



U.S. Small Business Administration

TESTIMONY of

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House Small Business Committee

Subcommittee on Economic Growth, Tax, and Capital Access

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Chairman Huelskamp, Ranking Member Chu, and distinguished Members of the Subcommittee, thank you for the opportunity to testify today on the U.S. Small Business Administration's (SBA) continuing efforts to empower veteran entrepreneurship and small business ownership through programs and policies that maximize the availability of SBA services for veterans, Service members, and their spouses.

Our programs and policies target our nation's heroes and job creators, and we are grateful for the continued support of the House Small Business Committee and this Subcommittee. We look forward to sharing our successes with you and addressing your questions.

As small business owners, veterans continue to serve our country by creating critical employment opportunities and driving economic growth. They possess the skills, discipline, and leadership to start and operate successful businesses in their communities. Nearly one in ten small businesses is veteran-owned.

Remarkably, though the overall number of veterans declined significantly between 2007 and 2012, the participation of veterans in business ownership was persistent according to the 2012 Census Survey of Small Business Ownership. During that period the overall number of veteran owned firms increased at a faster rate than non-veteran owned firms. We also note that between 2007 and 2012 the number of women veteran-owned firms increased by nearly three hundred percent. All of this data may indicate strong entrepreneurial activity among the post 9/11 era of veterans.

My office is strongly encouraged by the trends in veteran entrepreneurship and is fully engaged in supporting them with quality programs and thoughtful policy initiatives covering SBA's primary mission areas of counseling and training, access to capital, and access to contracting opportunities.

Counseling, Training, and Transition Services

In fiscal year 2015 over 60,000 veterans received training and counseling from SBA's fifteen Veterans Business Outreach Centers (VBOC). A prominent and enduring focus of the VBOC

program is providing transition services via SBA's administration of the Entrepreneurship Track of the Department of Defense's Transition Assistance Program (TAP) – known as Boots to Business.

Working through the Interagency governance of TAP, and with our partners support, we were able to deliver Boots to Business (B2B) to over 14,000 transitioning service members and military spouses in fiscal year 2015, and over 35,000 since the program's launch January 1, 2013. Through an efficient and effective cooperative agreement with the Institute for Veterans and Military Families at Syracuse University, we provide these services to those service members disadvantaged by having to transition from an overseas installation. This year we reached several program milestones: 1) We increased the percentage of modules being taught by our VBOCs 2) We implemented a B2B-specific outcomes assessment survey to determine the number and rate of business formation among participants and get their feedback on quality and future service needs; and, 3) We implemented an outreach campaign to increase the awareness and participation of military spouses as well as service members seeking to prepare for transition earlier in their careers as part of the Military Life Cycle model. And, working with the Congress and our partners, we are proud to now offer B2B to veterans of any era and their families; with a program extension we call Boots to Business: Reboot.

SBA also supports comprehensive entrepreneurial development programs specifically designed for women veterans and service disabled veterans. Over 65% of the graduates of these programs have started their own business.

ACCESS TO CAPITAL

In FY 2016, SBA will sustain the SBA Veterans Advantage program and waive fees for veterans and their families qualifying for SBA Express 7(a) guaranteed loans of \$350,000 and below and reduce fees by half for SBA 7(a) guaranteed loans between \$150,001 and \$5 million. In 2015, lenders utilized the SBA's 7(a) & 504 loan programs to make 3,354 loans, totaling over \$1.38 billion to veteran owned businesses - an 80% increase over 2014.

CONTRACTING

And, in the area of Federal Contracting, the Federal Government in 2014 exceeded the 3% goal for contracting with Service Disabled Veteran Owned Small Businesses for the third straight year. In 2016, OVBD is expanding its engagement strategy with Offices of Small and Disadvantaged Business Utilization in our sister agencies to ensure the service disabled veteran small businesses opportunities continue to grow.

OVBD empowers veteran entrepreneurs who seek federal procurement opportunities by building their capacity to compete and win contracts. SBA, through a cooperative agreement with the Montgomery County Chamber of Commerce Foundation, supports the [Veterans Institute for Procurement](#) program (VIP). VIP is an accelerator-like in-residence educational training program for veteran-owned businesses, instructed by private sector experts, government officials, and agency representatives.

Thank you for the opportunity to testify before your committee today. By supporting our work you are mandating that the United States Government does all it should to provide the American dream of business ownership to those that fought and continue to fight every day to protect it.