



**U.S. Small Business Administration  
Washington, D.C. 20416**

**Testimony of  
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**Before the  
U.S. Senate Committee on Small Business and Entrepreneurship**

***From Military Service to Small Business Owners:  
Supporting America's Veteran Entrepreneurs***

**Wednesday, June 4, 2014**

Chairwoman Cantwell, Ranking Member Risch, and distinguished members of the Committee, thank you for inviting me to testify on the U.S. Small Business Administration's (SBA) ongoing work to serve veteran entrepreneurs across the country. We greatly appreciate this Committee's continued support of SBA's efforts to assist our nation's heroes and job creators.

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 businesses in our communities. In fact, veterans over-index in entrepreneurship and are at least 45 percent more likely than those with no active-duty military experience to be self-employed.<sup>i</sup> According to the most recent U.S. Census data, nearly one in 10 small businesses are veteran-owned. And these businesses generate over \$1.2 trillion in receipts annually and employ nearly 5.8 million Americans.<sup>ii</sup>

With 23 million veterans in America and more than 250,000 service men and women transitioning from the military annually, SBA is focused on ensuring that they have access to the capital, counseling, and contracting opportunities needed to start and grow successful businesses.

In FY 2013, SBA supported \$1.1 billion in 7(a) and 504 loans to more than 2,400 veteran-owned small businesses. In order to further expand access to capital for veterans, we also challenged the top 120 national and regional lenders to increase their lending activity to veterans by five percent each year for the next five years. With this support from our lending partners, SBA will serve an additional 2,000 veterans and increase lending by \$475 million.

Moreover, in January 2014, we launched Veterans Advantage, which reduced the up-front borrower fee to zero for qualified veteran-owned businesses receiving SBA Express loans up to



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\$350,000. In the FY 2015 budget request, we outlined plans to continue this program and to reduce the fee by half for all loans over \$350,000.

We also connect veteran entrepreneurs with contracting opportunities across the Federal government. I am proud to report that, for the first time ever, we met the three percent government-wide contracting goal for service-disabled veteran-owned small businesses in FY 2012. We helped these veterans access over \$12 billion in Federal prime contracts, and despite budget cuts, we expect good numbers on the FY 2013 scorecard.

Finally, in terms of counseling and training, our nationwide network of Small Business Development Centers (SBDCs), Women's Business Centers (WBCs), Veteran Business Outreach Centers (VBOCs), and volunteer SCORE mentors provides invaluable services to current and aspiring veteran entrepreneurs. In FY 2013, our resource partners counseled and trained over 144,000 veterans in the U.S.

SBA also offers entrepreneurship training courses for veterans, service-disabled veterans, active duty service members, and their spouses or partners. "Operation Boots to Business: From Service to Startup" (Boots to Business), Veteran Women Igniting the Spirit of Entrepreneurship (V-WISE), and Entrepreneurship Bootcamp for Veterans with Disabilities (EBV) provide these men and women with the tools and training they need to make the transition from military service members to successful business leaders.

In January 2013, SBA launched Boots to Business, the entrepreneurship track of Department of Defense's Transition Assistance Program (TAP). The Boots to Business curriculum provides valuable assistance for exploring self-employment opportunities by leading participants through the key steps for evaluating business concepts and the foundational knowledge required for developing a business plan. With the funding provided for FY 2014, SBA plans to expand Boots to Business to more military installations within the United States and launch the program at bases around the world. Last month, Boots to Business hit a milestone of training 10,000 transitioning service members to date. We project that we will train additional 12,000 – 15,000 participants through Boots to Business in FY 2014.

V-WISE and EBV are high-touch programs focused on underserved communities. V-WISE helps women veterans, active duty service women, and female partners and spouses learn the business skills necessary to turn an idea or start-up into a growth venture. Since its inception in 2010, V-WISE has trained 1,175 women.

EBV offers cutting edge, experiential training in entrepreneurship and small business management for post-9/11 veterans and active duty service members with service-connected disabilities. Through EBV, an additional 1,081 veterans have been trained.



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Within six months of completing the EBV and V-WISE programs, there is a 56 percent new business start rate among graduates; and within three years, the start rate increases to 72 percent.

There is no doubt that investing in our veterans is an investment in America's future. We know that our veterans helped reshape our economy following World War II, building one of the longest periods of growth in U.S. history. And, we know that they can do it again.

At SBA, and across the Administration, we are committed to helping our service men and women achieve the American Dream they fought so valiantly to defend. As they return home and transition into civilian life, we will be there to support their entrepreneurial aspirations and provide the resources they need to start and grow companies and create jobs.

Thank you again for the opportunity to testify today, and I am happy to answer any questions.

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<sup>i</sup> "Factors Affecting Entrepreneurship among Veterans," Office of Advocacy, U.S. Small Business Administration, March 2011.

<sup>ii</sup> "Survey of Business Owners - Veteran-Owned Firms, 2007," U.S. Census Bureau, Department of Commerce, May 2011.