

Income and Wealth of Veteran Business Owners, 1989 – 2004

by

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Introduction

From 1989 to 2004 the population of veteran households in the United States continued to decline in number, as well as in relative share of the total population, reflecting the aging of the veteran population itself. In 1989, 23.6 percent of veteran household heads were 65 years of age or older, while in 2004 this age cohort had risen to 38.4 percent of veteran households. This study compares changes in the income and wealth of veteran and non-veteran households; veteran small business households with veteran non-business households; and veteran small business households with non-veteran small business households from 1989 to 2004. It classifies all households with a business owner/manager or self-employed individual as a business-owning household.

This study examines the likelihood that a household would be classified as high income or high wealth in two ways: high income in terms of earning \$50,000 or more per year (in 1992 dollars) or high wealth of holding \$1 million (in 1992 dollars) and the likelihood that a household would be in the top 50 percent of income earners or wealth holders in the U.S. household population. This study uses the 1989 through 2004 Surveys of Consumer Finances (SCF), conducted by the Federal Reserve Board as its primary data source.

Overall Findings

Three major developments over the past two decades determined the levels and changes in the income and wealth of veteran households and veteran business households in the United States in comparison with the overall population. The number of veteran households declined from 1989 to 2004 (from 28.6 million households in 1989 to 25.3 million households in 2004), the age composition of the head of the veteran households grew

much older by 2004, and the percentage of small business owners in the population of veteran households declined (from 13.6 percent in 1989 to 12.2 percent in 2004). They partly explained the findings that the likelihood of being high income has declined for these veteran small business owners by nearly 24 percent while the likelihood of being high wealth increased by nearly 22 percent.

The regression analysis, which controls for such variables as age, suggests that veteran households generally had lower income than non-veteran households, veteran small business households had higher wealth than veteran non-business households, and veteran small business households had lower wealth than non-veteran small business households. Most importantly, there were no substantial changes (neither increases nor decreases) in the differences in income and wealth between veteran and non-veteran households, veteran small business and veteran non-business households, and veteran business and non-veteran business households from 1989 to 2004.

Highlights

- From 1989 through 2004, the number of veteran households declined from 28.6 million to 25.3 million, while non-veteran households rose from 64.4 million to 86.8 million—an increase of 35 percent for non-veteran households compared to a decline of 12 percent for veteran households.
- The number of households headed by business owners, including the self-employed, declined from 6.4 million to 5 million—a decline of 22 percent as compared with an increase of 61 percent for the total business owner population during this period. In addition, the number of veteran households with a single business declined by 26.5 percent while the number of veteran households owning multiple businesses increased by 20 percent.

- In the most recent year (2004), veteran householders were older, less likely to belong a minority group, more likely to be male, and more likely to be married than non-veteran householders. Veteran householders owning a business were more likely to belong a minority group and less likely to be married than veteran householders not owning a business. And, veteran householders owning a business were older, less likely to belong a minority group, more likely to be male and more likely to be married than non-veteran householders owning a business.

- Aggregate income for non-veteran small business households increased by over 67 percent, while aggregate income for veteran small business households decreased by nearly 17 percent.

- Aggregate wealth increased by nearly twofold for non-veteran small business households and increased by nearly 30 percent for veteran small business households.

- Veteran households were less likely to be classified as high income and have lower mean income than non-veteran households.

- Veteran small business (or self-employed) households were more likely to be classified as high wealth and have higher mean income and wealth than veteran non-business households.

- Veteran small business households had a lower likelihood of being classified as high income and wealth than non-veteran small business households.

- Veteran small business households had a lower probability of being high wealth and had a lower mean wealth than non-veteran small business households.

- When considering the changes from 1989 to 2004,

- veteran households fared about the same as non-veteran households,

- veteran small business households fared about the same as veteran non-business households, and

- veteran small business households fared about the same as non-veteran small business households.

Methodology

This study utilized the Federal Reserve's Surveys of Consumer Finances from 1989 through 2004. The variables of interest include each household's business ownership status, income, and wealth (including assets and debt held by members of the household). Small business owners included

owner/managers with one business; small business owner/managers with more than one business; and self-employed individuals.

This study is primarily descriptive, using family income and wealth to compare veteran households owning at least one small business with veteran households not owning a business; and veteran households owning at least one small business with other (non-veteran) business-owning households from 1989 to 2004. The probability of being classified as high income and/or high wealth by each group was estimated; real mean income and wealth were compared; and the share of each group in the total family income and aggregate wealth in both years were estimated for comparison.

Logistic regression models were used to assess the types of families and business owners more likely to be classified as high income or high wealth. Linear regression models were used to assess the types of families and business owners with higher log income and wealth.

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Executive Summary

The veteran population in the United States reflects a shrinking and aging population for the time period studied in this report. While the number of veteran households fell by over 11 percent from 1989 to 2004, the number of veteran small business households fell by more than 20 percent. Veteran small business households realized a 17 percent decline in aggregate income and 30 percent increase in aggregate wealth from 1989 to 2004. Veteran small business households typically had a higher probability of being high wealth than veteran non-business households; however, the differences between veteran small business and non-business households were unchanged (neither improved nor deteriorated) between 1989 and 2004. Veteran small business households (where self-employed individuals are excluded) typically had a lower probability of being high wealth than non-veteran small business households; however, the differences between veteran small business households and non-veteran small business households were unchanged from 1989 to 2004. In general, veteran and non-veteran households with and without small businesses fared about the same from 1989 to 2004.

Introduction

The 1990s and early 2000s were marked by a substantial expansion in the U.S. economy. This rapid expansion raises the question: Who is earning the income and accumulating the wealth? A recent study by Haynes and Ou (2006) using the Federal Reserve Board's Surveys of Consumer Finances data from 1989 to 2004 suggests that the likelihood of being high wealth increased at a somewhat faster rate for households

without any business ownership than for households with small business ownership. This study examines changes in income and wealth for veterans who are self-employed or own and manage small businesses, a population that has been shrinking and aging over the past two decades.

Background

A previous study by Haynes and Ou (2002) suggested that households with a small business owner actually saw their share of aggregate household wealth decline from 1992 to 1998. Interestingly, the only significant growth in real mean income and wealth occurred in households with no business ownership. In addition, the largest percentage growth in aggregate income and wealth was realized by households with no business ownership. A more recent study by Haynes and Ou (2006) using data from 1989 to 2004 suggests that the likelihood of being high wealth increased at a somewhat faster rate for households without any business ownership than for households with small business ownership. This evidence suggests that other investments, such as public stock, produced a higher rate of return from 1989 to 2004 than investments in business ventures.

A recent study sponsored by SBA's Office of Advocacy examined self-employment in the veteran and service-disabled veteran population (Open Blue Solutions, 2007). It found that veterans with a service-connected disability were less likely to be self-employed than other veterans, and that one-half to two-thirds of the difference in self-employment rates was due to service-disabled veterans not working at all.

The general economic expansion of the 1990s and early 2000s has dramatically increased the wealth of some individuals while leaving others with more modest increases, or decreases, in wealth. While there has been ample discussion of the growth of businesses in the U. S. during the past 20 years, knowledge about the owners (individuals or households) that own privately held businesses in the U. S. is more limited. The public debate about wealth distribution and income inequality has centered around the divide of the rich versus the poor, or the wealthy versus the poverty-stricken, rather than those that owned and/or operated businesses versus those that worked for others or were unemployed. This current study utilizes the Surveys of Consumer Finances data from 1989 to 2004 to examine the financial progress of households with a veteran-owned business compared with other households. It examines changes in the distributions of income and wealth for three primary types of households with veterans: households not owning a business, households owning and managing only one small business (single business owners or self-employed) and households owning and managing at least one small business and owning other businesses (multiple business owners).

Empirical Considerations

This study will utilize the Federal Reserve Board's Surveys of Consumer Finances (SCF) from 1989 through 2004 to evaluate changes in wealth and income for veteran households owning small businesses. The study of veteran households will examine the following: (1) Probability of veteran small business households being high income (greater than \$50,000 annual income in 1992 dollars) or high wealth (greater than

\$1 million net worth in 1992 dollars) in 1989 and 2004; (2) Changes in mean income and wealth from 1989 to 2004; (3) Changes in aggregate income and wealth from 1989 to 2004; (4) Changes in number of veteran small business households from 1989 to 2004; and (5) Changes in the characteristics of high-income and high-wealth small businesses over this period of time.

The most important comparisons in this study are between veteran and non-veteran, and business and non-business owning households. Veteran households owning a small business hereafter are called veteran small business households; veteran households not owning a business hereafter are called veteran non-business households; households owning a small business with no veteran present in the household are hereafter called non-veteran small business households; and households not owning a business with no veteran present are hereafter called non-veteran non-business households.

The first set of regression models will be employed to compare the progress of veteran households with non-veteran households using the following difference-in-difference model specifications:

$$\text{INCOME} = f(\text{VH}, \text{Y92}, \text{Y95}, \text{Y98}, \text{Y01}, \text{Y04}, \text{VH*Y92}, \text{VH*Y95}, \text{VH*Y98}, \text{VH*Y01}, \text{VH*Y04}; \text{age, race, gender, education, marital status, stock ownership, real estate ownership, professional practice occupation, number of income earners})$$

$$\text{WEALTH} = f(\text{VH}, \text{Y92}, \text{Y95}, \text{Y98}, \text{Y01}, \text{Y04}, \text{VH*Y92}, \text{VH*Y95}, \text{VH*Y98}, \text{VH*Y01}, \text{VH*Y04}; \text{age, race, gender, education, marital status, stock ownership and real estate ownership})$$

where . . .

INCOME= high income (1=greater than \$50,000 in 1992\$), income in the upper 50 percent (1=upper 50 percent); or log income¹

¹ Log transformations of income and wealth are used in this study. Both income and wealth are skewed to the right with large variances. The log transformations make both distributions more normally distributed with a smaller variance.

WEALTH = high wealth (1=greater than \$1 million in 1992\$); wealth I the upper 50 percent (1=upper 50 percent); or log wealth.
 VH = veteran household, dummy variable;
 Y_z = year dummy variable, where z=1992, 1995, 1998, 2001 and 2004;
 age = age of the household head (dummy variables for less than 35, 35 to 44, 45 to 54, 55 to 64, 65 to 74 and 75 or older);
 race = race of the household head (dummy variables for White and other);
 gender = gender of household head (dummy variables for male and female);
 education = education level (categorical variables for some high school, high school graduate, some college, college graduate);
 marital status = marital status (dummy variables for married or otherwise);
 stock ownership = owns publicly traded stock (yes=1, no=0);
 real estate ownership = owns real estate (yes=1, no=0);
 professional practice occupation = professional practice (yes=1, no=0);
 and
 number of income earners = number of income earners in the primary economic unit (household).

A second set of regressions compares the progress of veteran business households with veteran non-business households. The sample will include only veterans and the models will be specified as follows:

INCOME = f(VSB, Y92, Y95, Y98, Y01, Y04, VSB*Y92 VSB*Y95 VSB*Y98 VSB*Y01 VSB*Y04; age, race, gender, education, marital status, stock ownership, real estate ownership, professional practice occupation, number of income earners)

WEALTH = f(VSB, Y92, Y95, Y98, Y01, Y04, VSB*Y92 VSB*Y95 VSB*Y98 VSB*Y01 VSB*Y04; age, race, gender, education, marital status, stock ownership and real estate ownership)

where . . .

VSB = veteran small business household, dummy variable; and
 all other variables are the same as above.

A third set of regressions compares the progress of veteran small business households with non-veteran small business households. The sample will include only small business owners and the models will be specified as follows:

INCOME= f(VSB, Y92, Y95, Y98, Y01, Y04, VSB*Y92 VSB*Y95 VSB*Y98 VSB*Y01 VSB*Y04; age, race, gender, education, marital status, stock ownership, real estate ownership, professional practice occupation, number of income earners)

WEALTH= f(VSB, Y92, Y95, Y98, Y01, Y04, VSB*Y92 VSB*Y95 VSB*Y98 VSB*Y01 VSB*Y04; age, race, gender, education, marital status, stock ownership and real estate ownership)

The wealth equations don't include the professional practice and number of income earner variables. When including households with a self-employed worker in the definition of business owners, several variables are not utilized because they are not reported for self-employed businesses. Those variables include number of employees, firm age, legal organization, standard industrial classification, and founding status.

A fourth set of regressions was added to this study to determine if veteran small business households fared better than non-veteran small business households. Self-employed individuals are not included as business owners in these regressions. These regression models are specified as follows:

INCOME = f(VSB, Y92, Y95, Y98, Y01, Y04, VSB*Y92 VSB*Y95 VSB*Y98 VSB*Y01 VSB*Y04; age, race, gender, education, marital status, stock ownership, real estate ownership, professional practice occupation, number of income earners, number of employees, firm age, legal organization, standard industrial classification, founding status)

WEALTH = f(VSB, Y92, Y95, Y98, Y01, Y04, VSB*Y92 VSB*Y95 VSB*Y98 VSB*Y01 VSB*Y04; age, race, gender, education, marital status, stock ownership, real estate ownership, number of employees, firm age, legal organization, standard industrial classification, founding status)

where . . .

number of employees = number of employees in the business (continuous);

firm age = age of the business (continuous);

legal organization = legal organization of the business (dummy variables for partnership, sole proprietorship, subchapter s corporation and regular corporation);

standard industrial classification = standard industrial classification of the business (dummy variables for agriculture, construction/manufacturing, wholesale/retail and service/other);
founding status = founding status of the business (dummy variables for inherited, bought/invested and started); and
all other variables are the same as above.

The analysis utilized univariate and multivariate statistics to examine households with and without a veteran small business owner. Small business households in this study generally include owners and self-employed individuals, except where the self-employed individuals are explicitly excluded. The next section reports the descriptive and analytical results of this study.

Results (Tables begin on page 21)

Tables 1.1 through 1.3 compare veteran and non-veteran households (Table 1.1), veteran business (and self-employed) households to veteran non-business households (Table 1.2), and veteran business and non-veteran business households (Table 1.3) from 1989 to 2004. The statistical analyses examine how these samples have changed from 1989 to 2004.

Table 1.1 suggests that veteran business householders are significantly older and somewhat wealthier; with somewhat higher incomes; more likely to have a college degree; less likely to be married; less likely to have income from wages and salaries, professional practice, non-taxable investments, other interest, dividends, or temporary assistance for needy families (TANF); and more likely to have social security/pension income in 2004 than 1989. In addition, veteran business householders are more likely to hold stock mutual funds, directly held mutual funds, thrift-type plans, and residential real

estate; and less likely to hold other financial assets, business assets, and other non-financial assets in 2004 than 1989.

Non-veteran householders realized very similar changes from 1989 to 2004. They are more likely to be older, male, college-degreed, and wealthier, with higher incomes; more likely to have salary and wage income; and less likely to have other interest income, TANF income, and other income in 2004 than 1989. In addition, non-veteran households held more wealth in thrift-type plans and residential real estate and less wealth in other assets in 2004 than 1989.

Table 1.2 examines veteran business (including self-employed) and non-business households from 1989 to 2004. Table 1.2 suggests that veteran business households are somewhat older, less likely to have professional practice income and dividends, and more likely to have social security/pension income in 2004 than 1989. Their wealth is more likely to be held in stock mutual funds, total directly held mutual funds, and residential real estate; and less likely to be held in other financial assets, vehicles, business, and other non-financial assets in 2004 than 1989.

Veteran non-business householders were substantially older, more educated, less likely to be married, somewhat higher income earners, and somewhat wealthier in 2004 than 1989. In addition, they were more likely to have income from social security/pensions and less likely to have wage-and-salary income in 2004 than 1989.

Table 1.3 examines veteran business and non-veteran business households from 1989 to 2004. The changes in veteran business households were addressed in Table 1.2. Non-veteran business households realized significant increases in the age and education level of the household head and in the income and wealth of the household from 1989 to

2004. Veteran business households realized significant increases in the age of the household head, but didn't realize the significant changes in education level, income, or wealth. Several significant changes were realized in the structure of income and wealth by non-veteran business households. Most important, they realized a significant increase in the share of wage-and-salary income, and significant decreases in the share of wealth held in business assets, net equity in non-residential real estate, and other assets.

In the most recent year (2004), veteran householders were older, less likely to belong to a minority group, more likely to be male, and more likely to be married than non-veteran householders. Veteran business householders were more likely to belong to a minority group and less likely to be married than veteran non-business householders. And veteran business householders were older, less likely to belong to a minority group, more likely to be male, and more likely to be married than non-veteran business householders. Please see Appendix A for additional details on the characteristics of the samples from 1989 through 2004.

Table 2 examines the probability of being high income (greater than \$50,000 annual income in 1992 dollars) for veteran and non-veteran households. The likelihood of being classified as high income has declined from just over 50 percent in 1989 to about 35 percent in 2004 for all veteran households. Veteran households realized a more substantial decline in the probability of being high income than non-veteran households (12.3 percent decline for non-veteran households versus 30.0 percent decline for veteran households). Business households have realized a somewhat slower decline in the likelihood of being classified as high income than non-business households in this group of veteran households (22.9 percent decline for business households versus 31.4 percent

decline for non-business households). Self-employed-only households had a much lower probability of being high income for all years than small business households.

Households owning a single business realized a substantial decline in the likelihood of being classified as high income, while households owning multiple businesses realized a slight increase in the likelihood of being classified as high income (34.7 percent decline for single business owners and 5.4 percent increase for multiple business owners).

Overall, veteran small business households realized a more substantial decline in the probability of being high income than non-veteran small business households (4.1 percent decline for non-veteran small business households versus 23.9 percent decline for veteran small business households).

Veteran households were more likely to be high income than non-veteran households for all years 1989 through 2004 (Table 2). Veteran business households were generally more likely to be high income than non-veteran business households until 2001. The most recent sample in 2004 suggests that veteran small business households are substantially less likely to be high income than non-veteran small business households (51.6 percent for veteran small business households and 56.3 percent for non-veteran small business households). However, veteran households with multiple small businesses were still more likely to be high income in 2004 than non-veteran households with multiple small businesses. These univariate results should be used with caution because the results do not control for characteristics of the business owner or business.

Table 3 examines the probability of being high wealth (greater than \$1 million in wealth holdings in 1992 dollars) for veteran and non-veteran households. The likelihood of being classified as high wealth increased from 7.6 percent in 1989 to 8.7 percent in

2004 for all veteran households. Even though veteran households realized a substantial increase in the probability of being high wealth, they realized a much smaller increase in the probability of being high wealth than non-veteran households. Business households have realized a smaller percentage increase in the likelihood of being classified as high wealth than non-business households in this group of veteran households (15.0 percent increase for business households versus 29.7 percent increase for non-business households). Self-employed-only households had a much lower probability of being high wealth for all years than small business households. Households owning a single business realized a substantially greater increase in the likelihood of being classified as high wealth than households owning multiple businesses (13.5 percent increase for single business owners and 1.7 percent increase for multiple business owners). Interestingly, veteran small business households realized a significant increase in the probability of being high wealth (21.5 percent), while non-veteran small business households actually realized a significant decline in the probability of being high wealth (11.0 percent) from 1989 to 2004.

Veteran households were more likely to be high wealth than non-veteran households for all years 1989 through 2004 (Table 3). Veteran business households were more likely to be high wealth than non-veteran business households for all years. The most recent sample in 2004 suggests that veteran small business households are substantially less likely to be high wealth than non-veteran small business households (28.3 percent for veteran small business households and 17.8 percent for non-veteran small business households). Interestingly, the gap between the veteran and non-veteran small business households increased substantially from just over 3 percent (20.0 percent

versus 23.3 percent) in 1989 to over 10 percent (17.8 percent versus 28.3 percent) in 2004. These univariate results should be used with caution because the results do not control for characteristics of the business owner or business.

Table 4 considers changes in inflation-adjusted mean income from 1989 to 2004. Mean income was unchanged for veteran households as a group. Mean income increased more for business households (8.2 percent) than for non-business households (0.7 percent). For all years, households with only a self-employed resident had significantly lower mean income than households owning a small business. Mean income increased for small business households, although mean income increased at a slower rate for veteran small business households. Mean income declined substantially for veteran households owning a single business (16.3 percent) and increased for veteran households owning multiple businesses (8 percent).

Table 5 considers changes in inflation-adjusted mean wealth from 1989 to 2004. Mean wealth increased substantially for veteran households as a group (45.6 percent increase from 1989 to 2004). Mean wealth increased less for business households (51.5 percent) than for non-business households (56.2 percent). Households with only a self-employed resident had significantly lower mean wealth than households owning a small business for all years. Mean wealth increased substantially for small business owners, with the rate of increase being very similar for veteran and non-veteran households. Mean wealth increased less for veteran households owning a single business (33.3 percent) than for veteran households owning multiple businesses (42.5 percent).

Table 6 examines the change in aggregate income for veteran households from 1989 to 2004. Aggregate income declined by just over 9 percent for veteran households

as a group from 1989 to 2004. Aggregate income declined more for business households (12.5 percent) than for non-business households (7.1 percent). Aggregate income for non-veteran small business households increased by over 33 percent, while aggregate income for veteran small business households decreased by nearly 17 percent. Aggregate income doubled for veteran households owning multiple businesses (100 percent), but declined substantially for veteran households owning a single business (25 percent).

Table 7 examines the change in aggregate wealth for veteran households from 1989 to 2004. Aggregate wealth increased by nearly 29 percent for veteran households as a group from 1989 to 2004. Aggregate wealth increased more for non-business households (44.4 percent) than for business households (16.9 percent). Aggregate wealth increased nearly twofold for non-veteran business households and increased by nearly 17 percent of veteran business households. Aggregate wealth remained stable for veteran households owning a single business, but increased substantially for veteran households owning multiple businesses (77.8 percent).

Table 8 considers the number of households occupied by veterans and non-veterans from 1989 to 2004. The number of veteran households declined by 11.5 percent from 1989 to 2004 in this study. The number of veteran households declined more for business households (21.9 percent) than for non-business households (8.5 percent). While the number of non-veteran business households increased by nearly 61 percent, the number of veteran business households decreased by over 21 percent from 1989 to 2004. The number of veteran households declined for households with a single business owner (26.5 percent) and increased for households owning multiple businesses (20 percent).

Table 9 compares veteran households with non-veteran households from 1989 to 2004 in order to assess how veteran households fared. This analysis controls for age, race, gender, education, marital status, public stock ownership, real estate ownership, professional practice occupation, and number of income earners. Veteran households were less likely to be classified as high income and had lower log income than non-veteran households. The interaction terms suggest that veteran business households fared about the same as veteran non-business households from 1989 to 2004. However, log income estimates suggest that veteran households may have fared somewhat better from 1989 to 1998 than non-veteran households.

Table 10 compares veteran households with at least one business to veteran non-business households from 1989 to 2004 in order to assess how veteran households with a small business fared. Veteran small business households (or self-employed individuals) were more likely to be classified as high wealth and have higher log income and wealth than veteran non-business households. The interaction terms suggest that veteran small business households fared about the same as veteran non-business households from 1989 to 2004.

Table 11 compares veteran business (or self-employed) households with non-veteran business (or self-employed) households. When considering all business households across all years, veteran business households had a lower likelihood of being classified as high income and wealth than non-veteran business households. Veteran small business households had a lower probability of being in the top 50 percent of household wealth and had lower log wealth than non-veteran small business households. The interaction terms suggest that veteran small business households fared about the

same as non-veteran small business households from 1989 to 2004. Some evidence suggests that veteran small business households may have fared better than non-veteran small business households from 1989 to 1995 (see high-wealth probability, highest 50 percent wealth, and log wealth) and 1989 to 2004 (see high-wealth probability).

Table 12 compares veteran small business (no self-employed) households with non-veteran small business-owning households. Control variables were added for characteristics of the business, including number of employees, business age, legal organization, industrial classification, and founding status. This analysis suggests that veteran-owned small businesses have a lower probability of being high wealth and have lower log wealth than non-veteran small business households. In two time periods, 1989 to 1995 and 1989 to 2004, veteran-owned small business households appeared to have fared somewhat better than non-veteran small business households when changes in the probability of being high wealth and log wealth are considered.

The statistical significance and signs on the control variables were consistent across this set of regressions. Householders from 35 to 64 years of age were higher income earners than householders less than 35 years of age, while householders from 35 to 75 and over were wealthier than householders 35 years of age or younger. Minority-headed households typically earned less income and held less wealth than non-minority households. Households headed by women typically earned less than households headed by men. Householders with higher levels of education typically earned more income and held more wealth than households with lower levels of education. Married householders typically earned more income and held more wealth than non-married householders. Householders owning public stock and real estate earned more income and held more

wealth than householders not holding these assets. Householders employed in a professional practice occupation typically earned more income than those employed in other professions. And finally, households with more than one income earner typically earned less income than households with only one income earner. Further research is needed to determine who constitutes these households and assess the factors contributing to their financial success.

Discussion

Not only did the number of veteran households decline from 1992 to 2004 (from 28.6 million households in 1989 to 25.3 million households in 2004), but the percentage of small business owners in the population of veteran households declined (from 13.6 percent in 1989 to 12.2 percent in 2004).

The univariate results suggest that the likelihood of being high income declined for these veteran small business households by nearly 24 percent, while the likelihood of being high wealth increased by nearly 22 percent. Aggregate income declined by nearly 17 percent, while aggregate wealth increased, however at a much slower rate than for non-veteran small business households.

After controlling for characteristics of the business owner and business, the regression analysis suggests that veteran households had a lower probability of being high income and had lower log income than non-veteran households (Table 9). Veteran small business households had a higher probability of being high wealth and had higher log income and wealth than veteran non-business households (Table 10). However, veteran small business households had a lower probability of being high wealth and lower log wealth than non-veteran small business households (Table 12). The interaction

terms suggest that veteran small business households fared about the same as non-veteran small business households from 1989 to 2004.

For the time period studied in this paper, the pool of veteran small business owners is aging and shrinking. Many of these small businesses are owned by older people, who are realizing somewhat lower earnings (as reflected in lower income) and who have accumulated more wealth. While veteran small business owners realized a higher rate of growth in the probability of being classified as high wealth, this result probably reflects small business owners in a later life stage than other non-veteran owners. When considering the changes between these two groups (veteran and non-veteran small business households), the lack of significance of the interaction terms suggests that veteran and non-veteran small business households fared about the same from 1989 to 2004, and that neither group realized a significantly higher probability of being high income or high wealth.

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Table 1.1 Characteristics of Veterans and Non-Veteran Households in 1989 and 2004

Family Characteristics	1989				2004			
	Veteran Household		Non-Veteran Household		Veteran Household		Non-Veteran Household	
	Number (x 1 m)	Percent	Number (x 1 m)	Percent	Number (x 1 m)	Percent	Number (x 1 m)	Percent
All	28.6	100.0	64.4	100.0	25.3	100.0	86.8	100.0
<i>Age of household head</i>								
Less than 35	3.2	11.1	22.8	35.4	2.7	10.7	22.3	25.7 *
35-44	6.2	21.6	13.9	21.6	3.0	11.9 *	20.3	23.3 *
45-54	5.9	20.7	8.1	12.6	3.6	14.0 *	19.6	22.6 *
55-64	6.6	23.0	6.3	9.8	6.1	24.0	11.0	12.7 *
65-74	5.2	18.1	6.6	10.3	5.3	20.9	6.3	7.2 *
75 and over	1.6	5.5	6.6	10.3	4.7	18.5 *	7.3	8.4 *
<i>Race of household head</i>								
Minority	4.8	16.8	18.6	28.9	4.1	16.1	25.6	29.5
Non-minority	23.8	83.2	45.8	71.1	21.3	83.9	61.2	70.5
<i>Gender of household head</i>								
Male	28.0	97.8	38.8	60.2	24.6	97.1	56.0	64.5 *
Female	5.0	2.2	17.7	39.8	2.3	2.9	14.0	35.5
<i>Education of household head</i>								
No high school diploma	5.0	17.6	17.7	27.4	2.3	9.0 *	14.0	16.2 *
High school diploma only	9.5	33.3	20.4	31.7	8.3	32.8	26.1	30.1
Some college	4.9	17.0	9.6	15.0	4.7	18.5	15.8	18.2 *
College degree or more	9.2	32.1	16.7	25.9	10.0	39.6 *	30.8	35.5 *
<i>Marital Status</i>								
Married	22.6	78.8	28.8	44.7	18.4	72.7 *	38.1	43.9
Not married	6.1	21.2	35.6	55.3	6.9	27.3	48.7	56.1
<i>Income of household (dollars)</i>								
Less than 10,000	2.0	7.0	9.3	14.4	0.9	3.6 *	9.0	10.3 *
10,000-24,999	4.3	14.9	17.8	27.6	3.7	14.4	19.2	22.2 *
25,000-49,999	8.0	27.9	17.4	27.0	7.3	28.8	23.8	27.5
50,000-99,999	8.9	31.0	14.2	22.1	9.2	36.3 *	21.1	24.3
100,000 or more	5.5	19.2	5.7	8.9	4.3	16.9	13.7	15.7 *
<i>Net worth of household (dollars)</i>								
Less than 50,000	7.7	27.0	32.7	50.8	6.2	24.6	38.2	44.0 *
50,000-99,999	3.7	13.0	8.9	13.8	3.1	12.1	10.6	12.2
100,000-249,999	7.5	26.2	12.2	19.0	5.6	22.0 *	15.7	18.1
250,000-499,999	4.9	17.2	5.7	8.9	3.9	15.5	9.6	11.1 *
500,000-999,999	2.6	9.0	2.8	4.4	3.4	13.4 *	6.9	7.9 *
1,000,000-2,499,999	1.4	4.9	1.4	2.2	2.1	8.4 *	3.8	4.4 *
2,500,000-4,999,999	0.5	1.7	0.4	0.6	0.5	2.2	1.0	1.1
5,000,000-9,999,999	0.2	0.7	0.1	0.1	0.3	1.0	0.6	0.7 *
10,000,000 or more	0.1	0.4	0.1	0.2	0.2	0.7	0.3	0.4
<i>Structure of income (shares of total household income)</i>								
Wages and salaries	17.8	62.2	40.0	62.1	13.8	54.5 *	60.3	69.5 *
Professional practice	1.4	4.9	2.1	3.3	0.6	2.5 *	3.1	3.6
Non-taxable investments	0.2	0.8	0.2	0.3	0.1	0.3 *	0.2	0.2
Other interest income	0.9	3.3	1.9	2.9	0.3	1.3 *	0.7	0.8 *
Dividends	0.4	1.3	0.4	0.6	0.2	0.8 *	0.4	0.5
Sale of stocks/bonds/r. estate	0.3	1.0	0.6	0.9	1.1	4.4	1.0	1.1
Net rent/trust/royalties	0.5	1.7	0.9	1.4	0.4	1.6	1.0	1.2
Unemployment/workmans compensation	0.1	0.5	0.3	0.5	0.2	0.8	0.3	0.3
Child support/alimony	0.1	0.2	0.6	1.0	0.1	0.2	0.8	1.0
TANF, food stamps, etc.	0.3	0.9	4.2	6.5	0.1	0.4 *	2.7	3.1 *
Social security/pensions	6.3	21.9	11.4	17.7	8.2	32.4 *	14.8	17.1
Other income	0.3	1.2	1.3	2.7	0.1	0.7	1.1	1.7 *
<i>Structure of wealth (shares of total assets)</i>								
Stock mutual funds	0.1	0.3	0.1	0.2	0.4	1.7 *	1.1	1.3 *
Total directly-held mf	0.3	0.9	0.3	0.5	0.6	2.5 *	1.5	1.8 *
Stocks	0.8	2.6	1.0	1.6	0.7	2.8	1.4	1.6
Thrift-type plans	0.9	3.0	1.3	2.0	1.2	4.8 *	4.9	5.6 *
Other financial assets	0.7	2.5	1.3	2.0	0.2	0.6 *	1.0	1.2 *
Vehicles	4.3	14.9	12.8	19.9	3.8	14.8	17.9	20.6
Residential real estate	11.7	40.9	23.4	36.3	11.2	44.2 *	35.7	41.1 *
Business	1.3	4.6	2.5	3.8	0.8	3.2 *	3.0	3.4
Net equity in nonres real estate	0.7	2.6	1.3	2.0	0.5	2.0	1.2	1.4 *
Other nonfinancial	0.4	1.3	1.0	1.6	0.2	0.7 *	0.8	0.9 *
Other assets	0.1	26.4	0.0	30.2	0.0	22.8	0.0	21.1 *
Observations		1,234		1,909		1,121		3,398

Source: Surveys of Consumer Finance, Federal Reserve Board of Governors, 1989 - 2004.

Table 1.2 Characteristics of Veterans Business and Self-Employed Households and Veteran Non-Business Households in 1989 and 2004

Family Characteristics	1989				2004			
	Veteran Business		Veteran Non-Business		Veteran Business		Veteran Non-Business	
	Number (x 1 m)	Percent	Number (x 1 m)	Percent	Number (x 1 m)	Percent	Number (x 1 m)	Percent
All	6.4	100.0	22.3	100.0	5.0	100.0	20.4	100.0
<i>Age of household head</i>								
Less than 35	0.3	5.1	2.9	12.8	0.2	3.3	2.5	12.5
35-44	1.6	25.7	4.5	20.4	0.6	11.3*	2.4	12.0*
45-54	1.6	25.4	4.3	19.4	0.8	16.3*	2.7	13.5*
55-64	1.6	24.9	5.0	22.4	1.6	32.2	4.5	22.0
65-74	1.1	16.9	4.1	18.4	1.2	24.1	4.1	20.1
75 and over	0.1	2.0	1.5	6.5	0.6	12.7*	4.1	20.0*
<i>Race of household head</i>								
Minority	0.8	13.0	4.0	17.9	0.6	11.3	3.5	17.3
Non-minority	5.5	87.0	18.3	82.1	4.4	88.7	16.9	82.7
<i>Gender of household head</i>								
Male	6.4	100.0	21.7	97.2	4.9	98.5	19.7	96.8
Female	0.5	0.0	4.5	2.8	0.4	1.5	1.9	3.2
<i>Education of household head</i>								
No high school diploma	0.5	8.3	4.5	20.3	0.4	7.2	1.9	9.5*
High school diploma only	1.8	28.2	7.7	34.8	1.5	30.9	6.8	33.3
Some college	1.2	18.7	3.7	16.5	0.6	12.9	4.1	19.9
College degree or more	2.8	44.8	6.3	28.5	2.4	49.1	7.6	37.3*
<i>Marital Status</i>								
Married	5.2	81.5	17.4	78.0	3.9	79.1	14.5	71.2*
Not married	1.2	18.5	4.9	22.0	1.0	20.9	5.9	28.8
<i>Income of household (dollars)</i>								
Less than 10,000	0.3	5.5	1.6	7.4	0.2	4.3	0.7	3.5*
10,000-24,999	0.6	8.8	3.7	16.7	0.6	12.1	3.1	15.0
25,000-49,999	1.6	25.4	6.4	28.6	1.2	25.1	6.0	29.6
50,000-99,999	1.7	26.8	7.2	32.2	1.4	27.6	7.8	38.4*
100,000 or more	2.1	33.5	3.4	15.2	1.5	30.9	2.8	13.5
<i>Net worth of household (dollars)</i>								
Less than 50,000	1.1	17.6	6.6	29.7	0.6	11.9	5.6	27.7
50,000-99,999	0.4	6.4	3.3	14.9	0.3	6.5	2.7	13.4
100,000-249,999	1.0	16.1	6.5	29.1	0.7	15.0	4.8	23.7*
250,000-499,999	1.3	20.9	3.6	16.2	1.0	20.7	2.9	14.3
500,000-999,999	1.1	17.7	1.4	6.5	0.9	17.4	2.5	12.5*
1,000,000-2,499,999	0.7	11.7	0.7	2.9	0.7	13.5	1.5	7.2*
2,500,000-4,999,999	0.3	5.4	0.1	0.6	0.4	8.4	0.1	0.6
5,000,000-9,999,999	0.2	2.8	0.0	0.1	0.2	3.5	0.1	0.4
10,000,000 or more	0.1	1.4	0.0	0.0	0.1	2.9	0.0	0.2
<i>Structure of income (shares of total household income)</i>								
Wages and salaries	3.7	58.9	14.1	63.2	2.7	53.6	11.2	54.8*
Professional practice	1.3	19.7	0.1	0.7	0.6	12.2*	0.0	0.2
Non-taxable investments	0.0	0.8	0.2	0.9	0.0	0.7	0.1	0.2*
Other interest income	0.2	3.4	0.7	3.3	0.1	2.4	0.2	1.1*
Dividends	0.1	2.1	0.3	1.1	0.1	1.1*	0.1	0.7
Sale of stocks/bonds/r.estate	0.0	0.3	0.3	1.2	0.0	1.0	1.1	5.3
Net rent/trust/royalties	0.3	4.2	0.2	1.0	0.2	4.9	0.2	0.8
Unemployment/workmans compensation	0.0	0.2	0.1	0.6	0.0	0.3	0.2	0.9
Child support/alimony	0.0	0.1	0.0	0.2	0.0	0.2	0.1	0.3
TANF, food stamps, etc.	0.0	0.1	0.3	1.1	0.0	0.3	0.1	0.4*
Social security/pensions	0.6	9.8	5.6	25.3	1.1	23.2*	7.1	34.6*
Other income	0.0	0.5	0.2	1.4	0.0	0.3	0.1	0.9
<i>Structure of wealth (shares of total assets)</i>								
Stock mutual funds	0.0	0.5	0.1	0.3	0.1	1.5*	0.3	1.7*
Total directly-held mf	0.1	1.2	0.2	0.8	0.1	2.4*	0.5	2.5*
Stocks	0.2	2.9	0.6	2.5	0.2	3.1	0.6	2.8
Thrift-type plans	0.1	1.8	0.7	3.3	0.1	2.2	1.1	5.4*
Other financial assets	0.2	2.7	0.5	2.4	0.0	0.5*	0.1	0.6*
Vehicles	0.7	11.2	3.6	16.0	0.4	8.8*	3.3	16.3
Residential real estate	2.0	31.3	9.7	43.6	1.9	38.3*	9.3	45.6
Business	1.3	20.7	0.0	0.0	0.8	16.4*	0.0	0.0
Net equity in nonres real estate	0.3	4.1	0.5	2.2	0.2	3.5	0.3	1.6
Other nonfinancial	0.2	2.4	0.2	1.0	0.1	1.2*	0.1	0.6*
Other assets	0.1	21.1	0.0	27.9	0.0	22.0	0.0	22.9*
Observations		551		683		459		662

Source: Surveys of Consumer Finance, Federal Reserve Board of Governors, 1989 - 2004.

Table 1.3 Characteristics of Veterans Business and Non-Veteran Business and Self-Employed Households in 1989 and 2004

Family Characteristics	1989				2004			
	Veteran Business		Non-Veteran Business		Veteran Business		Non-Veteran Business	
	Number (x 1 m)	Percent	Number (x 1 m)	Percent	Number (x 1 m)	Percent	Number (x 1 m)	Percent
All	6.4	100.0	10.3	100.0	5.0	100.0	16.4	100.0
<i>Age of household head</i>								
Less than 35	0.3	5.1	3.3	31.6	0.2	3.3	2.9	17.9 *
35-44	1.6	25.7	3.5	33.8	0.6	11.3 *	4.4	27.0 *
45-54	1.6	25.4	1.6	15.9	0.8	16.3 *	5.5	33.3 *
55-64	1.6	24.9	0.9	9.1	1.6	32.2	2.5	15.3 *
65-74	1.1	16.9	0.6	5.6	1.2	24.1	0.6	3.9
75 and over	0.1	2.0	0.4	4.0	0.6	12.7 *	0.4	2.5
<i>Race of household head</i>								
Minority	0.8	13.0	1.8	17.6	0.6	11.3	3.1	18.9
Non-minority	5.5	87.0	8.5	82.4	4.4	88.7	13.3	81.1
<i>Gender of household head</i>								
Male	6.4	100.0	8.6	84.1	4.9	98.5	14.2	86.4
Female	0.5	0.0	2.0	15.9	0.4	1.5	1.7	13.6
<i>Education of household head</i>								
No high school diploma	0.5	8.3	2.0	19.1	0.4	7.2	1.7	10.1 *
High school diploma only	1.8	28.2	2.6	24.9	1.5	30.9	4.0	24.5
Some college	1.2	18.7	2.1	20.8	0.6	12.9	2.9	17.4
College degree or more	2.8	44.8	3.6	35.2	2.4	49.1	7.9	48.1 *
<i>Marital Status</i>								
Married	5.2	81.5	6.6	63.9	3.9	79.1	11.0	67.2
Not married	1.2	18.5	3.7	36.1	1.0	20.9	5.4	32.8
<i>Income of household (dollars)</i>								
Less than 10,000	0.3	5.5	0.4	4.1	0.2	4.3	0.7	4.1
10,000-24,999	0.6	8.8	2.1	20.7	0.6	12.1	1.9	11.8 *
25,000-49,999	1.6	25.4	2.5	24.0	1.2	25.1	3.4	20.9
50,000-99,999	1.7	26.8	3.0	29.3	1.4	27.6	5.0	30.3
100,000 or more	2.1	33.5	2.3	22.0	1.5	30.9	5.4	33.0 *
<i>Net worth of household (dollars)</i>								
Less than 50,000	1.1	17.6	2.3	22.4	0.6	11.9	3.3	19.8
50,000-99,999	0.4	6.4	1.7	16.1	0.3	6.5	1.4	8.3 *
100,000-249,999	1.0	16.1	2.3	22.5	0.7	15.0	3.3	20.0
250,000-499,999	1.3	20.9	1.3	13.1	1.0	20.7	2.6	15.9
500,000-999,999	1.1	17.7	1.1	10.4	0.9	17.4	2.8	17.3 *
1,000,000-2,499,999	0.7	11.7	1.1	10.7	0.7	13.5	1.7	10.1
2,500,000-4,999,999	0.3	5.4	0.3	3.1	0.4	8.4	0.7	4.0
5,000,000-9,999,999	0.2	2.8	0.1	0.8	0.2	3.5	0.5	2.8
10,000,000 or more	0.1	1.4	0.1	0.8	0.1	2.9	0.3	1.7
<i>Structure of income (shares of total household income)</i>								
Wages and salaries	3.7	58.9	6.5	63.3	2.7	53.6	11.3	68.8 *
Professional practice	1.3	19.7	2.0	19.3	0.6	12.2 *	2.7	16.5
Non-taxable investments	0.0	0.8	0.1	0.6	0.0	0.7	0.0	0.3 *
Other interest income	0.2	3.4	0.3	2.8	0.1	2.4	0.2	1.0 *
Dividends	0.1	2.1	0.1	1.0	0.1	1.1 *	0.1	0.9
Sale of stocks/bonds/r. estate	0.0	0.3	0.3	2.6	0.0	1.0	0.1	0.9 *
Net rent/trust/royalties	0.3	4.2	0.2	2.1	0.2	4.9	0.4	2.1
Unemployment/workmans compensation	0.0	0.2	0.0	0.4	0.0	0.3	0.1	0.5
Child support/alimony	0.0	0.1	0.1	0.5	0.0	0.2	0.1	0.6
TANF, food stamps, etc.	0.0	0.1	0.2	1.9	0.0	0.3	0.2	1.3
Social security/pensions	0.6	9.8	0.5	4.9	1.1	23.2 *	1.0	5.9
Other income	0.0	0.5	0.0	0.8	0.0	0.3	0.1	1.2 *
<i>Structure of wealth (shares of total assets)</i>								
Stock mutual funds	0.0	0.5	0.0	0.1	0.1	1.5 *	0.2	1.4 *
Total directly-held mf	0.1	1.2	0.1	0.6	0.1	2.4 *	0.3	1.9 *
Stocks	0.2	2.9	0.2	1.7	0.2	3.1	0.4	2.4 *
Thrift-type plans	0.1	1.8	0.1	1.3	0.1	2.2	0.6	3.6 *
Other financial assets	0.2	2.7	0.2	1.7	0.0	0.5 *	0.2	1.0 *
Vehicles	0.7	11.2	1.3	13.0	0.4	8.8 *	2.0	11.9
Residential real estate	2.0	31.3	3.2	31.4	1.9	38.3 *	6.3	38.3 *
Business	1.3	20.7	2.5	24.1	0.8	16.4 *	3.0	18.0 *
Net equity in nonres real estate	0.3	4.1	0.4	4.1	0.2	3.5	0.4	2.6 *
Other nonfinancial	0.2	2.4	0.2	1.5	0.1	1.2 *	0.2	1.0
Other assets	0.1	21.1	0.0	20.6	0.0	22.0	0.0	18.1 *
Observations	551			549	459			1,201

Source: Surveys of Consumer Finance, Federal Reserve Board of Governors, 1989 - 2004.

Table 2 Probability of Being High Income for Military Veterans, 1989 to 2004 (self-employed included)

Characteristics	1989	1992	1995	1998	2001	2004	Changes	
	(proportions)						89 to 04	92 to 04
All respondents	0.309	0.295	0.195	0.230	0.287	0.271	-0.123	-0.081
All respondents, Veterans	0.503	0.455	0.287	0.337	0.363	0.352	-0.300	-0.226
No business ownership	0.271	0.249	0.167	0.192	0.233	0.217	-0.199	-0.129
No business ownership, Veterans	0.474	0.416	0.248	0.300	0.325	0.325	-0.314	-0.219
Business owning plus self-employed	0.513	0.534	0.333	0.426	0.532	0.506	-0.014	-0.052
Business owning plus self-employed, Veterans	0.603	0.600	0.442	0.486	0.505	0.465	-0.229	-0.225
Self-employed only	0.324	0.404	0.152	0.316	0.286	0.347	0.071	-0.141
Self-employed only, Veterans	0.351	0.404	0.272	0.392	0.467	0.353	0.006	-0.126
Any business ownership	0.581	0.570	0.399	0.469	0.617	0.578	-0.005	0.014
Any business ownership, Veterans	0.698	0.644	0.508	0.515	0.520	0.510	-0.269	-0.208
Small business	0.587	0.571	0.391	0.457	0.604	0.563	-0.041	-0.014
Small business, Veterans	0.678	0.648	0.500	0.513	0.501	0.516	-0.239	-0.204
single business only	0.536	0.556	0.363	0.455	0.586	0.538	0.004	-0.032
single business only, Veterans	0.654	0.615	0.431	0.495	0.446	0.427	-0.347	-0.306
multiple businesses	0.809	0.638	0.485	0.463	0.667	0.682	-0.157	0.069
multiple businesses, Veterans	0.853	0.760	0.683	0.605	0.724	0.899	0.054	0.183

Note: Highlighted and bolded proportions are statistically different at the 0.05 level of significance from the 1989 reference group.

Source: Surveys of Consumer Finance, Federal Reserve Board of Governors, 1989 - 2004.

Table 3 Probability of Being High Wealth for Military Veterans, 1989 to 2004 (self-employed included)

Characteristics	1989	1992	1995	1998	2001	Changes		
						2004	89 to 04	92 to 04
All respondents	0.032	0.030	0.019	0.027	0.042	0.044	0.375	0.467
All respondents, Veterans	0.076	0.069	0.053	0.054	0.084	0.087	0.145	0.261
No business ownership	0.008	0.011	0.007	0.011	0.013	0.021	1.625	0.909
No business ownership, Veterans	0.037	0.032	0.022	0.028	0.049	0.048	0.297	0.500
Business owning plus self-employed	0.155	0.128	0.077	0.109	0.176	0.142	-0.084	0.109
Business owning plus self-employed, Veterans	0.213	0.206	0.174	0.161	0.214	0.245	0.150	0.189
Self-employed only	0.033	0.052	0.015	0.054	0.064	0.049	0.485	-0.058
Self-employed only, Veterans	0.090	0.060	0.081	0.071	0.133	0.105	0.167	0.750
Any business ownership	0.199	0.149	0.100	0.130	0.215	0.184	-0.075	0.235
Any business ownership, Veterans	0.259	0.239	0.211	0.188	0.247	0.301	0.162	0.259
Small business	0.200	0.148	0.094	0.120	0.204	0.178	-0.110	0.203
Small business, Veterans	0.233	0.223	0.210	0.175	0.232	0.283	0.215	0.269
single business only	0.168	0.105	0.073	0.084	0.155	0.127	-0.244	0.210
single business only, Veterans	0.185	0.132	0.130	0.115	0.195	0.210	0.135	0.591
multiple businesses	0.335	0.334	0.166	0.249	0.373	0.419	0.251	0.254
multiple businesses, Veterans	0.589	0.532	0.399	0.500	0.384	0.599	0.017	0.126

Note: Highlighted and bolded proportions are statistically different at the 0.05 level of significance from the 1989 reference group.

Source: Surveys of Consumer Finance, Federal Reserve Board of Governors, 1989 - 2004.

Table 4 Mean Income for Military Veterans, 1989 to 2004 (self-employed included)

Characteristics	1989	1992	1995	1998	2001	2004	Changes	
							89 to 04	92 to 04
	<i>(2004 dollars)</i>							
All respondents	51,992	45,383	49,139	56,290	70,144	66,854	0.286	0.473
All respondents, Veterans	78,495	64,322	70,213	76,869	84,598	79,105	0.008	0.230
No business ownership	41,153	36,771	41,247	45,851	53,522	51,562	0.253	0.402
No business ownership, Veterans	62,924	53,847	57,890	61,170	67,347	63,352	0.007	0.177
Business owning plus self-employed	108,996	89,455	88,381	108,662	146,761	132,305	0.214	0.479
Business owning plus self-employed, Veterans	133,075	103,113	118,977	140,568	149,202	143,932	0.082	0.396
Self-employed only	57,630	66,499	47,853	69,515	74,562	81,818	0.420	0.230
Self-employed only, Veterans	67,787	75,644	88,790	88,790	105,627	79,677	0.175	0.053
Any business ownership	127,634	95,793	103,071	124,213	171,555	155,246	0.216	0.621
Any business ownership, Veterans	157,670	112,395	135,922	156,430	166,651	169,734	0.077	0.510
Small business	131,912	93,735	94,825	116,503	155,812	139,548	0.058	0.489
Small business, Veterans	151,312	107,371	125,701	150,115	145,980	152,812	0.010	0.423
single business only	104,953	86,149	82,866	93,718	135,559	115,382	0.099	0.339
single business only, Veterans	127,867	85,159	97,166	112,840	112,864	107,016	-0.163	0.257
multiple businesses	247,556	126,792	134,136	198,350	224,761	253,558	0.024	1.000
multiple businesses, Veterans	324,473	182,189	192,783	351,431	282,308	350,413	0.080	0.923

Note: Highlighted and bolded proportions are statistically different at the 0.05 level of significance from the 1989 reference group.

Source: Surveys of Consumer Finance, Federal Reserve Board of Governors, 1989 - 2004.

Table 5 Mean Wealth for Military Veterans, 1989 to 2004 (self-employed included)

Characteristics	1989	1992	1995	1998	2001	2004	Changes 89 to 04	Changes 92 to 04
	<i>(2004 dollars)</i>							
All respondents	196,415	190,409	199,034	266,133	339,222	373,481	0.901	0.961
All respondents, Veterans	436,156	390,202	424,746	486,770	674,363	635,231	0.456	0.628
No business ownership	113,485	107,450	121,201	152,421	177,094	203,299	0.791	0.892
No business ownership, Veterans	243,631	232,602	245,268	298,642	400,338	380,505	0.562	0.636
Business owning plus self-employed	632,558	614,972	586,054	836,625	1,086,491	1,101,859	0.742	0.792
Business owning plus self-employed, Veterans	1,111,029	973,866	1,134,982	1,250,091	1,700,570	1,683,415	0.515	0.729
Self-employed only	197,410	273,490	164,201	308,960	349,265	407,137	1.062	0.489
Self-employed only, Veterans	439,005	371,747	400,078	570,570	945,640	535,018	0.219	0.439
Any business ownership	790,444	709,253	738,952	1,046,235	1,339,652	1,417,539	0.793	0.999
Any business ownership, Veterans	1,364,200	1,107,782	1,422,366	1,458,253	2,002,872	2,144,559	0.572	0.936
Small business	787,462	678,451	660,445	967,422	1,237,230	1,294,947	0.644	0.909
Small business, Veterans	1,215,438	1,045,009	1,359,678	1,258,882	1,784,210	1,957,855	0.611	0.874
single business only	582,188	499,232	504,082	668,132	866,320	871,411	0.497	0.746
single business only, Veterans	862,714	620,702	785,928	787,389	1,308,804	1,149,656	0.333	0.852
multiple businesses	1,668,011	1,459,397	1,174,448	2,042,503	2,499,929	3,293,067	0.974	1.256
multiple businesses, Veterans	3,820,606	2,474,259	2,708,483	3,805,297	3,741,327	5,445,045	0.425	1.201

Note: Highlighted and bolded proportions are statistically different at the 0.05 level of significance from the 1989 reference group.

Source: Surveys of Consumer Finance, Federal Reserve Board of Governors, 1989 - 2004.

Table 6 Aggregate Income for Military Veterans, 1989 to 2004

Characteristics	1989	1992	1995	1998	2001	2004	Changes	Changes
	(x 1 t.)	(x 1 t.)	(x 1 t.)	(x 1 t.)	(x 1 t.)	(x 1 t.)	89 to 04	92 to 04
All respondents	5.6	4.9	5.5	6.3	7.9	7.8	0.393	0.592
All respondents, Veterans	2.2	1.9	2.0	2.0	2.3	2.0	-0.091	0.053
No business ownership	3.9	3.5	4.0	4.6	5.4	5.5	0.4	0.6
No business ownership, Veterans	1.4	1.3	1.3	1.3	1.4	1.3	-0.071	0.000
Business owning plus self-employed	1.1	1.0	1.0	1.4	2.1	2.2	1.000	1.200
Business owning plus self-employed, Veterans	0.8	0.6	0.7	0.7	0.8	0.7	-0.125	0.167
Self-employed only	0.2	0.2	0.2	0.2	0.3	0.4	1.000	1.000
Self-employed only, Veterans	0.1	0.1	0.1	0.1	0.1	0.1	0.000	0.000
Any business ownership	1.7	1.4	1.5	1.8	2.5	2.4	0.412	0.714
Any business ownership, Veterans	0.7	0.6	0.6	0.6	0.7	0.6	-0.143	0.000
Small business	1.5	1.2	1.2	1.5	2.0	2.0	0.333	0.667
Small business, Veterans	0.6	0.5	0.5	0.5	0.5	0.5	-0.167	0.000
single business only	1.0	0.9	0.8	1.0	1.3	1.3	0.300	0.444
single business only, Veterans	0.4	0.3	0.3	0.3	0.3	0.3	-0.250	0.000
multiple businesses	0.5	0.4	0.5	0.6	0.7	0.7	0.400	0.750
multiple businesses, Veterans	0.1	0.2	0.2	0.2	0.2	0.2	1.000	0.000

Source: Surveys of Consumer Finance, Federal Reserve Board of Governors, 1989 - 2004.

Note: all respondents and veterans are not mutually exclusive.

Table 7 Aggregate Wealth for Military Veterans, 1989 to 2004

Characteristics	1989 (x 1 t.)	1992 (x 1 t.)	1995 (x 1 t.)	1998 (x 1 t.)	2001 (x 1 t.)	2004 (x 1 t.)	Changes 89 to 04	Changes 92 to 04
All respondents	25.1	24.3	26.1	33.2	45.1	48.5	0.932	0.996
All respondents, Veterans	12.5	11.8	12.0	12.9	18.0	16.1	0.288	0.364
No business ownership	12.9	12.5	13.8	17.8	22.8	24.9	0.930	0.992
No business ownership, Veterans	5.4	5.5	5.5	6.4	8.4	7.8	0.444	0.418
Business owning plus self-employed	6.5	6.6	6.9	10.6	15.5	18.1	1.785	1.742
Business owning plus self-employed, Veterans	7.1	6.3	6.5	6.6	9.6	8.3	0.169	0.317
Self-employed only	0.5	0.6	0.5	1.1	1.3	2.1	3.200	2.500
Self-employed only, Veterans	0.8	0.4	0.6	0.7	1.5	0.8	0.000	1.000
Any business ownership	12.3	11.8	12.3	15.3	22.2	23.6	0.919	1.000
Any business ownership, Veterans	6.3	5.8	5.8	5.9	8.0	7.6	0.206	0.310
Small business	9.9	10.3	10.3	12.7	18.3	19.9	1.010	0.932
Small business, Veterans	4.7	5.0	5.1	4.6	6.4	6.1	0.298	0.220
single business only	6.1	5.5	5.1	6.8	10.2	10.6	0.738	0.927
single business only, Veterans	2.9	2.3	2.1	2.4	3.8	2.9	0.000	0.261
multiple businesses	3.8	4.8	5.2	5.9	8.1	9.3	1.447	0.938
multiple businesses, Veterans	1.8	2.7	3.0	2.2	2.6	3.2	0.778	0.185

Source: Surveys of Consumer Finance, Federal Reserve Board of Governors, 1989 - 2004.

Note: all respondents and veterans are not mutually exclusive.

Table 8 Number of Households with Businesses for Military Veterans, 1989 to 2004

Characteristics	1989	1992	1995	1998	2001	2004	Changes 89 to 04	Changes 92 to 04
	<i>(x 1 million)</i>							
All respondents	64.4	65.7	70.7	75.9	79.8	86.8	0.348	0.321
All respondents, Veterans	28.6	30.2	28.3	26.6	26.7	25.3	-0.115	-0.162
No business ownership	54.1	55.0	58.6	63.4	65.6	70.3	0.299	0.278
No business ownership, Veterans	22.3	23.8	22.6	21.3	21.0	20.4	-0.085	-0.143
Business ownership plus self-employed	10.2	10.8	11.8	12.6	14.3	16.4	0.608	0.519
Business ownership plus self-employed, Veterans	6.4	6.4	5.7	5.3	5.6	5.0	-0.219	-0.219
Self-employed only	2.8	2.3	3.2	3.6	3.6	5.2	0.857	1.261
Self-employed only, Veterans	1.7	1.2	1.6	1.2	1.6	1.4	-0.176	0.167
Any business ownership	7.6	8.4	8.7	9.1	10.6	11.3	0.487	0.345
Any business ownership, Veterans	4.6	5.3	4.1	4.0	4.0	3.5	-0.239	-0.340
Small business	6.6	7.8	7.8	8.4	9.6	10.6	0.606	0.359
Small business, Veterans	3.9	4.8	3.8	3.6	3.6	3.1	-0.205	-0.354
single business only	5.4	6.4	6.1	6.5	7.4	8.8	0.630	0.375
single business only, Veterans	3.4	3.7	2.6	3.1	2.9	2.5	-0.265	-0.324
multiple businesses	1.2	1.5	1.9	1.9	2.2	1.8	0.500	0.200
multiple businesses, Veterans	0.5	1.1	1.1	0.5	0.7	0.6	0.200	-0.455

Source: Surveys of Consumer Finance, Federal Reserve Board of Governors, 1989 - 2004.

Table 9 (89-04) Determinants of High Income and Wealth Among All Households, 1989 - 2004

All Households, 1989-2004												
Characteristics ¹	Logistic Regression				Logistic Regression				Linear Regression			
	High Income Probability	High Wealth Probability	Highest 50% Income	Highest 50% Wealth	Log Income	Log Wealth	Log Income	Log Wealth	Log Income	Log Wealth	Log Income	Log Wealth
	Parameter	p-value	Parameter	p-value	Parameter	p-value	Parameter	p-value	Parameter	p-value	Parameter	p-value
Intercept	-4.5254	0.0001	-9.0529	0.0001	-3.4034	0.0001	-5.0338	0.0001	9.1583	0.0001	4.2606	0.0001
Age, 35 - 44	0.5276	0.0001	1.1753	0.0001	0.5621	0.0001	0.9700	0.0001	0.1967	0.0001	0.8254	0.0001
Age, 45 - 54	0.7919	0.0001	1.9084	0.0001	0.6395	0.0001	1.5920	0.0001	0.2465	0.0001	1.3774	0.0001
Age, 55 - 64	0.3166	0.0001	2.5762	0.0001	0.0462	0.4342	2.0789	0.0001	0.0252	0.3173	1.7039	0.0001
Age, 65 - 74	-0.4688	0.0001	2.6007	0.0001	-0.8139	0.0001	2.3139	0.0001	-0.1527	0.0001	2.0204	0.0001
Age, 75 and over	-0.8386	0.0001	2.4520	0.0001	-1.1270	0.0001	2.6590	0.0001	-0.2279	0.0001	2.3186	0.0001
Race, minority	-0.3108	0.0001	-0.4802	0.0003	-0.3435	0.0001	-0.6141	0.0001	-0.1758	0.0001	-0.6886	0.0001
Gender, male	1.0170	0.0001	0.9728	0.0001	0.8359	0.0001	0.5033	0.0001	0.2807	0.0001	0.8365	0.0001
Education, high school diploma	1.0324	0.0001	0.3194	0.1073	0.9457	0.0001	0.8601	0.0001	0.3740	0.0001	1.0532	0.0001
Education, some college	1.4644	0.0001	1.0443	0.0001	1.3896	0.0001	1.2109	0.0001	0.4859	0.0001	1.2376	0.0001
Education, college degree or more	2.3308	0.0001	2.0081	0.0001	2.1721	0.0001	1.7791	0.0001	0.8444	0.0001	1.6098	0.0001
Marital status, married	1.1346	0.0001	0.2108	0.0461	1.1074	0.0001	0.5160	0.0001	0.4745	0.0001	0.2263	0.0001
Public stock ownership	1.0414	0.0001	1.6094	0.0001	1.0341	0.0001	1.4322	0.0001	0.4186	0.0001	1.1555	0.0001
Owns real estate	1.1884	0.0001	1.7793	0.0001	1.1409	0.0001	2.7383	0.0001	0.4630	0.0001	4.0412	0.0001
Professional practice occupation, y/n	0.4225	0.0001			0.2174	0.0003			0.1514	0.0001		
Number of income earners	-0.3781	0.0001			-0.2969	0.0002			-0.0744	0.0246		
Year dummy, 92	-0.3651	0.0001	-0.2758	0.1284	0.0807	0.2898	-0.1215	0.1306	-0.1684	0.0001	-0.04232	0.5786
Year dummy, 95	-1.2559	0.0001	-0.8574	0.0001	0.0268	0.7149	-0.124	0.11	-0.2018	0.0001	0.07478	0.3182
Year dummy, 98	-1.1905	0.0001	-0.7350	0.0001	-0.1172	0.1105	-0.3375	0.0001	-0.1963	0.0001	-0.0497	0.5010
Year dummy, 01	-0.8792	0.0001	-0.4684	0.0047	-0.1713	0.0194	-0.3715	0.0001	0.0129	0.6541	0.1451	0.0473
Year dummy, 04	-0.8838	0.0001	-0.2350	0.1514	-0.2084	0.0038	-0.3254	0.0001	0.0174	0.5376	0.2014	0.0051
Veteran household	-0.2148	0.0348	-0.3374	0.0814	-0.0276	0.7862	-0.0085	0.9392	-0.0946	0.0158	-0.0828	0.4077
Interaction: Veteran and 1992	0.1726	0.1968	0.0828	0.7475	-0.0584	0.6597	-0.0512	0.7256	0.0938	0.0791	0.0537	0.6939
Interaction: Veteran and 1995	0.0340	0.8032	0.3158	0.2466	0.0394	0.7635	-0.1871	0.1930	0.1572	0.0035	-0.0965	0.4823
Interaction: Veteran and 1998	0.1226	0.3662	0.0173	0.9477	0.0507	0.7040	-0.2418	0.0971	0.1458	0.0071	-0.2020	0.1442
Interaction: Veteran and 2001	0.0272	0.8394	0.2043	0.4042	-0.0161	0.9031	-0.4228	0.0035	0.0274	0.6127	-0.2338	0.0903
Interaction: Veteran and 2004	0.1179	0.3846	0.0627	0.7990	0.1380	0.3016	-0.2956	0.0444	0.0728	0.1802	-0.3193	0.0214
-2 Log Likelihood/R-square		19,686		6,159		22,622		19,958		0.32		0.49
McFadden R-square		0.34		0.29		0.34		0.42				
Number of Observations		24,614										

Source: Surveys of Consumer Finance, Federal Reserve Board of Governors, 1989 - 2004.

¹ The reference categories are the following: age - less than 35, race - non-minority, gender - female, education - no high school diploma, marital status - not married, public stock ownership - no, and own real estate - no.

² These households have a business owner and manager in the household. The businesses are not necessarily small businesses.

Table 10 (S9-04) Determinants of High Income and Wealth Among Veteran Households, 1989 - 2004

Veterans Only, 1989-2004												
Characteristics ¹	Logistic Regression				Logistic Regression				Linear Regression			
	High Income Probability		High Wealth Probability		Highest 50% Income		Highest 50% Wealth		Log Income		Log Wealth	
	Parameter	p-value	Parameter	p-value	Parameter	p-value	Parameter	p-value	Parameter	p-value	Parameter	p-value
Intercept	-4.8480	0.0001	-10.6075	0.0001	-3.2225	0.0001	-5.1976	0.0001	9.0765	0.0001	4.1910	0.0001
Age, 35 - 44	0.7168	0.0001	1.2679	0.1018	0.6183	0.0001	1.0035	0.0001	0.1905	0.0001	1.4088	0.0001
Age, 45 - 54	1.1485	0.0001	2.4285	0.0011	0.8034	0.0001	1.9021	0.0001	0.2725	0.0001	2.0559	0.0001
Age, 55 - 64	0.5168	0.0001	3.0777	0.0001	0.0966	0.4089	2.4638	0.0001	0.0275	0.5711	2.3432	0.0001
Age, 65 - 74	-0.1527	0.2515	3.2605	0.0001	-0.6759	0.0001	2.7400	0.0001	-0.1220	0.0142	2.6947	0.0001
Age, 75 and over	-0.4538	0.0029	3.4548	0.0001	-1.0847	0.0001	3.1768	0.0001	-0.2648	0.0001	2.8839	0.0001
Race, minority	-0.3303	0.0004	-0.0459	0.8339	-0.2178	0.0109	-0.5420	0.0001	-0.1406	0.0001	-0.4291	0.0001
Gender, male	1.0979	0.0004	1.0797	0.2158	0.7089	0.0004	0.3528	0.1445	0.2623	0.0011	0.9913	0.0001
Education, high school diploma	1.1961	0.0001	0.1464	0.6369	0.8938	0.0001	0.8356	0.0001	0.4357	0.0001	0.5956	0.0001
Education, some college	1.5174	0.0001	0.7774	0.0123	1.1846	0.0001	1.0951	0.0001	0.4970	0.0001	0.7022	0.0001
Education, college degree or more	2.3477	0.0001	1.8738	0.0001	1.9357	0.0001	1.7390	0.0001	0.8302	0.0001	1.2125	0.0001
Marital status, married	1.0383	0.0001	0.2579	0.1271	1.0883	0.0001	0.4185	0.0001	0.4235	0.0001	0.2270	0.0006
Public stock ownership	1.1721	0.0001	1.6527	0.0001	1.2025	0.0001	1.6029	0.0001	0.4586	0.0001	1.0313	0.0001
Owens real estate	0.9766	0.0001	1.6971	0.0001	1.0327	0.0001	2.8056	0.0001	0.4145	0.0001	3.3604	0.0001
Professional practice occupation, y/n	0.3732	0.0007			0.1043	0.3856			0.0403	0.3800		
Number of income earners	-0.4638	0.0005			-0.2316	0.0674			-0.0244	0.6350		
Year dummy, 92	-0.2579	0.0313	-0.3139	0.2680	0.0023	0.9849	-0.2361	0.0866	-0.0496	0.2811	0.0883	0.3652
Year dummy, 95	-1.3784	0.0001	-0.7687	0.0121	0.0926	0.4396	-0.4317	0.0015	-0.0136	0.7707	0.0156	0.8749
Year dummy, 98	-1.1828	0.0001	-0.7051	0.0177	-0.0510	0.6793	-0.6764	0.0001	-0.0105	0.8254	-0.1465	0.1465
Year dummy, 01	-0.9831	0.0001	-0.2190	0.4178	-0.1886	0.1278	-0.9587	0.0001	0.0367	0.4446	-0.0296	0.7714
Year dummy, 04	-0.8552	0.0001	-0.2173	0.4297	-0.0061	0.9616	-0.7262	0.0001	0.1200	0.0134	-0.0549	0.5937
Small business or self-employed	-0.2072	0.2904	1.7102	0.0001	-0.0285	0.8928	0.3602	0.1324	0.2161	0.0035	0.7881	0.0001
Interaction: business and 1992	0.2438	0.3373	0.1605	0.6828	0.1709	0.5316	0.2991	0.3625	-0.0942	0.3400	-0.2393	0.2533
Interaction: business and 1995	0.5926	0.0209	0.3537	0.3940	-0.1115	0.6824	0.6242	0.0645	-0.1418	0.1620	0.0201	0.9256
Interaction: business and 1998	0.3780	0.1461	-0.1160	0.7802	-0.0615	0.8268	0.3468	0.2996	-0.1742	0.0928	-0.0854	0.6973
Interaction: business and 2001	0.3936	0.1257	-0.2320	0.5451	0.1043	0.7046	0.5420	0.1042	0.0477	0.6416	0.0290	0.8936
Interaction: business and 2004	0.3505	0.1889	0.1556	0.6909	-0.1491	0.5945	0.2923	0.3928	-0.1011	0.3379	0.1228	0.5818
-2 Log Likelihood/R-square		6,518		2,234		6,670		5,222		0.233		0.482
McFadden R-square		0.26		0.34		0.25		0.39				
Number of Observations		7,500										

Source: Surveys of Consumer Finance, Federal Reserve Board of Governors, 1989 - 2004.

¹ The reference categories are the following: age - less than 35, race - non-minority, gender - female, education - no high school diploma, marital status - not married, public stock ownership - no, and own real estate - no.

² These households have a business owner and manager in the household. The businesses are not necessarily small businesses.

Table 11 (89-04) Determinants of High Income and Wealth Among Business Households, 1989 - 2004

Business or Self-Employed Households Only, 1989-2004												
Characteristics ¹	Logistic Regression				Logistic Regression				Linear Regression			
	High Income Probability	High Wealth Probability	Highest 50% Income	Highest 50% Wealth	Log Income	Log Wealth	Log Income	Log Wealth	Log Income	Log Wealth	Log Income	Log Wealth
	Parameter	p-value	Parameter	p-value	Parameter	p-value	Parameter	p-value	Parameter	p-value	Parameter	p-value
Intercept	-3.9117	0.0001	-6.7322	0.0001	-3.2413	0.0001	-3.6088	0.0001	9.2477	0.0001	6.3919	0.0001
Age, 35 - 44	0.7272	0.0001	0.9044	0.0002	0.5241	0.0001	0.8681	0.0001	0.1296	0.0043	0.5483	0.0001
Age, 45 - 54	0.9686	0.0001	1.6436	0.0001	0.4602	0.0003	1.3423	0.0001	0.2477	0.0001	1.1393	0.0001
Age, 55 - 64	0.7422	0.0001	2.2681	0.0001	0.2300	0.0998	1.8928	0.0001	0.1798	0.0009	1.5023	0.0001
Age, 65 - 74	0.5483	0.0008	2.2445	0.0001	0.0568	0.7311	1.8333	0.0001	0.0440	0.4928	1.6188	0.0001
Age, 75 and over	0.1968	0.3903	2.4400	0.0001	-0.4551	0.0386	2.1418	0.0001	-0.0402	0.6451	1.8327	0.0001
Race, minority	-0.0324	0.7685	-0.2052	0.2482	-0.0315	0.7692	-0.6883	0.0001	-0.1253	0.0031	-0.3395	0.0001
Gender, male	0.8770	0.0001	1.0185	0.0001	1.0377	0.0001	0.6421	0.0001	0.2960	0.0001	0.6286	0.0001
Education, high school diploma	0.5534	0.0002	0.1180	0.6617	0.6645	0.0001	0.5985	0.0001	0.2345	0.0001	0.7782	0.0001
Education, some college	1.0270	0.0001	0.6863	0.0110	1.1848	0.0001	0.8460	0.0001	0.3498	0.0001	0.8142	0.0001
Education, college degree or more	1.8885	0.0001	1.5933	0.0001	1.7190	0.0001	1.3286	0.0001	0.8001	0.0001	1.3639	0.0001
Marital status, married	0.8517	0.0001	-0.0258	0.8603	0.9702	0.0001	0.4344	0.0001	0.4589	0.0001	0.1629	0.0155
Public stock ownership	1.1200	0.0001	1.4207	0.0001	1.1567	0.0001	1.4911	0.0001	0.4970	0.0001	1.1162	0.0001
Owns real estate	1.1792	0.0001	1.6486	0.0001	1.0276	0.0001	2.8076	0.0001	0.4545	0.0001	3.4976	0.0001
Professional practice occupation, y/n	0.2026	0.0067			0.1494	0.0626			0.1113	0.0002		
Number of income earners	-0.7449	0.0001			-0.6997	0.0001			-0.1691	0.0003		
Year dummy, 92	-0.3618	0.0420	-0.6269	0.0087	0.0805	0.6585	-0.2003	0.3550	-0.1613	0.0146	-0.2640	0.0198
Year dummy, 95	-1.3188	0.0001	-1.1470	0.0001	0.2034	0.2370	-0.6108	0.0025	-0.2366	0.0002	-0.4349	0.0001
Year dummy, 98	-1.1526	0.0001	-1.1665	0.0001	-0.0286	0.8693	-0.5388	0.0098	-0.2057	0.0012	-0.3872	0.0004
Year dummy, 01	-0.7398	0.0001	-0.6669	0.0021	-0.0304	0.8603	-0.4016	0.0539	0.0060	0.9231	-0.1904	0.0753
Year dummy, 04	-0.6594	0.0001	-0.7743	0.0004	0.0611	0.7139	-0.4412	0.0270	0.0438	0.4697	-0.1451	0.1627
Veteran household	-0.4678	0.0288	-0.6710	0.0117	-0.1066	0.6363	-0.7698	0.0052	-0.0233	0.7658	-0.4383	0.0011
Interaction: Veteran and 1992	0.2842	0.3154	0.5156	0.1448	0.0372	0.8495	0.2527	0.4902	0.0000	0.9999	0.1203	0.5135
Interaction: Veteran and 1995	0.4938	0.0784	0.7848	0.0335	-0.3008	0.3053	0.8138	0.0259	0.0607	0.5748	0.4369	0.0187
Interaction: Veteran and 1998	0.2652	0.3460	0.4639	0.2038	-0.1666	0.5818	0.2518	0.4907	-0.0189	0.8626	0.1680	0.3704
Interaction: Veteran and 2001	-0.0207	0.9406	0.3323	0.3296	-0.2166	0.4652	0.1247	0.7330	0.0127	0.9063	0.2049	0.2670
Interaction: Veteran and 2004	-0.0695	0.8063	0.7539	0.0305	-0.4324	0.1455	0.1468	0.6890	-0.0922	0.3993	0.2444	0.1922
-2 Log Likelihood/R-square		4,581		2,850		4,178		3,098		0.197		0.425
McFadden R-square		0.26		0.25		0.24		0.39				
Number of Observations		8,506										

¹ The reference categories are the following: age - less than 35, race - non-minority, gender - female, education - no high school diploma, marital status - not married, public stock ownership - no, and own real estate - no.

² These households have a business owner and manager in the household. The businesses are not necessarily small businesses.

Table 12. (89-04) Determinants of High Income and Wealth Among Small Business Owning Households, 1989 - 2004

Characteristics ¹	Owned and Managed Small Businesses Only, 1989-2004												
	Logistic Regression				Logistic Regression				Linear Regression				
	High Income	High Wealth	Highest 50% Income	Highest 50% Wealth	Log Income	Log Wealth	Log Income	Log Wealth	Log Income	Log Wealth	Log Income	Log Wealth	
Parameter	p-value	Parameter	p-value	Parameter	p-value	Parameter	p-value	Parameter	p-value	Parameter	p-value	Parameter	p-value
Intercept	-3.8525	0.0001	-5.1336	0.0001	-2.6269	0.0001	-1.7089	0.0011	9.2371	0.0001	8.9416	0.0001	0.0001
Age, 35 - 44	0.6659	0.0001	0.6863	0.0122	0.6545	0.0001	0.7956	0.0001	0.1550	0.0029	0.4964	0.0001	0.0001
Age, 45 - 54	0.9200	0.0001	1.3771	0.0001	0.6009	0.0003	1.0453	0.0001	0.2433	0.0001	0.9000	0.0001	0.0001
Age, 55 - 64	0.4662	0.0095	2.0261	0.0001	0.2498	0.1857	1.4447	0.0001	0.1459	0.0277	1.1889	0.0001	0.0001
Age, 65 - 74	0.4921	0.0328	1.8885	0.0001	0.2553	0.2857	1.4106	0.0001	0.0393	0.6416	1.1215	0.0001	0.0001
Age, 75 and over	-0.2751	0.4241	1.5363	0.0003	0.0997	0.7721	1.7394	0.0022	-0.1333	0.3184	1.0800	0.0001	0.0001
Race, minority	0.0365	0.7939	-0.0935	0.6553	-0.1966	0.1672	-0.5787	0.0005	-0.1333	0.0098	-0.2608	0.0003	0.0003
Gender, male	0.5570	0.0056	0.9241	0.0032	0.7468	0.0001	0.5948	0.0102	0.1896	0.0072	0.6874	0.0001	0.0001
Education, high school diploma	0.4867	0.0092	0.1863	0.5581	0.4856	0.0045	0.3377	0.1431	0.2519	0.0002	0.6673	0.0001	0.0001
Education, some college	0.7066	0.0004	0.6597	0.0423	0.8202	0.0001	0.5180	0.0375	0.2681	0.0002	0.5993	0.0001	0.0001
Education, college degree or more	1.5289	0.0001	1.4647	0.0001	1.3464	0.0001	0.7107	0.0025	0.6412	0.0001	0.8685	0.0001	0.0001
Marital status, married	1.0590	0.0001	0.0520	0.7734	1.0188	0.0001	0.2789	0.0754	0.4556	0.0001	0.1310	0.0399	0.0001
Public stock ownership	1.0599	0.0001	1.0780	0.0001	1.0044	0.0001	1.3649	0.0001	0.4092	0.0001	0.7246	0.0001	0.0001
Owens real estate	0.9399	0.0001	1.0792	0.0011	0.7898	0.0001	2.6810	0.0001	0.3227	0.0001	2.1307	0.0001	0.0001
Professional practice occupation, y/n	0.1992	0.0308			0.1142	0.2546			0.1509	0.0001			
Number of income earners	-0.6650	0.0003			-0.6436	0.0005			-0.0424	0.5185			
Employees	0.0331	0.0001	0.0111	0.0001	0.0510	0.0001	0.0964	0.0001	0.0053	0.0001	0.0066	0.0001	0.0001
Business age	0.0107	0.0427	0.0334	0.0001	-0.0098	0.0827	0.0120	0.0120	0.0051	0.0079	0.0223	0.0001	0.0001
Organization, partnership	0.0273	0.8796	-0.5375	0.0047	-0.1200	0.5828	-0.4530	0.1346	-0.1070	0.0849	-0.3329	0.0001	0.0001
Organization, sole proprietorship	-0.3742	0.0219	-1.2716	0.0001	-0.3667	0.0682	-0.7099	0.0121	-0.3285	0.0001	-0.8138	0.0001	0.0001
Organization, corporation - sub s	0.2584	0.1884	0.1624	0.3816	-0.1252	0.6061	0.4339	0.2531	-0.0667	0.3148	0.0223	0.8087	0.0001
Organization, corporation, manuf.	0.5283	0.0015	-0.2474	0.3084	0.2003	0.2480	-0.7011	0.0043	0.3083	0.0001	-0.5865	0.0001	0.0001
Industry, wholesale, retail	0.1712	0.3113	-0.2320	0.3316	0.1518	0.3935	-0.9824	0.0001	0.2177	0.0006	-0.3105	0.0004	0.0004
Industry, services and other	0.7335	0.0001	0.0649	0.7623	0.4679	0.0040	-0.5712	0.0154	0.4286	0.0001	-0.2284	0.0041	0.0041
Industry, services and other	0.2227	0.0651	-0.3488	0.0196	0.2389	0.0666	-0.1488	0.3959	0.1053	0.0150	-0.1786	0.0030	0.0030
Founding status, bought, invested	0.0741	0.7326	-0.0121	0.9608	0.2785	0.2330	0.3976	0.2921	0.1611	0.0329	0.0639	0.5423	0.5423
Founding status, started	-0.4651	0.0320	-0.7170	0.0110	-0.1086	0.6288	-0.0896	0.7541	-0.0964	0.1961	-0.2405	0.0202	0.0202
Year dummy, 92	-1.3706	0.0001	-1.2264	0.0001	0.0644	0.7708	-0.3733	0.1834	-0.2079	0.0053	-0.2996	0.0039	0.0039
Year dummy, 95	-1.3472	0.0001	-1.2953	0.0001	-0.1040	0.6485	-0.5371	0.0636	-0.1728	0.0220	-0.1413	0.1775	0.1775
Year dummy, 98	-0.7873	0.0003	-0.6216	0.0212	-0.2403	0.2996	-0.1720	0.5765	0.1295	0.0859	0.1612	0.1232	0.1232
Year dummy, 01	-0.6323	0.0043	-0.4692	0.0951	-0.0827	0.7207	-0.2606	0.3850	0.1589	0.0371	0.1876	0.0761	0.0761
Year dummy, 04	-0.3919	0.1596	-0.8315	0.0140	0.4187	0.1958	-0.1112	0.7977	0.1273	0.1651	-0.3769	0.0031	0.0031
Veteran owned small business	0.3798	0.2845	0.5549	0.2001	-0.3796	0.3425	-0.5141	0.3313	-0.2038	0.0927	0.0510	0.7625	0.7625
Interaction: business and 1992	0.4859	0.1761	1.0521	0.0211	-0.9455	0.0192	0.5732	0.3190	-0.0731	0.5610	0.4467	0.0106	0.0106
Interaction: business and 1995	0.3806	0.2866	0.7856	0.0883	-0.7173	0.0789	-0.2556	0.6337	-0.0253	0.8400	0.1283	0.4621	0.4621
Interaction: business and 1998	-0.3163	0.3757	0.6198	0.1535	-0.8576	0.0347	-0.7730	0.1527	-0.2419	0.0542	0.1508	0.3881	0.3881
Interaction: business and 2001	-0.1009	0.7831	1.0986	0.0126	-1.2536	0.0021	-0.4907	0.3668	-0.2502	0.0511	0.4094	0.0217	0.0217
Interaction: business and 2004													
-2 Log Likelihood/R-square		3.032		1.943		2.641		1.746		0.195		0.374	0.374
McFadden R-square		0.26		0.30		0.22		0.36					
Number of Observations		6,370											

Source: Surveys of Consumer Finance, Federal Reserve Board of Governors, 1989 - 2004.

¹ The reference categories are the following: age - less than 35, race - non-minority, gender - female, education - no high school diploma, marital status - not married, public stock ownership - no, own real estate - no, corporation - agriculture, and founding status - inherited/given.

² These households have a business owner and manager in the household. The businesses are not necessarily small businesses.

Appendix A

Tables 1.1a – 1.1c

Tables 1.2a – 1.2c

Tables 1.3a – 1.3c

Table 1.1a Characteristics of Veterans and Non-Veteran Households in 1989 and 1992 (continued)

Family Characteristics	1989				1992			
	Veteran Household		Non-Veteran Household		Veteran Household		Non-Veteran Household	
	Number (x 1 m)	Percent	Number (x 1 m)	Percent	Number (x 1 m)	Percent	Number (x 1 m)	Percent
All	28.6	100.0	64.4	100.0	30.2	100.0	65.7	100.0
<i>Age of household head</i>								
Less than 35	3.2	11.1	22.8	35.4	3.6	12.0	21.1	32.1
35-44	6.2	21.6	13.9	21.6	5.1	16.8	16.7	25.4
45-54	5.9	20.7	8.1	12.6	6.9	22.7	8.8	13.4
55-64	6.6	23.0	6.3	9.8	6.3	21.0	6.5	9.8
65-74	5.2	18.1	6.6	10.3	6.2	20.5	6.0	9.1
75 and over	1.6	5.5	6.6	10.3	2.1	7.1	6.8	10.3
<i>Race of household head</i>								
Minority	4.8	16.8	18.6	28.9	4.6	15.1	19.1	29.1
Non-minority	23.8	83.2	45.8	71.1	25.7	84.9	46.6	70.9
<i>Gender of household head</i>								
Male	28.0	97.8	38.8	60.2	29.4	97.2	39.9	60.7
Female	5.0	2.2	17.7	39.8	4.9	2.8	14.7	39.3
<i>Education of household head</i>								
No high school diploma	5.0	17.6	17.7	27.4	4.9	16.2	14.7	22.4
High school diploma only	9.5	33.3	20.4	31.7	9.4	31.2	19.4	29.6
Some college	4.9	17.0	9.6	15.0	6.2	20.5	10.9	16.5
College degree or more	9.2	32.1	16.7	25.9	9.7	32.1	20.7	31.5
<i>Marital Status</i>								
Married	22.6	78.8	28.8	44.7	23.4	77.3	28.5	43.4
Not married	6.1	21.2	35.6	55.3	6.9	22.7	37.2	56.6
<i>Income of household (dollars)</i>								
Less than 10,000	2.0	7.0	9.3	14.4	1.3	4.1	10.7	16.4
10,000-24,999	4.3	14.9	17.8	27.6	6.1	20.2	17.1	26.1
25,000-49,999	8.0	27.9	17.4	27.0	9.1	30.1	18.4	28.0
50,000-99,999	8.9	31.0	14.2	22.1	9.5	31.4	13.8	21.0
100,000 or more	5.5	19.2	5.7	8.9	4.3	14.2	5.6	8.5
<i>Net worth of household (dollars)</i>								
Less than 50,000	7.7	27.0	32.7	50.8	8.5	28.1	33.8	51.5
50,000-99,999	3.7	13.0	8.9	13.8	4.5	15.0	9.2	14.1
100,000-249,999	7.5	26.2	12.2	19.0	7.7	25.3	13.0	19.7
250,000-499,999	4.9	17.2	5.7	8.9	4.6	15.1	5.5	8.3
500,000-999,999	2.6	9.0	2.8	4.4	2.9	9.5	2.2	3.4
1,000,000-2,499,999	1.4	4.9	1.4	2.2	1.4	4.5	1.4	2.2
2,500,000-4,999,999	0.5	1.7	0.4	0.6	0.5	1.6	0.3	0.5
5,000,000-9,999,999	0.2	0.7	0.1	0.1	0.2	0.6	0.2	0.2
10,000,000 or more	0.1	0.4	0.1	0.2	0.1	0.2	0.1	0.1
<i>Structure of income (shares of total household income)</i>								
Wages and salaries	17.8	62.2	40.0	62.1	18.3	60.6	41.2	62.8
Professional practice	1.4	4.9	2.1	3.3	1.5	5.1	2.2	3.3
Non-taxable investments	0.2	0.8	0.2	0.3	0.3	0.9	0.2	0.4
Other interest income	0.9	3.3	1.9	2.9	1.1	3.6	1.1	1.7
Dividends	0.4	1.3	0.4	0.6	0.4	1.2	0.3	0.4
Sale of stocks/bonds/r. estate	0.3	1.0	0.6	0.9	-0.2	-0.7	1.9	2.8
Net rent/trust/royalties	0.5	1.7	0.9	1.4	0.7	2.3	0.8	1.2
Unemployment/workmans compensation	0.1	0.5	0.3	0.5	0.2	0.7	0.8	1.2
Child support/alimony	0.1	0.2	0.6	1.0	0.1	0.2	0.7	1.0
TANF, food stamps, etc.	0.3	0.9	4.2	6.5	0.3	0.9	4.0	6.1
Social security/pensions	6.3	21.9	11.4	17.7	7.2	23.6	10.8	16.4
Other income	0.3	1.2	1.3	2.7	0.3	1.6	1.0	2.7
<i>Structure of wealth (shares of total assets)</i>								
Stock mutual funds	0.1	0.3	0.1	0.2	0.2	0.6	0.3	0.5
Total directly-held mf	0.3	0.9	0.3	0.5	0.4	1.2	0.7	1.1
Stocks	0.8	2.6	1.0	1.6	1.0	3.4	1.4	2.2
Thrift-type plans	0.9	3.0	1.3	2.0	0.9	3.0	2.0	3.1
Other financial assets	0.7	2.5	1.3	2.0	0.7	2.4	1.4	2.2
Vehicles	4.3	14.9	12.8	19.9	4.8	15.8	13.4	20.5
Residential real estate	11.7	40.9	23.4	36.3	12.8	42.2	24.7	37.6
Business	1.3	4.6	2.5	3.8	1.3	4.4	2.5	3.8
Net equity in nonres real estate	0.7	2.6	1.3	2.0	0.9	3.1	0.6	0.9
Other nonfinancial	0.4	1.3	1.0	1.6	0.3	1.0	0.7	1.0
Other assets	0.1	26.4	0.0	30.2	0.0	23.0	0.0	27.2
Observations		1,234		1,909		1,409		2,497

Source: Surveys of Consumer Finance, Federal Reserve Board of Governors, 1989 and 1992.

Table 1.1b Characteristics of Veterans and Non-Veteran Households in 1995 and 1998 (continued)

Family Characteristics	1995				1998			
	Veteran Household		Non-Veteran Household		Veteran Household		Non-Veteran Household	
	Number (x 1 m)	Percent	Number (x 1 m)	Percent	Number (x 1 m)	Percent	Number (x 1 m)	Percent
All	28.3	100.0	70.7	100.0	26.6	100.0	76.0	100.0
<i>Age of household head</i>								
Less than 35	3.3	11.6	21.2	30.0	2.9	10.9	21.0	27.6
35-44	4.1	14.5	18.7	26.4	3.9	14.7	19.9	26.2
45-54	6.6	23.5	11.0	15.6	6.1	22.9	13.6	17.9
55-64	5.9	20.7	6.5	9.2	5.1	19.0	8.1	10.7
65-74	6.0	21.2	5.9	8.4	5.1	19.1	6.4	8.5
75 and over	2.4	8.5	7.3	10.3	3.5	13.2	6.9	9.1
<i>Race of household head</i>								
Minority	4.3	15.2	17.9	25.3	3.8	14.2	19.0	24.9
Non-minority	24.0	84.8	52.8	74.7	22.8	85.8	57.0	75.1
<i>Gender of household head</i>								
Male	27.7	98.0	42.7	60.4	25.8	97.1	48.2	63.4
Female	3.9	2.0	14.4	39.6	3.0	2.9	13.7	36.6
<i>Education of household head</i>								
No high school diploma	3.9	13.8	14.4	20.3	3.0	11.2	13.7	18.1
High school diploma only	9.5	33.7	21.8	30.8	9.2	34.6	23.4	30.9
Some college	5.6	19.8	13.3	18.8	5.3	19.8	13.7	18.1
College degree or more	9.2	32.7	21.3	30.1	9.1	34.4	25.1	33.0
<i>Marital Status</i>								
Married	21.7	76.5	30.3	42.9	20.4	76.8	33.1	43.6
Not married	6.6	23.5	40.4	57.1	6.2	23.2	42.9	56.4
<i>Income of household (dollars)</i>								
Less than 10,000	1.1	4.0	11.6	16.4	1.0	3.6	10.2	13.4
10,000-24,999	5.2	18.3	16.7	23.7	4.2	15.7	17.6	23.1
25,000-49,999	8.7	30.9	20.5	29.0	8.3	31.4	21.1	27.8
50,000-99,999	8.7	30.7	15.9	22.5	8.3	31.4	19.0	25.0
100,000 or more	4.5	16.1	6.0	8.5	4.8	17.9	8.1	10.7
<i>Net worth of household (dollars)</i>								
Less than 50,000	8.2	28.9	34.3	48.5	7.1	26.5	34.9	46.0
50,000-99,999	4.4	15.4	11.1	15.7	3.3	12.4	9.6	12.6
100,000-249,999	7.2	25.3	14.7	20.8	6.3	23.8	16.0	21.1
250,000-499,999	3.8	13.5	6.0	8.5	5.1	19.3	7.9	10.4
500,000-999,999	2.7	9.6	2.9	4.0	2.6	9.6	4.5	5.9
1,000,000-2,499,999	1.4	4.8	1.1	1.6	1.4	5.3	2.0	2.6
2,500,000-4,999,999	0.4	1.4	0.3	0.5	0.4	1.7	0.6	0.8
5,000,000-9,999,999	0.2	0.7	0.2	0.2	0.2	0.8	0.3	0.4
10,000,000 or more	0.1	0.4	0.1	0.2	0.1	0.4	0.2	0.2
<i>Structure of income (shares of total household income)</i>								
Wages and salaries	17.1	60.3	45.5	64.4	15.9	59.8	51.1	67.3
Professional practice	0.9	3.0	2.5	3.5	0.9	3.5	2.7	3.6
Non-taxable investments	0.2	0.6	0.2	0.3	0.2	0.6	0.1	0.2
Other interest income	0.7	2.6	1.0	1.5	0.7	2.8	1.1	1.4
Dividends	0.4	1.4	0.6	0.9	0.2	0.6	0.5	0.7
Sale of stocks/bonds/r. estate	0.4	1.5	0.5	0.7	1.2	4.4	0.7	0.9
Net rent/trust/royalties	0.3	1.1	0.8	1.1	0.4	1.4	0.7	0.9
Unemployment/workmans compensation	0.2	0.7	0.5	0.7	0.1	0.5	0.4	0.5
Child support/alimony	0.1	0.4	0.8	1.2	0.1	0.3	0.8	1.1
TANF, food stamps, etc.	0.4	1.6	4.2	5.9	0.2	0.9	2.6	3.5
Social security/pensions	7.2	25.4	12.4	17.5	6.1	22.8	12.8	16.8
Other income	0.2	1.4	0.7	2.4	0.2	2.4	0.7	3.2
<i>Structure of wealth (shares of total assets)</i>								
Stock mutual funds	0.4	1.5	0.6	0.8	0.6	2.1	1.1	1.5
Total directly-held mf	0.7	2.6	0.9	1.3	0.8	3.2	1.7	2.2
Stocks	1.0	3.7	1.7	2.4	1.6	5.9	2.8	3.7
Thrift-type plans	1.0	3.4	3.0	4.2	1.2	4.7	4.3	5.6
Other financial assets	0.7	2.3	1.6	2.3	0.5	2.0	1.7	2.2
Vehicles	4.7	16.5	14.7	20.8	3.7	14.1	14.4	19.0
Residential real estate	11.7	41.3	25.8	36.5	10.7	40.2	26.8	35.3
Business	1.1	3.8	2.4	3.4	0.9	3.3	2.6	3.4
Net equity in nonres real estate	0.6	2.3	1.1	1.6	0.6	2.3	1.0	1.3
Other nonfinancial	0.3	0.9	0.8	1.1	0.2	0.9	0.7	1.0
Other assets	0.0	21.6	0.0	25.6	0.0	21.4	0.0	24.9
Observations		1,429		2,870		1,235		3,070

Source: Surveys of Consumer Finance, Federal Reserve Board of Governors, 1995 and 1998.

Table 1.1c Characteristics of Veterans and Non-Veteran Households in 2001 and 2004 (continued)

Family Characteristics	2001				2004			
	Veteran Household		Non-Veteran Household		Veteran Household		Non-Veteran Household	
	Number (x 1 m)	Percent	Number (x 1 m)	Percent	Number (x 1 m)	Percent	Number (x 1 m)	Percent
All	26.7	100.0	79.8	100.0	25.3	100.0	86.8	100.0
<i>Age of household head</i>								
Less than 35	2.3	8.6	21.9	27.5	2.7	10.7	22.3	25.7*
35-44	3.6	13.7	20.1	25.2	3.0	11.9*	20.3	23.3*
45-54	5.1	19.0	17.0	21.2	3.6	14.0*	19.6	22.6*
55-64	5.4	20.3	8.6	10.8	6.1	24.0	11.0	12.7*
65-74	5.4	20.1	6.1	7.6	5.3	20.9	6.3	7.2*
75 and over	4.9	18.3	6.1	7.7	4.7	18.5*	7.3	8.4*
<i>Race of household head</i>								
Minority	3.6	13.5	21.6	27.1	4.1	16.1	25.6	29.5
Non-minority	23.1	86.5	58.2	72.9	21.3	83.9	61.2	70.5
<i>Gender of household head</i>								
Male	26.0	97.6	52.1	65.2	24.6	97.1	56.0	64.5*
Female	2.9	2.4	14.0	34.8	2.3	2.9	14.0	35.5
<i>Education of household head</i>								
No high school diploma	2.9	10.9	14.0	17.5	2.3	9.0*	14.0	16.2*
High school diploma only	8.4	31.6	25.2	31.6	8.3	32.8	26.1	30.1
Some college	5.5	20.8	14.0	17.6	4.7	18.5	15.8	18.2*
College degree or more	9.8	36.8	26.6	33.3	10.0	39.6*	30.8	35.5*
<i>Marital Status</i>								
Married	20.5	77.1	36.1	45.2	18.4	72.7*	38.1	43.9
Not married	6.1	22.9	43.8	54.8	6.9	27.3	48.7	56.1
<i>Income of household (dollars)</i>								
Less than 10,000	0.8	3.1	8.5	10.6	0.9	3.6*	9.0	10.3*
10,000-24,999	4.1	15.4	17.0	21.2	3.7	14.4	19.2	22.2*
25,000-49,999	7.7	28.7	22.0	27.5	7.3	28.8	23.8	27.5
50,000-99,999	9.1	34.3	20.1	25.2	9.2	36.3*	21.1	24.3
100,000 or more	4.9	18.5	12.3	15.4	4.3	16.9	13.7	15.7*
<i>Net worth of household (dollars)</i>								
Less than 50,000	6.4	24.1	34.8	43.6	6.2	24.6	38.2	44.0*
50,000-99,999	3.4	12.8	10.0	12.5	3.1	12.1	10.6	12.2
100,000-249,999	5.6	20.8	14.6	18.2	5.6	22.0*	15.7	18.1
250,000-499,999	4.8	17.9	9.8	12.2	3.9	15.5	9.6	11.1*
500,000-999,999	3.2	12.1	6.2	7.7	3.4	13.4*	6.9	7.9*
1,000,000-2,499,999	2.1	8.0	2.9	3.7	2.1	8.4*	3.8	4.4*
2,500,000-4,999,999	0.6	2.3	0.9	1.1	0.5	2.2	1.0	1.1
5,000,000-9,999,999	0.3	1.1	0.6	0.7	0.3	1.0	0.6	0.7*
10,000,000 or more	0.3	1.0	0.2	0.3	0.2	0.7	0.3	0.4
<i>Structure of income (shares of total household income)</i>								
Wages and salaries	14.8	55.3	56.9	71.2	13.8	54.5*	60.3	69.5*
Professional practice	0.9	3.5	2.8	3.5	0.6	2.5*	3.1	3.6
Non-taxable investments	0.2	0.7	0.2	0.3	0.1	0.3*	0.2	0.2
Other interest income	0.5	2.0	1.1	1.3	0.3	1.3*	0.7	0.8*
Dividends	0.5	1.9	0.6	0.8	0.2	0.8*	0.4	0.5
Sale of stocks/bonds/r. estate	0.5	1.7	0.7	0.9	1.1	4.4	1.0	1.1
Net rent/trust/royalties	0.3	1.1	0.7	0.9	0.4	1.6	1.0	1.2
Unemployment/workmans compensation	0.1	0.4	0.4	0.5	0.2	0.8	0.3	0.3
Child support/alimony	0.0	0.2	0.7	0.9	0.1	0.2	0.8	1.0
TANF, food stamps, etc.	0.1	0.3	2.1	2.7	0.1	0.4*	2.7	3.1*
Social security/pensions	8.5	32.0	12.6	15.8	8.2	32.4*	14.8	17.1
Other income	0.2	1.0	0.7	1.1	0.1	0.7	1.1	1.7*
<i>Structure of wealth (shares of total assets)</i>								
Stock mutual funds	0.6	2.2	1.3	1.7	0.4	1.7*	1.1	1.3*
Total directly-held mf	0.8	2.9	1.8	2.3	0.6	2.5*	1.5	1.8*
Stocks	1.9	7.2	3.2	4.1	0.7	2.8	1.4	1.6
Thrift-type plans	1.2	4.6	4.3	5.4	1.2	4.8*	4.9	5.6*
Other financial assets	0.5	1.9	1.3	1.7	0.2	0.6*	1.0	1.2*
Vehicles	3.9	14.7	15.7	19.7	3.8	14.8	17.9	20.6
Residential real estate	10.5	39.5	28.7	35.9	11.2	44.2*	35.7	41.1*
Business	1.0	3.6	2.9	3.6	0.8	3.2*	3.0	3.4
Net equity in nonres real estate	0.5	2.0	1.1	1.4	0.5	2.0	1.2	1.4*
Other nonfinancial	0.3	1.0	0.6	0.8	0.2	0.7*	0.8	0.9*
Other assets	0.0	20.4	0.0	23.4	0.0	22.8	0.0	21.1*
Observations		1,199		3,243		1,121		3,398

Source: Surveys of Consumer Finance, Federal Reserve Board of Governors, 2001 and 2004.

Table 1.2a Characteristics of Veterans Business and Self-Employed Households and Veteran Non-Business Households in 1989 and 1992

Family Characteristics	1989				1992			
	Veteran Business		Veteran Non-Business		Veteran Business		Veteran Non-Business	
	Number (x 1 m)	Percent	Number (x 1 m)	Percent	Number (x 1 m)	Percent	Number (x 1 m)	Percent
All	6.4	100.0	22.3	100.0	6.4	100.0	23.8	100.0
<i>Age of household head</i>								
Less than 35	0.3	5.1	2.9	12.8	0.3	4.4	3.3	14.0
35-44	1.6	25.7	4.5	20.4	1.2	18.5	3.9	16.4
45-54	1.6	25.4	4.3	19.4	1.8	28.3	5.0	21.2
55-64	1.6	24.9	5.0	22.4	1.9	28.9	4.5	18.8
65-74	1.1	16.9	4.1	18.4	1.1	16.9	5.1	21.5
75 and over	0.1	2.0	1.5	6.5	0.2	2.9	1.9	8.2
<i>Race of household head</i>								
Minority	0.8	13.0	4.0	17.9	0.8	12.2	3.8	15.9
Non-minority	5.5	87.0	18.3	82.1	5.6	87.8	20.0	84.1
<i>Gender of household head</i>								
Male	6.4	100.0	21.7	97.2	6.3	98.4	23.1	96.8
Female	0.5	0.0	4.5	2.8	0.6	1.6	4.3	3.2
<i>Education of household head</i>								
No high school diploma	0.5	8.3	4.5	20.3	0.6	8.6	4.3	18.2
High school diploma only	1.8	28.2	7.7	34.8	1.6	25.6	7.8	32.7
Some college	1.2	18.7	3.7	16.5	1.4	22.5	4.8	20.0
College degree or more	2.8	44.8	6.3	28.5	2.8	43.3	6.9	29.1
<i>Marital Status</i>								
Married	5.2	81.5	17.4	78.0	5.6	86.5	17.8	74.8
Not married	1.2	18.5	4.9	22.0	0.9	13.5	6.0	25.2
<i>Income of household (dollars)</i>								
Less than 10,000	0.3	5.5	1.6	7.4	0.2	2.8	1.1	4.5
10,000-24,999	0.6	8.8	3.7	16.7	0.6	9.9	5.5	23.0
25,000-49,999	1.6	25.4	6.4	28.6	1.8	27.4	7.3	30.8
50,000-99,999	1.7	26.8	7.2	32.2	2.0	31.7	7.5	31.3
100,000 or more	2.1	33.5	3.4	15.2	1.8	28.3	2.5	10.3
<i>Net worth of household (dollars)</i>								
Less than 50,000	1.1	17.6	6.6	29.7	0.7	10.8	7.8	32.8
50,000-99,999	0.4	6.4	3.3	14.9	0.8	11.9	3.8	15.8
100,000-249,999	1.0	16.1	6.5	29.1	1.6	24.3	6.1	25.6
250,000-499,999	1.3	20.9	3.6	16.2	1.0	15.6	3.6	15.0
500,000-999,999	1.1	17.7	1.4	6.5	1.1	16.8	1.8	7.6
1,000,000-2,499,999	0.7	11.7	0.7	2.9	0.8	12.3	0.6	2.4
2,500,000-4,999,999	0.3	5.4	0.1	0.6	0.3	4.9	0.2	0.7
5,000,000-9,999,999	0.2	2.8	0.0	0.1	0.2	2.7	0.0	0.1
10,000,000 or more	0.1	1.4	0.0	0.0	0.0	0.7	0.0	0.0
<i>Structure of income (shares of total household income)</i>								
Wages and salaries	3.7	58.9	14.1	63.2	3.4	52.9	14.9	62.7
Professional practice	1.3	19.7	0.1	0.7	1.3	20.0	0.2	1.0
Non-taxable investments	0.0	0.8	0.2	0.9	0.1	0.8	0.2	0.9
Other interest income	0.2	3.4	0.7	3.3	0.2	2.5	0.9	3.9
Dividends	0.1	2.1	0.3	1.1	0.1	1.5	0.3	1.2
Sale of stocks/bonds/r. estate	0.0	0.3	0.3	1.2	0.1	1.4	0.3	1.2
Net rent/trust/royalties	0.3	4.2	0.2	1.0	0.3	5.1	0.4	1.6
Unemployment/workmans compensation	0.0	0.2	0.1	0.6	0.0	0.5	0.2	0.8
Child support/alimony	0.0	0.1	0.0	0.2	0.0	0.1	0.0	0.2
TANF, food stamps, etc.	0.0	0.1	0.3	1.1	0.0	0.4	0.2	1.0
Social security/pensions	0.6	9.8	5.6	25.3	0.8	12.0	6.4	26.8
Other income	0.0	0.5	0.2	1.4	0.1	2.6	0.2	0.0
<i>Structure of wealth (shares of total assets)</i>								
Stock mutual funds	0.0	0.5	0.1	0.3	0.0	0.7	0.1	0.5
Total directly-held mf	0.1	1.2	0.2	0.8	0.1	1.4	0.3	1.1
Stocks	0.2	2.9	0.6	2.5	0.3	4.4	0.7	3.1
Thrift-type plans	0.1	1.8	0.7	3.3	0.1	2.2	0.8	3.2
Other financial assets	0.2	2.7	0.5	2.4	0.1	1.9	0.6	2.5
Vehicles	0.7	11.2	3.6	16.0	0.5	7.9	4.3	17.9
Residential real estate	2.0	31.3	9.7	43.6	2.3	36.0	10.4	43.8
Business	1.3	20.7	0.0	0.0	1.3	20.9	0.0	0.0
Net equity in nonres real estate	0.3	4.1	0.5	2.2	0.4	6.3	0.5	2.2
Other nonfinancial	0.2	2.4	0.2	1.0	0.1	0.9	0.3	1.1
Other assets	0.1	21.1	0.0	27.9	0.0	17.3	0.0	24.5
Observations		551		683		630		779

Source: Surveys of Consumer Finance, Federal Reserve Board of Governors, 1989 and 1992.

Table 1.2b Characteristics of Veterans Business and Self-Employed Households and Veteran Non-Business Households in 1995 and 1998

Family Characteristics	1995				1998			
	Veteran Business		Veteran Non-Business		Veteran Business		Veteran Non-Business	
	Number (x 1 m)	Percent	Number (x 1 m)	Percent	Number (x 1 m)	Percent	Number (x 1 m)	Percent
All	5.7	100.0	22.6	100.0	5.3	100.0	21.3	100.0
<i>Age of household head</i>								
Less than 35	0.6	10.9	2.7	11.8	0.2	4.2	2.7	12.6
35-44	0.7	11.8	3.4	15.2	0.8	15.3	3.1	14.6
45-54	1.6	28.6	5.0	22.2	1.4	26.6	4.7	22.0
55-64	1.3	23.3	4.5	20.0	1.5	28.4	3.6	16.7
65-74	1.1	19.6	4.9	21.6	1.1	21.4	4.0	18.6
75 and over	0.3	5.9	2.1	9.2	0.2	4.0	3.3	15.5
<i>Race of household head</i>								
Minority	0.6	10.2	3.7	16.5	0.5	8.7	3.3	15.6
Non-minority	5.1	89.8	18.9	83.5	4.8	91.3	18.0	84.4
<i>Gender of household head</i>								
Male	5.7	99.9	22.0	97.5	5.2	98.6	20.6	96.7
Female	0.4	0.1	3.5	2.5	0.3	1.4	2.6	3.3
<i>Education of household head</i>								
No high school diploma	0.4	7.8	3.5	15.4	0.3	6.1	2.6	12.4
High school diploma only	1.5	25.9	8.1	35.7	1.4	25.8	7.8	36.8
Some college	1.2	21.2	4.4	19.4	1.2	22.0	4.1	19.3
College degree or more	2.6	45.0	6.7	29.5	2.4	46.1	6.7	31.5
<i>Marital Status</i>								
Married	4.5	78.5	17.2	76.0	4.6	88.0	15.8	74.1
Not married	1.2	21.5	5.4	24.0	0.6	12.0	5.5	25.9
<i>Income of household (dollars)</i>								
Less than 10,000	0.2	3.5	0.9	4.1	0.1	1.7	0.9	4.1
10,000-24,999	0.7	12.2	4.5	19.9	0.6	10.7	3.6	16.9
25,000-49,999	1.5	25.9	7.3	32.2	1.3	24.9	7.0	33.0
50,000-99,999	1.7	29.5	7.0	31.0	1.5	27.8	6.9	32.3
100,000 or more	1.7	28.9	2.9	12.8	1.8	34.9	2.9	13.7
<i>Net worth of household (dollars)</i>								
Less than 50,000	0.9	15.0	7.3	32.4	0.6	12.0	6.4	30.1
50,000-99,999	0.5	9.4	3.8	17.0	0.5	8.8	2.8	13.3
100,000-249,999	1.4	23.8	5.8	25.7	1.2	23.5	5.1	23.9
250,000-499,999	0.9	15.3	3.0	13.1	0.9	17.8	4.2	19.7
500,000-999,999	0.8	14.4	1.9	8.4	0.9	17.2	1.7	7.8
1,000,000-2,499,999	0.7	12.7	0.6	2.8	0.6	10.7	0.8	4.0
2,500,000-4,999,999	0.3	5.1	0.1	0.5	0.3	6.1	0.1	0.6
5,000,000-9,999,999	0.2	2.6	0.0	0.2	0.1	2.1	0.1	0.5
10,000,000 or more	0.1	1.7	0.0	0.1	0.1	1.8	0.0	0.1
<i>Structure of income (shares of total household income)</i>								
Wages and salaries	3.2	56.7	13.8	61.2	3.1	58.4	12.8	60.2
Professional practice	0.8	14.2	0.0	0.2	0.9	16.2	0.1	0.4
Non-taxable investments	0.1	1.0	0.1	0.5	0.1	1.1	0.1	0.5
Other interest income	0.2	3.2	0.5	2.4	0.1	2.1	0.6	3.0
Dividends	0.1	2.4	0.3	1.1	0.1	1.3	0.1	0.5
Sale of stocks/bonds/r. estate	0.1	2.4	0.3	1.2	0.1	2.1	1.1	5.0
Net rent/trust/royalties	0.2	2.9	0.2	0.7	0.1	2.4	0.2	1.1
Unemployment/workmans compensation	0.0	0.3	0.2	0.7	0.0	0.4	0.1	0.5
Child support/alimony	0.0	0.2	0.1	0.5	0.0	0.1	0.1	0.3
TANF, food stamps, etc.	0.1	1.0	0.4	1.7	0.0	0.0	0.2	1.1
Social security/pensions	0.8	13.3	6.4	28.5	0.8	14.3	5.3	24.9
Other income	0.1	2.4	0.1	1.1	0.0	1.5	0.1	2.6
<i>Structure of wealth (shares of total assets)</i>								
Stock mutual funds	0.1	1.3	0.4	1.6	0.1	2.0	0.5	2.2
Total directly-held mf	0.2	2.9	0.6	2.6	0.1	2.6	0.7	3.3
Stocks	0.3	5.0	0.7	3.3	0.4	6.8	1.2	5.7
Thrift-type plans	0.1	2.1	0.8	3.7	0.2	3.6	1.1	5.0
Other financial assets	0.1	2.0	0.5	2.4	0.1	1.7	0.4	2.0
Vehicles	0.6	10.0	4.1	18.2	0.5	8.6	3.3	15.4
Residential real estate	2.0	35.4	9.7	42.8	1.9	36.5	8.8	41.1
Business	1.1	19.0	0.0	0.0	0.9	16.6	0.0	0.0
Net equity in nonres real estate	0.2	4.0	0.4	1.8	0.2	3.9	0.4	1.9
Other nonfinancial	0.0	0.9	0.2	0.9	0.0	0.8	0.2	0.9
Other assets	0.0	17.5	0.0	22.6	0.0	16.8	0.0	22.5
Observations		613		816		531		704

Source: Surveys of Consumer Finance, Federal Reserve Board of Governors, 1995 and 1998.

Table 1.2c Characteristics of Veterans Business and Self-Employed Households and Veteran Non-Business Households in 2001 and 2004

Family Characteristics	2001				2004			
	Veteran Business		Veteran Non-Business		Veteran Business		Veteran Non-Business	
	Number (x 1 m)	Percent	Number (x 1 m)	Percent	Number (x 1 m)	Percent	Number (x 1 m)	Percent
All	5.6	100.0	21.0	100.0	5.0	100.0	20.4	100.0
<i>Age of household head</i>								
Less than 35	0.3	5.5	2.0	9.5	0.2	3.3	2.5	12.5
35-44	0.5	9.1	3.1	14.9	0.6	11.3 *	2.4	12.0 *
45-54	1.3	22.5	3.8	18.1	0.8	16.3 *	2.7	13.5 *
55-64	1.7	29.4	3.8	17.9	1.6	32.2	4.5	22.0
65-74	1.4	24.1	4.0	19.1	1.2	24.1	4.1	20.1
75 and over	0.5	9.3	4.4	20.7	0.6	12.7 *	4.1	20.0 *
<i>Race of household head</i>								
Minority	0.7	12.6	2.9	13.7	0.6	11.3	3.5	17.3
Non-minority	4.9	87.4	18.2	86.3	4.4	88.7	16.9	82.7
<i>Gender of household head</i>								
Male	5.6	99.4	20.4	97.2	4.9	98.5	19.7	96.8
Female	0.4	0.6	2.5	2.8	0.4	1.5	1.9	3.2
<i>Education of household head</i>								
No high school diploma	0.4	6.9	2.5	12.0	0.4	7.2	1.9	9.5 *
High school diploma only	1.5	26.4	6.9	33.0	1.5	30.9	6.8	33.3
Some college	0.9	16.4	4.6	21.9	0.6	12.9	4.1	19.9
College degree or more	2.8	50.4	7.0	33.2	2.4	49.1	7.6	37.3 *
<i>Marital Status</i>								
Married	5.0	88.1	15.6	74.1	3.9	79.1	14.5	71.2 *
Not married	0.7	11.9	5.5	25.9	1.0	20.9	5.9	28.8
<i>Income of household (dollars)</i>								
Less than 10,000	0.1	1.2	0.8	3.6	0.2	4.3	0.7	3.5 *
10,000-24,999	0.6	10.5	3.5	16.7	0.6	12.1	3.1	15.0
25,000-49,999	1.4	24.4	6.3	29.9	1.2	25.1	6.0	29.6
50,000-99,999	1.6	28.0	7.6	35.9	1.4	27.6	7.8	38.4 *
100,000 or more	2.0	35.8	2.9	13.9	1.5	30.9	2.8	13.5
<i>Net worth of household (dollars)</i>								
Less than 50,000	0.5	8.2	6.0	28.3	0.6	11.9	5.6	27.7
50,000-99,999	0.5	9.4	2.9	13.6	0.3	6.5	2.7	13.4
100,000-249,999	0.9	16.7	4.6	21.9	0.7	15.0	4.8	23.7 *
250,000-499,999	1.3	22.5	3.5	16.6	1.0	20.7	2.9	14.3
500,000-999,999	0.8	14.0	2.4	11.6	0.9	17.4	2.5	12.5 *
1,000,000-2,499,999	0.9	15.5	1.3	6.0	0.7	13.5	1.5	7.2 *
2,500,000-4,999,999	0.3	6.0	0.3	1.2	0.4	8.4	0.1	0.6
5,000,000-9,999,999	0.2	4.1	0.1	0.3	0.2	3.5	0.1	0.4
10,000,000 or more	0.2	3.5	0.1	0.3	0.1	2.9	0.0	0.2
<i>Structure of income (shares of total household income)</i>								
Wages and salaries	3.1	55.8	11.6	55.2	2.7	53.6	11.2	54.8 *
Professional practice	0.9	15.2	0.1	0.3	0.6	12.2 *	0.0	0.2
Non-taxable investments	0.1	1.1	0.1	0.6	0.0	0.7	0.1	0.2 *
Other interest income	0.1	2.0	0.4	2.0	0.1	2.4	0.2	1.1 *
Dividends	0.1	1.7	0.4	2.0	0.1	1.1 *	0.1	0.7
Sale of stocks/bonds/r. estate	0.1	2.3	0.3	1.5	0.0	1.0	1.1	5.3
Net rent/trust/royalties	0.1	2.0	0.2	0.9	0.2	4.9	0.2	0.8
Unemployment/workmans compensation	0.0	0.2	0.1	0.4	0.0	0.3	0.2	0.9
Child support/alimony	0.0	0.2	0.0	0.1	0.0	0.2	0.1	0.3
TANF, food stamps, etc.	0.0	0.0	0.1	0.3	0.0	0.3	0.1	0.4 *
Social security/pensions	1.0	18.6	7.5	35.5	1.1	23.2 *	7.1	34.6 *
Other income	0.0	0.7	0.1	1.1	0.0	0.3	0.1	0.9
<i>Structure of wealth (shares of total assets)</i>								
Stock mutual funds	0.1	2.6	0.4	2.1	0.1	1.5 *	0.3	1.7 *
Total directly-held mf	0.2	3.5	0.6	2.8	0.1	2.4 *	0.5	2.5 *
Stocks	0.4	7.5	1.5	7.1	0.2	3.1	0.6	2.8
Thrift-type plans	0.1	2.3	1.1	5.2	0.1	2.2	1.1	5.4 *
Other financial assets	0.1	2.4	0.4	1.8	0.0	0.5 *	0.1	0.6 *
Vehicles	0.5	8.3	3.5	16.4	0.4	8.8 *	3.3	16.3
Residential real estate	2.1	36.5	8.5	40.3	1.9	38.3 *	9.3	45.6
Business	1.0	17.2	0.0	0.0	0.8	16.4 *	0.0	0.0
Net equity in nonres real estate	0.2	2.9	0.4	1.7	0.2	3.5	0.3	1.6
Other nonfinancial	0.1	1.1	0.2	1.0	0.1	1.2 *	0.1	0.6 *
Other assets	0.0	15.6	0.0	21.7	0.0	22.0	0.0	22.9 *
Observations		495		704		459		662

Source: Surveys of Consumer Finance, Federal Reserve Board of Governors, 2001 and 2004.

Table 1.3a Characteristics of Veterans Business and Non-Veteran Business and Self-Employed Households in 1989 and 1992

Family Characteristics	1989				1992			
	Veteran Business		Non-Veteran Business		Veteran Business		Non-Veteran Business	
	Number (x 1 m)	Percent	Number (x 1 m)	Percent	Number (x 1 m)	Percent	Number (x 1 m)	Percent
All	6.4	100.0	10.3	100.0	6.4	100.0	10.7	100.0
<i>Age of household head</i>								
Less than 35	0.3	5.1	3.3	31.6	0.3	4.4	3.2	29.6
35-44	1.6	25.7	3.5	33.8	1.2	18.5	4.2	39.3
45-54	1.6	25.4	1.6	15.9	1.8	28.3	1.4	13.4
55-64	1.6	24.9	0.9	9.1	1.9	28.9	1.1	10.7
65-74	1.1	16.9	0.6	5.6	1.1	16.9	0.4	4.1
75 and over	0.1	2.0	0.4	4.0	0.2	2.9	0.3	2.9
<i>Race of household head</i>								
Minority	0.8	13.0	1.8	17.6	0.8	12.2	1.7	15.6
Non-minority	5.5	87.0	8.5	82.4	5.6	87.8	9.1	84.4
<i>Gender of household head</i>								
Male	6.4	100.0	8.6	84.1	6.3	98.4	9.1	84.4
Female	0.5	0.0	2.0	15.9	0.6	1.6	1.0	15.6
<i>Education of household head</i>								
No high school diploma	0.5	8.3	2.0	19.1	0.6	8.6	1.0	9.2
High school diploma only	1.8	28.2	2.6	24.9	1.6	25.6	2.6	24.4
Some college	1.2	18.7	2.1	20.8	1.4	22.5	1.5	13.9
College degree or more	2.8	44.8	3.6	35.2	2.8	43.3	5.6	52.6
<i>Marital Status</i>								
Married	5.2	81.5	6.6	63.9	5.6	86.5	7.2	67.2
Not married	1.2	18.5	3.7	36.1	0.9	13.5	3.5	32.8
<i>Income of household (dollars)</i>								
Less than 10,000	0.3	5.5	0.4	4.1	0.2	2.8	0.4	4.1
10,000-24,999	0.6	8.8	2.1	20.7	0.6	9.9	2.1	19.3
25,000-49,999	1.6	25.4	2.5	24.0	1.8	27.4	2.5	23.2
50,000-99,999	1.7	26.8	3.0	29.3	2.0	31.7	3.1	28.6
100,000 or more	2.1	33.5	2.3	22.0	1.8	28.3	2.7	24.8
<i>Net worth of household (dollars)</i>								
Less than 50,000	1.1	17.6	2.3	22.4	0.7	10.8	2.7	25.2
50,000-99,999	0.4	6.4	1.7	16.1	0.8	11.9	0.8	7.8
100,000-249,999	1.0	16.1	2.3	22.5	1.6	24.3	3.0	27.7
250,000-499,999	1.3	20.9	1.3	13.1	1.0	15.6	1.7	16.1
500,000-999,999	1.1	17.7	1.1	10.4	1.1	16.8	1.1	10.4
1,000,000-2,499,999	0.7	11.7	1.1	10.7	0.8	12.3	0.9	8.7
2,500,000-4,999,999	0.3	5.4	0.3	3.1	0.3	4.9	0.3	2.5
5,000,000-9,999,999	0.2	2.8	0.1	0.8	0.2	2.7	0.1	1.0
10,000,000 or more	0.1	1.4	0.1	0.8	0.0	0.7	0.1	0.5
<i>Structure of income (shares of total household income)</i>								
Wages and salaries	3.7	58.9	6.5	63.3	3.4	52.9	7.1	65.7
Professional practice	1.3	19.7	2.0	19.3	1.3	20.0	1.9	17.6
Non-taxable investments	0.0	0.8	0.1	0.6	0.1	0.8	0.0	0.3
Other interest income	0.2	3.4	0.3	2.8	0.2	2.5	0.2	2.3
Dividends	0.1	2.1	0.1	1.0	0.1	1.5	0.1	1.1
Sale of stocks/bonds/r. estate	0.0	0.3	0.3	2.6	0.1	1.4	0.1	0.8
Net rent/trust/royalties	0.3	4.2	0.2	2.1	0.3	5.1	0.2	2.3
Unemployment/workmans compensation	0.0	0.2	0.0	0.4	0.0	0.5	0.1	0.5
Child support/alimony	0.0	0.1	0.1	0.5	0.0	0.1	0.1	1.1
TANF, food stamps, etc.	0.0	0.1	0.2	1.9	0.0	0.4	0.2	2.0
Social security/pensions	0.6	9.8	0.5	4.9	0.8	12.0	0.4	3.9
Other income	0.0	0.5	0.0	0.8	0.1	2.6	0.2	2.4
<i>Structure of wealth (shares of total assets)</i>								
Stock mutual funds	0.0	0.5	0.0	0.1	0.0	0.7	0.0	0.4
Total directly-held mf	0.1	1.2	0.1	0.6	0.1	1.4	0.1	0.9
Stocks	0.2	2.9	0.2	1.7	0.3	4.4	0.4	3.6
Thrift-type plans	0.1	1.8	0.1	1.3	0.1	2.2	0.3	2.4
Other financial assets	0.2	2.7	0.2	1.7	0.1	1.9	0.2	1.7
Vehicles	0.7	11.2	1.3	13.0	0.5	7.9	1.5	13.9
Residential real estate	2.0	31.3	3.2	31.4	2.3	36.0	3.8	35.3
Business	1.3	20.7	2.5	24.1	1.3	20.9	2.5	23.0
Net equity in nonres real estate	0.3	4.1	0.4	4.1	0.4	6.3	-0.1	-1.1
Other nonfinancial	0.2	2.4	0.2	1.5	0.1	0.9	0.1	1.2
Other assets	0.1	21.1	0.0	20.6	0.0	17.3	0.0	18.8
Observations		551		549		630		811

Source: Surveys of Consumer Finance, Federal Reserve Board of Governors, 1989 and 1992.

Table 1.3b Characteristics of Veterans Business and Non-Veteran Business and Self-Employed Households in 1995 and 1998

Family Characteristics	1995				1998			
	Veteran Business		Non-Veteran Business		Veteran Business		Non-Veteran Business	
	Number (x 1 m)	Percent	Number (x 1 m)	Percent	Number (x 1 m)	Percent	Number (x 1 m)	Percent
All	5.7	100.0	11.8	100.0	5.3	100.0	12.6	100.0
<i>Age of household head</i>								
Less than 35	0.6	10.9	3.1	26.1	0.2	4.2	2.6	20.9
35-44	0.7	11.8	4.3	36.4	0.8	15.3	3.8	30.3
45-54	1.6	28.6	2.5	21.0	1.4	26.6	3.5	27.6
55-64	1.3	23.3	1.1	9.6	1.5	28.4	1.4	11.3
65-74	1.1	19.6	0.6	4.8	1.1	21.4	0.8	6.6
75 and over	0.3	5.9	0.3	2.2	0.2	4.0	0.4	3.2
<i>Race of household head</i>								
Minority	0.6	10.2	1.8	15.4	0.5	8.7	1.8	14.3
Non-minority	5.1	89.8	10.0	84.6	4.8	91.3	10.8	85.7
<i>Gender of household head</i>								
Male	5.7	99.9	9.8	83.1	5.2	98.6	10.9	86.5
Female	0.4	0.1	1.3	16.9	0.3	1.4	1.4	13.5
<i>Education of household head</i>								
No high school diploma	0.4	7.8	1.3	11.3	0.3	6.1	1.4	11.3
High school diploma only	1.5	25.9	3.3	27.8	1.4	25.8	2.9	23.3
Some college	1.2	21.2	2.1	17.6	1.2	22.0	2.5	19.9
College degree or more	2.6	45.0	5.1	43.3	2.4	46.1	5.7	45.4
<i>Marital Status</i>								
Married	4.5	78.5	7.3	61.4	4.6	88.0	8.5	67.0
Not married	1.2	21.5	4.6	38.6	0.6	12.0	4.2	33.0
<i>Income of household (dollars)</i>								
Less than 10,000	0.2	3.5	0.9	7.4	0.1	1.7	0.7	5.5
10,000-24,999	0.7	12.2	1.6	13.2	0.6	10.7	1.7	13.4
25,000-49,999	1.5	25.9	3.4	28.5	1.3	24.9	2.9	23.1
50,000-99,999	1.7	29.5	3.8	31.8	1.5	27.8	4.0	32.0
100,000 or more	1.7	28.9	2.2	19.0	1.8	34.9	3.3	26.0
<i>Net worth of household (dollars)</i>								
Less than 50,000	0.9	15.0	3.1	25.9	0.6	12.0	2.8	22.1
50,000-99,999	0.5	9.4	1.7	14.1	0.5	8.8	1.4	11.3
100,000-249,999	1.4	23.8	3.0	25.3	1.2	23.5	2.6	20.2
250,000-499,999	0.9	15.3	1.7	14.5	0.9	17.8	2.2	17.4
500,000-999,999	0.8	14.4	1.3	11.1	0.9	17.2	1.6	12.9
1,000,000-2,499,999	0.7	12.7	0.6	5.5	0.6	10.7	1.2	9.4
2,500,000-4,999,999	0.3	5.1	0.2	1.9	0.3	6.1	0.4	3.5
5,000,000-9,999,999	0.2	2.6	0.1	1.1	0.1	2.1	0.3	2.1
10,000,000 or more	0.1	1.7	0.1	0.8	0.1	1.8	0.1	1.1
<i>Structure of income (shares of total household income)</i>								
Wages and salaries	3.2	56.7	7.7	65.3	3.1	58.4	8.2	65.3
Professional practice	0.8	14.2	2.2	18.8	0.9	16.2	2.4	19.0
Non-taxable investments	0.1	1.0	0.0	0.3	0.1	1.1	0.0	0.1
Other interest income	0.2	3.2	0.2	1.4	0.1	2.1	0.2	1.2
Dividends	0.1	2.4	0.1	0.6	0.1	1.3	0.1	0.8
Sale of stocks/bonds/r. estate	0.1	2.4	0.2	1.9	0.1	2.1	0.2	1.9
Net rent/trust/royalties	0.2	2.9	0.2	1.5	0.1	2.4	0.2	1.5
Unemployment/workmans compensation	0.0	0.3	0.1	0.5	0.0	0.4	0.0	0.4
Child support/alimony	0.0	0.2	0.1	0.9	0.0	0.1	0.1	0.5
TANF, food stamps, etc.	0.1	1.0	0.2	1.5	0.0	0.0	0.1	0.5
Social security/pensions	0.8	13.3	0.5	4.6	0.8	14.3	0.8	6.0
Other income	0.1	2.4	0.2	2.6	0.0	1.5	0.1	2.7
<i>Structure of wealth (shares of total assets)</i>								
Stock mutual funds	0.1	1.3	0.1	1.3	0.1	2.0	0.3	2.0
Total directly-held mf	0.2	2.9	0.2	1.9	0.1	2.6	0.4	2.9
Stocks	0.3	5.0	0.3	2.8	0.4	6.8	0.7	5.4
Thrift-type plans	0.1	2.1	0.3	2.1	0.2	3.6	0.4	2.9
Other financial assets	0.1	2.0	0.2	2.0	0.1	1.7	0.2	1.9
Vehicles	0.6	10.0	1.7	14.6	0.5	8.6	1.5	11.7
Residential real estate	2.0	35.4	4.0	34.2	1.9	36.5	4.3	34.4
Business	1.1	19.0	2.4	20.1	0.9	16.6	2.6	20.7
Net equity in nonres real estate	0.2	4.0	0.4	3.4	0.2	3.9	0.3	2.5
Other nonfinancial	0.0	0.9	0.2	1.5	0.0	0.8	0.2	1.5
Other assets	0.0	17.5	0.0	16.2	0.0	16.8	0.0	14.0
Observations		613		912		531		987

Source: Surveys of Consumer Finance, Federal Reserve Board of Governors, 1995 and 1998.

Table 1.3c Characteristics of Veterans Business and Non-Veteran Business and Self-Employed Households in 2001 and 2004

Family Characteristics	2001				2004			
	Veteran Business		Non-Veteran Business		Veteran Business		Non-Veteran Business	
	Number (x 1 m)	Percent	Number (x 1 m)	Percent	Number (x 1 m)	Percent	Number (x 1 m)	Percent
All	5.6	100.0	14.2	100.0	5.0	100.0	16.4	100.0
<i>Age of household head</i>								
Less than 35	0.3	5.5	2.8	19.8	0.2	3.3	2.9	17.9 *
35-44	0.5	9.1	4.2	29.7	0.6	11.3 *	4.4	27.0 *
45-54	1.3	22.5	4.2	29.5	0.8	16.3 *	5.5	33.3 *
55-64	1.7	29.4	2.0	14.1	1.6	32.2	2.5	15.3 *
65-74	1.4	24.1	0.8	5.8	1.2	24.1	0.6	3.9
75 and over	0.5	9.3	0.2	1.1	0.6	12.7 *	0.4	2.5
<i>Race of household head</i>								
Minority	0.7	12.6	1.9	13.3	0.6	11.3	3.1	18.9
Non-minority	4.9	87.4	12.3	86.7	4.4	88.7	13.3	81.1
<i>Gender of household head</i>								
Male	5.6	99.4	12.3	86.7	4.9	98.5	14.2	86.4
Female	0.4	0.6	1.2	13.3	0.4	1.5	1.7	13.6
<i>Education of household head</i>								
No high school diploma	0.4	6.9	1.2	8.2	0.4	7.2	1.7	10.1 *
High school diploma only	1.5	26.4	3.5	24.7	1.5	30.9	4.0	24.5
Some college	0.9	16.4	2.5	17.3	0.6	12.9	2.9	17.4
College degree or more	2.8	50.4	7.1	49.9	2.4	49.1	7.9	48.1 *
<i>Marital Status</i>								
Married	5.0	88.1	10.1	71.0	3.9	79.1	11.0	67.2
Not married	0.7	11.9	4.1	29.0	1.0	20.9	5.4	32.8
<i>Income of household (dollars)</i>								
Less than 10,000	0.1	1.2	0.5	3.8	0.2	4.3	0.7	4.1
10,000-24,999	0.6	10.5	1.3	9.2	0.6	12.1	1.9	11.8 *
25,000-49,999	1.4	24.4	3.3	22.9	1.2	25.1	3.4	20.9
50,000-99,999	1.6	28.0	3.8	26.7	1.4	27.6	5.0	30.3
100,000 or more	2.0	35.8	5.3	37.4	1.5	30.9	5.4	33.0 *
<i>Net worth of household (dollars)</i>								
Less than 50,000	0.5	8.2	2.5	17.5	0.6	11.9	3.3	19.8
50,000-99,999	0.5	9.4	1.1	7.6	0.3	6.5	1.4	8.3 *
100,000-249,999	0.9	16.7	2.5	17.8	0.7	15.0	3.3	20.0
250,000-499,999	1.3	22.5	2.5	17.4	1.0	20.7	2.6	15.9
500,000-999,999	0.8	14.0	2.5	17.6	0.9	17.4	2.8	17.3 *
1,000,000-2,499,999	0.9	15.5	1.8	12.7	0.7	13.5	1.7	10.1
2,500,000-4,999,999	0.3	6.0	0.7	5.0	0.4	8.4	0.7	4.0
5,000,000-9,999,999	0.2	4.1	0.4	3.1	0.2	3.5	0.5	2.8
10,000,000 or more	0.2	3.5	0.2	1.3	0.1	2.9	0.3	1.7
<i>Structure of income (shares of total household income)</i>								
Wages and salaries	3.1	55.8	9.6	67.8	2.7	53.6	11.3	68.8 *
Professional practice	0.9	15.2	2.6	17.9	0.6	12.2 *	2.7	16.5
Non-taxable investments	0.1	1.1	0.0	0.3	0.0	0.7	0.0	0.3 *
Other interest income	0.1	2.0	0.3	1.8	0.1	2.4	0.2	1.0 *
Dividends	0.1	1.7	0.1	1.0	0.1	1.1 *	0.1	0.9
Sale of stocks/bonds/r. estate	0.1	2.3	0.2	1.7	0.0	1.0	0.1	0.9 *
Net rent/trust/royalties	0.1	2.0	0.3	1.9	0.2	4.9	0.4	2.1
Unemployment/workmans compensation	0.0	0.2	0.0	0.3	0.0	0.3	0.1	0.5
Child support/alimony	0.0	0.2	0.1	0.8	0.0	0.2	0.1	0.6
TANF, food stamps, etc.	0.0	0.0	0.1	0.6	0.0	0.3	0.2	1.3
Social security/pensions	1.0	18.6	0.7	5.0	1.1	23.2 *	1.0	5.9
Other income	0.0	0.7	0.1	0.8	0.0	0.3	0.1	1.2 *
<i>Structure of wealth (shares of total assets)</i>								
Stock mutual funds	0.1	2.6	0.4	2.6	0.1	1.5 *	0.2	1.4 *
Total directly-held mf	0.2	3.5	0.5	3.3	0.1	2.4 *	0.3	1.9 *
Stocks	0.4	7.5	0.8	6.0	0.2	3.1	0.4	2.4 *
Thrift-type plans	0.1	2.3	0.5	3.8	0.1	2.2	0.6	3.6 *
Other financial assets	0.1	2.4	0.3	2.0	0.0	0.5 *	0.2	1.0 *
Vehicles	0.5	8.3	1.6	11.4	0.4	8.8 *	2.0	11.9
Residential real estate	2.1	36.5	4.6	32.5	1.9	38.3 *	6.3	38.3 *
Business	1.0	17.2	2.9	20.3	0.8	16.4 *	3.0	18.0 *
Net equity in nonres real estate	0.2	2.9	0.4	2.9	0.2	3.5	0.4	2.6 *
Other nonfinancial	0.1	1.1	0.1	1.0	0.1	1.2 *	0.2	1.0
Other assets	0.0	15.6	0.0	14.1	0.0	22.0	0.0	18.1 *
Observations		495		1,104		459		1,201

Source: Surveys of Consumer Finance, Federal Reserve Board of Governors, 2001 and 2004.