



# THE ECONOMIC IMPACT OF VETERANS

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According to the 2017 reports released by Small Business Administration (SBA), veterans owned majority interest in 2.52 million businesses as at 2012. Their commitment to serving the country via entrepreneurship and job creation is evident by the data provided below by the SBA. Veteran-owned firms employed 5.03 million people and boasted of an annual payroll of \$1.14 trillion in 2012

Representing 9.1% of all US businesses, the presence of veteran-owned firms cut across industries like mining, quarrying, oil and gas, accommodation, food services, fire insurance, utility, manufacturing, technical services, etc. With over 40% of veteran employers offered their employees' health insurance contributions, 49.7% offered paid holiday, vacation, and sick leave, and 4.4% offered tuition assistance and/or reimbursement. Studies by the U.S. Bureau of Labour Statistics from 1979 to 2003, 2014, and 2016 showed that veterans had a higher self-employment rate than non-veterans. Compared to 35.7% of non-veteran owners, 42.4% of veteran-owners were reported to have prior business excellence.

## **Military experience is a strong indicator of self-employment!**

Efforts by the government, private organisations, and individuals to promote veteran-owned businesses have been positive. The U.S. Small Business Administration has worked to boost veteran-owned business by loaning \$1.1 billion to 3,500 veteran-owned businesses in 2017 and providing them with counselling, training, and mentorship. Another commendable effort is the enactment of the Veteran Entrepreneurship Act of 2015 which allows veteran or military spouses to gain access to capital with 'zero' up-front guarantee fees for SBA Express loans. It is important that veteran-owned businesses be offered better access to credit and financing products.

Veteran-owned businesses have been able to contribute to the economy despite the fact that over 50% depend on personal or family savings and just short of 8% depend on loans from banks and other commercial lenders, one could only imagine the greater impact they would have should they get access to better credit products and have more financing available to them.

Employers still have some learning to do, in a poll conducted by RallyPoint/Rasmussen Reports say that private companies do not count their military service as a professional asset. Veterans demonstrate that their years in active service have equipped them with the skills and leadership abilities they need to contribute meaningfully to the growth of the U.S. economy.

According to the Small business.com report states that in the US over 2.5 million businesses are owned or have majority ownership in the business. And that some of these businesses have employees and some are self-employed own businesses.

It is remarkable to note that almost half of million of the veteran-owned businesses have employees, but the most exiting detail is that over 2 million veterans like to be in control and drive their own path, by creating small businesses or becoming self-employed (no employees) a reflection of an increase gig economy trend within the veteran community.

## **By the Numbers:**

Veterans contribute to the economy with over Trillion in revenue sales, this is an amazing impact and amazing contribution into our communities. Veterans are also Employers! Veteran-owned business contribute into the payroll system with over \$190 Billion dollars in payroll and over 5 Million hired employees.

Not all Businesses are the same!

The areas that tend to have a higher "taste" for veterans is technical services and construction. Veterans who understand the process of government contracting and are in these two fields may see a wealth opportunities and the ability to have consistent contracts. There are other areas where veterans have a good match for business, like in Franchising, Due to the strict structure of the business model, it does appear to be a great fit for veterans.

## **In Summary:**

Veteran-owned businesses have a great impact in the US economy contributing sales and job opportunities, helping keep our communities thriving and vibrant!!!

Of course, entering the world of business after the military may have its own challenges, The Veterans Chamber of Commerce will be happy to provide a step-by-step guide on the process of registering and obtaining contracts, starting a business and managing your business.

No cost to join! - Of course!