



**U.S. Small Business Administration
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**Testimony Before the
U.S. House Committee on Small Business**

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Veterans are a cornerstone of small business ownership. They have the skills to adapt to many challenges as well as the leadership and discipline required to own and operate a small business. By investing in our veterans' futures, we are investing in the future of America.

As small business owners, veterans continue to serve our country and create jobs in our communities. According to the most recent U.S. Census data, nearly 1 in 10 small businesses are veteran-owned. These businesses generate about \$1.2 trillion in receipts and employ nearly 5.8 million Americans.¹

Research also demonstrates that veterans over index in entrepreneurship. In the private sector workforce, veterans are at least 45 percent more likely than those with no active-duty military experience to be self-employed.²

Boots to Business is the entrepreneurial track of the newly revamped Department of Defense Transition Assistance Program (TAP) and provides transitioning service members with the training, tools and resources they need to make the transition from military service members to successful business leaders.

The program not only teaches participants business fundamentals, but introduces them to the SBA network that consists of 15 Veterans Business Outreach Centers, more than 100 Women's Business Centers, over 900 Small Business Development Centers and more than 11,000 SCORE Counselors. Often times, when a veteran returns home, they do not live near a military installation, but these SBA Resource Partners are dispersed through the United States in local communities.

Since the creation of the Transition Assistance Program in 1990, the Small Business Administration has been providing information and programs to those seeking to start their own small business.³ The Office of Veterans Business Development, within the SBA, has been intimately involved in providing the programs and information to service members since we were directed to do so by Congress in 2008.⁴

The overall goal of the TAP, which was developed at the interagency level by DOL, VA, DOE and SBA, is to strengthen the transition of all of our service members from military to civilian life and to prepare them for success. Each service member will receive "core" education in post-service veterans' benefits. In addition, the goal is for each veteran to choose from three

“optional” tracks for further, targeted training: 1) Higher Education; 2) Technical Training; and 3) Entrepreneurship.

Boots to Business is the entrepreneurship track of TAP. SBA was directed to provide training to veterans and oversee participation of its Resource Partners by delivering the entrepreneurship track to transitioning service members who opt-in to receive entrepreneurship training. In order to handle the increased flow of service members created by the VOW to Hire Heroes Act,⁵ SBA used its existing authority⁶ to meet its responsibility to train and educate veterans⁷ by overseeing the participation of its Resource Partners.

The SBA’s role in supporting veterans who are, or who want to become, business owners has never been more important. Many have either returned from overseas or are coming to an end of military career and have both the skills and the motivation to continue serving their country by building a business and creating jobs for themselves, their neighbors and other veterans.

In the first phase of the TAP program, transitioning service members gain exposure to small business ownership by viewing an introductory video highlighting the character traits, skillsets and lifestyles of successful entrepreneurs.

If a service member chooses to take advantage of the Boots to Business program, they attend the two-day course, on their military installation. SBA Resource Partners collaboratively deliver face-to-face introductory entrepreneurship training as a network. The instructors introduce transitioning service members to the essentials of entrepreneurship including a feasibility analysis, discussion of business financials and a review of available SBA resources and programs.

The final phase of the course is an 8-week, interactive course taught online by Syracuse University professors. The course walks participants through the fundamentals of developing a business plan, as well as other techniques and tips for starting a business. The program not only teaches participants core business fundamentals, it provides a lifetime of business support available locally across the U.S. by introducing them to SBA’s network of VBOCs, Women’s Business Centers, Small Business Development Centers and SCORE Counselors.

With the funding provided for Fiscal Year 2014, the SBA plans to expand Boots to Business to more military installations within the United States and launch the program internationally. We project that we will train an additional 12,000 – 15,000 participants through Boots to Business in FY 2014, setting these separating service members on the path to realizing the American Dream of self-employment and small business ownership.

Participation in the Boots to Business program is as culturally dynamic as the services themselves. In 2013, 21 percent of Boots to Business participants were African American, ten percent were Hispanic, five percent were Asian/Pacific Islander and two percent were American Indians/Alaskan natives. Women, especially, are over indexing in Boots to Business. Though women make up 14% of the services, they make up 25% of Boots to Business participants. Spouses of transitioning service members are also taking advantage of the course as a way to provide stability for their families.

By training transitioning service members in the Boots to Business program, we are introducing them to the SBA network and the resources we provide. Introducing vets to SBA's network provides them with a network of counselors who will be able to assist them not only when they start their business, but continue to assist for the rest of their lives as they run and grow their businesses.

Investing in our veterans is investing in America's future. We know that our nation's veterans helped reshape the American economy following World War II. They helped to build one of the longest periods of economic growth in our country's history. And, we know they can do it again.

The SBA is committed to ensuring that these amazing men and women have the training, access and opportunity they need to fully recognize their potential as entrepreneurs and small business owners. There is no one who deserves to live the American Dream more than those who wore the uniform and fought to defend it. Thank you for your time today and for allowing me to appear before this committee.

¹ "Survey of Business Owners - Veteran-Owned Firms, 2007," U.S. Census Bureau, Department of Commerce, May 2011.

² "Factors Affecting Entrepreneurship among Veterans," Office of Advocacy, U.S. Small Business Administration, March 2011.

³ 10 U.S.C. § 1142 (b) (13), Pub. L. 101-510.

⁴ 15 U.S.C. § 657b (d) (1), Pub. L. 110-186.

⁵ 10 U.S.C. § 1144 (c), Pub. L. 112-56.

⁶ 15 U.S.C. § 637 (b) (1) (A), Pub. L. 106-554 and Pub. L. 108-447, 15 U.S.C. § 637 (b) (17), Pub. L. 105-135 and Pub. L. 108-447, and 15 U.S.C. § 648 (n) (1), Pub. L. 110-186.

⁷ 15 U.S.C. § 657b (d) (1), Pub. L. 110-186.