between Prince William Economic Development and the Community Business Partnership (CBP) has applied to the US Small Business Administration to manage a $500,000 microloan fund that will be able to support microentrepreneur loan applications of up to $30,000.

This new Prince William microloan program will close a significant gap in the County's business financing portfolio. In addition to providing a new source of funding, the microloan program will also provide counseling and education to program clients.

Nationwide, the program has enjoyed great success. In FY2021, the program's intermediaries supported 4,510 microloans with a total value of $74.6 million. The program's average loan size is about $16,557, with around 80% of all funds going to firms led by founders who identify themselves as women-owned, veteran-owned, minority-owned businesses, or businesses in low-income areas.

As an additional tactic, the county could explore assembling an investor network that provides access to risk capital for high growth startups led by underrepresented entrepreneurs.

Tailored Support cont.

Project 12: Nurture the Next Wave of Entrepreneurs

In an effort to build a stronger pipeline of young entrepreneurs, Prince William County should also embrace an expansion of youth entrepreneurship programs in county schools and other youth-serving organizations. At present, the County hosts few such programs. A few schools host DECA or FBLA chapters, but there is no systematic focus on getting the county's young people excited about entrepreneurship.

Ideally, the new programming should become part of the county's formal K-12 curricula, but if that is not feasible, other options should be considered. Programs could be provided in summer camps, after-school programs, or in community programs such as the YMCA or Boys and Girls Clubs. Finally, the county might also consider sponsoring a county-wide business idea or pitch competition to select the county's best young entrepreneurs.

Exemplary youth entrepreneurship programs are already operating in the region and across the US. In Northern Virginia, national networks like Junior Achievement and the Network for Teaching Entrepreneurship (NFTE) have a strong presence. Locally-designed programs are also in place. For example, Culpeper's E Squared program has promoted "entrepreneurial energy" among local high school students for more than 15 years.

Helping area youth to start businesses will help build a pipeline of entrepreneurial talent. As their companies grow, these

new business owners will also need to find startup talent of their own. New business owners could benefit from programs that train area youth in key technology and business skills while also connecting them to area startups. Prince William County should consider developing some type of startup internship program to introduce young people to new career opportunities and to help new business owners in challenging areas, such as digital marketing, website creation, and social media.

Examples of such programs around the US include Invest Atlanta's Students2Startups Internship program, and Tennessee's Tech University's TTU-SBDC Internship.

Project 13: Collect and analyze better business data

To provide enhanced, more personalized service to individual businesses as well as develop strategies and initiatives that improve the business environment overall, Prince William County's economic development department needs access to more timely and comprehensive business data. Businesses interact with the county in several ways including licensing, assessments, code enforcement, permitting, taxes, etc. Each of these interactions generates valuable information about business and industry trends and the needs of local businesses.

The county should inventory all of the various methods in which businesses provide data about themselves and develop policies and processes to unlock that information. These insights can be utilized by the economic development team to better understand the current and emerging needs of Prince William County businesses and to support them to thrive and grow locally as part of the expanded Business Retention and Expansion Program (Project 6).

Implementation Plan

The implementation matrix summarizes the recommendations included in this plan and identifies a timeline, relative cost, leads and partners, and priority projects. As indicated below, implementing the plan will be a multi-year process across many projects working with many partners.

Recommendation	Description	Lead & Partners	Relative Cost	Timeline	Priority Project
Project 1: Enhance and expand marketing and communications	Improving awareness of existing support programs and training	County-lead messaging, partners amplify	$$ Medium	Year 1	★
Project 2: Organize a business success network	Partnerships with key business service providers under a common umbrella	County-lead coordination of organizational strategy, Advisory Committee support	$ Low	Year 1	★
Project 3: Develop a website for small business resources	Ecosystem outreach efforts anchored by a focused website	County-lead, Advisory Committee review/test	$$ Medium	In-action	★
Project 4: Meet entrepreneurs where they are	Engaging in their communities, with their preferred program partners, and in venues where they are comfortable	County-lead, Partners Champions support	$ Low	Year 1-2	
Project 5: Form a network of small business resource champions	Individuals who help ensure businesses are aware and have access to resources	County-coordinated initial organization with support from Partners and Advisory Committee	$ Low	Year 2-3	
Project 6: Include small businesses in BRE efforts	Proactively connect with under-represented founders, build relationships, and expand resource access	County-lead, partners and champions support with outreach	$ Low	Year 1	★
Project 7: Establish a physical hub	Establishment of a physical "home" for ecosystem resources	County-lead, partners provide technical assistance onsite, champions amplify awareness	$$$ High	Year 2-3	
Project 8: Form a small business advisory group	Engage local entrepreneurs in improving existing programs and designing new initiatives	County-lead	$ Low	On-going	★
Project 9: Develop new sector-specific microenterprise programs	Programming targeted to needs of microenterprise	County-lead, Advisory Committee support	$$ Medium	Year 2-3	
Project 10: Support a focused business accelerator program	Curated mentoring program, business owners matched with coaches based on their needs	County-lead	$$ Medium	Year 4-5	
Project 11: Develop new capital sources for local business owners	Creating a new funding pool to support small businesses with small grants and loans	County-lead with Advisory Committee support	$$ Medium	Year 3-4	
Project 12: Nurture the next wave of entrepreneurs	Systematic focus on getting the county's young people excited about entrepreneurship	County-lead with support from partners	$$ Medium	Year 3-4	
Project 13: Collect and analyze better business data	Unlock business information collected by county departments so it can be utilized by the economic development team	County-lead	$ Low	Year 1-2	

Implementation Plan Key

Recommendations: The suggested actions, referred to as projects, that the county and its many ecosystem partners should take to increase awareness, access, and tailored support for unrepresented businesses.

Description: A brief statement about the purpose and need for each project.

Lead & Partners: A suggested organizational approach for which organization in the county's entrepreneurial ecosystem should lead and support implementation of each project. The groups identified include:

- **County** – Prince William County's Economic Development team with support from other county business-serving departments as appropriate.

- **Business Success Network (i.e. Partners)** – To be established (see **Project 2)**. Includes existing economic, workforce, and community development partners that provide business support services such as the Chambers, Mason SBDC, business support organizations, coworking spaces, etc.

- **Business Resources Champions (i.e. Champions)** – To be created (see **Project 5**). Includes trusted connectors from minority-serving organizations or other individuals with a passion for entrepreneurship.

- **Business Advisory Committee** – A working group of underrepresented business owners and entrepreneurs in Prince William County that was brought together to serve in an advisory role for the development of this plan and will continue in an advisement role moving forward as the projects and initiatives are implemented (see **Project 8**).

Relative Cost: The comparative cost for each project in this plan (low, medium, high).

Timeline: This is a five-year strategy. The timeline field suggests the recommended timeframe over the next five years when each project should start. However, priorities may shift as funding, capacity, and partner resources change.

Priority Project: The projects that the Business Advisory Committee identified as highest importance for addressing the challenges faced by unrepresented businesses in Prince William County.

Implementation Schedule & Staffing

The strategy recommends 13 projects in total, most of which are completely new programs and initiatives while others build on and expand the reach of existing programs to better serve underrepresented small businesses and entrepreneurs. The recommended startup phase and ongoing maintenance phase for each project are illustrated in the chart below.

To effectively implement this significantly expanded scope of work, the County will need to expand the capacity of its Economic Development team. We estimate an additional 2-3 full-time staff positions are needed over the next 5 years to successfully startup and maintain this program.

Recommendation	Year 1	Year 2	Year 3	Year 4	Year 5
Project 1: Enhance and expand marketing and communications	Startup	Management	Management	Management	Management
Project 2: Organize a business success network	Startup	Management	Management	Management	Management
Project 3: Develop a website for small business resources	Startup	Management	Management	Management	Management
Project 4: Meet entrepreneurs where they are	Startup	Startup	Management	Management	Management
Project 5: Form a network of small business resource champions		Startup	Startup	Management	Management
Project 6: Include small businesses in BRE efforts	Startup	Management	Management	Management	Management
Project 7: Establish a physical hub		Startup	Startup		
Project 8: Form a small business advisory group	Startup	Management	Management	Management	Management
Project 9: Develop new sector-specific microenterprise programs		Startup	Startup	Management	Management
Project 10: Support a focused business accelerator program				Startup	Startup
Project 11: Develop new capital sources for local business owners			Startup	Startup	Management
Project 12: Nurture the next wave of entrepreneurs			Startup	Startup	Management
Project 13: Collect and analyze better business data	Startup	Startup	Management	Management	Management

Startup Phase   Management Phase

Measures of Success

The County and its partners should carefully document and track their activities and impacts as they implement the Business Barriers Action Plan. Careful monitoring will ensure that programs and services are achieving their intended outcomes in an effective manner.

All metrics should be tracked by underrepresented population and business size where possible.

Goal	Metric	Data Source
Enhanced Awareness	Prosperity Score	National Equity Atlas
	Visits/engagement on new website, newsletter, social media	Google Analytics, social media analytics, email list size
	Increased attendance at events	Administrative
Easier Access	Number of self-employed firms	US Census: American Community Survey
	Number of new firms	US Census: Business Dynamics
	Number of BRE visits by staff	BRE Program
	Number of entrepreneurs who meet with partner organizations	BRE Program / Success Network Reporting
	Number of referrals made	BRE Program / Champions Reporting
Tailored Support	Survival rate of firms served (one year, five years)	BRE Program
	Capital raised by firms served	BRE Program
	Employment by companies less than five years old	BRE Program
	Per capita income	US Census: American Community Survey

Appendix

Business Barriers Study: Landscape Analysis

Prince William County, VA

Introduction

The Landscape Analysis for Prince William County provides a foundation for the Business Barriers Study. Understanding the makeup of the community and the ways in which the population, business environment, and labor force are changing is crucial in providing context for the current state of small business and entrepreneurship in the county.

This report includes overviews of the following trends in Prince William County:

1. **Demographics**
2. **Business Composition**
3. **Business Dynamics**
4. **Capital Access**
5. **Industries and Occupations**

Throughout the analysis, we generally use the term BIPOC to encompass data on Black, Indigenous, and people of color of any ethnicity. In certain instances, we defer to the terminology indicated in the data source for clarity (e.g., minority-owned business). Racial and ethnic categories vary by source, and multiple sources are used throughout this report. Depending on the way race and ethnicity data is collected, a respondent may fall into multiple categories; therefore, racial and ethnic categories may not add to 100%.

Methodology

The analyses in this Landscape Analysis draw on the most recent data available from various sources, which ranges from 2017-2022. In some instances, we include historic trends spanning 2010-2020.

The main data sources for the Landscape Analysis are Lightcast and the U.S. Census Bureau's American Community Survey. Other significant sources of data include the U.S. Census Bureau's Annual Business Survey, the Northern Virginia Minority-Owned Businesses Working Group, GoDaddy Microbusiness Data Hub, and Crunchbase.

Region of Analysis

Prince William County, VA is the primary geographic focus of this analysis. Other county, state, and national data are provided for context and comparison where appropriate.
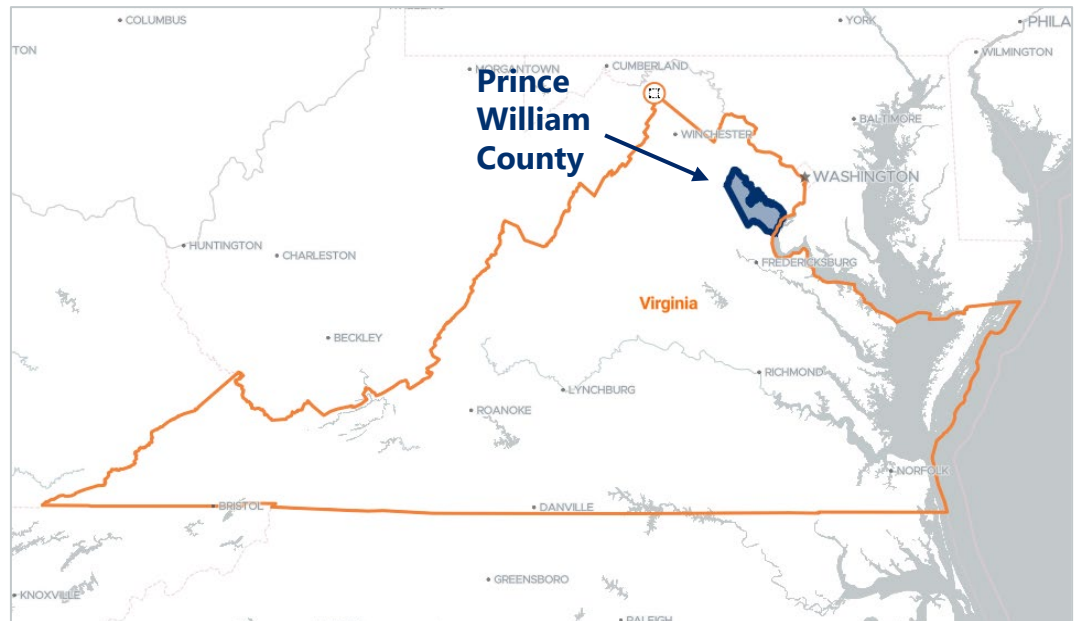
1

Demographics

Demographic Overview (2021)

Key Takeaways

Prince William County has a growing population that has increased at a higher rate than the state's population. It is more racially and ethnically diverse than the state, and its BIPOC population is increasing more than at the state level.

The county's median household income is higher than that of the state, both for all households and BIPOC households, but there is still an income disparity compared to White households.

Veterans make up a greater share of the county population than the state population and have attained more postsecondary education than the non-veteran population.
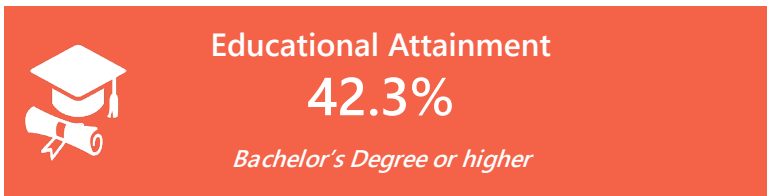
A greater share of the county's BIPOC population has earned a college degree than what we see at the state level, but there is still an educational attainment disparity compared the White population.

Population
484,472

- **5.6% of Virginia's population**
- **4.5% increase in total population** compared to 2.0% in VA (2017-2021)
- **The county's population is 49.7% Female**

Household Income
$107,707

2020; Source: ACS

- **The county's median household income is significantly higher** than VA ($76,398) and the US ($64,994)
- **The county's BIPOC average median household income ($56,219) is significantly less than the White, Not Hispanic or Latino household income ($126,105)**

Educational Attainment
42.3%

Bachelor's Degree or higher

- **County educational attainment is slightly higher than VA**, which is at 37.5%
- **The population with at least a Bachelor's degree increased by 13.5%**, compared to 9.6% in VA (2017-2021)
- **19.2% of the county's BIPOC population has a college degree** compared to 31.1% of the White population. At the state level, 12.8% of the Non-White population has a college degree compared to 35.2% of the White population.
- **6.5% of the Hispanic population has a college degree** compared to 2.9% in the state
- **86.0% of veterans attained postsecondary education** compared to 65.2% of the nonveteran population

Diversity
60.1%

BIPOC Population
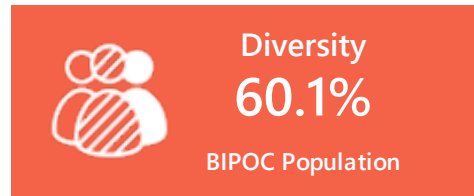
- **Significantly more diverse than VA**, which is at 39.7%
- **Diversity is increasing,** with 10.2% growth between 2017 and 2021 compared to 6.4% for VA
- Asians, Hispanic are the fastest growing racial group (26.6% from 2017 – 2021), followed by Asians, Non-Hispanic (16.8%) and Two or More Races, Hispanic (12.5%)

Veterans
11.8%

Civilians > 17 years, Source: ACS

- **Larger share of veterans** compared to VA (9.7%) and the US (6.4%)
- **2.7% of veterans' income falls below the poverty level**, which is significantly lower than VA (5.2%) and the US (7.4%)
- **18.0% of the veterans living below the poverty line had a disability**, compared to 9.3% of nonveterans

Source: Lightcast Q4 2022 Dataset unless otherwise noted.

Demographic Trends: Population by Race and Ethnicity and Sex

Prince William County has a higher share of racial and ethnic diversity than Virginia.

Population by Race and Ethnicity (2021)

Race/Ethnicity	Prince William County	Virginia
White alone, not Hispanic or Latino	39.9%	60.3%
Black or African American	20.5%	19.2%
Hispanic (of any race)	25.4%	10.2%
Asian	9.9%	7.0%
All Other (not Hispanic or Latino)*	4.3%	3.2%

■ Prince William County ■ Virginia
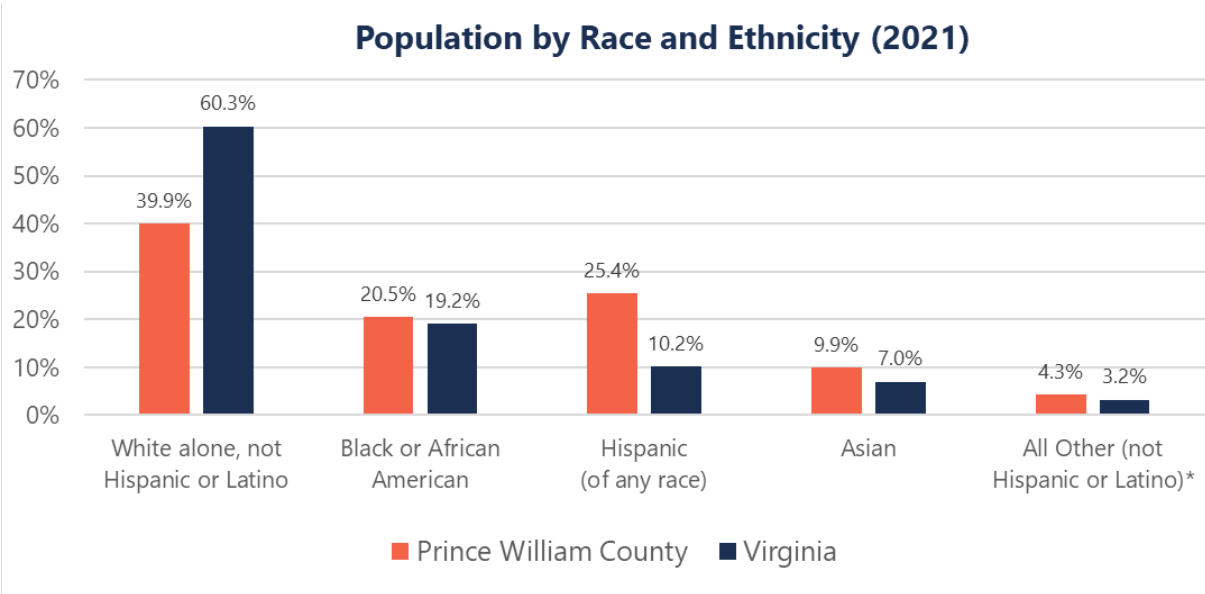
*Two or more races; American Indian or Alaska Native; Native Hawaiian or Pacific Islander. This category is excluded in the rest of this report due to its relatively small population and in order to standardize the data.

Source: Lightcast Q4 2022 Dataset

The county's population is split nearly evenly at 49.7% female and 50.3% male.

Population by Sex, Prince William County (2021)

Female, 49.7%

Male, 50.3%
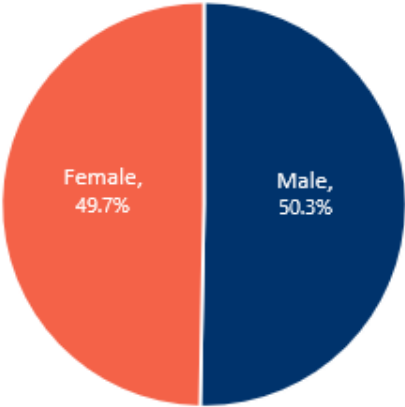
Source: Lightcast Q4 2022 Dataset

Demographic Trends: Households by Race and Ethnicity

Prince William County is becoming more diverse over time. Except for the White alone ethnicity — which decreased 2.1% from 2010-2020 — the number and share of households increased across all racial and ethnic groups.

Change in Households by Race and Ethnicity (2010 - 2020)

	Change	Rate
Race		
White	19,280	15.4%
Black or African American	4,591	5.8%
Asian	-1,511	-2.1%
Some other race	6,361	25.0%
All Other*	3,457	18.8%
Ethnicity		
Hispanic or Latino origin (of any race)	8,982	48.9%
White alone, not Hispanic or Latino	-1,511	-2.1%
All Households	19,280	15.4%

Source: 2010, 2015, 2020 American Community Survey 5-year estimates.

Households by Race and Ethnicity
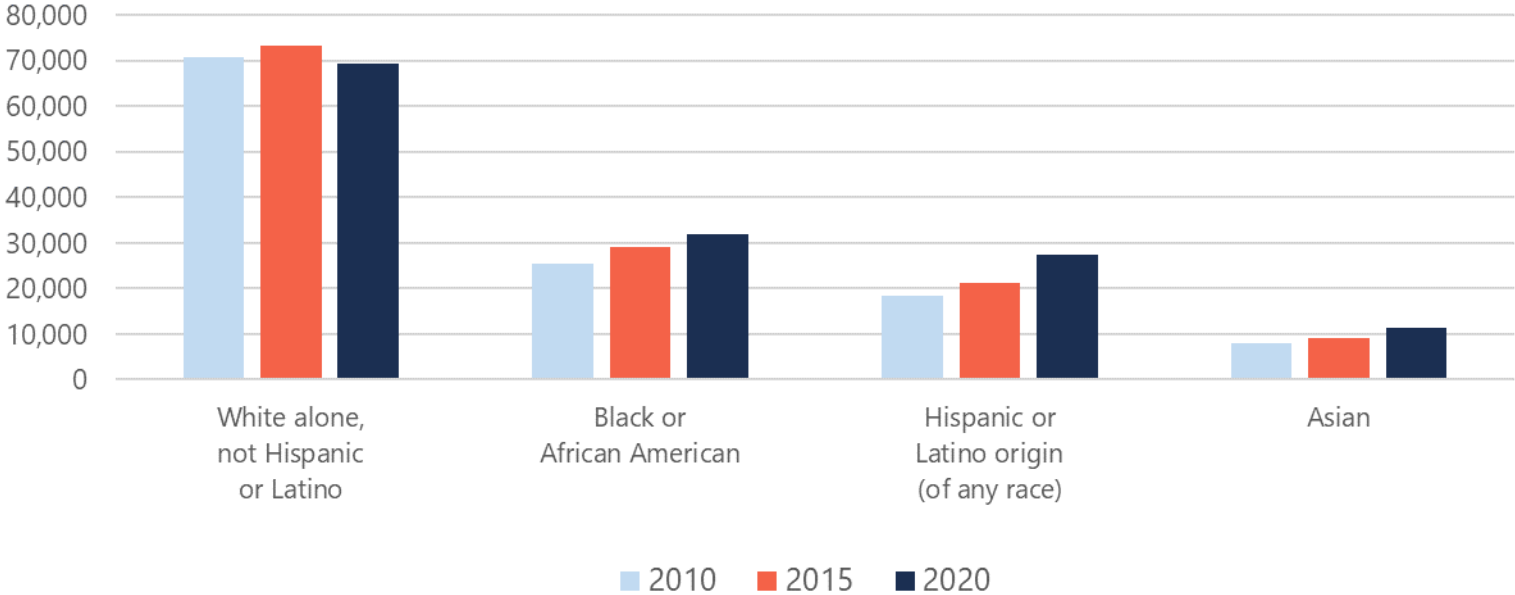
Source: 2010, 2015, 2020 American Community Survey 5-year estimates.

Demographic Trends: Race and Ethnicity by Geography

Predominant racial or ethnic group, between 2016-2020.
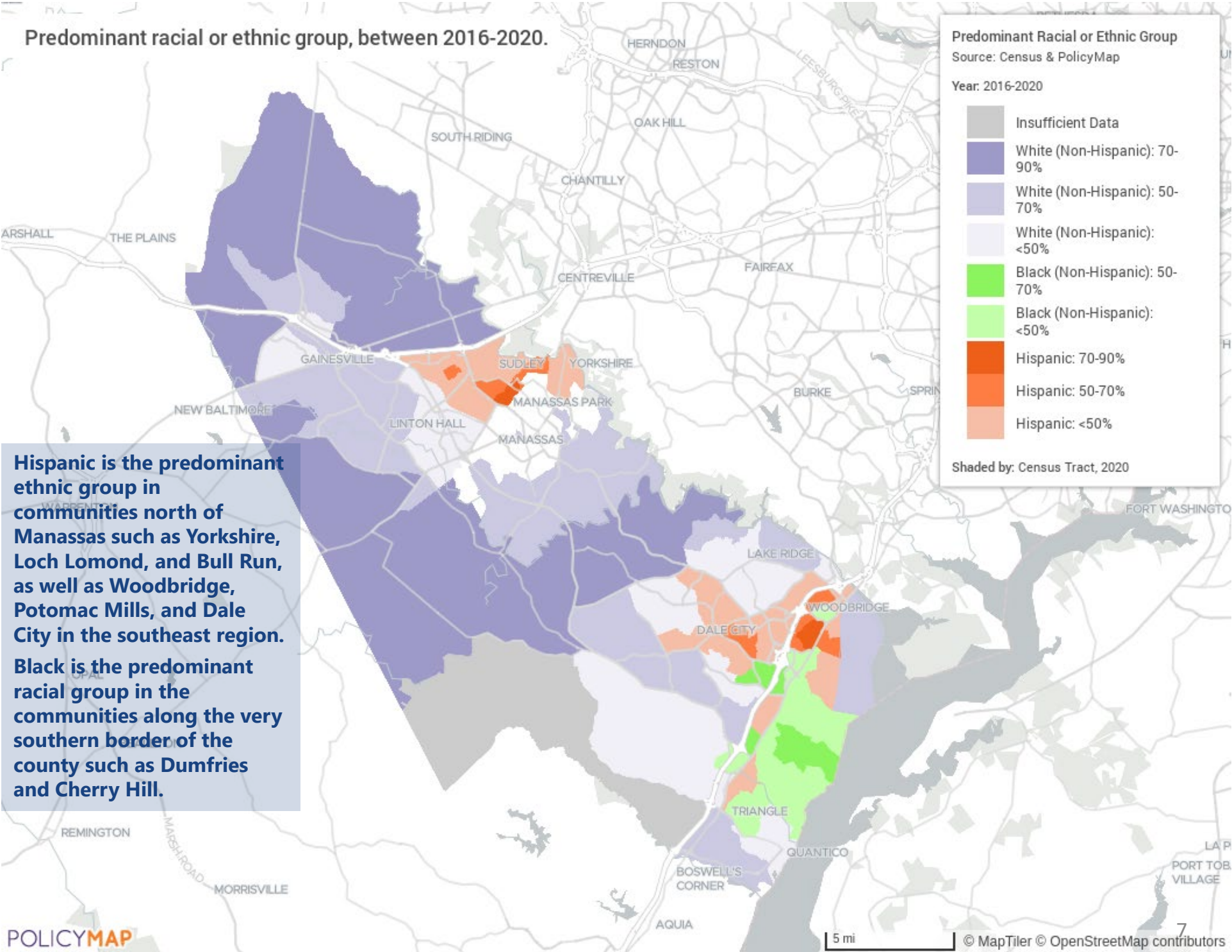
Hispanic is the predominant ethnic group in communities north of Manassas such as Yorkshire, Loch Lomond, and Bull Run, as well as Woodbridge, Potomac Mills, and Dale City in the southeast region.

Black is the predominant racial group in the communities along the very southern border of the county such as Dumfries and Cherry Hill.

Predominant Racial or Ethnic Group
Source: Census & PolicyMap

Year: 2016-2020

- Insufficient Data
- White (Non-Hispanic): 70-90%
- White (Non-Hispanic): 50-70%
- White (Non-Hispanic): <50%
- Black (Non-Hispanic): 50-70%
- Black (Non-Hispanic): <50%
- Hispanic: 70-90%
- Hispanic: 50-70%
- Hispanic: <50%

Shaded by: Census Tract, 2020

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Demographic Trends: Foreign Born Population by Geography

Estimated percent of all people who were foreign born as of 2016-2020.

Percent Foreign Born Population
Source: Census
Year: 2016-2020

	Insufficient Data
	4.99% or less
	5.00% - 9.99%
	10.00% - 19.99%
	20.00% - 29.99%
	30.00% or greater

Shaded by: Census Tract, 2020

Overall, 25.3% of Prince William County's population is foreign born. Areas with the greatest percentage of residents who are foreign born include Bull Run, Sudley, and Yorkshire in the north-central region and the Woodbridge, Dale City area in the southern part of the county.

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Demographic Trends: Origin of Foreign Born Population by Geography

Predominant country of birth among the foreign born population between 2014-2018.

Predominant Country of Birth among the Foreign Born Population
Source: Census

Year: 2014-2018

- Insufficient Data
- Mexico
- El Salvador
- Guatemala
- Honduras
- Bolivia
- Peru
- Korea
- Afghanistan
- India
- Pakistan
- Uzbekistan
- Philippines
- Vietnam
- Kuwait
- Other Eastern Europe
- Ghana
- Nigeria
- Ethiopia
- Somalia

Shaded by: Census Tract, 2010
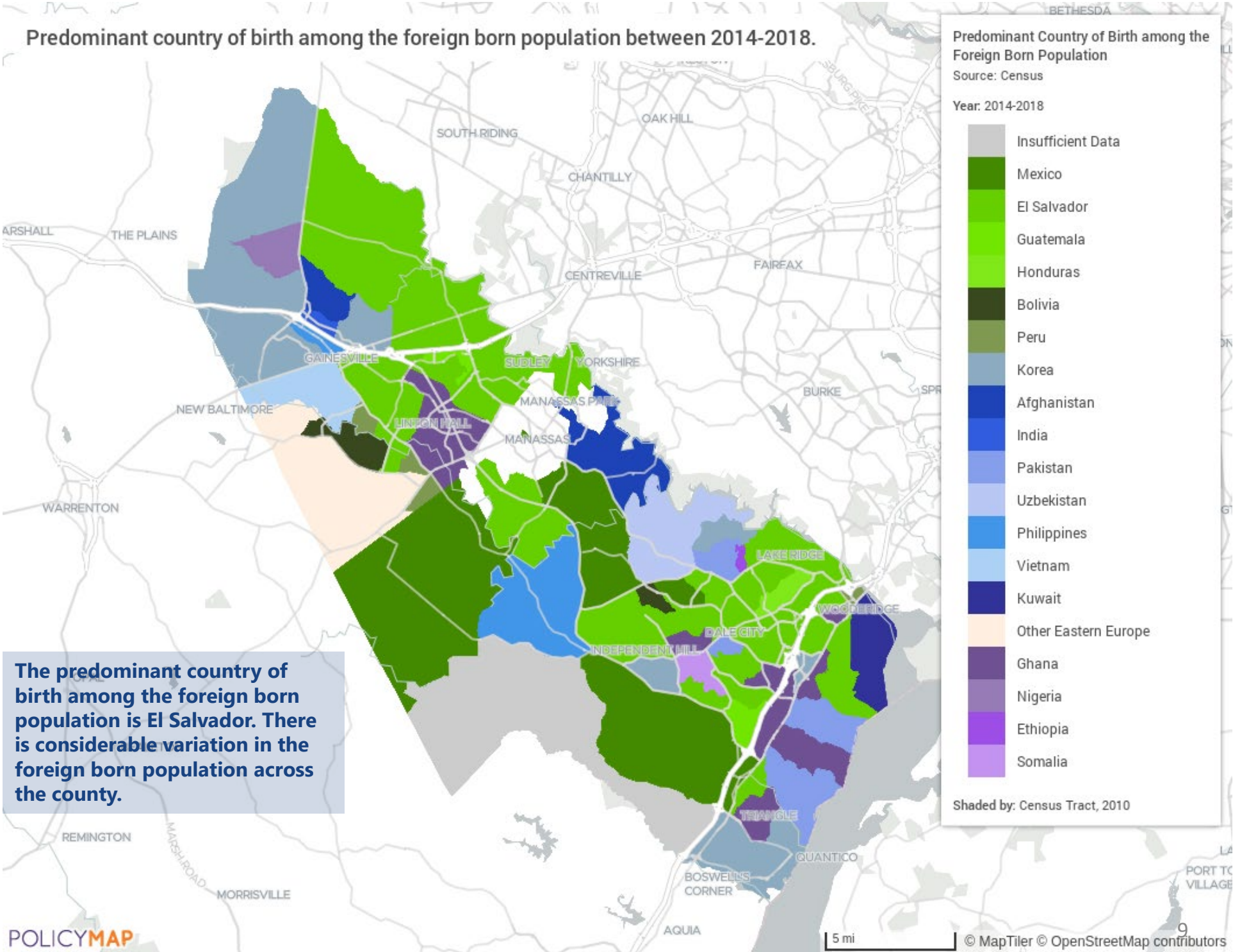
The predominant country of birth among the foreign born population is El Salvador. There is considerable variation in the foreign born population across the county.

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Demographic Trends: Non-English Speaking Communities

Estimated percent of all people age 5 and older who were non-English speaking, between 2017-2021.

Percent Non-English Speaking Population
Source: Census

Year: 2017-2021

Insufficient Data
0.63% or less
0.64% - 2.19%
2.20% - 5.19%
5.20% - 12.75%
12.76% or greater
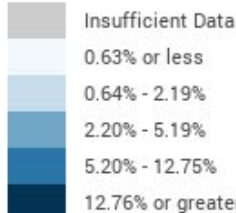
Shaded by: Census Tract, 2020
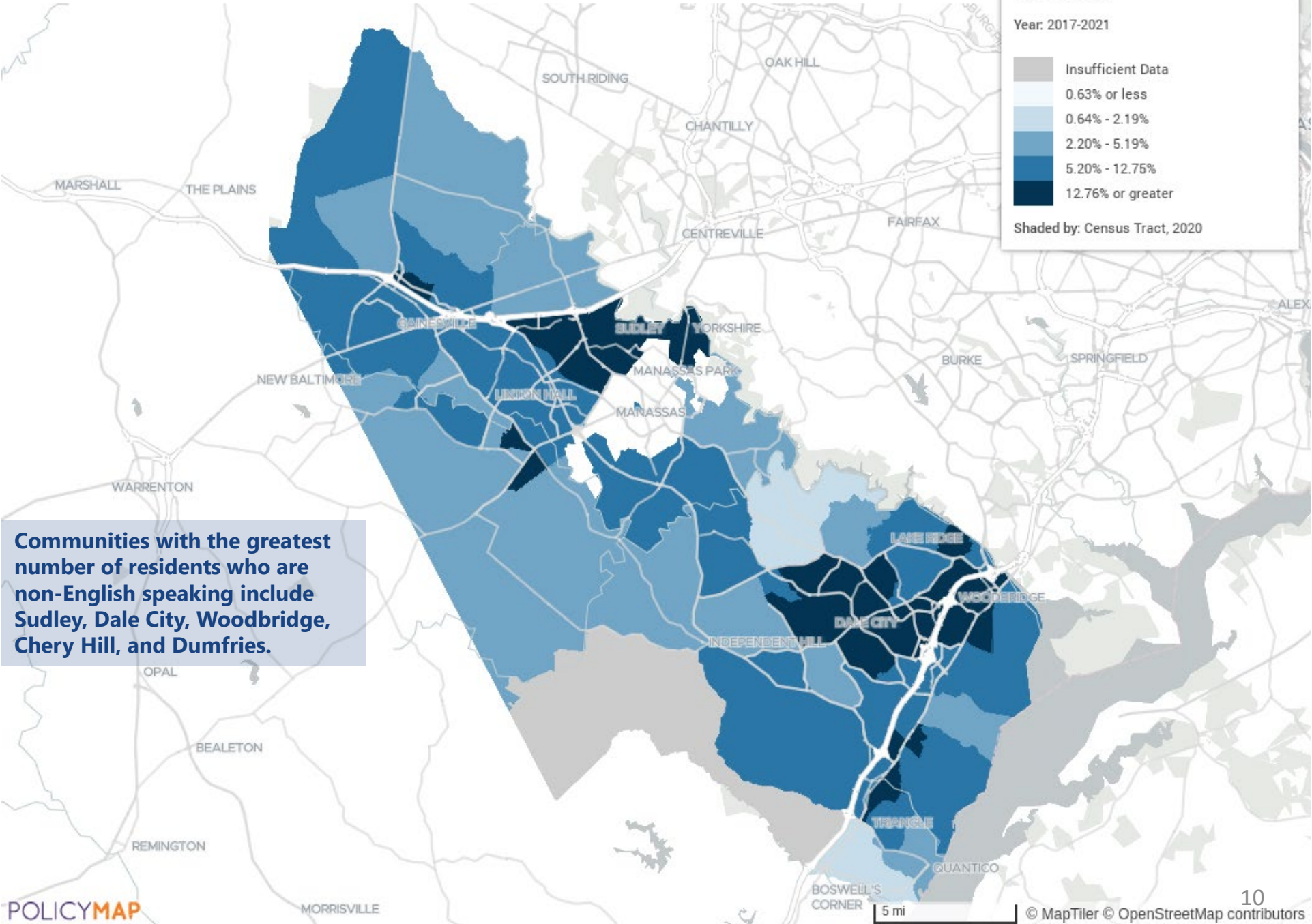
Communities with the greatest number of residents who are non-English speaking include Sudley, Dale City, Woodbridge, Chery Hill, and Dumfries.

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# Demographic Trends: Predominate Languages

Predominant language, not including English or Spanish, spoken at home between 2011-2015.

Predominant Language Spoken at Home (Not Incl. English or Spanish)
Source: Census

Year: 2015

- Insufficient Data
- Chinese
- Tagalog
- Vietnamese
- French (Incl. Patois; Cajun)
- Korean
- Other Asian Languages
- Arabic
- German
- African Languages
- Russian
- Other Indic Languages
- Portuguese Or Portuguese Creole
- Other Indo-European Languages
- Other Pacific Island Languages
- Urdu
- Persian
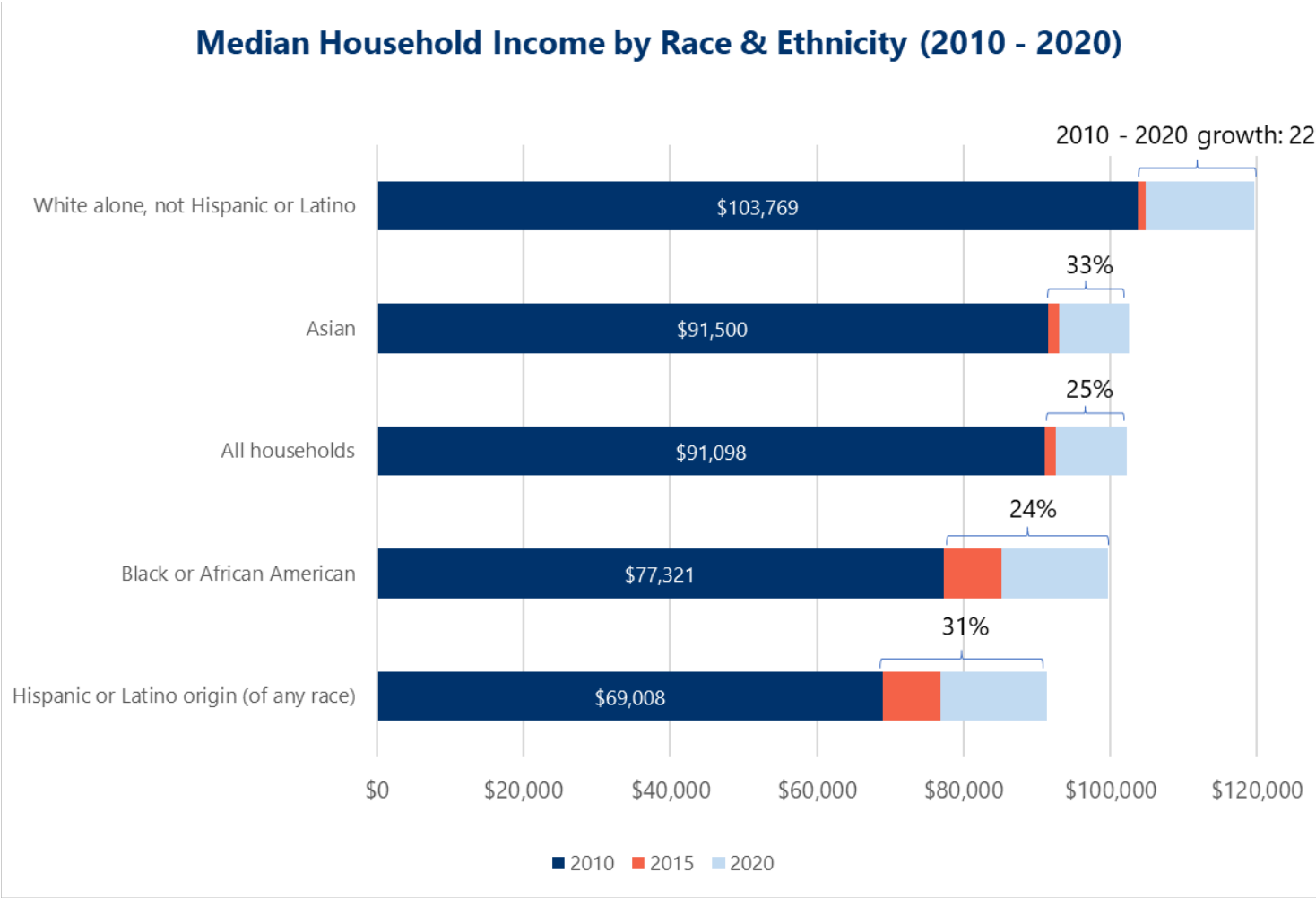- Other Native North American Languages
- Thai
- Laotian

Shaded by: Census Tract, 2010

Prince William County is home to an incredible number of languages. This is important to recognize when developing marketing, programing, and other resources to support founders and small businesses.

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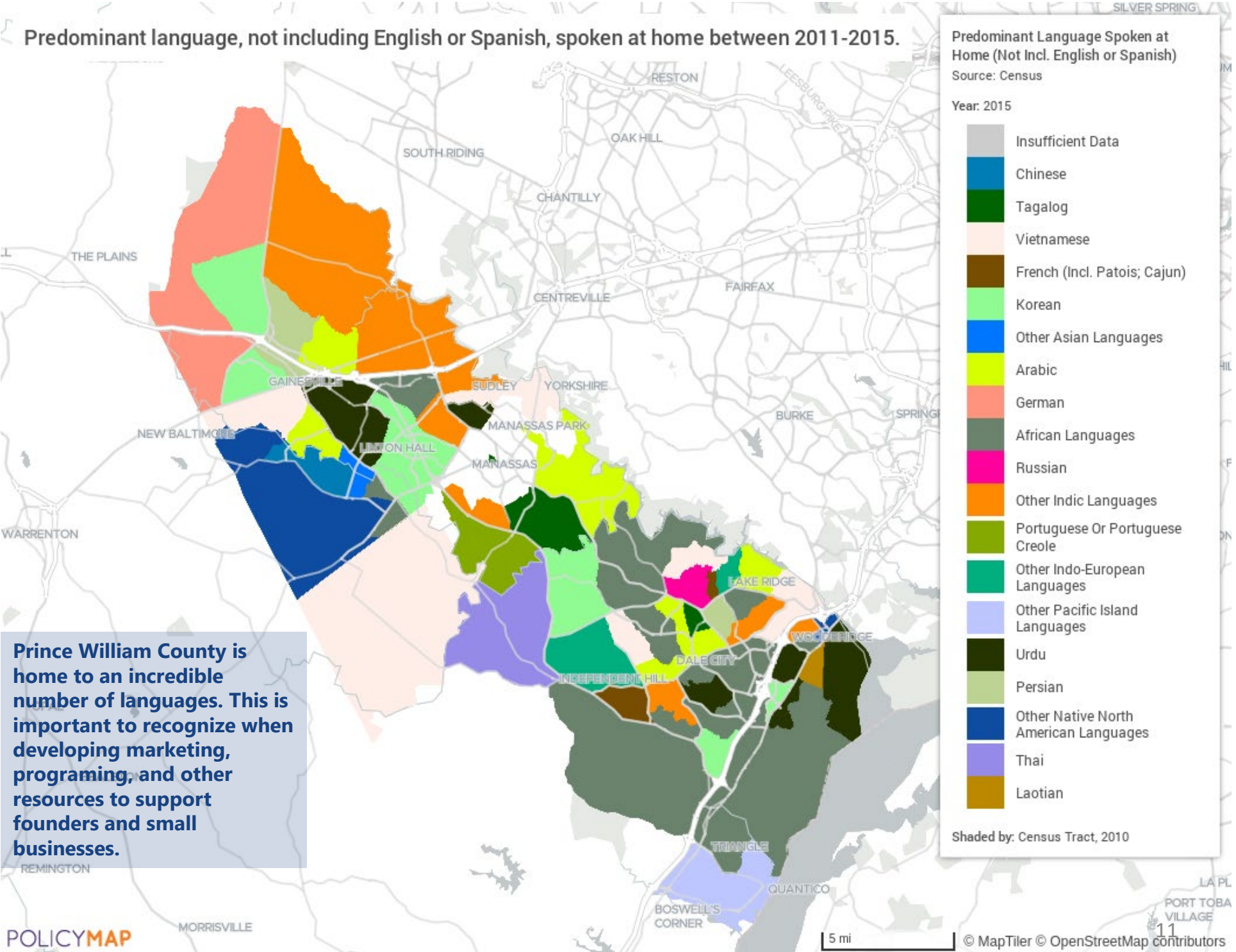
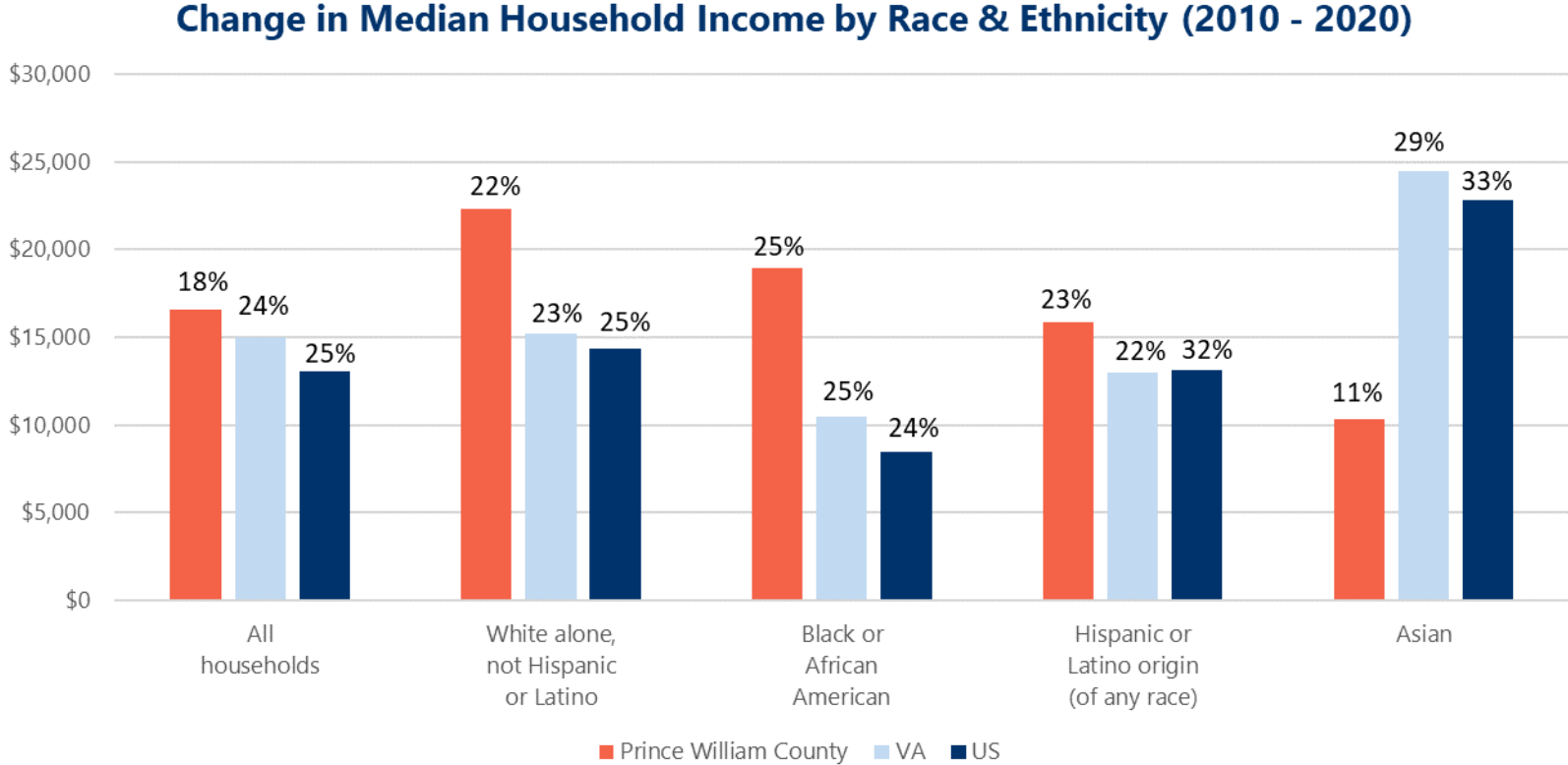# Demographic Trends: Median Household Income by Race and Ethnicity

Prince William County's median household income was $107,707 in 2020, an increase of $16,609 since 2010 (18%). While all households saw gains in income, the magnitude varied significantly by race and ethnicity. No other race or ethnic groups have yet to meet the 2010 income levels of White households. White households experienced the largest increases, with $22,336 (22%) in income growth between 2010 and 2020. The next highest income increases were for Black or African American households, with $18,963 in income growth; however, in 2020, Black or African American household income was only 76% of White household income. (67% for Hispanic or Latino households and 81% for Asian households).

Median Household Income by Race & Ethnicity (2010 - 2020)

Race/Ethnicity	2010 Value	Growth
White alone, not Hispanic or Latino	$103,769	2010 - 2020 growth: 22%
Asian	$91,500	33%
All households	$91,098	25%
Black or African American	$77,321	24%
Hispanic or Latino origin (of any race)	$69,008	31%

Legend: ■ 2010 ■ 2015 ■ 2020

Source: 2010, 2015, 2020 American Community Survey 5-year Estimates

Landscape Assessment I Prince William County

Demographic Trends: Household Income Disparity

Prince William County households earn significantly more than those at the state ($76,398) and national ($64,994) levels and are making larger gains. Household income has increased by $16,609 (18%) over the past 10 years, compared to $14,992 for the state and $13,080 for the nation. This trend holds true for White, Black or African American, and Hispanic or Latino households, but not for Asian ones. Median household income for Asian families has increased significantly less (and at a slower rate) in Prince William County than in the state and nation.

Change in Median Household Income by Race & Ethnicity (2010 - 2020)

Source: 2010, 2015, 2020 American Community Survey 5-year Estimates

Demographic Trends: Median Household Income by Geography

Estimated median income of a household, between 2016-2020.

Median household income in Prince William County is generally lower in Census Tracts located along the I-66 and I-95 corridors.

Median Household Income
Source: Census

Year: 2016-2020

- Insufficient Data
- $39,999 or less
- $40,000 - $59,999
- $60,000 - $79,999
- $80,000 - $99,999
- $100,000 or greater

Shaded by: Census Tract, 2020

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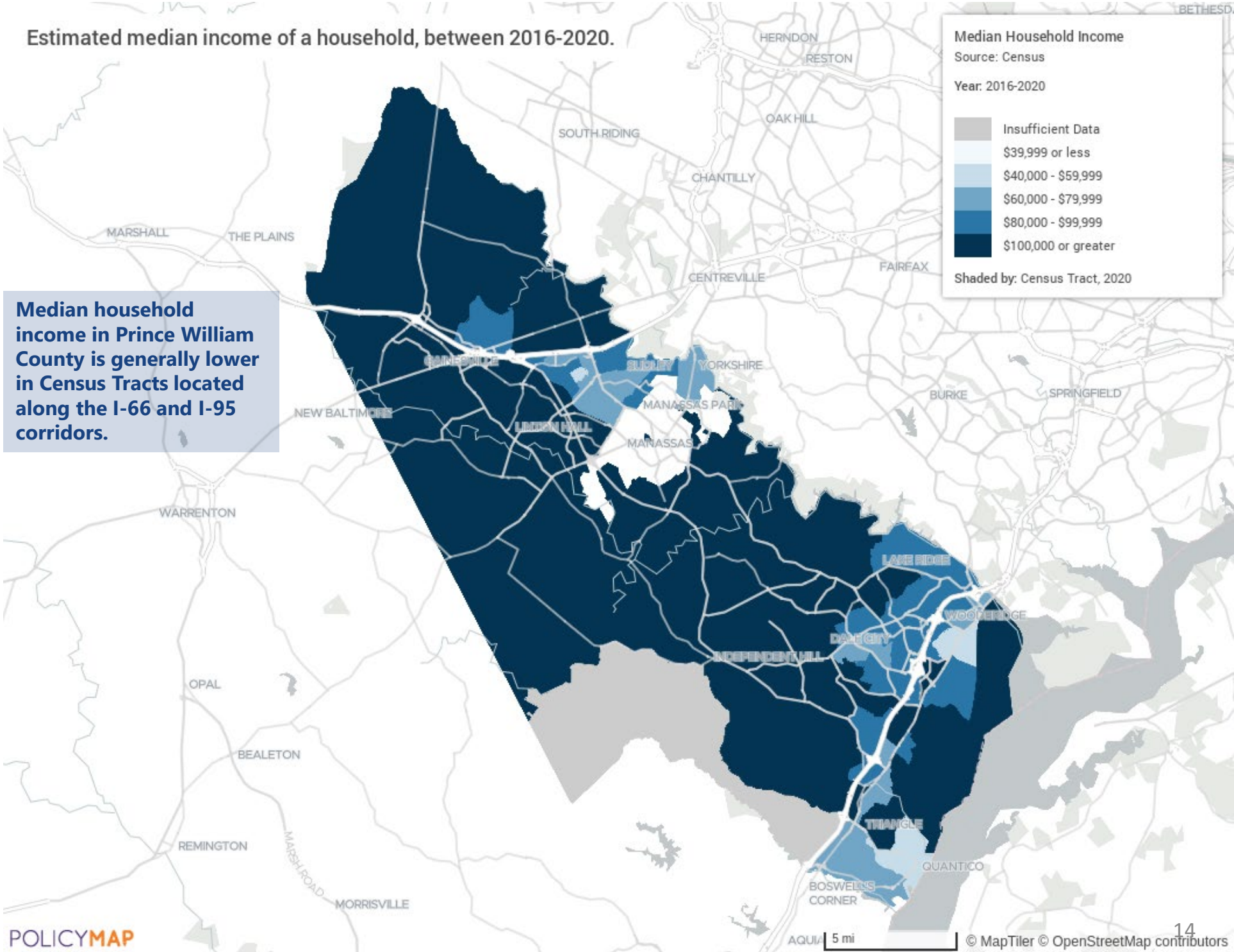
Demographic Trends: Veteran Population

Prince William County's veteran population is predominately male (81%) and more racially and ethnically diverse than that of the s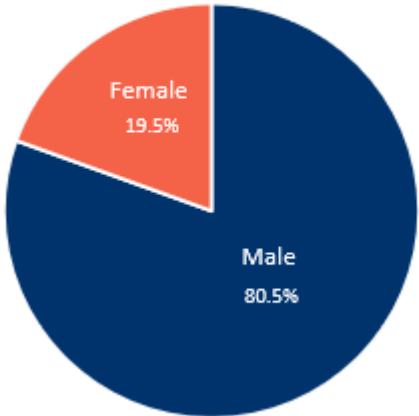tate. In 2021, 27.4% of the county's veterans were Black or African American compared to 21.7% in the state, while 10.1% were Hispanic or Latino compared to 5.5% in the state.

Veteran Share of Population by Sex (2021)

Female 19.5%

Male 80.5%

Source: ACS 1-Year Estimates Subject Tables (2021)

Veteran Share of Population by Race and Ethnicity (2021)

	Prince William County	VA
White alone, not Hispanic or Latino	53.4%	66.0%
Black or African American	27.4%	21.7%
Hispanic or Latino (of any race)	10.1%	5.5%
Asian	1.6%	2.1%

■ Prince William County ■ VA
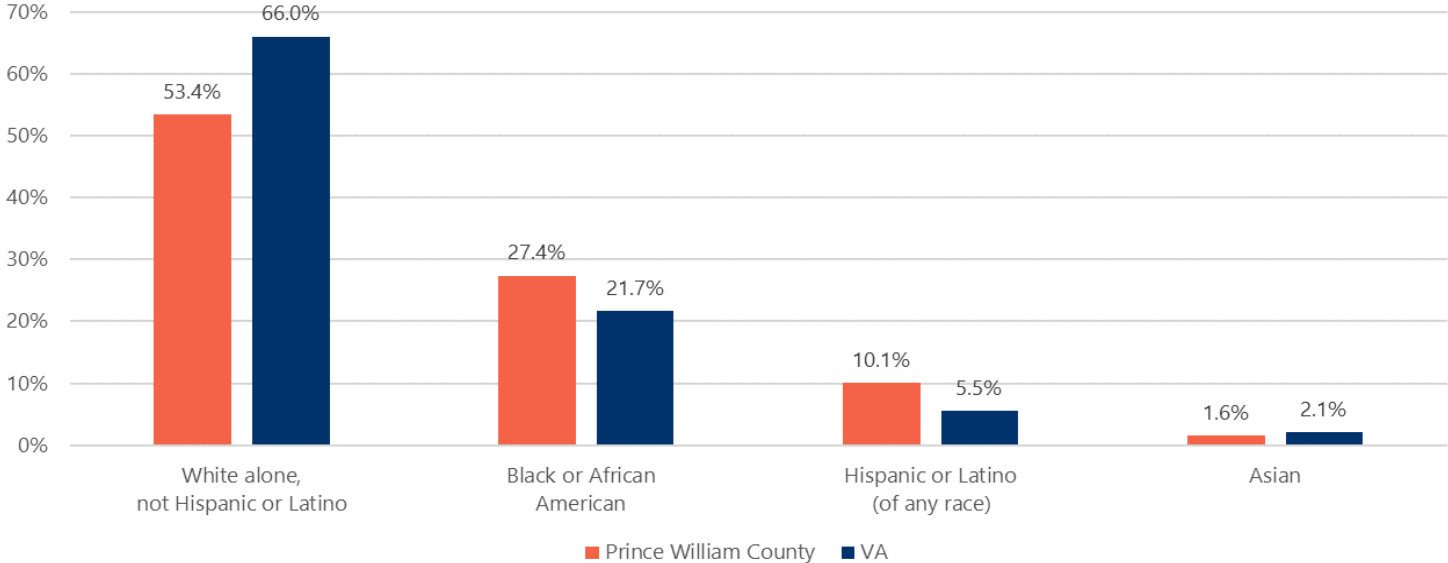
Source: ACS 1-Year Estimates Subject Tables (2021)

Demographic Trends: Educational Attainment

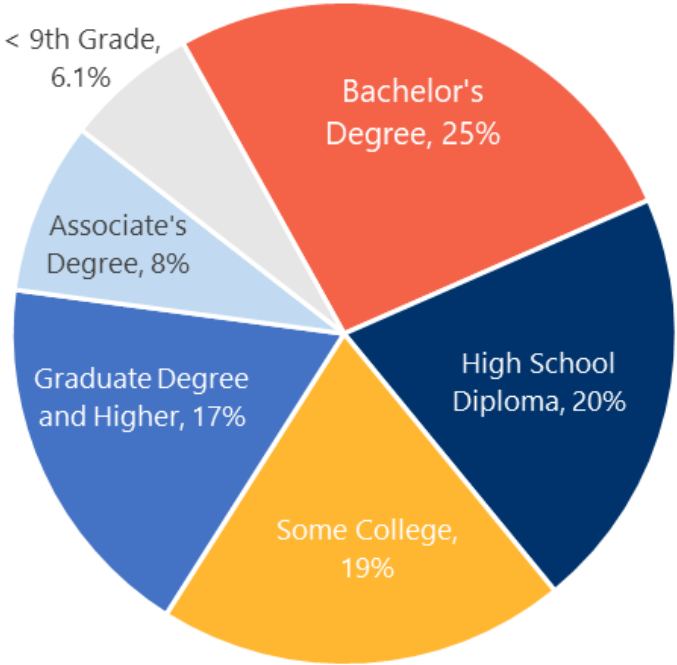**Half of the county's population had an Associate's degree or higher, 8% of the county population had an Associate's degree, 25% had a Bachelor's degree, and 17% had a Graduate degree.**

Educational Attainment (2021)

- < 9th Grade, 6.1%
- Bachelor's Degree, 25%
- Associate's Degree, 8%
- High School Diploma, 20%
- Graduate Degree and Higher, 17%
- Some College, 19%

Source: Lightcast Q4 2022 Dataset

Top Programs for Residents of Prince William County

- Business Administration, Management and Operations
- Psychology, General
- Education, General
- Liberal Arts and Sciences, General Studies and Humanities
- Computer Science
- Accounting and Related Services
- Business/Commerce, General
- Communication and Media Studies
- Criminal Justice and Corrections
- Marketing

Source: Lightcast Q4 2022 Dataset, data scraped from online job profiles for County residents

Demographic Trends: Educational Attainment

Educational attainment for diverse populations was higher in Prince William County than in Virginia, but disparities still exist. Specifically, 11.4% of the Black or African American population had a college degree, compared to 25.4% of the White, Non-Hispanic population. 6.5% of the Hispanic population had a college degree, compared to 43.8% of the non-Hispanic population.

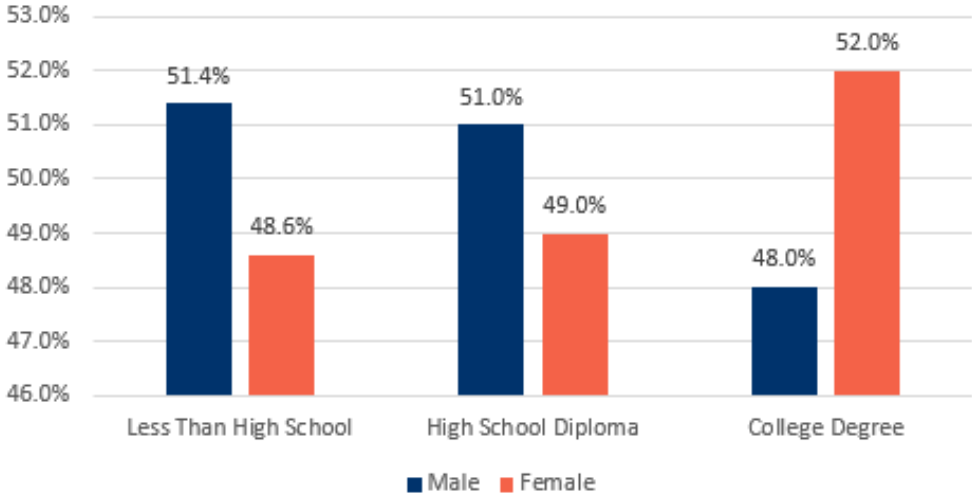## College Degree Attainment by Race and Ethnicity (2021)
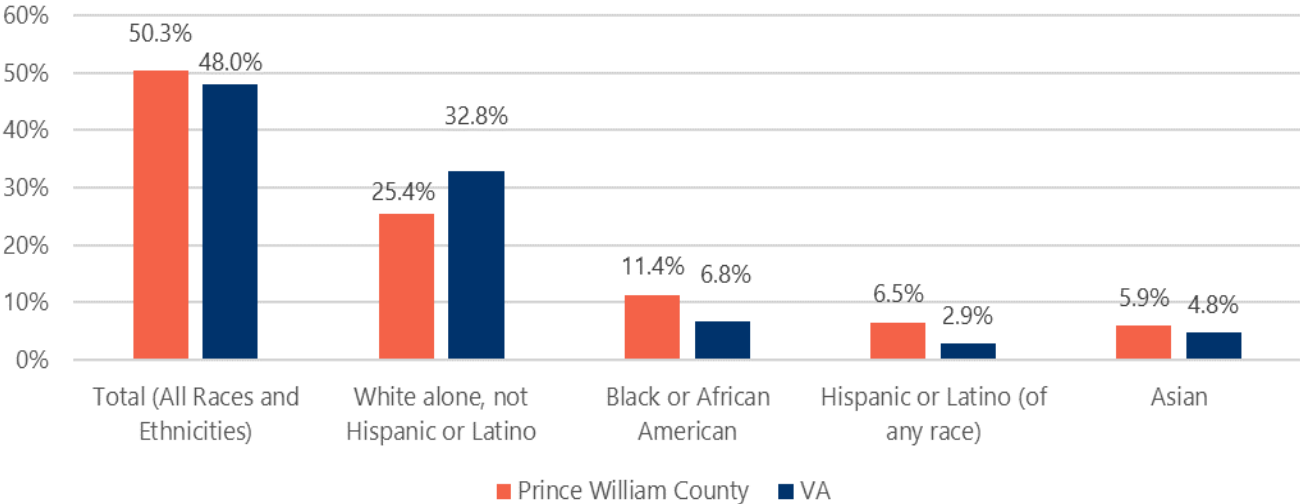
Source: Lightcast Q4 2022 Dataset

Educational attainment in Prince William County was higher for women: 52.0% of women earned a college degree compared with 48.0% of men in the county. Women are also less likely to drop out of high school than men.

Educational Attainment by Sex (2021)

Source: Lightcast Q4 2022 Dataset

2

Business Composition

Business Composition (2017)

Key Takeaways

There is a growing pipeline of new entrepreneurs in the county. Self-employed firms increased by over 30% from 2017-2021 in the county (over 40% were minority-owned) and microbusinesses increased by over 10% from 2019-2022.

Minority-owned business establishments in the county tend to be smaller than non-minority-owned businesses, and have substantially lower sales, value of shipments, or revenue than non-minority-owned businesses. Employee salaries are also lower for minority-owned firms. The self-employment data indicates that minorities are entering entrepreneurship at proportionally lower rates.

Business Establishments
6,167
Employer firms, all sectors

- **Minority-owned businesses made up 36.9% of all business establishments** in Prince William County compared to 19.6% in VA.
- **Minority-owned businesses had the equivalent of 2.7 employees per business** compared to 7.7 for non-minority businesses. In VA, minority-owned businesses had 1.9 employees per business compared to 8.9 for non-minority businesses.

Sales, Value of Shipments, Revenue
$25,029,569
All Business Establishments

- **In the county, Sales, value of shipments, or revenue was $413 per business for minority-owned businesses**, but $1,644 per business for non-minority-owned businesses. In VA, this was $256 per minority-owned business and $1,662 per non-minority-owned business.

Average Annual Salary Per Business
$49,375
All Business Establishments

- The **average annual salary was $39,938 for minority-owned businesses** but $57,489 for non-minority-owned businesses. In VA, the average annual salary was $40,520 for minority-owned businesses and $43,652 for non-minority-owned businesses.

Self-Employed Firms
19,321
2021

- **Self-employed firms increased 32.0%** across all industries compared to 7.8% in VA (2017-2021)
- **41.8% of self-employed firms in Prince William County were minority owned** compared to 34.6% in VA (2021)
- Self-employed firms in the county **grew 486.5% in the Manufacturing industry and the 376.5% in the Health Care and Social Assistance industry** (2017-2021)

Source: U.S. Census Bureau, Nonemployer Statistics by Demographics, Annual Business Survey Program (2017), unless otherwise noted.

Business Composition: Minority-Owned Business Establishments

Relative to its large minority population (57.0%), Prince William County's share of minority-owned firms was disproportionally low (37.6%). In addition, minority-owned businesses had a lower share of sales (19.9%), employees (25.5%), and annual payroll (19.5%) relative to its share of firms (37.6%).

Minority-owned firms account for a significantly larger share of business activity in Prince William County compared to the state; however, this was largely a function of the county's significantly larger minority population. While the county's minority population was 18.9 percentage points larger than at the state level, it had 16.6 percentage points more minority-owned firms, and those firms only accounted for 6.6 percentage points more in sales, 8.5 point more employment, and 3.5 points more payroll than did firms across the state.

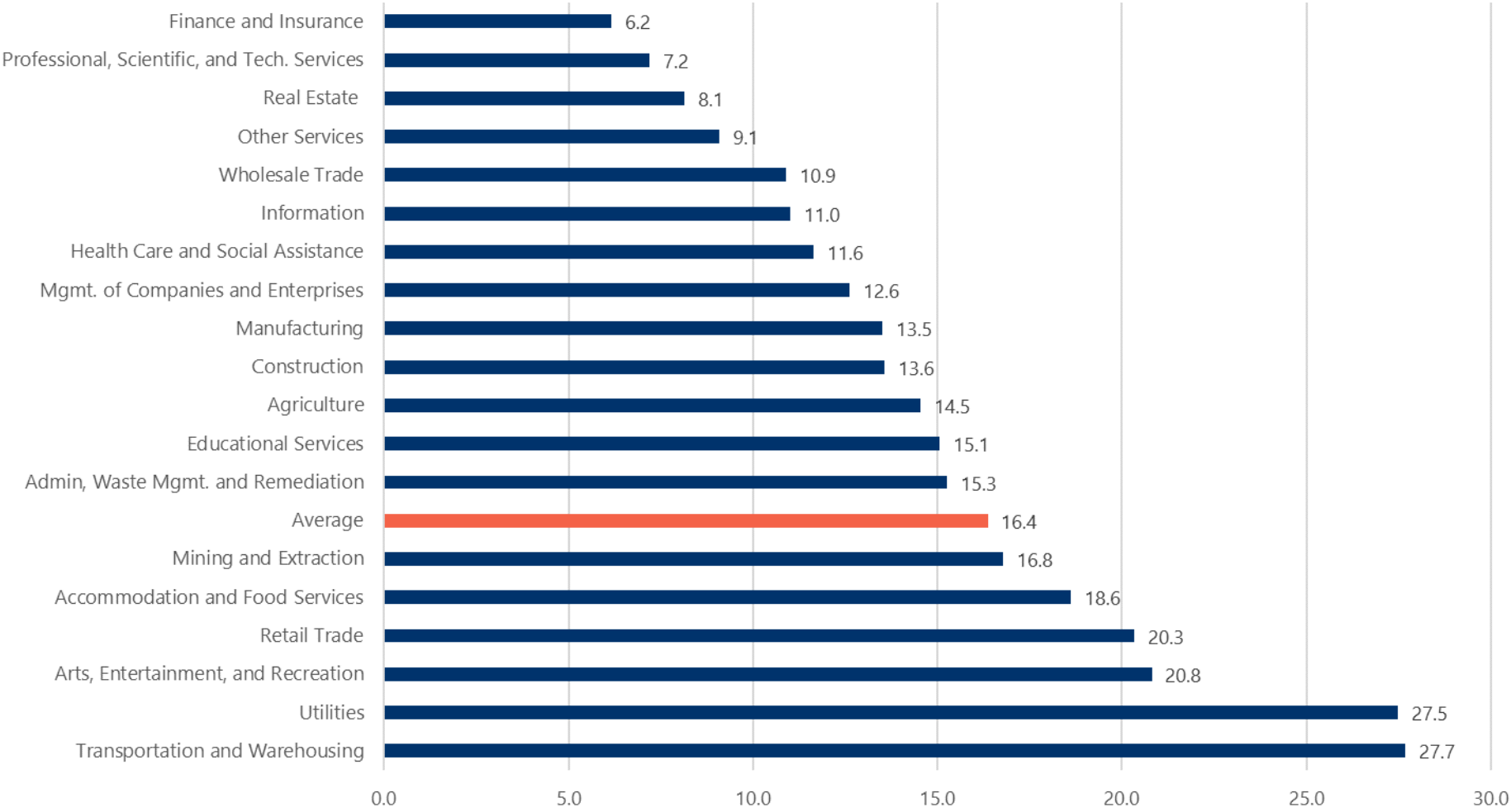## Minority-Owned Businesses' Share of Business Activity Relative to the Minority Share of Population (2017)
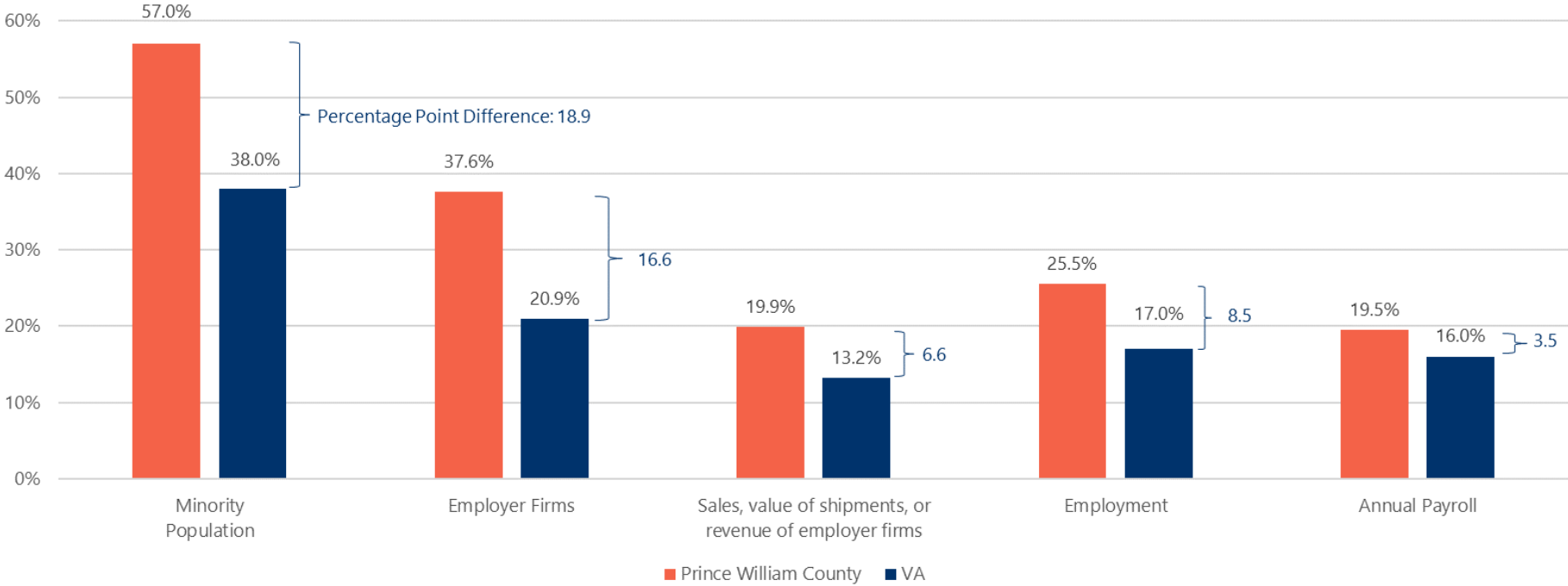
Source: U.S. Census Bureau, Non-employer Statistics by Demographics, Annual Business Survey Program (2017). Note that data from this source is older than data used elsewhere in this report.

Business Composition: Business Size by Industry

On average, business establishments in the county have 16.4 workers in 2022. Transportation and Warehousing was the county's largest industry based on the average number of jobs per establishment, with 27.7 jobs in 2021.

Business Size* by Industry (2021)

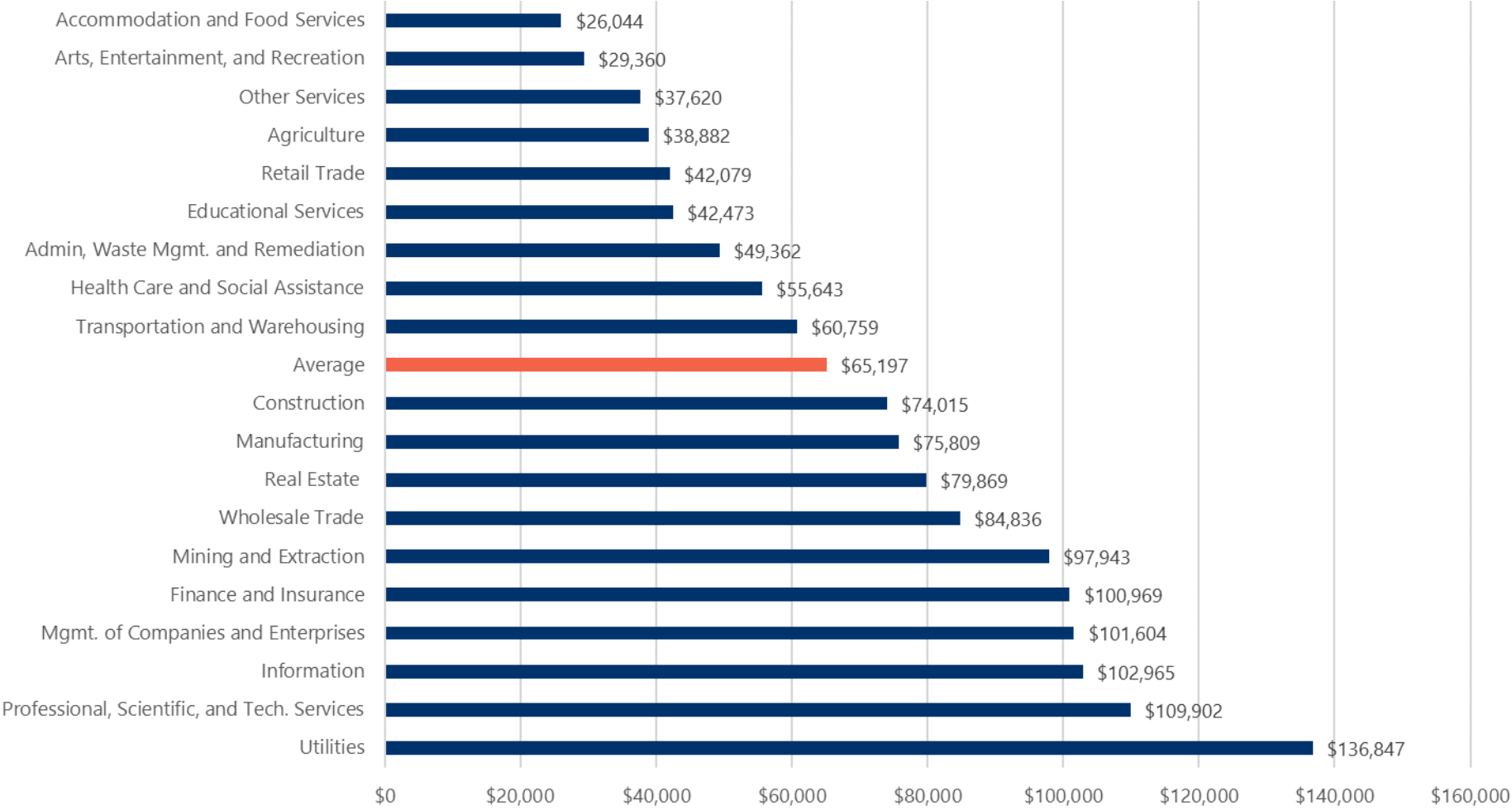| Industry	Value
Finance and Insurance	6.2
Professional, Scientific, and Tech. Services	7.2
Real Estate	8.1
Other Services	9.1
Wholesale Trade	10.9
Information	11.0
Health Care and Social Assistance	11.6
Mgmt. of Companies and Enterprises	12.6
Manufacturing	13.5
Construction	13.6
Agriculture	14.5
Educational Services	15.1
Admin, Waste Mgmt. and Remediation	15.3
Average	16.4
Mining and Extraction	16.8
Accommodation and Food Services	18.6
Retail Trade	20.3
Arts, Entertainment, and Recreation	20.8
Utilities	27.5
Transportation and Warehousing	27.7

*Average number of jobs per establishment
Source: Lightcast Q4 2022 Dataset

Business Composition: Average Earnings by Industry

Average annual earnings in the county was $65,197 in 2021. The Utilities industry offered the highest average earnings per job at $136,847, which is over twice the county's average.

Average Earnings Per Job by Industry (2021)

Industry	Average Earnings
Accommodation and Food Services	$26,044
Arts, Entertainment, and Recreation	$29,360
Other Services	$37,620
Agriculture	$38,882
Retail Trade	$42,079
Educational Services	$42,473
Admin, Waste Mgmt. and Remediation	$49,362
Health Care and Social Assistance	$55,643
Transportation and Warehousing	$60,759
Average	$65,197
Construction	$74,015
Manufacturing	$75,809
Real Estate	$79,869
Wholesale Trade	$84,836
Mining and Extraction	$97,943
Finance and Insurance	$100,969
Mgmt. of Companies and Enterprises	$101,604
Information	$102,965
Professional, Scientific, and Tech. Services	$109,902
Utilities	$136,847

Source: Lightcast Q4 2022 Dataset

Business Composition: Microbusinesses (10 or less employees)

A **microbusiness** is defined by the data source, GoDaddy, as a business with fewer than 10 employees and is an entity with a discrete domain name and an active website.
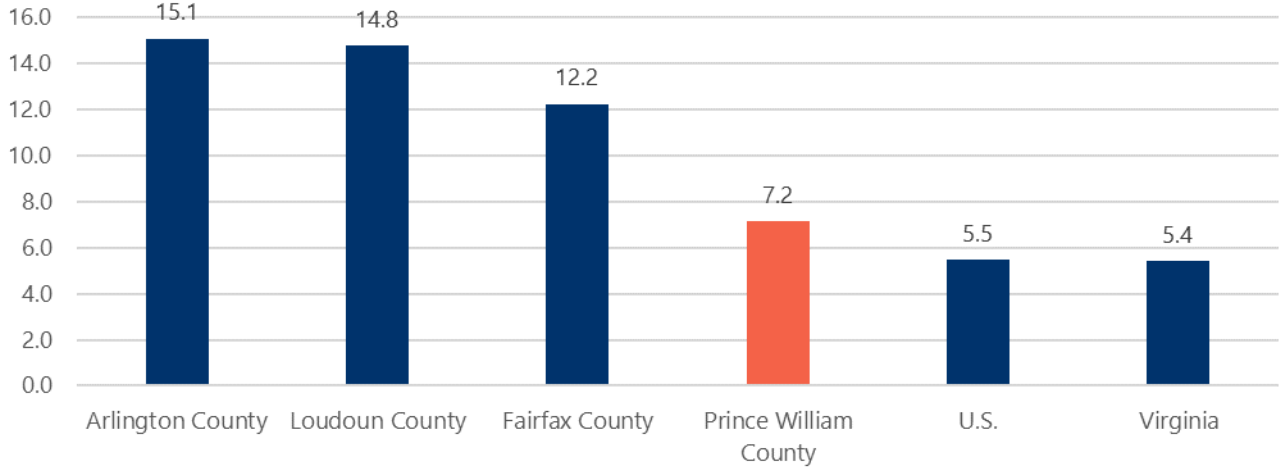
> Prince William County had 24,357 microbusinesses in 2022 compared to 22,114 in 2019, which was a 10.1% increase. Virginia overall had a 2.3% increase in microbusinesses during the same time period.

Prince William County has a higher microbusiness density than Virginia and the U.S., but a lower microbusiness density than the other comparison counties.

Microbusiness density is the number of microbusinesses per 100 adults in a geographic area.

Microbusiness Density (June 2022)

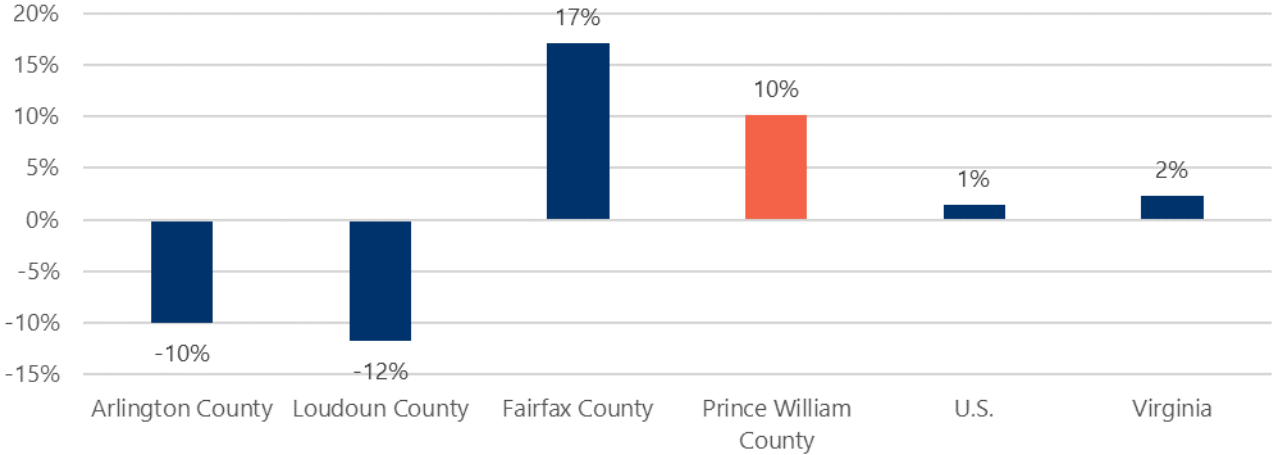| Arlington County	Loudoun County	Fairfax County	Prince William County	U.S.	Virginia
15.1	14.8	12.2	7.2	5.5	5.4

Source: GoDaddy Microbusiness Data Hub

From 2019-2022, the number of microbusinesses in Prince William County grew at a faster rate than the state and most of the comparison counties.

% Change in Microbusinesses (2019-2022)

| Arlington County	Loudoun County	Fairfax County	Prince William County	U.S.	Virginia
-10%	-12%	17%	10%	1%	2%

Source: GoDaddy Microbusiness Data Hub

Business Composition: Microbusinesses

Overall, **Prince William County has a higher Activity Index* compared to the state, meaning that the online businesses in the county are performing better than the state average; however, Prince William County's microbusinesses are not performing as well as the three comparison counties.**

On the measure of Engagement, **Prince William County online businesses consistently rank about 4-5 points lower than the state. Engagement is the measure of how active websites are in the community and suggests that microbusinesses in Prince William County would benefit from digital marketing assistance to drive higher engagement to their sites. This finding corresponds with what we heard during the interview process where many small business owners indicated that they have basic websites but are not "doing enough" or "doing what they should" in the digital marketing space.**

Microbusiness Activity (2019-2022)
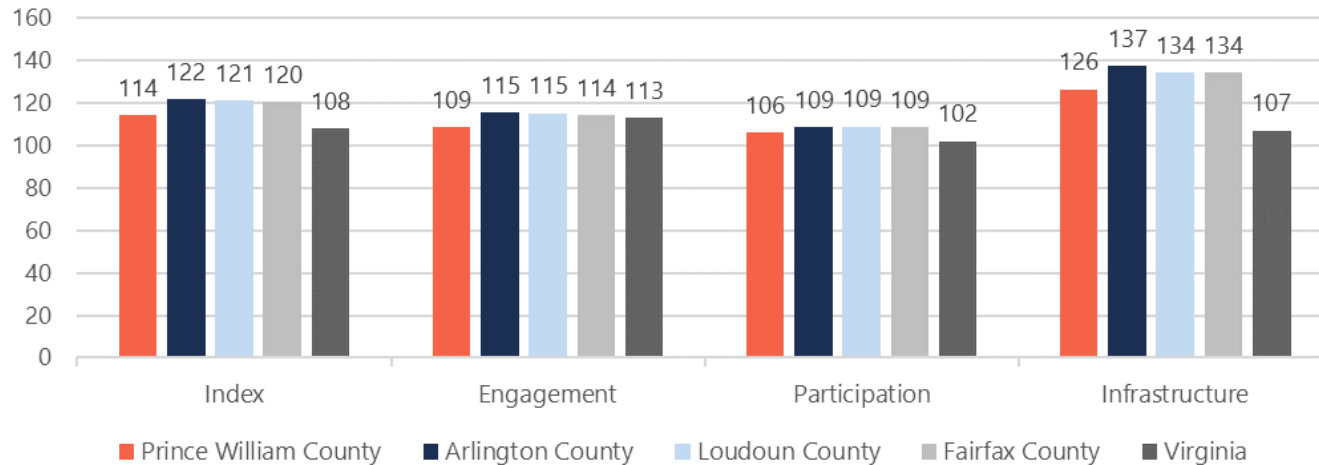
Source: GoDaddy Microbusiness Data Hub

*GoDaddy's Microbusiness **Activity Index** includes:
- **Engagement** – How active websites are in the community.
- **Participation** – The number of microbusinesses and operators in the community.
- **Infrastructure** – How prepared a community is to use the internet.

In terms of online commercial activity tracked by GoDaddy, from July 2021 to June 2022, Prince William County ranked just above average for the number of online merchants compared to counties in the U.S. of similar size population. But the county ranked below-average on the number of orders and well below average in the bottom 20% for transaction dollars. This suggests that microbusinesses in Prince William County are not performing as effectively in generating sales.
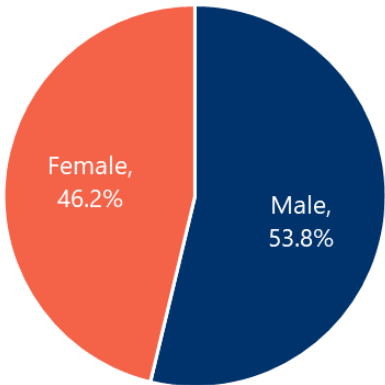
Business Composition: Equity in Share of Self-Employed Businesses

This section uses data on self-employed workers, which are in fact, self-employed businesses. Self-employment is the pathway to entrepreneurship. A self-employed individual directly offers their personal services to others in return for compensation, instead of earning an income from a business, corporation, or employer.

Female self-employment made up 46.2% of self-employed firms, which is slightly lower than the female share of the population (49.7%).
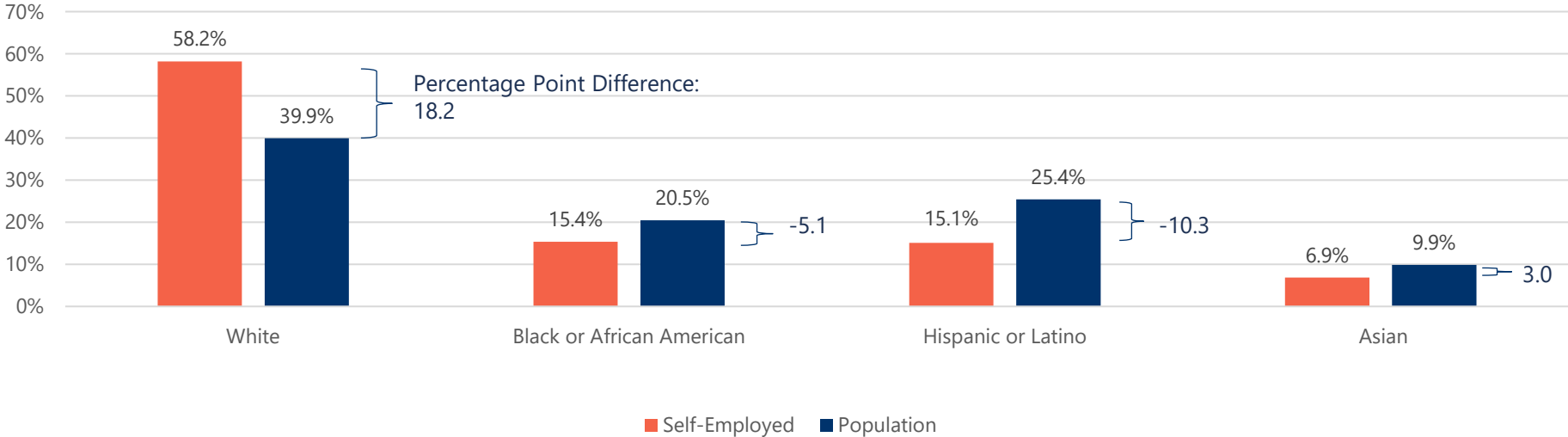
A disproportionate share of self-employed firms are White-owned (58.2%) relative to the population (39.9%). Individuals who are Hispanic or Latino are the least likely to be self-employed, with a 10.3 percentage point difference in their share of self-employed firms compared to their share of the population.

Share of Self-Employment by Sex (2021)

Female, 46.2%

Male, 53.8%

Source: Lightcast Q4 2022 Dataset

Self-Employed Firms by Race and Ethnicity (2021)

	White	Black or African American	Hispanic or Latino	Asian
Self-Employed	58.2%	15.4%	15.1%	6.9%
Population	39.9%	20.5%	25.4%	9.9%
Percentage Point Difference	18.2	-5.1	-10.3	3.0

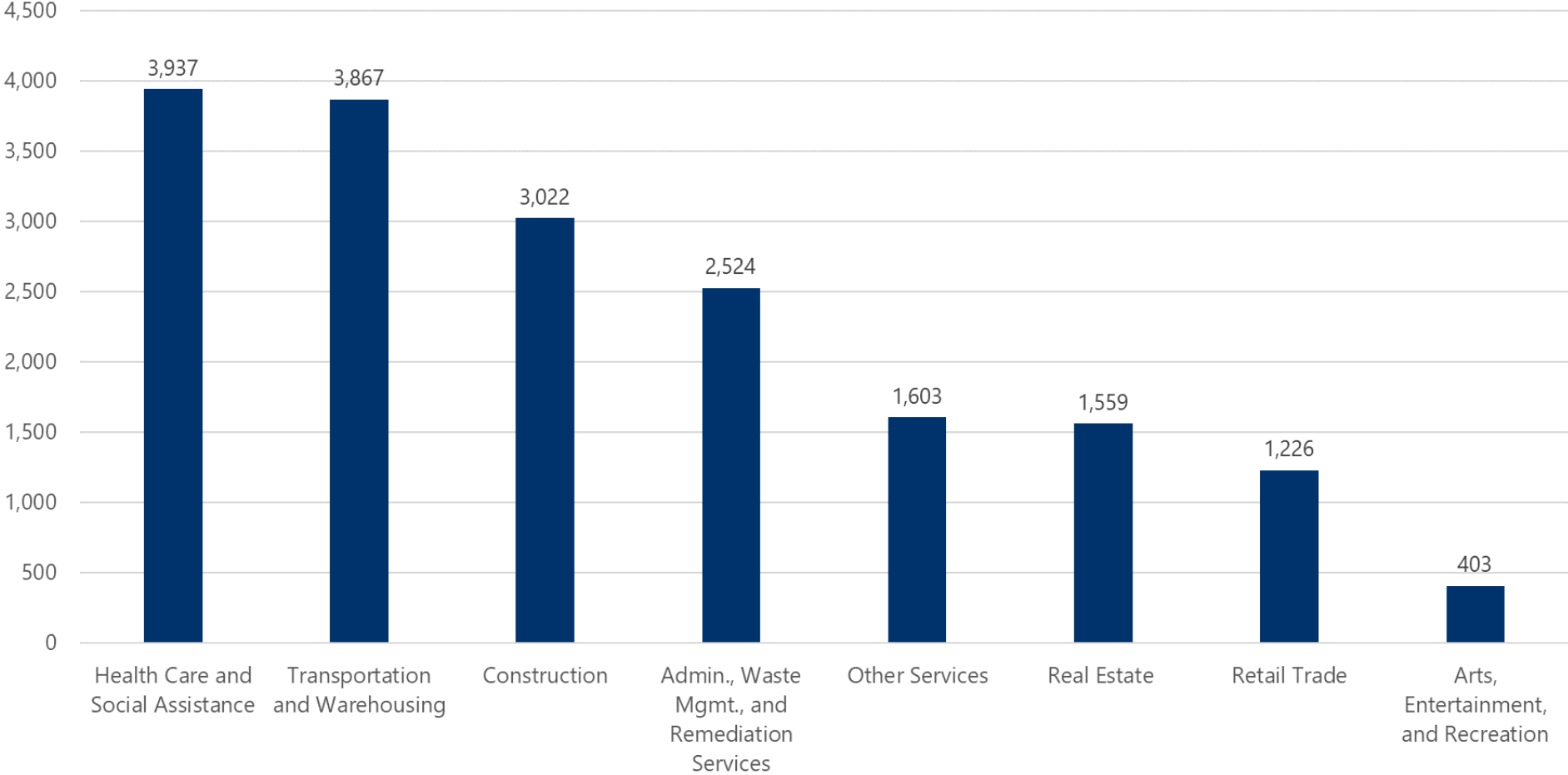Legend: ■ Self-Employed ■ Population

Source: Lightcast Q4 2022 Dataset

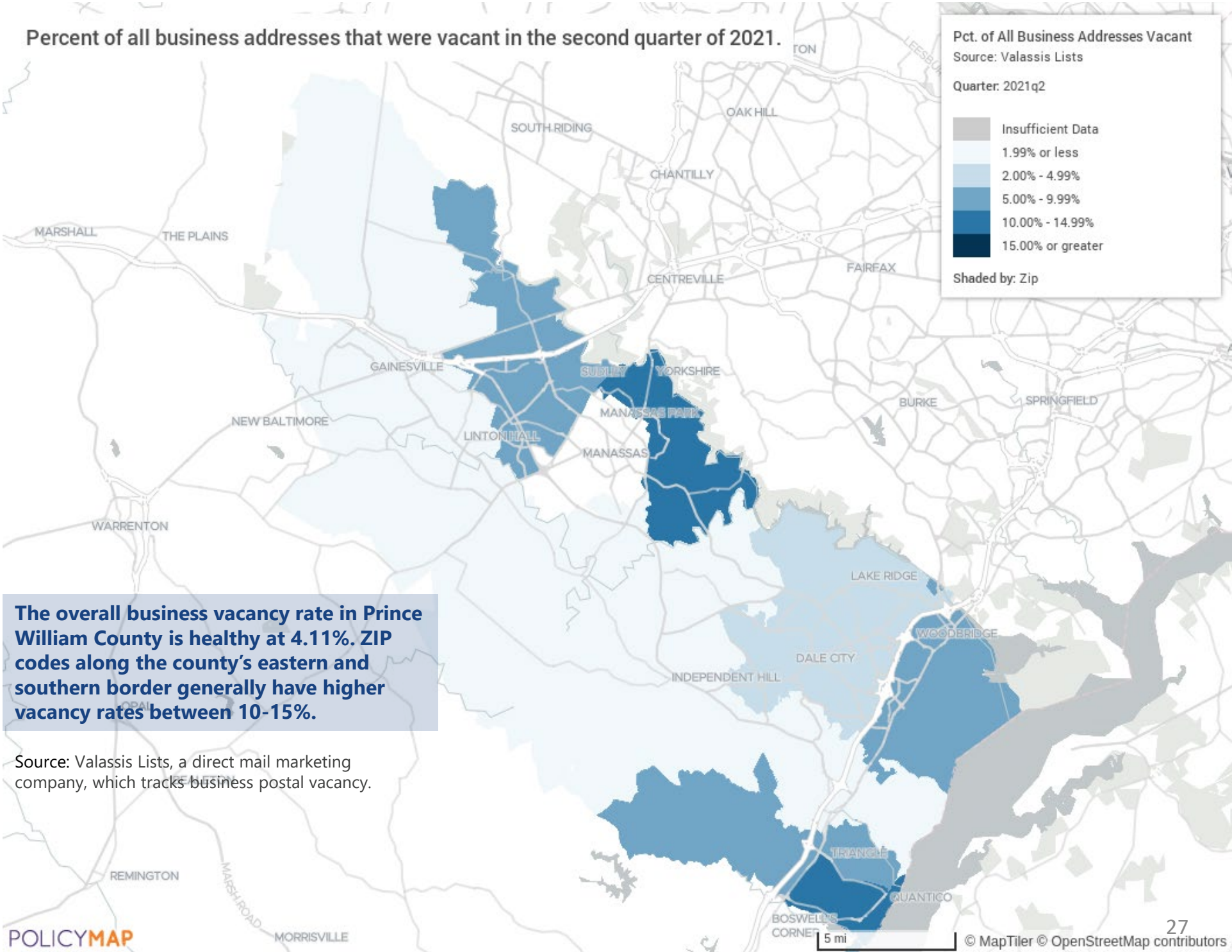# Business Composition: Self-Employed firms by Industry

The Health Care and Social Assistance industry had the largest share of self-employed firms at 3,937 in 2021. Other top industries include Transportation and Warehousing (3,867), Construction (3,022) and Administrative and Support and Waste Management and Remediation Resources (2,524).

Industries With the Largest Share of Self-Employed Firms (2021)

Bar chart showing:
- Health Care and Social Assistance: 3,937
- Transportation and Warehousing: 3,867
- Construction: 3,022
- Admin., Waste Mgmt., and Remediation Services: 2,524
- Other Services: 1,603
- Real Estate: 1,559
- Retail Trade: 1,226
- Arts, Entertainment, and Recreation: 403

Business Composition: Business Vacancy Rates (Commercial Addresses)

Percent of all business addresses that were vacant in the second quarter of 2021.

Pct. of All Business Addresses Vacant
Source: Valassis Lists

Quarter: 2021q2

⬜	Insufficient Data
⬜	1.99% or less
⬜	2.00% - 4.99%
🟦	5.00% - 9.99%
🟦	10.00% - 14.99%
⬛	15.00% or greater

Shaded by: Zip

The overall business vacancy rate in Prince William County is healthy at 4.11%. ZIP codes along the county's eastern and southern border generally have higher vacancy rates between 10-15%.

Source: Valassis Lists, a direct mail marketing company, which tracks business postal vacancy.

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Business Dynamics

Business Dynamics: Startup Activity: Firms less than 1-year old

FIRMS

Year: 2020 | Firm Age: 0 Years

Top VA Counties with Firms Aged 0 Years, 2020

Rank	County	Firms
1	Fairfax, VA	1,720
2	Loudoun, VA	834
3	Virginia Beach city, VA	639
4	Prince William, VA	555
5	Henrico, VA	469
6	Chesterfield, VA	418
7	Richmond city, VA	350
8	Arlington, VA	298
9	Chesapeake city, VA	277
10	Alexandria city, VA	257

Source: U.S. Census Bureau - Center for Economic Studies - Business Dynamics Statistics (2020)

Prince William County

Prince William County is among the top counties in the state of Virginia for startup activity.

Legend: 0 - 360 | 360 - 720 | 720 - 1.1k | 1.1k - 1.4k | 1.4k - 1.8k | Cell suppressed: statistic based on too few firms

Source: U.S. Census Bureau - Center for Economic Studies - Business Dynamics Statistics (2020)

Business Dynamics: Establishment Entry Rate

The rate of business creation has trended downward since the mid 1980s in Virginia and the benchmark counties. Starting around 2003, the rate of establishment entry in Prince William County ticked up to second among the benchmark counties and has mostly remained in that position.
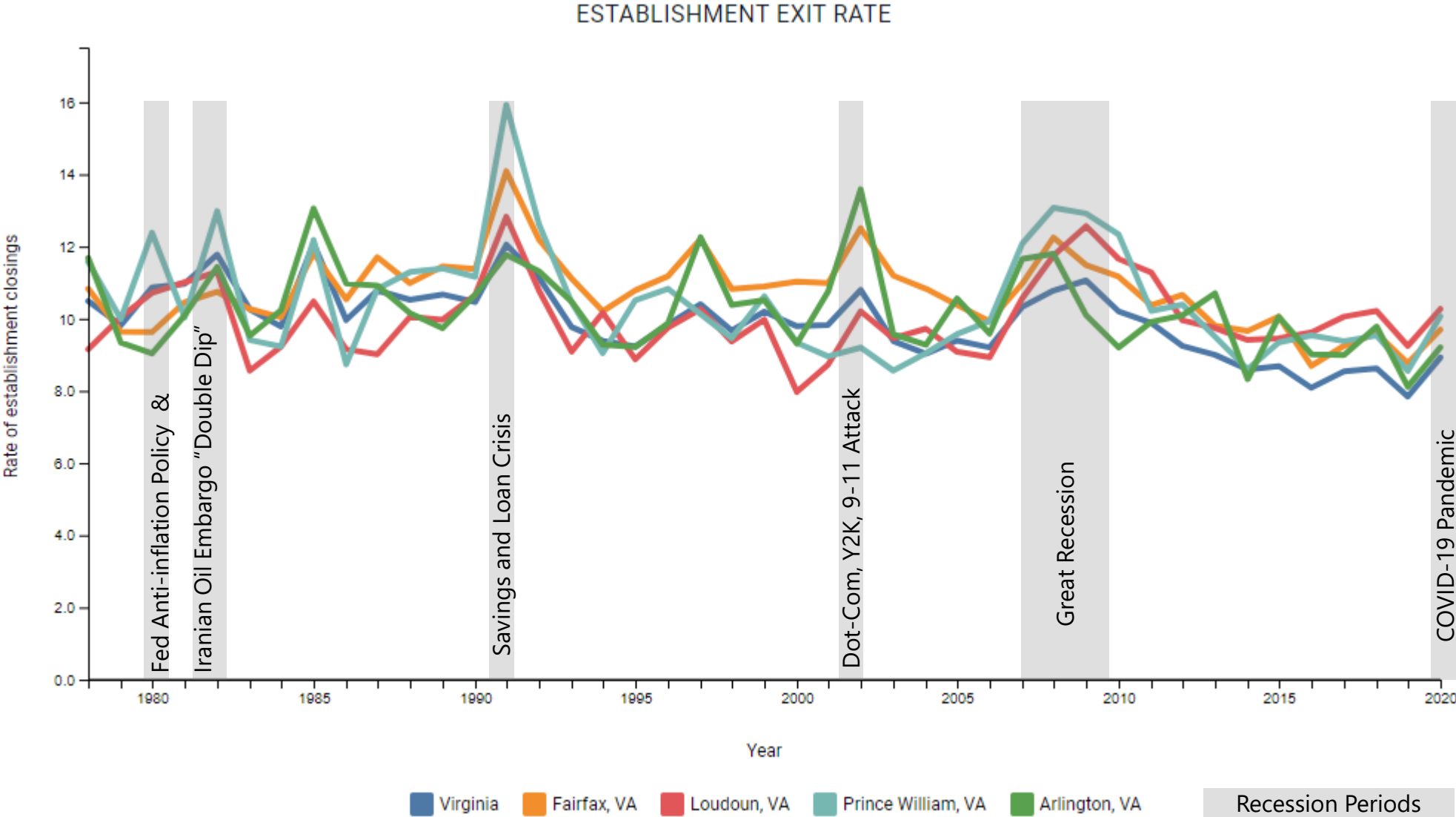

ESTABLISHMENT ENTRY RATE
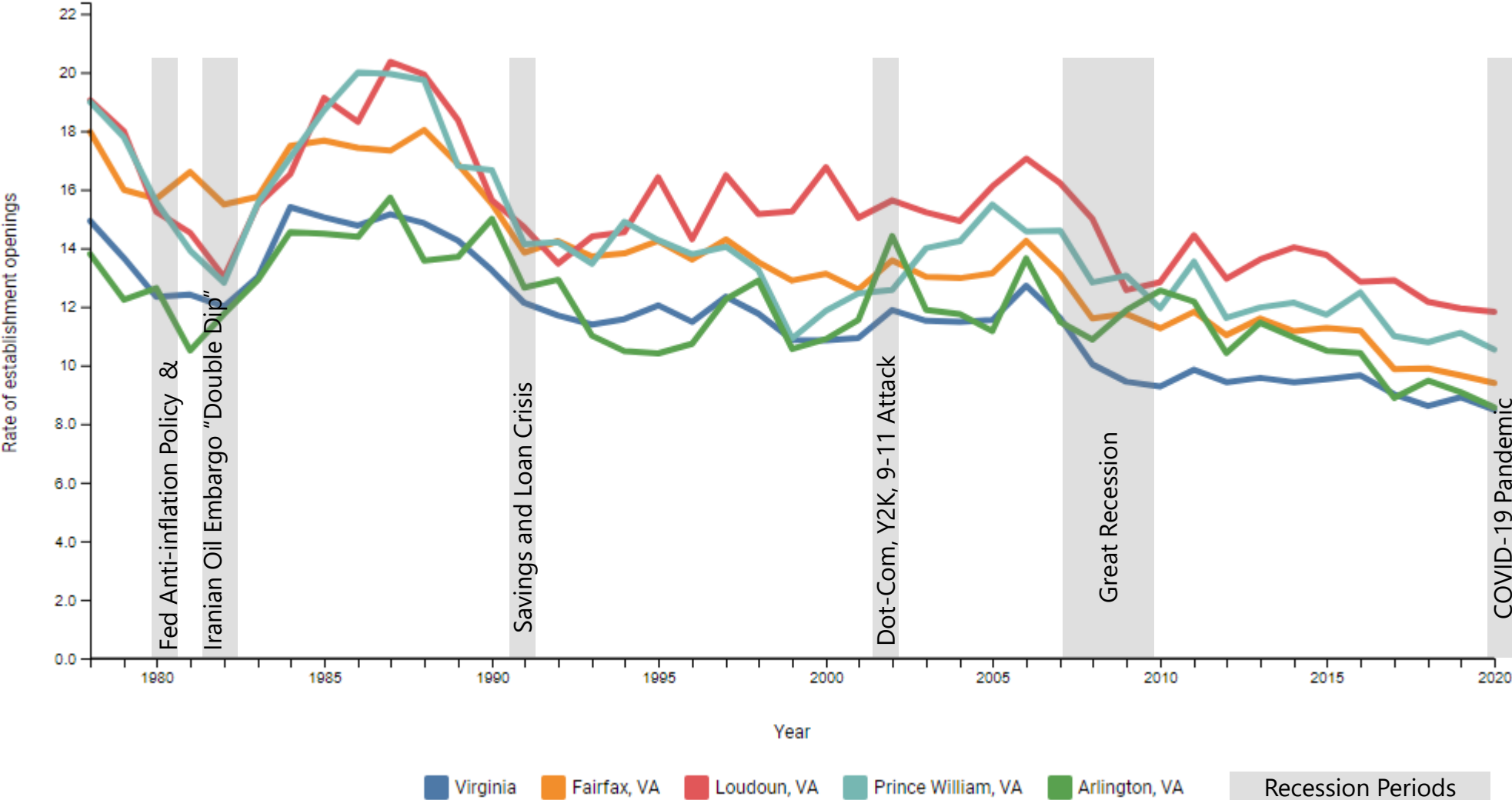
Legend: Virginia, Fairfax, VA, Loudoun, VA, Prince William, VA, Arlington, VA, Recession Periods

Source: U.S. Census Bureau - Center for Economic Studies - Business Dynamics Statistics (2020)

Business Dynamics: Establishment Exit Rate

In the 80s and 90s, Prince William County tended to experience greater spikes in the rate of business closures compared to the state and benchmark counties. It fared better in the late 90s and early 00s, but during the Great Recession from late 2007 into 2009, Prince William County had a higher rate of business exit that lasted longer than the others. Its 2020 exit rate was second only to Loudoun County. This data suggests that Prince William County businesses tend to be less resilient and less able to withstand economic disruptions.

ESTABLISHMENT EXIT RATE

Legend: Virginia, Fairfax, VA, Loudoun, VA, Prince William, VA, Arlington, VA, Recession Periods

Recession period labels: Fed Anti-inflation Policy & Iranian Oil Embargo "Double Dip"; Savings and Loan Crisis; Dot-Com, Y2K, 9-11 Attack; Great Recession; COVID-19 Pandemic

Source: U.S. Census Bureau - Center for Economic Studies - Business Dynamics Statistics (2020)

Business Dynamics: Establishment Churn Rate in Prince William County

The churn rate is the ratio of establishment entrants and exits to all establishments.
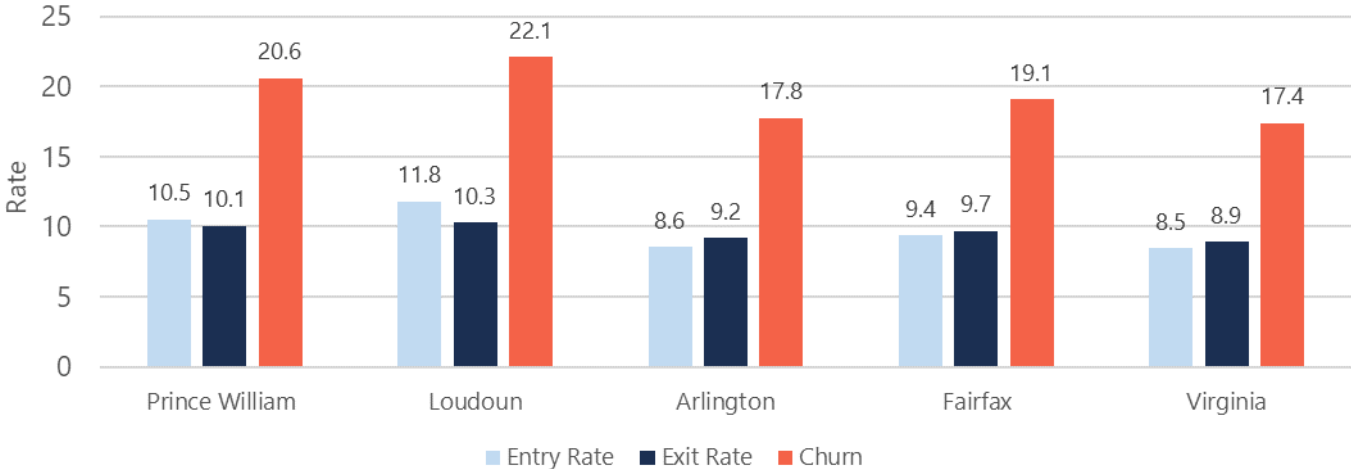
Prince William County's churn rate is higher than the state and most of the benchmark geographies, second only to Loudoun County. This indicator reflects the county's strong rate of "creative destruction" (i.e. new ideas and innovations being tested).

Sectors with the greatest churn rates in the county include:

- **Transportation (42.3)**
- **Real Estate (31.2)**
- **Manufacturing (30.8)**
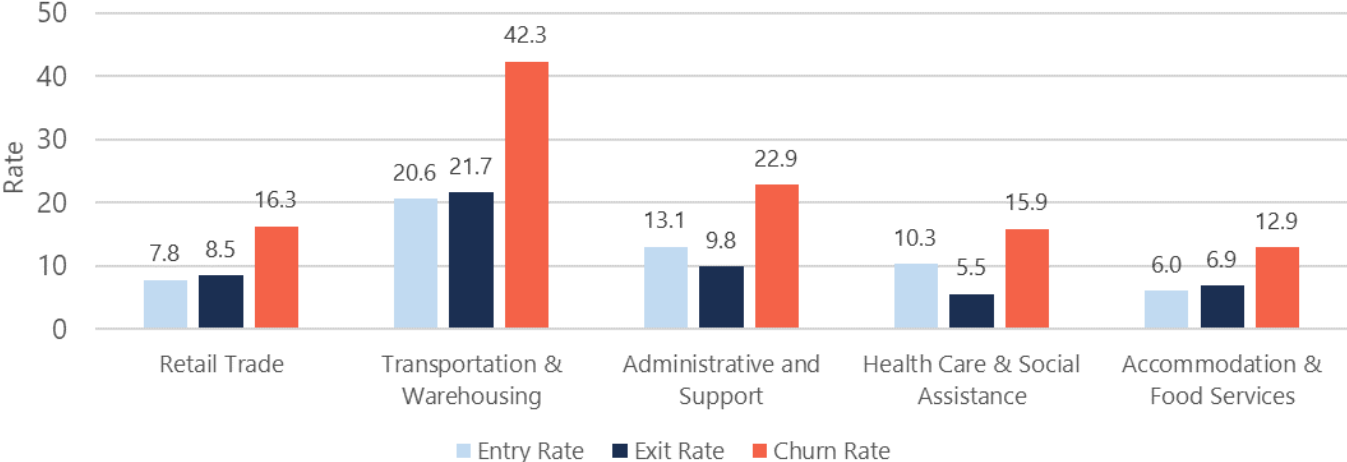- **Professional Services (21.2)**
- **Construction (23.8)**

Looking at sectors that have a labor force >50% BIPOC, Transportation & Warehousing and Administrative Support have higher than average establishment churn rates at 42.3 and 22.9, respectively. Retail Trade (16.3), Health Care (15.9), and Accommodation & Food Services (12.9) fall below the county average of 20.6.

Establishment Entry, Exit, & Churn Rate (2020)

	Prince William	Loudoun	Arlington	Fairfax	Virginia
Entry Rate	10.5	11.8	8.6	9.4	8.5
Exit Rate	10.1	10.3	9.2	9.7	8.9
Churn	20.6	22.1	17.8	19.1	17.4

Source: U.S. Census Bureau - Center for Economic Studies - Business Dynamics Statistics (2020)

Establishment Churn Rate for Sectors >50% Diversity (2020)

	Retail Trade	Transportation & Warehousing	Administrative and Support	Health Care & Social Assistance	Accommodation & Food Services
Entry Rate	7.8	20.6	13.1	10.3	6.0
Exit Rate	8.5	21.7	9.8	5.5	6.9
Churn Rate	16.3	42.3	22.9	15.9	12.9

Source: U.S. Census Bureau - Center for Economic Studies - Business Dynamics Statistics (2020)

# 4

Capital Access

Capital Access

Key Takeaways

Overall, there was just under 1-billion dollars in venture capital raised by Prince William County businesses since 2016. Women founded firms received only 2% of the venture capital raised since 2016 and minority owned firms received just 1.8%.

Most of the <u>small</u> business lending activity in Prince William County is happening in communities with the greatest racial and ethnic diversity. On average, Prince William County businesses receive smaller loans compared to Arlington, Fairfax, and Loudoun counties.

Venture Capital Deals
13
Since 2016
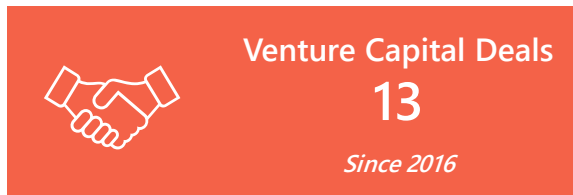
- Prince William County had **3 venture capital deals** in 2022
- **Women founded/led companies had 1 venture capital deal** since 2016
- There were **4 venture capital deals with minority-owned businesses** from 2016-2022

Capital Raised
$99,997,984
Since 2016
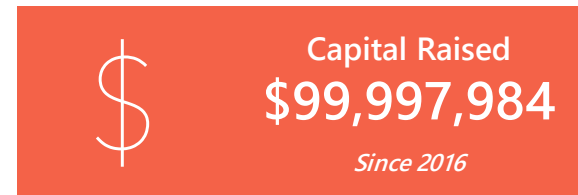
- **$99,997,984 capital raised** in the county since 2016
- **Women founded/led companies raised $2,099,984** in capital since 2016
- **Minority-owned businesses raised $1,763,000** in capital from 2016-2022

Source: Crunchbase
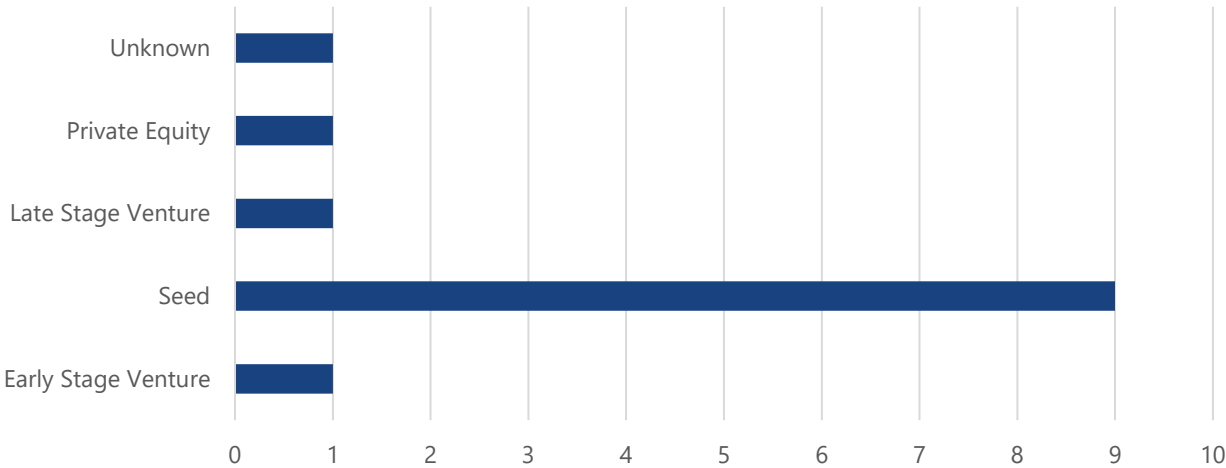
Capital Access: Venture Capital Deals

From 2016-2022, most venture capital deals in Prince William County were in the seed stage with seed and pre-seed funding.

Count of Venture Capital Deals by Funding Type (2016-2022)
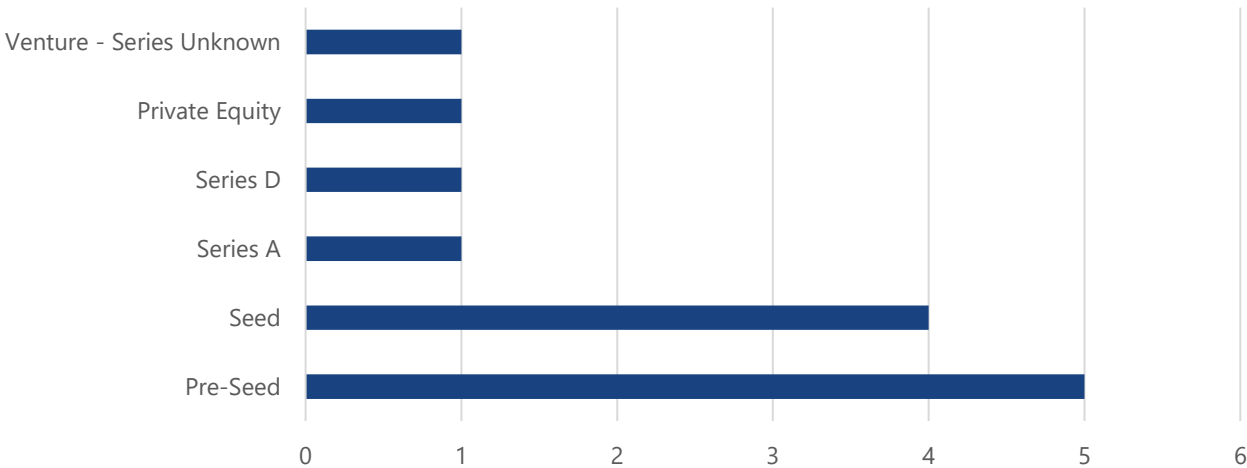
Source: Crunchbase (2022 data is as of December 13, 2022)
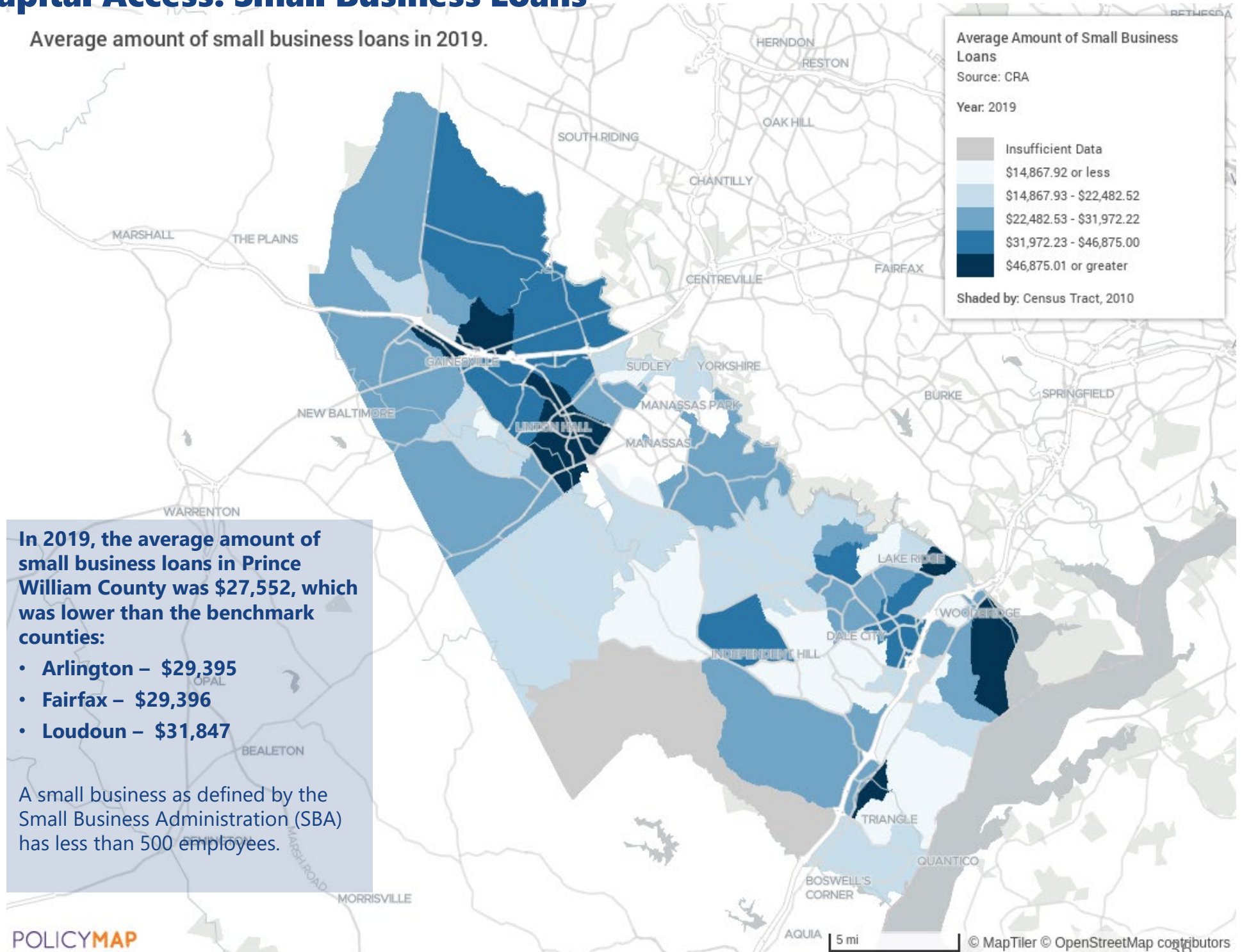
Count of Venture Capital Deals by Funding Stage (2016-2022)

Source: Crunchbase (2022 data is as of December 13, 2022)

Capital Access: Small Business Loans

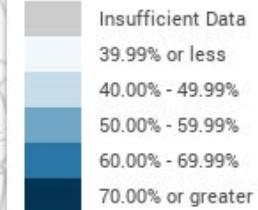Average amount of small business loans in 2019.

Average Amount of Small Business Loans
Source: CRA

Year: 2019

▢	Insufficient Data
▢	$14,867.92 or less
▢	$14,867.93 - $22,482.52
▢	$22,482.53 - $31,972.22
▢	$31,972.23 - $46,875.00
▢	$46,875.01 or greater

Shaded by: Census Tract, 2010

In 2019, the average amount of small business loans in Prince William County was $27,552, which was lower than the benchmark counties:

- **Arlington – $29,395**
- **Fairfax – $29,396**
- **Loudoun – $31,847**

A small business as defined by the Small Business Administration (SBA) has less than 500 employees.

POLICYMAP

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Landscape Assessment I Prince William County
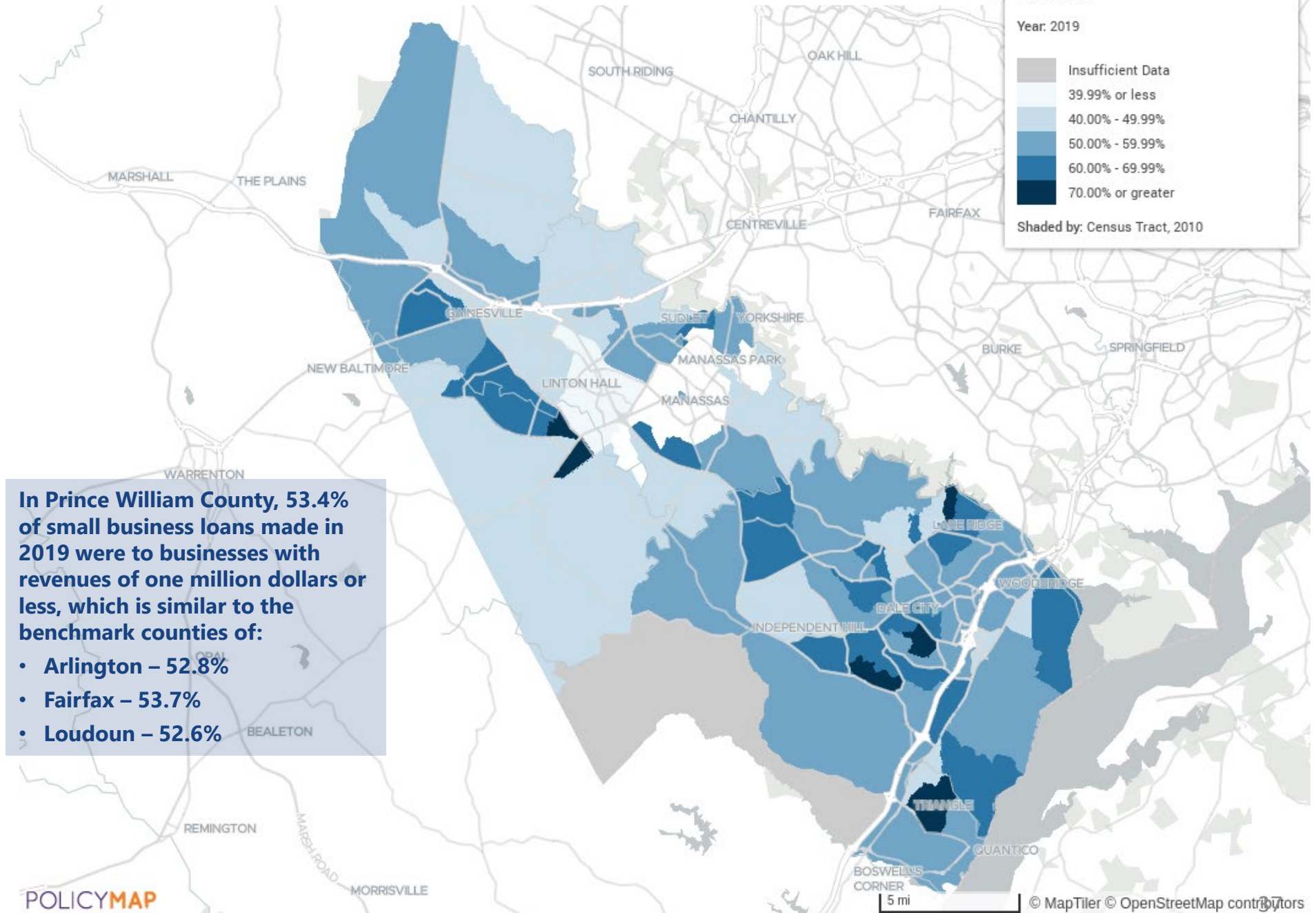
Capital Access: Small Business Loans

Percent of small business loans made to businesses with revenues of one million dollars or less in 2019.

Legend:

Percent of Small Business Loans to Businesses w/ Revenue <= $1 M
Source: CRA

Year: 2019

(gray)	Insufficient Data
(lightest)	39.99% or less
	40.00% - 49.99%
	50.00% - 59.99%
	60.00% - 69.99%
(darkest)	70.00% or greater

Shaded by: Census Tract, 2010

In Prince William County, 53.4% of small business loans made in 2019 were to businesses with revenues of one million dollars or less, which is similar to the benchmark counties of:

- **Arlington – 52.8%**
- **Fairfax – 53.7%**
- **Loudoun – 52.6%**

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Capital Access: Small Business Loans by Diversity Index

Probability that two individuals chosen at random would be of different races or ethnicities, between 2016-2020.

Legend:
- ▽ PPP Loans Greater than $150,000 — Source: SBA
- ▽ 504 Loans — Source: SBA
- ◆ 7(a) Loans — Source: SBA

Diversity Index
Source: Census & PolicyMap
Year: 2016-2020

- Insufficient Data
- 16.54 or less
- 16.55 - 32.07
- 32.08 - 47.06
- 47.07 - 58.76
- 58.77 or greater

Shaded by: Census Tract, 2020

Overall, the regions with the greatest diversity in Prince William County are where most small business loans are granted.

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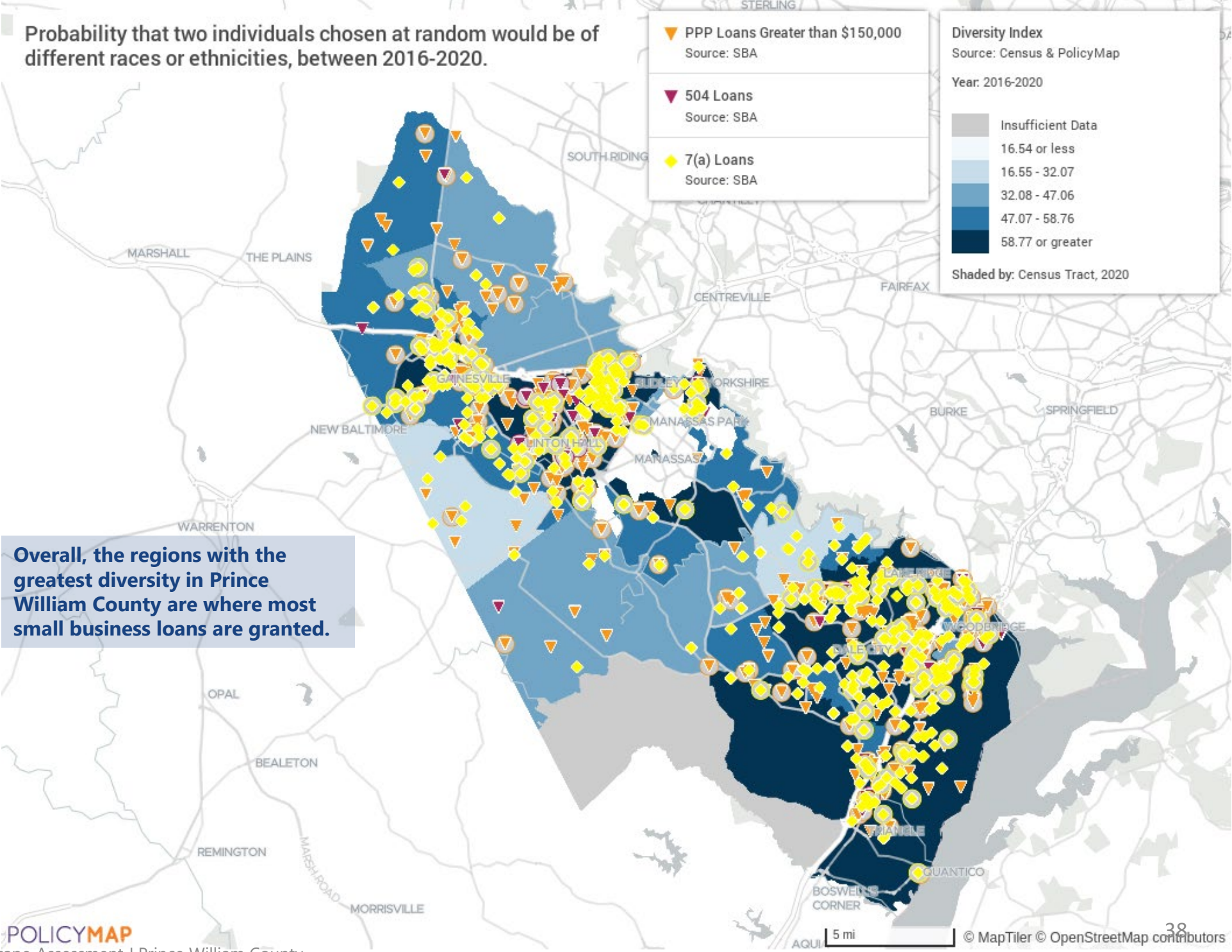
5

Industries & Occupations

Industry & Occupational Analysis

Key Takeaways

Prince William County has a higher labor force participation rate than the state, with a greater share of the female population participating in the workforce. Top industries and occupations in the county grew about 3% since 2017.

The Health Care and Social Assistance, Government, and Construction industries gained the most employees but the Utilities, Professional, Scientific, and Technical Services, and Information industries offered the highest salaries. Business and Financial Occupations, Management Occupations, and Healthcare Practitioners and Technical Occupations gained the most employees; Management Occupations offered some of the highest salaries, as did Legal Occupations and Computer and Mathematical Occupations.

Women and BIPOC workers are disproportionally likely to work in lower wage industries and occupations.

Labor Force
243,816
September 2022

- **5.6% of the state's labor force**
- Prince William County has a **labor force participation rate of 72.9%** for the civilian, non-institutionalized population ages 16+, compared to 65.9% in Virginia.
- Prince William County has a **labor force participation rate of 77.7% for the female population** compared with 75.6% at the state level (residents ages 20-64).

Top Industries
3.0%
Growth of All Sectors, 2017-2021

- The industries that **gained the most employees** from 2017-2021 were **Health Care and Social Assistance (1,430), Government (1,251), and Construction (1,170).**
- The three industries that offered the **highest average annual earnings** were **Utilities ($136,847), Professional, Scientific, and Technical Services ($112,187), and Information ($109,882).**
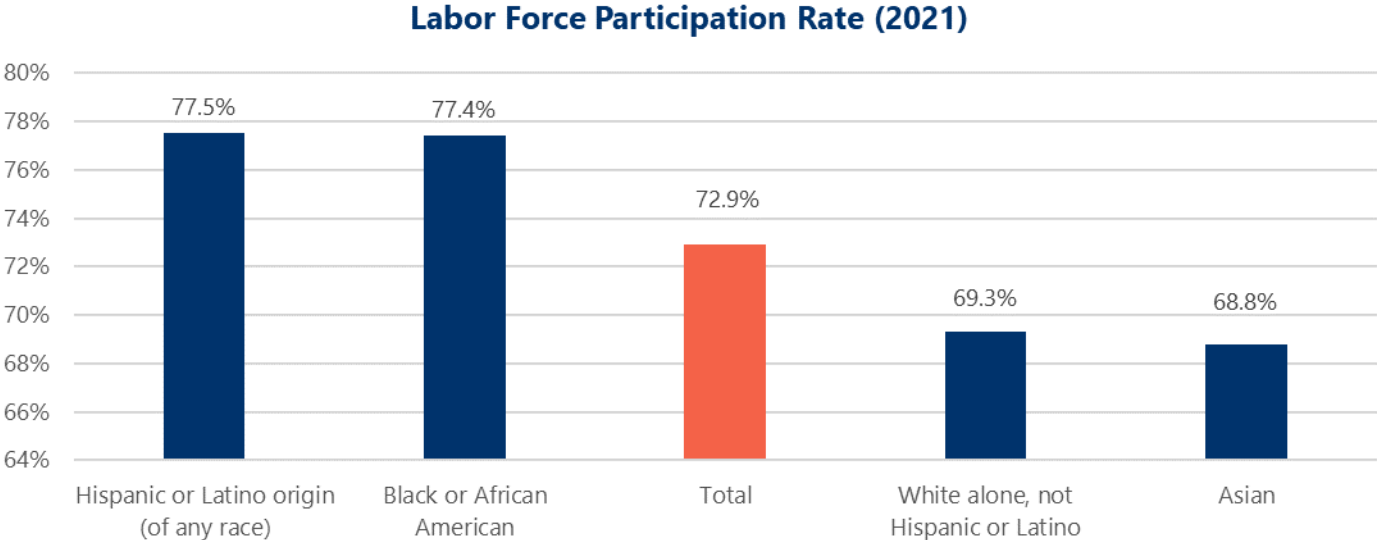
Top Occupations
3.0%
Growth of All Occupations, 2017-2021

- The occupations that saw the top growth in number of employees from 2017-2021 in Prince William County were **Business and Financial Operations Occupations (2,713), Management Occupations (1,552), and Healthcare Practitioners and Technical Occupations (846).**
- The three occupation groups that offered the highest average annual earnings were **Management Occupations ($140,241), Legal Occupations ($125,061), and Computer and Mathematical Occupations ($107,805).**

Source: Lightcast Q4 2022 Dataset

Landscape Assessment I Prince William County

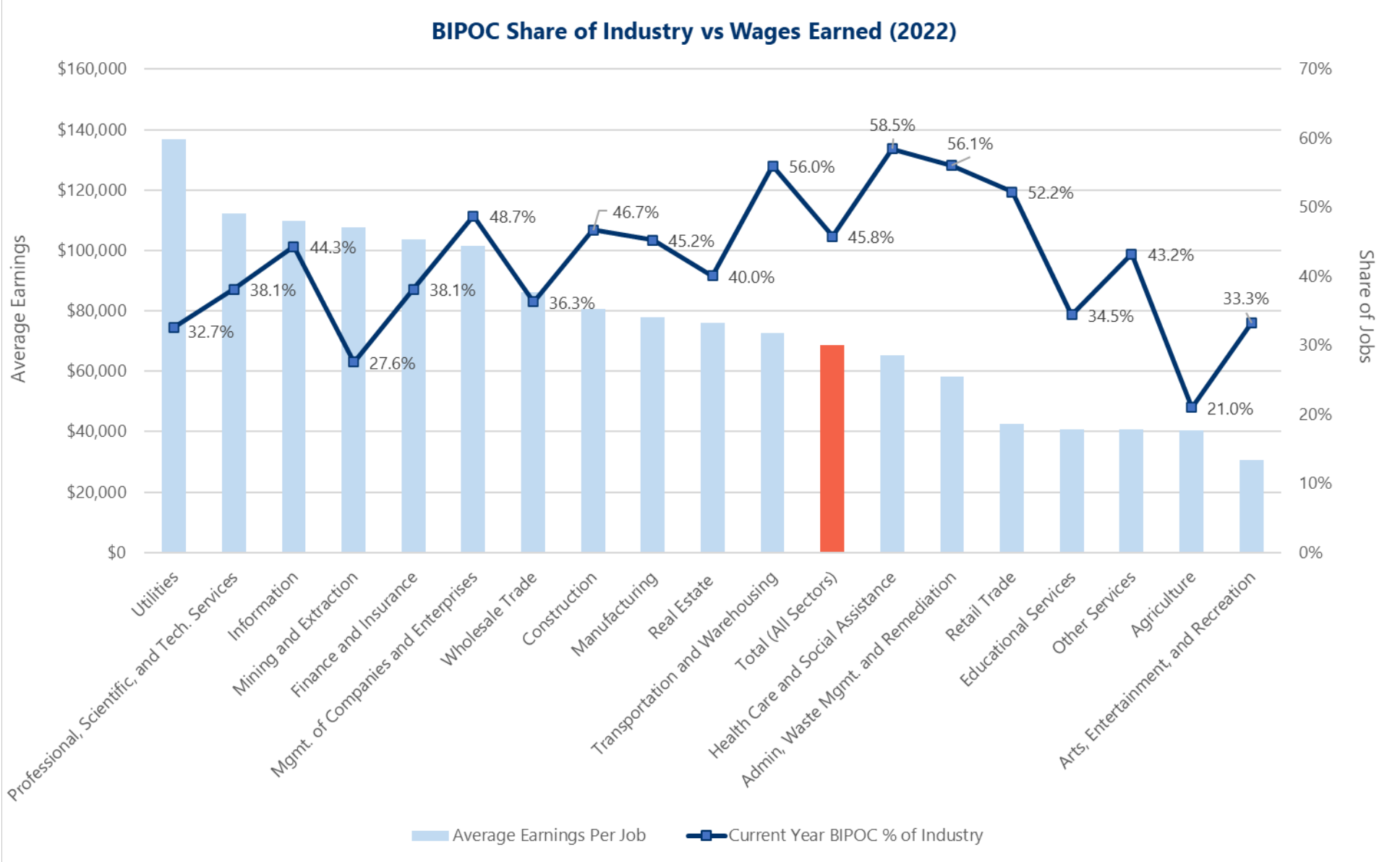# Industry & Occupational Analysis: Labor Force Participation by Race and Ethnicity

Apart from the Asian population, Prince William County's labor force participation rate for BIPOC populations is higher than that of the White population.

Labor Force Participation Rate (2021)

Source: ACS 5-Year Estimates Subject Tables

Industry & Occupational Analysis: Industry Wage Equity

BIPOC workers made up a low share of jobs in the highest paying industries—Utilities (32.7%), Professional, Scientific, and Technical Services (38.1%), and Information (44.3%). BIPOC workers are disproportionally likely to work in lower wage jobs – they made up 58.5% of the Health Care and Social Assistance workforce, 56.1% of Administrative, Waste Management, and Remediation Services workers, and 56.0% of Transportation and Warehousing workers.
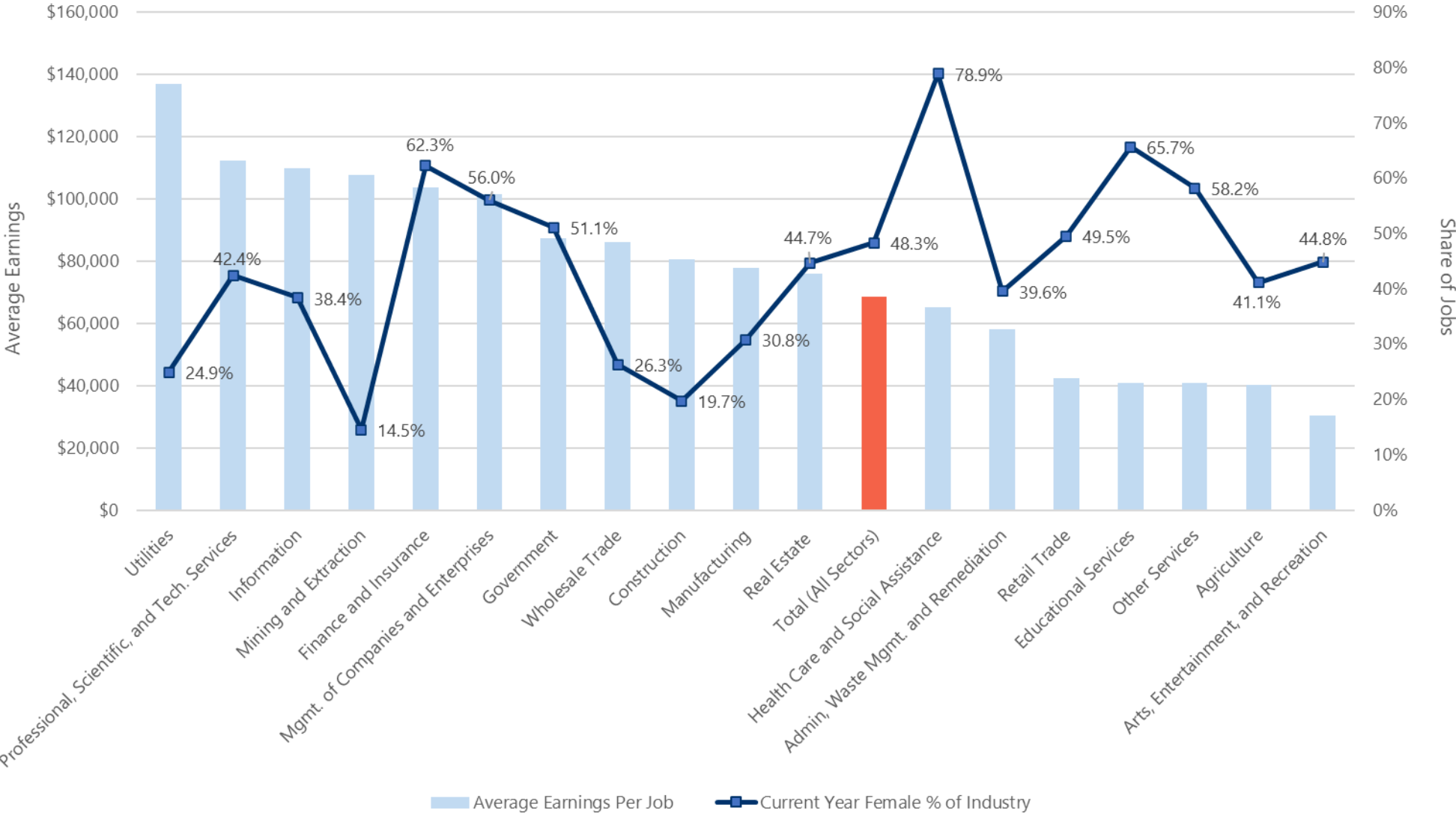

BIPOC Share of Industry vs Wages Earned (2022)

Legend: Average Earnings Per Job | Current Year BIPOC % of Industry

Landscape Assessment I Prince William County

Industry & Occupational Analysis: Industry Gender Equity

Female workers made up a low share of jobs in the highest paying industries—Utilities (24.9%), Professional, Scientific, and Technical Services (42.4%), and Information (38.4%). BIPOC workers are disproportionally likely to work in lower wage jobs, comprising 78.9% of the Health Care and Social Assistance workforce and 65.7% of Educational Services jobs. However, they are well represented in the Finance and Insurance industry (62.3%).
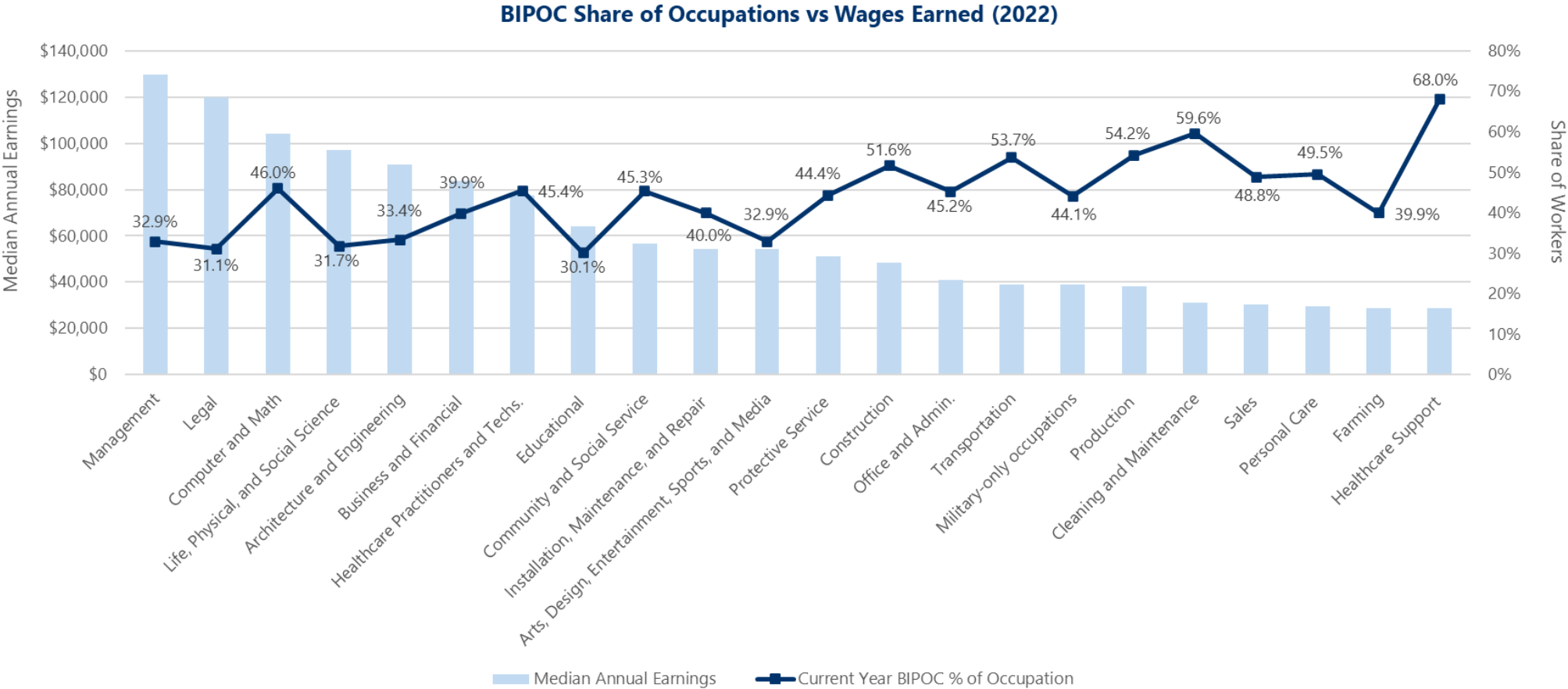

Female Share of Industry vs Wages Earned (2022)

Legend: Average Earnings Per Job | Current Year Female % of Industry

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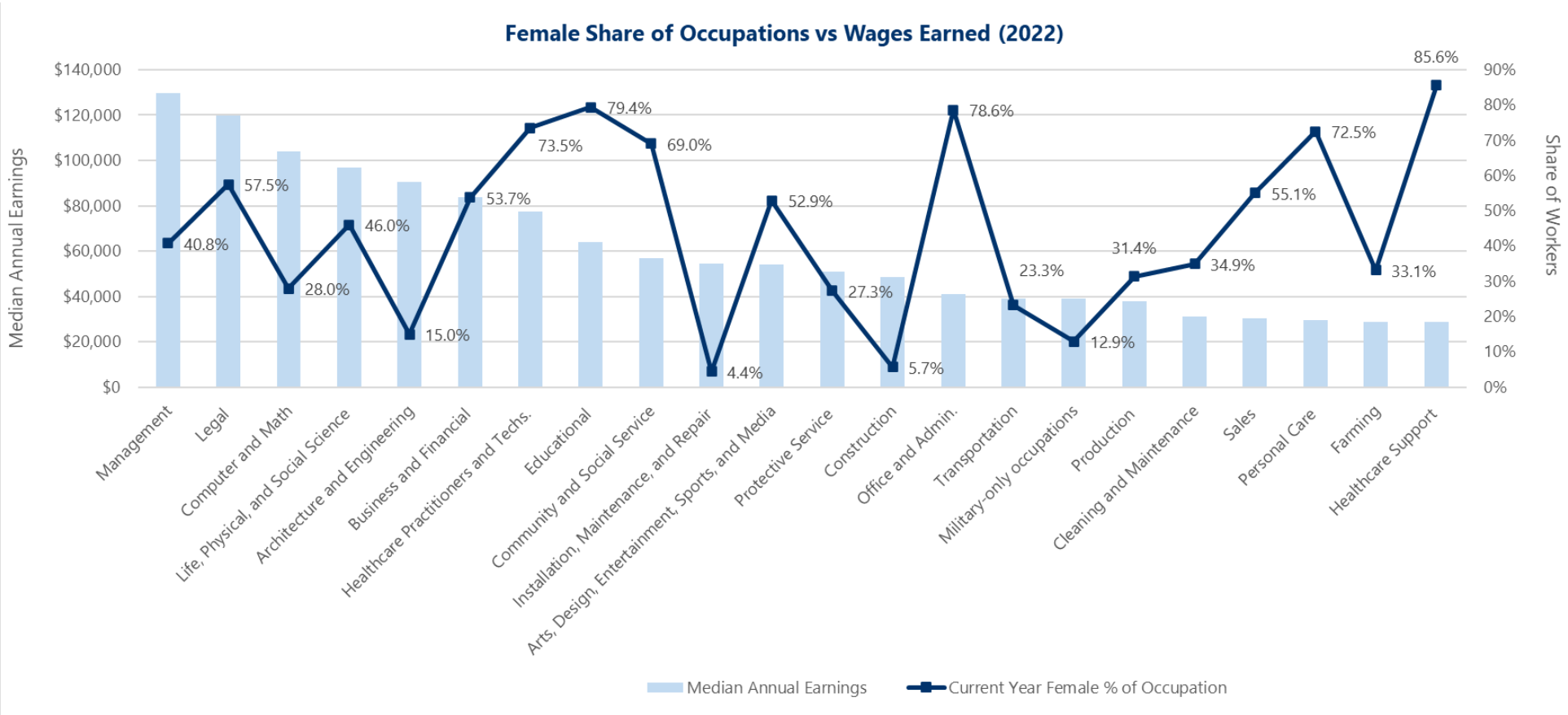# Industry & Occupational Analysis: Occupational Wage Equity

BIPOC workers made up a low share of jobs in the highest paying occupations—Management Occupations (32.9%), Legal Occupations (31.1%), and Computer & Mathematical Occupations (46.0%). BIPOC workers are disproportionally likely to work in lower wage occupations – they made up 68.0% of Healthcare Support occupations, 59.6% of Cleaning and Maintenance workers, and 54.2% of Production workers.

BIPOC Share of Occupations vs Wages Earned (2022)

Legend: Median Annual Earnings, Current Year BIPOC % of Occupation

Source: Lightcast Q4 2022 Dataset

Industry & Occupational Analysis: Occupational Gender Equity

Female workers made up a low share of jobs in the highest paying occupations—Management Occupations (40.8%), Legal Occupations (57.5%), and Computer & Mathematical Occupations (28.0%). Female workers are disproportionally likely to work in lower wage occupations. They made up 85.6% of Healthcare Support workers, 79.4% of Educational and Library workers, and 78.6% of Office and Administrative Support workers.

Female Share of Occupations vs Wages Earned (2022)

Legend: Median Annual Earnings | Current Year Female % of Occupation

Source: Lightcast Q4 2022 Dataset

Landscape Assessment I Prince William County

Definitions

Microbusiness – A small business with 10 or less employees. The data from Venture Forward by GoDaddy examines microbusinesses.

Small Business – According to the Small Business Administration (SBA), a small business is generally an independently owned for-profit enterprise that employs 500 or fewer persons.