

## **Testimony of Lisa Shimkat *State Director, America's SBDC Iowa***

Chairwoman Shaheen, Ranking Member Ernst, and distinguished members of the committee, thank you for the opportunity to testify today on the topic of veteran entrepreneurship. My name is Lisa Shimkat and I serve as State Director, America's SBDC Iowa. Today, I will speak to the opportunities and the challenges faced by veterans when starting their own businesses, particularly in Iowa and the Midwest.

### **America's SBDC Iowa Program Overview**

The America's SBDC Iowa program plays a pivotal role in supporting small businesses across the state, including those led by veterans. Our State Office coordinates operations of the 15 regional centers around Iowa. The America's SBDC Iowa is an outreach program of Iowa State University's Ivy College of Business and the Office of Economic Development and Industry Relations. We are located in the Economic Development Core Facility of the Iowa State University Research Park.

Iowa State University boasts a robust network of businesses, resources, networking opportunities, and connections for veterans who are business owners. In fact, Iowa State University has the highest population of military-affiliated students and the highest Iowa National Guard population of any Iowa institution. Iowa State University recently received a Gold ranking from the Military Friendly Schools survey and was named a Military Friendly School for 2023-24.

The state of Iowa is committed to serving and empowering veterans in their post-military career pursuits. We work closely with Home Base Iowa (HBI) to enhance employment opportunities for veterans, service members, and their spouses. The HBI program has made significant strides in assisting veterans, with 262 veterans securing employment in 2022 and, through October 2023, an additional 237 this year. The collaboration spans 29 Certified Higher Academic Military Partners (CHAMPs) programs, 129 designated HBI communities, and over 2,000 HBI businesses statewide.

### **Opportunities for Veterans in Entrepreneurship**

One of our programs to assist veterans is an annual Iowa Veterans Entrepreneurship Conference. The inaugural statewide conference was held in the summer of 2022, when Iowa veterans, military personnel, their families and business partners came together in Ames for a two-day conference focused on entrepreneurship. The conference was hosted by the Pappajohn Center for Entrepreneurship at Iowa State University, America's SBDC Iowa, and Home Base Iowa. This past June we hosted the second annual Iowa Veterans Entrepreneurship Conference.

The Iowa Veterans Entrepreneurship Conference is just that — an opportunity explicitly developed for Iowa's veteran community. The conference offers educational sessions, resource exhibits, and networking opportunities. This year, a veteran's pitch competition was added, with \$11,000 in cash prizes awarded to the winning entrepreneurial ideas presented by veterans. A second pitch competition was offered by the 11/11 Veteran Project founders, resulting in one Iowa veteran's business logo being placed on a NASCAR race car driven by Collin Garrett.

### **Challenges Faced by Veterans in Entrepreneurship**

These are commendable and successful initiatives. They also are critically important, as veterans encounter unique challenges when attempting to transition into entrepreneurship. Data from the Jobs For Veterans State Grant (JVSG) program indicate that while 1,179 participants were served in the 2022-2023 period, the employment rates met goals at 62.0% in the 2nd quarter and 57.5% in the 4th quarter after exit, with a median earning of \$9,187. There certainly is more work to be done.

## **Resource Disparities in the Midwest**

Another challenge for veterans is a lack of adequate resources. It is imperative to understand and to address the resource disparities faced by veterans in the Midwest. The Small Business Administration (SBA) data reveal a shortage of resources, impacting the ability of veterans to access essential support for their entrepreneurial endeavors.

According to the 2019 Annual Survey of Entrepreneurs from the U.S. Census Bureau, there were 15,582 veteran-owned businesses in Iowa. Veterans who live in rural areas often lack access to resources. While the vitality of rural communities is a priority, serving those rural areas costs more due to travel and time. Increased funding for programs performing significant rural outreach will translate to expanded coverage in rural areas.

## **Iowa's Initiatives and Recommendations**

Despite these challenges, the state of Iowa has been proactive in supporting veteran entrepreneurship. With Home Base Iowa serving as a beacon for veteran entrepreneurs, Iowa had more than 15,000 veteran-owned businesses in 2021, employing more than 77,000 people and generating \$3 billion in annual sales. These businesses make up 9.2% of all businesses in Iowa, contributing significantly to the state's economic landscape. Overall, the state of Iowa ranks 16th nationally in total number of veteran-owned businesses, with an 8.5% growth rate from 2014 to 2018.

Iowa's thriving veteran-owned businesses underscore the resilience of veterans who pursue entrepreneurial ventures. Despite the challenges, the success rate of veteran-owned businesses demonstrates the significant contributions they make to economic growth and impact.

We are committed to maintaining this positive trajectory and increasing the number of successes for our veteran entrepreneurs. To do so, we offer several considerations:

- **Access to Comprehensive Data**
  - *Improve access to statistical data across all branches regarding Transitioning Service Members, mirroring the U.S. Army Soldier For Life initiative.*
- **Occupational Licensure Reciprocity**
  - *Enhance occupational licensure reciprocity for military training and experience to facilitate smoother transitions.*
- **DOL Approval Expansion**
  - *Seek Department of Labor (DOL) approval to serve additional populations through the Jobs For Veterans State Grant (JVSG) program.*
- **Early Access to Entrepreneurship Resources**
  - *Provide earlier access to entrepreneurship information and resources for transitioning service members to facilitate seamless integration into the business landscape.*
- **Streamlined Information Organization**
  - *Develop mechanisms to better organize information on various veteran programs, ensuring easier access for veterans seeking information and services.*
- **Streamlining SBA Programs and Leveraging the SBDC Network**
  - *To maximize the impact of SBA programs and reduce duplication of services, there is a critical need for closer alignment and collaboration among these initiatives. The Small Business Development Center (SBDC) network, with its extensive reach and expertise, can serve as a robust base for various programs.*
  - *By leveraging the strength and size of the SBDC network, we can streamline resources, enhance coordination, and provide a more cohesive and efficient support system for veteran entrepreneurs. This approach would amplify the effectiveness of SBA initiatives and ensure a unified front in addressing the diverse needs of veterans in business. Several*

*resources that we work with extensively are the APEX accelerators (PTACs), who are funded through the Department of Defense.* Shared positions, streamlined goals, and additional opportunities to partner should be a focal point to maximize the impact of investments and meet our goals.

These suggestions aim to enhance the efficiency of existing programs and introduce innovative financial incentives, ultimately creating a more favorable environment for veteran-owned businesses to thrive.

In summary, while Iowa and other states have made substantial strides in supporting veteran entrepreneurs, challenges persist, exacerbated by resource disparities. By addressing these challenges, we can create an environment where more veterans thrive as successful entrepreneurs.

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Additional Charts and Website Links:

Overview of the HBI Program: [www.homebaseiowa.com](http://www.homebaseiowa.com)

Home Base Iowa Career Planners: <https://livability.com/this-is-iowa/>

Community Support: <https://livability.com/ia/love-where-you-live/building-strong-communities/>

IowaWORKS for Veterans Portal: <https://iowaworksforveterans.gov/vosnet/default.aspx>

Veterans Employment Services: <https://workforce.iowa.gov/jobs/worker-programs/veterans>

America's SBDC Iowa: [www.iowasbdc.org](http://www.iowasbdc.org)

# Veteran Ownership STATISTICS 2023

In 2019, Veterans owned 1,955,191 businesses.  
Veteran-owned businesses employed 5,450,860 Americans.



Sources: \*Census Bureau Annual Business Survey (2019 data reference year);  
2019 Non-employer Statistics by Demographics.  
\*Totals include majority veteran-owned and equally veteran/nonveteran owned.

## Number of Veteran Employer Firms by Sector

