

5 ENTREPRENEURSHIP *and* BUSINESS OWNERSHIP *in the* VETERAN *and* SERVICE-DISABLED VETERAN COMMUNITY

Synopsis

A study by Waldman Associates and REDA International provides insights on veteran and service-disabled veteran entrepreneurship. Among the findings were the following:

- More than one-third of both new veteran entrepreneurs¹ and current veteran business owners had gained skills from their active duty service that were directly relevant to business ownership.
- Prior business ownership and employment experience had a positive impact on an even higher percentage of both new veteran entrepreneurs and current veteran business owners than did military experience.
- A focus on addressing the challenges of home-based business ownership and Internet use in veteran-owned businesses would be useful.

Introduction

In recent years, increasing attention has been called to the entrepreneurial needs of America's veterans, particularly those who have sustained a disability as a result of their active-duty service in the armed forces. Growing concerns about services to veterans and service-disabled veterans who either own or wish to start a small

1 "New veteran entrepreneurs" in this study are defined as the 22.1 percent of veterans in a residential survey conducted during the summer of 2003 who said they were either purchasing or starting a new business or considering doing so.

business climaxed with the enactment of the Veterans Entrepreneurship and Small Business Development Act of 1999.² This legislation included many recommendations of the Task Force for Veterans Entrepreneurship, an umbrella group including representatives of veteran organizations, as well as individual veteran business owners, originally created to advise the U.S. Small Business Administration (SBA) on how it and other federal agencies could better serve the veteran community. The task force continues to make recommendations to federal agencies on how to best assist veterans, but it has also taken on a proactive role in advocacy for veteran entrepreneurship before the Congress and in the private sector.

A study by Waldman Associates and REDA International supported by the SBA's Office of Advocacy provides insights on veteran and service-disabled veteran entrepreneurship.³ At the center of the study is a survey instrument that was administered nationwide to a residential population of veterans who began their active duty service after the Korean conflict period,⁴ and to a population of veteran business owners from all conflicts and peacetime periods.⁵ The research team considered that those who served their active duty during and before the Korean conflict were in an age bracket that rendered them less likely to be starting new firms or self-employment activities. However, it was recognized that veterans in that age bracket were likely to be *current* small business owners.

In addition to collecting the survey data, the research team conducted informal conversations with policymakers and program staff in government agencies that administer programs for veterans and/or small business owners, as well as with congressional staff and program and policy staff in a number of state governments. These consultations were held in order to provide context on the status of programs focused on veteran entrepreneurship.

The Survey

This project relies on a survey administered to two separate populations: veterans in the U.S. residential population, and veteran business owners drawn from a subset of the Dun and Bradstreet national database of businesses.

Each respondent was first asked a series of questions to assess his/her veteran status. These included questions on periods of active duty service; branch of the military served in; and service-connected disability rating, if any. A number of these questions were modeled after similar questions in the Department of Veterans Affairs' National Survey of Veterans.⁶ The respondent was then asked basic demographic questions regarding gender, marital status, children, age, location and education. Published small business studies have shown that, within a given population, these parameters influence both the number of entrepreneurs from that population and the potential for successful business ownership. For example, there is evidence that men under the age of 35 who have married are much more likely to become self-employed than men who have never married. Further, it has been found that males under the age of 35 with some college experience have a greater prospect for success than those with 12 or fewer years of schooling.⁷ Respondents were then queried about computer ownership and Internet access. This was important for many reasons, especially because of the accelerating development of government programs and public information on the web.

Veterans in the residential population were then asked whether they were considering starting or purchasing a new business (or were in the process of doing so). The survey differentiated between starting and purchasing a new firm, as the small business literature suggests that the purchase of a firm could be a negative success indicator.⁸ Those who answered "no" to this question were asked no further questions. Veterans in the business owners' survey were asked if they were currently self-employed or currently owned or operated a small business concern.

2 Public Law 106-50; August 17, 1999.

3 Waldman Associates and REDA International, *Entrepreneurship and Business Ownership in the Veteran Population*, 2004. See summary at <http://www.sba.gov/advo/research/rs242.pdf>. The complete study can be accessed at <http://www.sba.gov/advo/research/rs242tot.pdf>.

4 Specifically, after January 31, 1955.

5 Because this research was federally sponsored, the surveys constituted an "information collection" subject to provisions of the Paperwork Reduction Act, as amended (44 U.S.C. 3501 et seq.), and its implementing regulations (5 C.F.R. 1320). Accordingly, after a thorough review of this project's purposes, methodology and response burden, approval to conduct these surveys was obtained from the Office of Management and Budget (OMB), Office of Information and Regulatory Affairs under OMB Approval Number 3245-0340 (Expiration date: April 30, 2006).

6 For more information, see <http://www.va.gov/vetdata/SurveyResults/index.htm>.

7 Schiller, Bradley R. and Crewson, Phillip E., "Entrepreneurial Origins: A Longitudinal Inquiry," *Economic Inquiry*, July 1997, 523-531.

8 Duchesneau, Donald A. and Gartner, William B. (1990), "A Profile of New Venture Success and Failure in An Emerging Industry," *Journal of Business Venturing*, vol. 5, 297-312.

Those who were either considering or in the process of starting or purchasing a new business were asked questions about the new business itself.⁹ Would it be home-based? Would it be computer-oriented? Would it employ people initially? In the business owners' survey, respondents were asked similar questions about their current business and were also asked when they purchased or started their new business. In both surveys, respondents were asked if they had partners in their business. There is some evidence that teams tend to have a greater chance of success than firms started by single founders, at least in manufacturing and high-tech start-ups.¹⁰

In both surveys, respondents were then asked to identify the problems they had encountered in starting or operating their businesses (a somewhat different list of questions was used for the two populations). This question was modeled after a similar question that produces data for *Small Business Problems and Priorities*, a periodic publication of the National Federation of Independent Business (NFIB) Education Foundation.¹¹

Next, both populations were asked a series of questions that, in conjunction with the demographic parameters outlined above, gauged their members' potential for business ownership success. These questions were developed using characteristics of successful entrepreneurs previously identified in the small business literature. For example, respondents were asked about prior business ownership experience, as well as skills needed for business success, such as managing employees, anticipating business trends, etc. Relevant experience—specific knowledge of various functional aspects of the business—has been shown to be an important predictor of business ownership success.¹²

Respondents were also asked about business ownership skills gained from military service, for example, if they supervised others while on active duty and if they

were required to teach or reinforce new skills of those they supervised. Further, respondents were asked if they had technology training or other types of courses while on active duty that were of direct relevance to the management of their new or current business enterprise.

Finally, both populations were asked about their use of and experience with government programs in general, as well as programs for entrepreneurs generally and for veteran entrepreneurs in particular. They were first asked whether they had used or planned to use such programs. If they answered “yes,” they were asked to identify the specific programs they had used. If they answered “no,” they were asked to identify the reasons. Questions were asked to gauge the proclivity of the respondent to use government programs at all—even those designed to meet their needs. For example, respondents were asked if they had used veterans' benefits to fund all or part of their education or career training. Those who had used general small business programs, or programs specifically for veterans, were asked to rate their satisfaction with these programs.

The data generated by the survey will aid policymakers in three areas. First, new data on the level of entrepreneurship activity in the veteran and service-disabled veteran population, the potential for business ownership success in the veteran community, and the propensity of veterans to use government resources will guide policymakers on the rational level of resources to commit to the veteran program area. Second, new data on the characteristics of businesses that veterans start, the obstacles and problems they have faced, and their prior experience with government entrepreneurship programs will guide policymakers on the types of programs in which to invest. Finally, policymakers should be able to understand the differences in many of the parameters referenced above between the general veteran community and the service-disabled veteran community.

Residential Survey Results

The residential survey conducted during the summer of 2003 revealed that a significant 22.1 percent of veterans in the household population were either purchasing or starting a new business or considering doing so (*Table 5.1*).¹³

¹³ This population will henceforth be referred to as “new veteran entrepreneurs.”

⁹ Where veteran respondents owned more than one business, they were queried about each business currently owned.

¹⁰ Arnold C. Cooper, Carolyn Y. Woo, and William C. Dunkelberg (1988), “Entrepreneurs Perceived Chances for Success,” *Journal of Business Venturing*, vol.3, 97–108.

¹¹ This publication is authored by William C. Dennis, senior research fellow of the NFIB Education Foundation. General information on this series can be accessed by using the Research Foundation link at <http://www.nfib.com/>. See http://www.nfib.com/object/IO_16191.html for the full 2004 report.

¹² Cooper, Woo, and Dunkelberg; *op.cit.*, 100.

Table 5.1 Veterans in the Population of U.S. Households Starting or Purchasing a New Business Enterprise or Considering Doing So (percent)

Veteran Cohort	Purchasing or Starting	Starting	Purchasing
Service-Connected Disability Status			
Service-disabled	28.0	25.4	2.6
Non-service-disabled	21.4	16.9	4.5
Gender			
Male	21.6	17.5	4.1
Female	26.6	20.5	6.1
Marital Status			
Single	22.2	17.8	4.4
Married	22.5	18.1	4.4
Living with a partner	22.6	22.6	0.0
Legally separated	28.6	14.3	14.3
Divorced	16.5	15.1	1.4
Age of Veteran			
20 to 29	29.9**	26.1**	3.8**
30 to 39	41.1**	35.9**	5.2**
40 to 49	35.4**	24.4**	11.0**
50 to 64	17.0**	14.3**	2.7**
65 and older	1.6**	1.6**	0.0**
Dependents			
Dependent children	33.8**	25.5**	8.3**
No dependent children	14.3**	12.7**	1.6**
Education			
High school graduate	15.4	11.8	3.6
One year of college	25.3	20.3	5.0
Two years of college	26.0	21.8	4.2
Three years of college	22.8	17.1	5.7
College graduate	30.8	25.1	5.7
College graduate, post graduate course(s)	18.1	18.1	0.0
Post graduate degree	21.6	10.8	10.8
Other	18.9	18.9	0.0
Full Sample	22.1	17.8	4.3

* Chi-square for the difference in the means is significant at the 10 percent level or less and greater than the 5 percent level.

** Chi-square for the difference in the means is significant at the 5 percent significance level or less.

Starting a new business was the dominant activity over purchasing a new business by a wide margin (17.8 percent versus 4.3 percent). Evidence has shown this to be a positive success indicator.¹⁴

The difference in start-up activity between service-disabled and non-service-disabled veterans was not statistically significant. However, the difference among the age cohorts was statistically significant, with older veterans exhibiting a lesser degree of interest and/or activity in starting a business. Only 17 percent of veterans in the age 50 to 64 cohort indicated that they were either purchasing or starting a new business or considering doing so, compared with 29.9 percent of veterans in their 20s, 41.1 percent of veterans in their 30s, and 35.4 percent of veterans in their 40s.

A larger percentage of veterans with dependents (33.8 percent) were purchasing or starting a new business or were considering doing so at the time of the survey than were those without dependents (14.3 percent).¹⁵

Of veterans starting or purchasing a new business at the time of the survey, 31.6 percent were doing so with at least one partner, a sizable enough figure to be considered a modest plus for the overall success of this population, as evidence has shown that partnership is a positive success indicator (*Table 5.2*).¹⁶

Of new veteran entrepreneurs, 62.1 percent planned to initially locate their business entirely in their residence, but 67.4 percent of these planned to expand their business partially or entirely beyond their residence in the “foreseeable future” (*Table 5.3*).

14 Duchesneau, Donald A. and Gartner, William B. (1990), “A Profile of New Venture Success and Failure in An Emerging Industry,” *Journal of Business Venturing*, vol. 5, 297–312.

15 For the purposes of this study, dependents are children who depend on the veteran for at least half of their support.

16 Cooper, Arnold C.; Woo, Carolyn Y.; and Dunkelberg, William C. (1988); “Entrepreneurs Perceived Chances for Success,” *Journal of Business Venturing*, vol.3, 97–108.

Table 5.2 New Veteran Entrepreneurs Forming or Purchasing Their New Business Enterprise With Partners (percent)

Veteran Cohort	Share Starting or Purchasing With One or More Partners
Service-Connected Disability Status	
Service-disabled	33.3
Non-service-disabled	31.3
Gender	
Male	31.0
Female	38.3
Age of Veteran	
20 to 29	12.7
30 to 39	31.3
40 to 49	42.2
50 to 64	27.6
65 and Older	0.0
Full Sample	31.6

Table 5.3 Home-based Startup and Relocation Plans of New Veteran Entrepreneurs in the U.S. Residential Population (percent)

Veteran Cohort	Share of Planned Startup Firms Initially Locating Entirely in Residence	Share of Planned Home-based Startups Planning to Relocate Firm
Service-Connected Disability Status		
Service-disabled	52.4	72.7
Non-service-disabled	63.6	66.7
Gender		
Male	61.4	69.8
Female	69.1	44.6
Marital Status		
Single	59.8	83.3
Married	62.6	62.5
Living with a partner	50.0	100.0
Legally separated	100.0	100.0
Divorced	49.8	66.7
Dependents		
Dependent children	57.5	66.1
No dependent children	68.9	69.1
Full Sample	62.1	67.4

Veteran entrepreneurs are motivated to create jobs. Almost 72 percent of new veteran entrepreneurs planned to employ at least one individual besides themselves at the outset of their new venture (*Table 5.4*). Further analysis revealed that the share of veteran business owners who planned to initially locate their business in their home and who planned to initially employ at least one individual was nearly identical to the share of those who planned to initially locate their business outside of their residence.

The Internet was not unimportant to veteran start-ups. Eleven percent of new veteran entrepreneurs believed that they would be entirely dependent on the web (*Table 5.5*). But 31.7 percent indicated that their business would be 50 percent or more dependent on the Internet.

The availability of resources and government programs ranked high on the list of problems and obstacles that new veteran entrepreneurs face (*Table 5.6*). The populations of both service-disabled and non-service-disabled veterans ranked “Access to financing” their number one problem of 10. But a much higher proportion of service-disabled veterans (52.4 percent) viewed it as a “critical” problem than did non-service-disabled veterans (34.3 percent).

Veterans were concerned about government and private small business programs. “The existence of useful government and private programs for entrepreneurs” and “The existence of useful government and private programs for veterans and/or service-disabled veteran entrepreneurs” ranked second and third on the problem list of both service-disabled and non-service-disabled veteran entrepreneurs. “My disability” and “My status as a veteran or service-disabled veteran” were at the bottom of the list for both non-service-disabled and service-disabled veteran entrepreneurs.

Active duty service appeared to provide a training ground for business ownership. Most veteran entrepreneurs supervised others while on active duty, 74.3 percent being the lowest share with supervisory experience among the four entrepreneurship categories (*Table 5.7*).¹⁷ Most of those who did have supervisory experience were required to teach those they supervised new skills or reinforce existing skills.

¹⁷ The design of the survey prohibited the generation of an estimate for the sum of all four entrepreneurship categories (i.e., starting or purchasing a new business, or considering starting or purchasing a new business).

Table 5.4 New Veteran Entrepreneurs Planning to Hire at Least One Person Besides Themselves at the Beginning of Their Venture (percent)*

Veteran Cohort	Share of Start-ups Planning to Hire at Least One Person
Service-Connected Disability Status	
Service-disabled	61.9
Non-service-disabled	73.1
Gender	
Male	71.1
Female	77.0
Age of Veteran	
20 to 29	87.3
30 to 39	56.2
40 to 49	84.4
50 to 64	68.1
65 and older	100.0
Full Sample	71.6

* Includes part-time, temporary and contract workers

Table 5.5 Anticipated Internet Dependence for the Prospective Business Ventures of New Veteran Entrepreneurs (percent)

Veteran Cohort	Dependence Level (percent)			
	0 to 24	25 to 49	50 to 99	100
Service-Connected Disability Status				
Service-disabled	23.8	23.8	38.1	14.3
Non-service-disabled	49.3	22.4	17.9	10.4
Full Sample	45.7	22.6	20.7	11.0

Table 5.6 Measures of Veteran Entrepreneurship Problem Importance (percent)

Problem	Non-Service-Disabled			Service-Disabled		
	Rank	Mean	Percent Critical	Rank	Mean	Percent Critical
Access to financing	1	3.490	34.3	1	3.669	52.4
Useful government and private programs for entrepreneurs	2	3.393	33.3	2	3.381	38.1
Useful government and private programs for veteran entrepreneurs	3	3.378	29.9	3	3.092	23.8
Retaining qualified employees	4	2.550	10.4	6	2.333	4.8
Developing a network of contacts	5	2.450	6.0	4	2.619	9.5
Finding qualified employees	6	2.444	13.4	7	2.239	4.8
Developing and implementing a marketing strategy	7	2.415	3.0	5	2.569	9.5
Understanding the competition	8	2.256	7.5	9	1.906	4.8
My status as a veteran or service-disabled veteran	9	1.497	3.0	8	2.139	9.5
My disability	10	1.227	1.5	10	1.572	0.0

Table 5.7 Veteran Entrepreneurs Who Supervised Others While on Active Duty and Who Taught New Skills To Those They Supervised (percent)

Category of Entrepreneurship Activity	Supervised Others			As Supervisors Taught Skills		
	Full Sample	Service-Disabled	Non-service-Disabled	Full Sample	Service-Disabled	Non-service-Disabled
Considering starting a new business	81.1	78.6	81.6	90.4	90.9	90.3
In process of starting a new business	74.3	80.0	73.3	92.3	100.0	90.9
Considering purchasing new business	79.0	100.0	77.8	100.0	100.0	100.0
In process of purchasing new business	100.0	100.0	100.0	81.9	100.0	80.0

Of new veteran entrepreneurs, 36.4 percent indicated that they made use of one or more technologies while on active duty service that were of “direct relevance to the operation” of their new business enterprise or self-employment activity (*Table 5.8*). Thirty-two percent of new veteran entrepreneurs had classes while on active duty (other than to learn the use of new technologies) that would be “of direct relevance to the operation” of their new business enterprise or self-employment activity.

Many new veteran entrepreneurs gained skills of relevance to their ventures while on active duty, but the share of new veteran entrepreneurs with previous business experience was even greater. Almost 61 percent of new veteran entrepreneurs have owned at least one business in the past or own one currently.¹⁸ Such owners were significantly more common among non-service-disabled veterans (63.6 percent) than in the population of service-disabled veterans (42.9 percent). Prior business owners were also far more common among male veterans (64.2 percent) than among female veterans (23.0 percent).

Most new veteran entrepreneurs had gained some experience in key business skills from previous employment or business ownership experience (*Table 5.9*). For example, 86.8 percent indicated that they had gained experience managing employees, and 96 percent indicated experience in dealing with customers. The smallest proportion, 48.3 percent, had gained experience in the area of dealing with tax laws.

Table 5.8 New Veteran Entrepreneurs with Prior Relevant Experience or Classes (percent)

Veteran Cohort	Used Technologies ¹	Formal Classes ²	Previous Business ³
Service-Connected Disability Status			
Service-disabled	33.3	38.1	42.9**
Non-service-disabled	36.9	30.8	63.6**
Gender			
Male	37.6	31.9	64.2**
Female	23.5	30.9	23.0**
Age of Veteran			
20 to 29	25.3	38.0*	62.0
30 to 39	15.7	12.5*	37.5
40 to 49	55.8	51.2*	62.7
50 to 64	35.8	28.4*	69.5
65 and older	0.0	0.0*	100.0
Full Sample	36.4	31.8	60.7

* Chi-square for the difference in the means is significant at the 10 percent level or less and greater than the 5 percent level.

** Chi-square for the difference in the means is significant at the 5 percent significance level or less.

- 1 Used one or more technologies while on active duty of direct use to new business enterprise.
- 2 Had formal classes while on active duty that were of direct relevance to new venture.
- 3 Previously owned at least one business or had self-employment activity.

18 New veteran entrepreneurs surveyed in the residential population could include current or past business owners, including self-employed persons, who were considering the purchase or start-up of a new enterprise.

Table 5.9 New Veteran Entrepreneurs Who Have Gained Key Business Ownership Skills From Previous Employment and/or Previous Business Ownership (percent)

Veteran Cohort	Managing Employees	Dealing With Customers	Marketing Products or Services	Managing Tax Laws	Anticipating Business Trends
Service Disability Status					
Service-disabled	90.5	100.0	71.4	42.9	61.9
Non-service-disabled	86.2	95.4	69.2	49.2	66.2
Age of Veteran					
20 to 29	62.7	100.0	74.7	0.0	50.0
30 to 39	90.6	93.8	56.2	25.1	43.8
40 to 49	86.1	100.0	62.9	67.5	67.5
50 to 64	88.1	94.1	79.1	52.2	76.0
65 and older	100.0	100.0	100.0	100.0	100.0
Education					
High school graduate	79.4	94.1	52.9	26.5	73.5
One year of college	100.0	90.0	74.9	45.0	35.0
Two years of college	85.4	95.1	75.6	43.8	58.5
Three years of college	100.0	100.0	75.0	75.0	100.0
College graduate	88.0	100.0	64.2	56.0	63.9
Post graduate courses	100.0	100.0	100.0	100.0	100.0
Post graduate degree	100.0	100.0	75.0	75.0	100.0
Other	63.7	100.0	81.9	63.7	63.7
Full Sample	86.8	96.0	69.5	48.3	65.5

Those who had gained experience from formal on-the-job training “that will be directly relevant” to the running of their new business enterprise constituted 57.3 percent of veteran entrepreneurs, while 88.2 percent had gained such experience through informal on-the-job training (*Table 5.10*). Apprenticeship programs provided such experience to 24.2 percent of new veteran entrepreneurs.

Of new veteran entrepreneurs, 5.3 percent had made use of a public or private small business program designed for veterans, in spite of the fact that 24 percent of service-disabled veterans and 30 percent of non-service-disabled veterans indicated that the lack of such programs was a “critical” problem (*Table 5.11*).

Table 5.10 New Veteran Entrepreneurs Who Have Gained Education and/or Experience Directly Relevant to Their New Business Enterprise from Apprenticeship Programs or On-the-Job Training (percent)

Veteran Cohort	Apprenticeship Programs	On-the-Job Training (Formal Classes)	On-the-Job Training (Informal)
Service-Connected Disability Status			
Service-disabled	15.0	50.0	90.0
Non-service-disabled	25.9	58.6	87.9
Age of Veteran			
20 to 29	49.6	66.4	100.0
30 to 39	18.6	48.1	92.6
40 to 49	25.6	64.2	82.0
50 to 64	23.8	57.1	88.9
65 and older		0.0	100.0
Education			
High school graduate	42.3	51.5	94.0
One year of college	16.8	66.8	88.9
Two years of college	21.5	62.1	83.9
Three years of college	25.0	50.0	100.0
College graduate	14.3	57.1	80.9
Post graduate course(s)	0.0	50.0	100.0
Post graduate degree	0.0	100.0	100.0
Other	33.5	22.2	77.8
Full Sample	24.2	57.3	88.2

Also, 65.9 percent of new veteran entrepreneurs planned to make use of a veterans small business program in the foreseeable future.

When those who did not use these programs were asked why, 36.8 percent said that they did not have a need for “any of these” program services and 35.5 percent said that they were not aware that veteran small business programs even existed (*Table 5.12*). Almost 20 percent said that they were confused as to what was available.¹⁹

¹⁹ Respondents were allowed to choose more than one response category. Thus the categories are not mutually exclusive.

Table 5.11 New Veteran Entrepreneurs Using Veterans and Small Business Programs (percent)

Veteran Cohort	Used a Veterans Program ¹	Plan to Use a Veterans Program ¹	Would Use Veterans Program if Aware ²	Used a Small Business Program ³	Plan to Use a Small Business Program ³
Service Disability Status					
Service-disabled	0.0	52.4	91.7	4.8	47.4
Non-service-disabled	6.2	68.3	97.1	15.6	51.9
Gender					
Male	5.8	67.9	95.9	15.4	50.9
Female	0.0	46.1	100.0	0.0	53.9
Age of Veteran					
20 to 29	0.0	87.3	100.0	12.7	43.5
30 to 39	0.0	46.7	94.3	6.6	39.2
40 to 49	4.6	68.3	93.9	23.2	51.5
50 to 64	8.9	70.3	100.0	11.9	56.8
65 and older	0.0	100.0	100.0	0.0	100.0
Education					
High school graduate	5.9	78.1	94.0	17.6	53.5
One year of college	0.0	55.0	87.5	25.1	39.9
Two years of college	9.7	59.9	100.0	15.3	39.4
Three years of college	0.0	75.0	100.0	0.0	50.0
College graduate	0.0	63.0	100.0	7.9	56.6
Post graduate course(s)	0.0	50.0	100.0	0.0	50.0
Post graduate degree	0.0	75.0	100.0	0.0	75.0
Other	18.1	66.5	100.0	18.1	75.0
Full Sample	5.3	65.9	96.3	14.1	51.2

- 1 Have used or plan to use a public or private small business program specifically designed for veterans.
- 2 Unaware of small business programs for veterans and would use such programs if aware of them.
- 3 Have used or plan to use a public or private small business program not specific to veterans.

Of veterans who indicated some degree of unawareness or confusion regarding the existence or the structure of veteran-oriented small business programs, 96.3 percent would use them if they became aware of them and if the programs met their needs, with no significant difference between the proportion of service-disabled and non-service-disabled veterans who indicated this propensity (Table 5.11).

Table 5.12 Reasons Given by New Veteran Entrepreneurs Who Had Not Used Any Veteran Small Business Programs (percent)

Reason for Nonuse of Veterans Programs	Service-Disabled	Non-service-Disabled	Full Sample
Didn't have a need for these program services	28.6	38.3	36.8
Had a need but nothing in these programs meets my needs	4.8	15.0	13.4
Programs serving both veterans and non-veterans are adequate	0.0	6.7	5.7
Perception that program service delivery is inadequate	9.5	11.7	11.3
Confused as to what is available	19.0	20.0	19.9
Wasn't aware that small business programs for veterans existed	38.1	35.0	35.5
I don't qualify	0.0	6.7	5.7
Other	14.3	13.3	13.5

Note: Respondents were allowed to select multiple response options. Thus, shares do not total 100.

New veteran entrepreneurs did not appear to have any fundamental bias against small business programs *per se*, as further evidenced by the finding that 66 percent planned to use such programs.

While 5.3 percent of new veteran entrepreneurs had used veteran-specific programs, 14.1 percent of veteran entrepreneurs had used a general, non-veteran-specific public or private small business program and 51.2 percent planned to make use of a non-veteran-specific small business program in the foreseeable future, compared with the 65.9 percent of new veteran entrepreneurs who planned to make use of a veteran-specific program.

The reasons for non-usage of general small business programs were qualitatively similar to those for non-use of veteran-specific programs: 42.9 percent said that they simply “didn’t have a need for these program services” (Table 5.13). Among these new veteran entrepreneurs, 22.7 percent were confused as to what was available, and 26.5 percent were not aware that these programs even existed.

Of new veteran entrepreneurs who said that they did not plan to use a general small business program, 40.2 percent indicated that they did not have a need for these program services, and 22.6 percent were confused as to what was available (Table 5.14).

Table 5.13 Reasons Given by New Veteran Entrepreneurs Who Had Not Used Any Small Business Program Not Specific to Veterans (percent)

Reason for Past Non-use of Small Business Programs	Service-Disabled	Non-service-Disabled	Full Sample
Didn't have a need for these program services	35.0	44.4	42.9
Had a need but nothing in these programs meets my needs	5.0	3.7	3.9
Perception that program service delivery is inadequate	5.0	3.7	3.9
No time for training	0.0	0.0	0.0
Confused as to what is available	25.0	22.2	22.7
I don't qualify for program services because I am a veteran	0.0	3.7	3.1
I don't qualify for program services for other reasons	5.0	1.9	2.4
Wasn't aware that small business programs existed	10.0*	29.6*	26.5*
Other	15.0	16.7	16.4

Note: Respondents were allowed to select multiple response options. Thus, shares do not total 100.

* Chi-square for the difference in the means is significant at the 10 percent level or less and greater than the 5 percent level.

Table 5.14 Reasons Given by New Veteran Entrepreneurs Who Did Not Plan to Use Any Small Business Program Not Specific to Veterans (percent)

Reason for No Plans to Use Small Business Programs	Service-Disabled	Non-service-Disabled	Full Sample
Didn't have a need for these program services	10.0**	46.2**	40.2**
Have needs but these programs don't meet them	10.0	11.5	11.3
Need small business program designed for veterans	0.0	3.8	3.2
Perception that program service delivery is inadequate	10.0	0.0	1.6
Found these programs to be inadequate in the past	0.0	0.0	0.0
Confused as to what is available	20.0	23.1	22.6
I don't qualify for program services because I am a veteran	0.0	3.8	3.2
I don't qualify for program services for other reasons	0.0	7.7	6.4
Wasn't aware that small business programs existed	20.0	15.4	16.1
Other	50.0*	19.2*	24.3*

Note: Respondents were allowed to select multiple response options. Thus, shares do not total 100.

* Chi-square for the difference in the means is significant at the 10 percent level or less and greater than the 5 percent level.

** Chi-square for the difference in the means is significant at the 5 percent significance level or less.

Business Owner Survey Results

Among the most striking findings about the demographics of the veteran business owner respondent pool was that 95.0 percent were age 40 or over, and that 77.9 percent were age 50 or over (*Table 5.15*). Also of interest was the finding that 96.3 percent of veteran business owners had a high school or higher degree, while 49.3 percent had a college degree, with or without additional postgraduate studies.

A significant percentage owned more than one business (*Table 5.16*). Nearly one in six, or 15.7 percent, owned two businesses; and 2.1 percent owned three businesses.²⁰

Of these businesses, 38.7 percent were home-based (*Table 5.17*). A greater proportion of service-disabled than non-service-disabled owners had a home-based business (52.1 percent versus 37.7 percent). Also, a larger percentage of veterans with dependent children (46.1 percent) had businesses that were entirely located in their residence than did those without dependent children (35.4 percent).

The home-based business status appeared to be dynamic: 35.6 percent of veteran business owners who had home-based businesses intended to move some or all of their business operations outside of their residence in the “foreseeable future” (*Table 5.18*). Cross-tabulation analysis suggests that the proportion of owners who intended to expand beyond the home declined with the age of the business enterprise, although the differences were not statistically significant at the 10 percent level.²¹

20 The results presented in this section will be based on the first business of those owning more than one.

21 The mean differences are substantial, likely because of the inadequate sample size.

Table 5.15 Demographics of Veteran Business Owner Respondent Pool (percent)

Veteran Cohort	Respondent Share
Service-Connected Disability Status	
Service-disabled	6.6
Non-service-disabled	93.4
Gender	
Male	90.1
Female	9.9
Marital Status	
Single	13.0
Married	77.4
Living with a partner	0.8
Legally separated	1.1
Divorced	7.8
Age of Veteran	
20 to 29	1.3
30 to 39	3.7
40 to 49	17.1
50 to 64	54.5
65 and older	23.4
Dependents	
Dependent children	30.3
No dependent children	69.7
Education	
High school graduate	18.4
One year of college	6.3
Two years of college	16.7
Three years of college	5.7
College graduate	25.3
Post graduate course(s)	5.2
Post graduate degree	18.8
Other	3.7

Table 5.16 Veteran Business Owners Owning More than One Business (percent)

Veteran Cohort	Share Who Own Two Businesses	Share Who Own Three Businesses
Service-Connected Disability Status		
Service-disabled	11.0	1.6
Non-service-disabled	16.0	2.1
Age of Veteran		
20 to 29	26.2	0.0
30 to 39	0.0	0.0
40 to 49	13.1	0.0
50 to 64	17.7	2.6
65 and older	13.5	2.7
Education		
High school graduate	12.6	1.7
One year of college	25.3	5.3
Two years of college	11.8	1.9
Three years of college	17.6	1.9
College graduate	13.2	1.3
Post graduate course(s)	20.9	6.4
Post graduate degree	18.0	1.8
Other	26.1	0.0
Full Sample	15.7	2.1

Table 5.17 Veteran Business Owners Whose Enterprise is Located Entirely in Their Residence (percent)

Veteran Cohort	Share of Enterprises Located Entirely In Residence
Service-Connected Disability Status	
Service-disabled	52.1**
Non-service-disabled	37.7**
Dependents	
Dependent children	46.1**
No dependent children	35.4**
Full Sample	38.7

** Chi-square for the difference in the means is significant at the 5 percent significance level or less.

Table 5.18 Home-Based Veteran Business Owners Planning to Relocate Some or All of Operations Outside of Their Residence in the “Foreseeable Future” (percent)

Veteran Cohort	Share Planning to Expand Beyond Their Residence
Service-Connected Disability Status	
Service-disabled	42.1
Non-service-disabled	34.9
Gender	
Male	34.3
Female	45.6
Marital Status	
Single	37.7
Married	34.2
Living with a partner	0.0
Legally separated	50.0
Divorced	43.5
Dependents	
Dependent children	39.6
No dependent children	33.3
Full Sample	35.6

There was an impressive longevity to veteran-owned small businesses: 68.1 percent of veteran business owners had owned their concerns for 10 years or more (Table 5.19). Although a smaller share of service-disabled veterans were in this category than non-service-disabled veterans (48.7 percent versus 69.4 percent), the share was still nearly half.

Most owners started their business rather than purchasing an existing business (84.7 percent versus 15.3 percent) (Table 5.20). Evidence suggests that this is a positive success indicator.²² However, only 15.6 percent of owners had partners, their relative scarcity suggesting a negative success indicator (Table 5.21).²³ The

22 Duchesneau, Donald A. and Gartner, William B. (1990), “A Profile of New Venture Success and Failure in An Emerging Industry,” *Journal of Business Venturing*, vol. 5, 297–312.

23 Cooper, Arnold C.; Woo, Carolyn Y.; and Dunkelberg, William C. (1988); “Entrepreneurs Perceived Chances for Success,” *Journal of Business Venturing*, vol.3, 97–108.

Table 5.19 Age Distribution of Business Enterprises Owned By Veterans (percent)

Business Age from Start or Purchase	All Owners	Service-disabled	Non-service-disabled
Less than six months	0.1	1.6**	0.0**
Six months or more but less than one year	0.6	4.7**	0.3**
One year or more but less than three years	6.6	16.0**	5.9**
Three years or more but less than five years	7.6	6.5**	7.7**
Five years or more but less than 10 years	17.1	22.5**	16.7**
Ten years or more	68.1	48.7**	69.4**

** Chi-square for the difference in the means is significant at the 5 percent significance level or less.

Table 5.20 Veteran Business Owners Starting or Purchasing a Business (percent)

Veteran Cohort	Share Starting	Share Purchasing
Service-Connected Disability Status		
Service-disabled	90.2	9.8
Non-service-disabled	84.3	15.7
Gender		
Male	84.5	15.5
Female	86.6	13.4
Age of Veteran		
20 to 29	73.8	26.2
30 to 39	80.9	19.1
40 to 49	89.5	10.5
50 to 64	85.5	14.5
65 and older	81.8	18.2
Full Sample	84.7	15.3

Table 5.21 Veteran Business Owners Beginning with Partners (percent)

Veteran Cohort	Share With Partners
Service-Connected Disability Status	
Service-disabled	13.1
Non-service-disabled	15.8
Dependents	
Dependent children	7.5**
No dependent children	19.1**
Education	
High school graduate	20.1**
One year of college	15.6**
Two years of college	5.9**
Three years of college	9.3**
College graduate	17.0**
Post graduate course(s)	34.6**
Post graduate degree	14.4**
Other	17.2**
Full Sample	15.6

** Chi-square for the difference in the means is significant at the 5 percent significance level or less.

partner situation appeared to be a dynamic one through the life of the business in that 32 percent of new entrepreneurs originally formed or purchased their new business enterprise with one or more partners (*Table 5.2*). Partners may or may not stay through the life of the business.

Internet-dependent businesses did not dominate the population of existing veteran-owned businesses; but they were not unimportant, either. Only 5.8 percent of owners indicated that their business was 100 percent dependent on the Internet (*Table 5.22*). However, 22.5 percent indicated that their business was 50 percent or more dependent on the Internet. The fact that almost 32 percent of the veteran entrepreneur population in the residential survey indicated that their business would be 50 percent or more dependent on the Internet in the future suggests that web dependence might grow in the veteran business population (*Tables 5.5 and 5.22*).

Table 5.22 Internet Dependence of Current Veteran-Owned Businesses (percent)

Veteran Cohort	0 to 24 Percent	25 to 49 Percent	50 to 99 Percent	100 Percent
Service-Connected Disability Status				
Service-disabled	45.9**	20.6**	25.6**	7.9**
Non-service-disabled	65.6**	12.7**	16.1**	5.6**
Age of Veteran				
20 to 29	24.6**	0.0**	75.4**	0.0**
30 to 39	66.3**	15.2**	0.0**	18.5**
40 to 49	57.7**	10.1**	25.1**	7.0**
50 to 64	60.8**	16.1**	17.0**	6.0**
65 and older	78.8**	9.1**	9.4**	2.8**
Education				
High school graduate	66.5	20.7	11.1	1.7
One year of college	73.1	10.3	10.0	6.6
Two years of college	62.8	18.2	14.4	4.6
Three years of college	68.4	9.1	15.1	7.4
College graduate	60.6	11.8	22.9	4.7
Post graduate course(s)	64.9	6.4	16.2	12.5
Post graduate degree	57.2	9.6	22.4	10.8
Other	97.1	2.9	0.0	0.0
Full Sample	64.3	13.2	16.7	5.8

** Chi-square for the difference in the means is significant at the 5 percent significance level or less.

As was the case with new veteran entrepreneurs, military service was of great value in providing business ownership skills: 69.2 percent of business owners supervised others while on active duty (*Table 5.23*). These owners included a significantly higher proportion of service-disabled veterans than non-service-disabled veterans (87.6 percent versus 67.9 percent). Of those who had supervisory experience while on active duty, 88.9 percent taught those they supervised new skills or reinforced existing skills (*Table 5.24*).

Beyond supervisory experience, active duty taught business-related skills: 37.5 percent of veteran business owners indicated that they learned or made use of one or more technologies while on active duty that were of “direct use in their current business enterprise” (*Table 5.25*). A higher percentage of service-disabled veterans benefited from business-relevant technological training while on active duty

Table 5.23 Veteran Business Owners Supervising Others On Active Duty (percent)

Veteran Cohort	Share With Active Duty Supervisory Experience
Service-Connected Disability Status	
Service-disabled	87.6**
Non-service-disabled	67.9**
Gender	
Male	70.1
Female	61.3
Full Sample	69.2

** Chi-square for the difference in the means is significant at the 5 percent significance level or less.

Table 5.24 Veteran Business Owners With Active Duty Supervisory Experience Who Taught or Reinforced Skills to Those They Supervised (percent)

Veteran Cohort	Share Who Taught Those They Supervised
Service-Connected Disability Status	
Service-disabled	96.5*
Non-service-disabled	88.2*
Full Sample	88.9

* Chi-square for the difference in the means is significant at the 10 percent level or less and greater than the 5 percent level.

than non-service-disabled veterans (51.6 percent versus 36.8 percent). Beyond pure technology training, 34.0 percent of veteran business owners indicated that while on active duty they had one or more formal classes (*other* than to learn new technologies) that were of direct relevance to the ownership and operation of their business enterprise. Again, a greater proportion of service-disabled veterans benefited: 49.3 percent versus 33.0 percent for veteran business owners who were not service-disabled. Experience gained from previous business ownership and from the labor market benefited a greater proportion of veteran business owners than business-relevant experience gained while on active duty service: 83.2 percent of veteran business owners had owned at least one business in the past. This appeared to be an increasing function of age, while approximate gender equality appeared to be the case.

Table 5.25 Veteran Business Owners Who Learned Business Skills of Use in Their Current Business While on Active Duty or Owned a Business Previously (percent)

Veteran Cohort	Used Learned Technologies of Direct Use	Took One or More Classes of Direct Relevance	Owned a Business in the Past
Service-Connected Disability Status			
Service-disabled	51.6**	49.3**	73.2*
Non-service-disabled	36.8**	33.0**	83.9*
Gender			
Male	39.1**	32.5	83.6
Female	25.1**	48.3	79.9
Age of Veteran			
20 to 29	24.6**	0.0*	24.6**
30 to 39	62.6**	27.1*	54.1**
40 to 49	53.5**	48.6*	84.7**
50 to 64	36.2**	33.6*	84.7**
65 and older	26.3**	27.9*	86.2**
Full Sample	37.5	34.0	83.2

* Chi-square for the difference in the means is significant at the 10 percent level or less and greater than the 5 percent level.

** Chi-square for the difference in the means is significant at the 5 percent significance level or less.

A high proportion of veteran owners gained key business skills from previous employment or business ownership experience: 91.6 percent gained experience in managing employees; 96.6 percent gained experience in dealing with customers; 84.5 percent gained experience in marketing; 73.4 percent gained experience in managing tax issues; and 72.3 percent of owners gained experience in anticipating business trends from previous business ownership or employment (*Table 5.26*).

Informal, on-the-job training gave 83.4 percent of veteran business owners skills directly related to the running of their current business enterprise, while 57.0 percent gained such skills from formal on-the-job training, and 16.9 percent from apprenticeship programs (*Table 5.27*).

Table 5.26 Veteran Business Owners Who Have Gained Key Business Ownership Skills From Previous Employment and/or Previous Business Ownership (percent)

Veteran Cohort	Managing Employees	Dealing with Customers	Marketing Products or Services	Managing Tax Laws	Anticipating Business Trends
Service Disability Status					
Service-disabled	87.9	96.5	86.0	77.3	77.4
Non-service-disabled	91.9	96.6	84.4	73.1	72.1
Age of Veteran					
20 to 29	100.0	100.0	100.0	100.0	100.0
30 to 39	76.3	89.2	72.4	73.1	69.2
40 to 49	99.3	94.9	89.8	79.6	79.9
50 to 64	89.6	96.7	86.3	69.9	69.8
65 and older	93.1	98.4	77.3	75.8	72.3
Education					
High school graduate	82.7	96.1	76.2	67.6	66.5
One year of college	94.4	94.4	88.9	58.8	51.4
Two years of college	92.9	97.8	80.8	71.9	75.7
Three years of college	91.9	94.1	90.2	73.9	59.8
College graduate	93.7	98.1	88.5	78.1	79.8
Post graduate courses	93.9	100.0	93.6	74.6	68.9
Post graduate degree	94.5	93.8	88.3	75.8	76.6
Other	91.4	100.0	65.1	82.8	74.3
Full Sample	91.6	96.6	84.5	73.4	72.3

Note: Respondents were allowed to select multiple response options. Thus, shares do not total 100.

Non-service-disabled veteran business owners ranked the affordability of health insurance as their number one concern among a choice of 17 problems (*Table 5.28*). Nearly half (46.9 percent) indicated that health insurance affordability was a “critical” problem. The non-service-disabled veterans ranked problems related to government resources and programs just below health insurance affordability. The number 2 problem was “Knowledge of helpful government and private programs for small business owners in general,” followed by “Obtaining resources of various types from the government” and “Knowledge of helpful government and private programs geared toward veteran small business owners.” The two lowest-ranked problems were “My status as a veteran

Table 5.27 Veteran Business Owners with Business-Relevant Education and/or Experience from Apprenticeship Programs or On-the-Job Training (percent)

Veteran Cohort	Apprenticeship Programs	On-the-Job Training (Formal Classes)	On-the-Job Training (Informal)
Service-Connected Disability Status			
Service-disabled	8.6	49.8	87.2
Non-service-disabled	17.4	57.5	83.1
Age of Veteran			
20 to 29	50.0	100.0**	50.0
30 to 39	0.0	100.0**	52.8
40 to 49	13.6	59.0**	82.5
50 to 64	18.5	59.6**	85.6
65 and older	16.6	43.2**	84.2
Education			
High school graduate	19.2	58.8	74.0
One year of college	18.4	46.7	91.7
Two years of college	11.5	60.7	85.3
Three years of college	19.5	53.4	77.2
College graduate	17.4	57.3	85.1
Post graduate course(s)	6.9	54.0	83.5
Post graduate degree	16.8	61.4	83.7
Other	38.2	37.4	100.0
Full Sample	16.9	57.0	83.4

** Chi-square for the difference in the means is significant at the 5 percent significance level or less.

or service-disabled veteran” and “My disability,” which, interestingly, were also fairly low in the problem rankings of the service-disabled veteran population.

Service-disabled veteran business owners ranked government program and resource issues at the top of their list of problems, while health insurance affordability, the top problem for non-service-disabled veteran owners, ranked number 5 (*Table 5.29*). Of current veteran business owners, 5.8 percent indicated that they had made use of a public or private small business program specifically designed for veterans, nearly the same as the 5.3 percent share of new veteran entrepreneurs in the residential survey using such programs

Table 5.28 Measures of Veteran Business Owner Problem Importance: Non-service-disabled Veteran Business Owners

Problem	Rank	Mean	Percent “Critical”
Affordability of health insurance	1	3.443	46.9
Knowledge of programs for small business owners in general	2	3.171	26.0
Obtaining resources from the government	3	3.137	30.3
Knowledge of programs for veteran small business owners	4	3.018	30.5
Finding qualified employees	5	2.975	22.2
Access to health insurance	6	2.895	34.7
Understanding tax law	7	2.488	17.5
Access to financing	8	2.423	15.8
Disadvantages in government contracting	9	2.353	18.5
Managing time	10	2.326	10.4
Understanding regulations	11	2.239	10.4
Retaining qualified employees	12	2.175	8.8
Developing and implementing a marketing strategy	13	2.166	5.3
Managing employees	14	1.643	4.4
Business interruptions due to military deployment	15	1.260	3.6
My status as a veteran or service-disabled veteran	16	1.237	2.6
My disability	17	1.089	1.4

(Tables 5.11 and 5.30). A larger share of service-disabled than non-service-disabled business owners used veteran small business programs (16.7 percent versus 5.1 percent). A significant 36.3 percent of current owners *planned* to make use of veteran small business programs in the “foreseeable future,” with the 30 to 39 age cohort being most likely to have had such a plan (56.6 percent).

Of those who have not used a veteran small business program, 41.0 percent indicated that they did not need such programs, and 36.3 percent were not aware that veteran small business programs existed (Table 5.31). Of those who were not planning to use small business programs for veterans, 53.0 percent indicated that they did not have a need for such program services, 22.5 percent did not know such programs existed, and 12.8 percent were confused as to what was available (Table 5.32).²⁴ But, as with new veteran entrepreneurs, there

²⁴ Respondents were allowed to choose more than one response category to this question.

Table 5.29 Measures of Veteran Business Owner Problem Importance: Service-Disabled Veteran Business Owners

Problem	Rank	Mean	Percent “Critical”
Obtaining resources from the government	1	3.391	37.2
Knowledge of programs for veteran small business owners	2	3.237	31.7
Knowledge of programs for small business owners in general	3	3.192	28.3
Disadvantages in government contracting	4	2.875	35.4
Affordability of health insurance	5	2.803	31.6
Finding qualified employees	6	2.800	26.0
Access to financing	7	2.790	26.3
Understanding tax law	8	2.693	18.1
Access to health insurance	9	2.539	24.9
Retaining qualified employees	10	2.338	14.0
My disability	11	2.304	16.6
Understanding regulations	12	2.292	10.2
Managing time	13	2.229	9.9
Developing and implementing a marketing strategy	14	2.124	1.7
My status as a veteran or service-disabled veteran	15	1.926	11.8
Managing employees	16	1.646	5.4
Business interruptions due to military deployment	17	1.223	3.5

still was an interest in using these programs: 95.2 percent of those who were confused about the existence or structure of veteran small business programs indicated that, if they knew more about them, they would use such programs if they met their needs (Table 5.30).

Of the business owners, 21.6 percent indicated that they had used a public or private small business program other than those specifically designed for veterans (with similar proportions of the service-disabled and non-service-disabled populations indicating such program usage). This level was more than 50 percent larger than the 14.1 percent share of new veteran entrepreneurs who indicated such past program usage (Tables 5.11 and 5.30). Conversely, a significantly smaller share of the veteran business owners, 31.9 percent, than the new veteran entrepreneurs, 51.2 percent, planned to make use of a non-veteran-specific small business program in the foreseeable future.

Table 5.30 Veteran Business Owners Who Have Used or Plan to Use a Small Business Program for Veterans or for Small Businesses in General (percent)

Veteran Cohort	Used a Veterans Program ¹	Plan to Use a Veterans Program ¹	Would Use Veterans Program if Aware ²	Used a Small Business Program ³	Plan to Use a Small Business Program ³
Service Disability Status					
Service-disabled	16.7**	46.0	90.6	26.7	37.1
Non-service-disabled	5.1**	35.8	95.4	21.2	31.5
Gender					
Male	6.1	34.3**	94.6	21.5	32.1
Female	3.3	55.0**	100.0	22.8	29.9
Age of Veteran					
20 to 29	0.0	49.2**	100.0	49.2	0.0*
30 to 39	14.1	56.6**	100.0	21.0	39.0*
40 to 49	3.9	51.2**	97.6	21.9	45.4*
50 to 64	6.3	35.0**	92.9	23.2	33.1*
65 and older	5.3	23.9**	96.9	16.4	20.3*
Education					
High school graduate	4.5	39.9	100.0**	19.4	28.5
One year of college	8.3	25.4	65.4**	20.0	18.7
Two years of college	6.6	41.1	100.0**	14.7	44.7
Three years of college	5.6	42.0	100.0**	25.8	27.6
College graduate	6.2	33.3	93.9**	24.9	32.1
Post graduate course(s)	0.0	30.4	100.0**	35.0	28.6
Post graduate degree	7.9	38.8	95.8**	21.6	29.0
Other	0.0	26.1	100.0**	17.7	31.1
Full Sample	5.8	36.3	95.2	21.6	31.9

* Chi-square for the difference in the means is significant at the 10 percent level or less and greater than the 5 percent level.

** Chi-square for the difference in the means is significant at the 5 percent significance level or less.

- 1 Have used or plan to use a public or private small business program specifically designed for veterans.
- 2 Unaware of small business programs for veterans and would use such programs if aware of them.
- 3 Have used or plan to use a public or private small business program not specific to veterans.

Table 5.31 Reasons Given by Veteran Owners Who Had Not Used Any Veteran Small Business Programs (percent)

Reason for Non-use of Veterans Programs	Service-Disabled	Non-service-Disabled	Full Sample
Didn't have a need for these program services	35.7	41.3	41.0
Had a need but nothing in these programs meets my needs	8.0	4.5	4.7
Programs serving both veterans and non-veterans are adequate	2.1	3.0	3.0
Perception that program service delivery is inadequate	10.1	6.4	6.6
Confused as to what is available	13.8	10.9	11.0
Wasn't aware that small business programs for veterans existed	26.1	36.9	36.3
I don't qualify	4.1	3.8	3.8
Other	14.3	9.4	9.7

Note: Respondents were allowed to select multiple response options. Thus, shares do not total 100.

Table 5.32 Reasons Given by Veteran Business Owners Who Did Not Plan to Use a Veteran Small Business Program (percent)

Reason for No Plans to use Veteran Small Business Programs	Service-Disabled	Non-service-Disabled	Full Sample
Didn't have a need for these program services	51.7	53.0	53.0
Have needs but these programs don't meet them	3.8	4.1	4.1
Non veteran-specific small business programs are adequate	0.0	0.6	0.6
Negative experience with these programs in the past	15.1**	2.9**	3.5**
Perception that program service delivery is inadequate	7.2	3.6	3.8
Confused as to what is available	10.8	12.9	12.8
Wasn't aware that small business programs existed	11.3	23.0	22.5
Other	7.4	11.1	11.0

Note: Respondents were allowed to select multiple response options. Thus, shares do not total 100.

** Chi-square for the difference in the means is significant at the 5 percent significance level or less.

Table 5.33 Reasons Given by Veteran Business Owners Who Had Not Used Any Small Business Programs Non-Specific to Veterans (percent)

Reason for Non-use of Veterans Programs	Service-Disabled	Non-service-Disabled	Full Sample
Didn't have a need for these program services	50.2	51.0	50.9
Had a need but these programs don't meet my needs	2.2	3.2	3.1
Perception that program service delivery is inadequate	6.8	2.8	3.1
Don't have time for training	2.4	1.4	1.5
Confused as to what is available	15.5	15.5	15.5
Don't qualify for program due to my veteran status	0.0	0.4	0.4
Don't qualify for program for reasons other than being a veteran	0.0	1.3	1.3
Wasn't aware that small business programs existed	25.0	28.1	27.9
Other	9.2	6.4	6.6

Note: Respondents were allowed to select multiple response options. Thus, shares do not total 100.

More than half, 50.9 percent, of veteran business owners who did not make use of general, non-veteran-specific small business programs indicated that they did not have a need for these program services (*Table 5.33*). Further, 27.9 percent did not know such programs existed, and 15.5 percent were confused as to what was available.

Of those who did need program services but did not use general, non-veteran-specific small business programs because those programs did not meet their needs, 23.3 percent indicated that the entire problem was the need for a veteran-specific program; 15.4 percent said that the need for a veteran-specific program was only part of the problem (*Table 5.34*).²⁵

Of those who were not planning to make use of a general, non-veteran-specific small business program, 61.6 percent indicated that they simply did not have a need for these program services, while 19.9 percent were unaware that these programs existed, and 10.9 percent were confused as to what was available (*Table 5.35*).

²⁵ The researchers were unable to obtain good data on this question for the population of new veteran entrepreneurs from the residential survey.

Table 5.34 Veteran Business Owners Who Rejected the Use of General Small Business Programs Due to the Need for a Veteran-Specific Program (percent)

Veteran Cohort	Share Rejecting Entirely Due to the Need for a Veteran-Specific Program	Share Rejecting Partially Due to the Need for a Veteran-Specific Program
Service-Connected Disability Status		
Service Disabled	0.0	100.0
Non-service Disabled	24.2	12.1
Gender		
Male	36.3	5.8
Female	0.0	32.6
Full Sample	23.3	15.4

Table 5.35 Reasons Given by Veteran Business Owners Who Did Not Plan to Use Any Small Business Program Not Specific to Veterans (percent)

Reason for No Plans to use Small Business Programs	Service-Disabled	Non-service-Disabled	Full Sample
Didn't have a need for these program services	53.7	62.1	61.6
Have needs but these programs don't meet them	0.0	1.3	1.2
Need small business program designed for veterans	0.0	0.7	0.6
Perception that program service delivery is inadequate	3.5	4.0	4.0
Found these programs to be inadequate in the past	7.4*	1.4*	1.7
Confused as to what is available	14.3	10.7	10.9
I don't qualify for program services because I am a veteran	0.0	0.6	0.6
I don't qualify for program services for other reasons	7.2**	0.0**	0.4
Wasn't aware that small business programs existed	17.4	20.0	19.9
Other	7.4	4.0	4.2

Note: Respondents were allowed to select multiple response options. Thus, shares do not total 100.

* Chi-square for the difference in the means is significant at the 10 percent level or less and greater than the 5 percent level.

** Chi-square for the difference in the means is significant at the 5 percent significance level or less.

Conclusion

The data presented here have been excerpted from an Advocacy study published in 2004. A wealth of additional information and source references helpful to those working on veteran entrepreneurship issues can be accessed in this and other Advocacy-sponsored studies available. Statistical information on the estimated number of veteran-owned firms is presented in *Evaluating Veteran Business Owner Data*.²⁶ The Census Bureau's pending 2002 Survey of Business Owners and Self-Employed Persons (SBO)²⁷ included questions on veteran status and, for the first time, on whether responding veteran business owners had a service-connected disability. When the SBO veteran data become available, they should provide a wealth of new information on veterans in business and be a primary source on this subject for researchers and policymakers.

26 *Evaluating Veteran Business Owner Data* was prepared in 2004 by the Office of Advocacy in collaboration with Jack Faucett Associates, Eagle Eye Publishers, Waldman Associates, and REDA International, Advocacy contractors and subcontractors. See <http://www.sba.gov/advo/research/rs244tot.pdf> for the complete study and summary.

27 For further information on the U.S. Census Bureau's 2002 *Survey of Business Owners and Self-Employed Persons (SBO)*, see <http://www.census.gov/csd/sbo>.