

National Women's Business Council

Veteran Women & Business: A Data Resource

Employing the U.S. Census Survey of Business Owners and Self-Employed Persons and the Annual Survey of Entrepreneurs to Develop a Profile of Veteran Women-owned Firms

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State of Veteran Women-Owned Business

Women veterans comprise the fastest growing segment of the veteran population. When the military transitioned to an all-volunteer system in 1973, women accounted for 2 percent of the military population.¹ As of 2016, there were approximately 2.1 million women veterans, comprising 9.6 percent of the veteran population; this number is only expected to increase. The National Center for Veteran Analysis and Statistics projects that over the next 10 years the population of women veterans will grow by about 18,000, and by 2043 women will represent 16.3 percent of the veteran population.^{2,3}

As the number of women serving in the military has increased, so has the number of women veterans who launch businesses. As of 2012, veteran women-owned businesses accounted for 383,302, or 3.9 percent, of the 10 million women-owned firms in this country. Veteran women-owned firm increased 294.7 percent in number from 2007 to 2012. During the same time period, the number of non-veteran women-owned firms increased by 23.4 percent. The data are clear: Veteran women are outpacing their non-veteran counterparts in terms of launching new businesses.

Table 1. Total Veteran-Owned Firms by Gender, 2007 and 2012^{4,5}					
Survey of Business Owners					
Gender of Veteran-Owned Firms	Number of Firms		Growth Rate of Number of Firms 2007 - 2012 ⁶	Share of Veteran -owned Firms	
	2007	2012		2007	2012
Women-owned	97,114	383,302	294.7%	4.0%	15.2%
Men-owned	2,320,901	2,124,666	-8.5%	94.8%	84.3%
Equally-owned	29,593	13,714	-53.7%	1.2%	0.5%
All veteran-owned	2,447,608	2,521,682	3.0%	100.0%	100.0%

¹ U.S. Department of Veteran Affairs, National Center for Veterans Analysis and Statistics. (2017, February). The Past, Present and Future of Women Veterans. Retrieved from https://www.va.gov/vetdata/docs/SpecialReports/Women_Veterans_2015_Final.pdf; U.S. Department of Veterans Affairs, National Center for Veterans Analysis and Statistics. (2014, October 13). *Projected Veterans' population: 2013 – 2043*. Retrieved from http://www.va.gov/vetdata/docs/quickfacts/Population_slideshow.pdf

² U.S. Department of Veteran Affairs, National Center for Veterans Analysis and Statistics. (2016, October 20). Women Veteran Population. Retrieved from <https://www.va.gov/womenvet/docs/womenVeteranspopulationfactsheet.pdf>

³ Ibid.

⁴ Authors calculations of the Survey of Business Owners and Self-Employed Persons (SBO) Statistics for "All U.S. Firms by Industry, Veteran Status, and Gender for the U.S., States, Metro Areas, Counties, and Places: 2012" by U.S. Census Bureau. Statistics for All U.S. Firms by Industry, Veteran Status, and Gender for the U.S., States, Metro Areas, Counties, and Places: 2007" by U.S. Census Bureau.

⁵ All figures and tables in this report exclude publically owned companies and other non-classifiable businesses for both the SBO and ASE

⁶ NWBC Survey of Business Owner NWBC Calculation Methodology <https://www.nwbc.gov/content/survey-business-owners-nwbc-calculations-methodology>

Veteran women-owned businesses have had a growing influence on the U.S. economy through increased sales and employment. In 2012, veteran women-owned firms brought in \$17.9 billion in receipts,

Gender of Veteran-Owned Firms	Sales (\$ Millions)		Percent of All Sales	
	2007	2012	2007	2012
Women-owned	15,806	17,951	1.3%	1.6%
Men-owned	1,199,077	1,120,924	98.3%	98.2%
Equally-owned	4,667	2,181	0.4%	0.2%
All veteran-owned	1,219,551	1,141,055	100.0%	100.0%

approximately 2.1 billion more than in 2007. However, veteran women-owned firms continue to bring in lower receipts than non-veteran women-owned firms.

These disparities between veteran and non-veteran owned firms become more apparent when examining average receipts. For every dollar earned by the average non-veteran woman-owned firm, the average veteran woman-owned firm makes only 32 cents; for every dollar the average non-veteran man-owned firm generates, the average veteran woman-owned firm makes only 7 cents. The proportion of veteran women-owned firms to their proportion of receipts is disconcerting, although veteran women-owned firms represent 1.4 percent of all privately-held firms in the U.S., these firms represented only .2 percent of all receipts generated by privately-held businesses. The substantial increase in the share of veteran women-owned firms with the minimal increase in their share of receipts demonstrates that although veteran women-owned firms are increasing in number, their sales are not expanding at similar rates. This limited cash flow may stymie future growth, making this a concerning trend.

This report develops a profile of the veteran women business owner through the presentation of business and business owner characteristics from the U.S. Census Bureau’s 2007 and 2012 Survey of Business Owners and Self-Employed Persons and 2015 Annual Survey of Entrepreneurs.⁸ It is not meant to be all inclusive but, rather, to highlight the current landscape of veteran women-owned firms based off of publically available data.

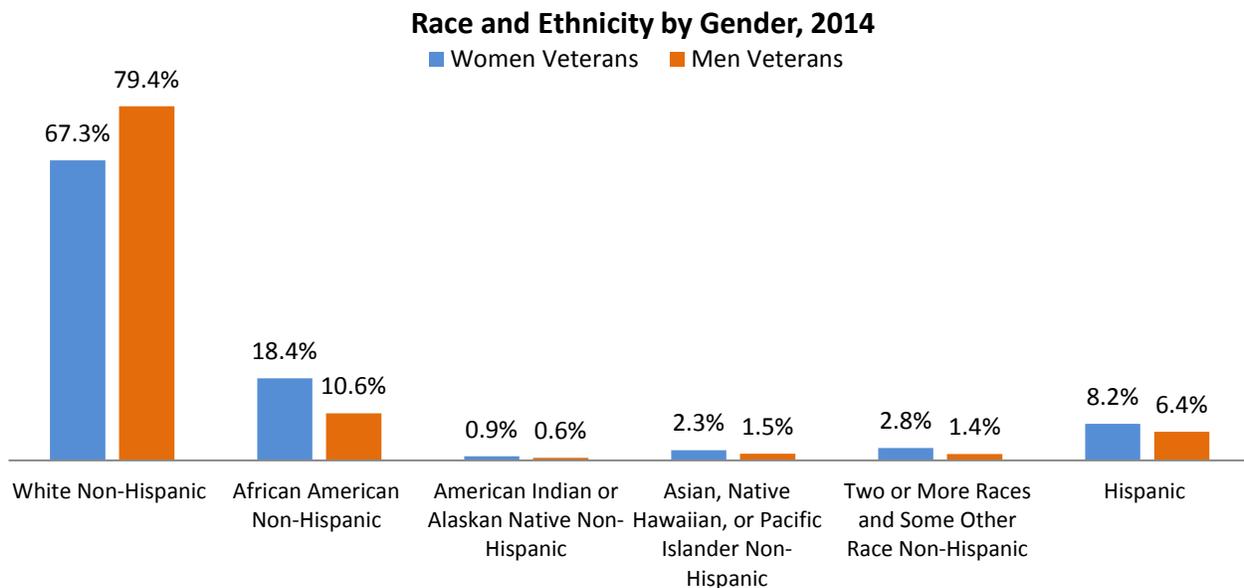
⁷ Author’s calculations are based off of data from American Fact Finder regarding Survey of Business Owners and Self-Employed Persons 2007 & 2012 and Annual Survey of Entrepreneurs 2015. <https://factfinder.census.gov/faces/nav/jsf/pages/searchresults.xhtml?refresh=t>

⁸ According to the U.S. Census Bureau “the Survey of Business Owners (SBO) provides the only comprehensive, regularly collected source of information on selected economic and demographic characteristics for businesses and business owners by gender, ethnicity, race, and Veteran status.” and the Annual Survey of Entrepreneurs “provides annual data on select economic and demographic characteristics of employer businesses and their owners by gender, ethnicity, race, and Veteran status.” For more information on these two instruments please see: www.census.gov

Race and Ethnicity

Compared to their male counterparts, veteran women are more racially and ethnically diverse.

According to results illustrated by the National Center for Veterans Analysis and Statistics, veteran women are more racially and ethnically diverse than their male counterparts. As of 2014, 67.3 percent identified themselves as white non-Hispanic compared to nearly 80 percent of their male counterparts. Moreover, 18 percent of veteran women were Black or African American and 8.2 percent identified as Hispanic. The percent of women veterans was higher in all racial or ethnic categories compared to their male counterparts.^{9,10}



Author's recreation of the National Center for Veterans Analysis and Statistics analysis of the U.S. Census Bureau, American Community Survey,

This trend can also be witnessed when examining privately-held businesses. Women-owned firms tend to be more racially and ethnically diverse compared to men-owned firms. Among all privately held firms, 15.4 percent of women-owned are Black or African American compared to 6.8 percent of men-owned firms and 14.9 percent of women-owned firms are Hispanic compared to 11.5 percent of men-owned firms.¹¹

⁹ Due to limitations of the 2012 Survey of Business Owners, it is not possible to simultaneously assess veteran status, race, and ethnicity. Therefore, the data analyses are used here to present a more holistic representation of the Veteran population. It is vital to understand the veteran populations' changing demographics. Additionally, the SBO allows for an understanding of race and ethnicity for all firms by gender.

¹⁰U.S. Department of Veterans Affairs, National Center for Veterans Analysis and Statistics, (2016, April). *Profile of Women Veterans:2014*. https://www.va.gov/vetdata/docs/SpecialReports/Women_Veterans_2014.pdf

¹¹ Analysis does not include Veteran Status

Age

The majority of veteran women business owners are firms are 54 years or younger (66.4 percent). This is in contrast to male veteran business owners 76.1 percent of whom are 55 years or older.

Business owner characteristics such as age and education allow for a better understanding of the overall demographic makeup business owners. On average, compared to their male counterparts, veteran women business owners tend to be younger. The majority of veteran women business owners are 54 years or younger (66.4 percent). This is not surprising since the median female veteran is 49.¹² However, this age distribution stands in stark contrast to that of male veteran business owners, among whom 76.1 percent are 55 years or older. Nearly half of all veteran male business owners were 65 years or older while only 10.5 percent of veteran women business owners were the same age.¹³

Education

Women veteran business owners tend to have higher educational attainment than their male counterparts.

In general, women veterans tend to have both higher levels of educational attainment and higher levels of college enrollment than men veterans. Per the National Center for Veterans Analysis and Statistics, in 2014, 45 percent of veteran women attained at least some college education and 20 percent completed a bachelor's degree while 36 percent of veteran men have attended college with almost 16 percent attaining a bachelor's degree. Additionally, this trend occurs in advanced degree attainment, with 14 percent of women veterans compared to nearly 11 percent of men veterans having received an advanced degree.¹⁴

These patterns of educational attainment hold among veteran business owners.¹⁵ Nearly 48 percent of veteran women business owners have received at least a bachelor's degree with compared to about 45 percent of veteran male business owners. Veteran women business owners tend to be more educated than their non-veteran women counterparts, with a higher share of the former having attained advanced degrees.¹⁶

¹² U.S. Department of Veterans Affairs, National Center for Veterans Analysis and Statistics. (2013, February). *Women Veteran profile*. http://www.va.gov/vetdata/docs/SpecialReports/Women_Veteran_Profile5.pdf

¹³ See appendix section "Age"

¹⁴ U.S. Department of Veterans Affairs, National Center for Veterans Analysis and Statistics, (2016, April). *Profile of Women Veterans:2014*. https://www.va.gov/vetdata/docs/SpecialReports/Women_Veterans_2014.pdf

¹⁵ See appendix section "Education"

¹⁶ Advanced degrees include those individuals who have received a master's, doctorate, professional, or bachelor's degree.

Business Size and Revenue: Non-Employer Firms

89.5 percent of all women-owned U.S. businesses are non-employer firms. Of veteran women-owned businesses, nearly 97 percent are non-employer firms.

Non-employer firms make up the vast majority of businesses in the United States. These businesses tend to have low levels of sales which may ultimately impact their ability to grow.¹⁷ Many factors, such as age of business, race, and ethnicity, may have an impact on a firm's ability to transition from zero employees to hiring a first employee.¹⁸ An understanding of non-employer firms' demographics is essential in evaluating their economic impact and programmatic needs.

As of 2012, there were approximately 22 million non-employer firms in the U.S. Of these, nearly 9 million were women-owned representing 40 percent of all privately-held non-employer firms in the U.S and 89.5 percent of all women-owned firms. Of these 9 million women-owned non-employer businesses, veteran women account for 370,685 firms or 4.2 percent. Of veteran women-owned businesses, the vast majority, 96.7 percent, have no employees. In 2007, 89.8 percent of veteran women-owned firms were non-employer firms. Additionally, from 2007 to 2012, veteran women-owned non-employer firms increased by 325 percent while employer firms increased by 27 percent.

Although non-employer firms are the majority of firms in the U.S., these firms generate significantly less in receipts than employer firms. In 2007, veteran women-owned non-employer firms had receipts of about \$23,000 per firm. This decreased to about \$19,000 in receipts per firm by 2012. In 2012, men-owned veteran firms had average receipts that were about 2.5 times as high as women-owned veteran firms (about \$50,000 and \$19,000 respectively), while non-veteran men-owned firms had sales that were three times more than veteran women-owned firms (about \$57,000 and \$19,000 respectively).



¹⁷ According to the U.S. Census Bureau, non-employer firms have no paid employees other than the owner. These firms must have annual receipts of at least \$1,000 or more and are subject to federal income taxes. Most of these businesses are small unincorporated businesses. U.S. Census Bureau, EPCD, Nonemployer Statistics. Retrieved from <https://www.census.gov/epcd/nonemployer/view/define.html>

¹⁸ Robert W. Farlie. (2013, December). Crossing the Employer Threshold: Determinants of Firms Hiring Their First Employee. Small Business Administration, Office of Advocacy. Solicitation Number SBAHQ-12-M0184

Business Size and Revenue: Employer Firms, Employment and Payroll

3.3 percent of employer firms are veteran women-owned. As of 2015, these firms employed 85,520 individuals and had 2.9 billion in payroll.

Although employer firms represent the smallest portion of all privately-held firms (19 percent) they play a vital role in the U.S. economy.

In 2012, according to the Survey of Business Owners, there were 12,617 veteran women-owned firms with paid employees. Veteran women-owned firms saw a 27.5 percent increase in the number of employer firms between 2007 and 2012. This is a significantly greater increase than their non-veteran women counterparts, who witnessed an increase in the number of employer firms by 13.7 percent for the same time period.

These employer firms generate \$10.9 billion in annual revenue. In other words, 3.3 percent of veteran women-owned firms are responsible for over 60 percent of all revenue generated by veteran women-owned firms. Although both non-veteran and veteran women-owned firms with paid employees have significantly higher revenues than firms without employees, in 2012, average receipts for non-veteran women-owned firms (\$1,153,733 per firm) were roughly one-quarter more than veteran women-owned firms (\$863,149 per firm).

Recent data released by the Census Bureau's Annual Survey of Entrepreneurs (ASE) sheds additional light on this small portion of veteran women-owned firms.¹⁹ The ASE provides annual data on employer businesses only, and does not provide data on non-employer firms. Therefore, 2015 ASE numbers presented below only represent employer firms and will differ from SBO employer firm numbers.²⁰

According to the ASE, in aggregate, there are over one million women-owned employer firms in the U.S. These firms have a profound effect on the U.S. economy as they are responsible for employing nearly 9 million individuals and generate payroll that exceeds \$293 billion.

According to the ASE data, in 2015, there were 13,317 veteran women-owned firms with paid employees representing 3.3 percent of veteran employer firms.²¹ These firms generated roughly \$10 billion in revenue or about one percent of sales generated by veteran-owned firms. If veteran women-owned employer firms generated receipts proportional to their share of veteran-owned employer firms (3.3 percent) these firms would have receipts that stood at about \$29.3 billion.²²

¹⁹ The Annual Survey of Entrepreneurs (ASE) provides information on selected economic and demographic characteristics for businesses and business owners by gender, ethnicity, race, and Veteran status. Title 13 of the United States Code authorizes this survey and provides for mandatory responses. The ASE represents an exciting public-private partnership between the Census Bureau, the Ewing Marion Kauffman Foundation and the Minority Business Development Agency (MBDA). <https://www.census.gov/programs-surveys/ase/about.html>

²⁰ ASE estimates vary in methodology as well as time period and should be considered independent of the SBO for the purpose of this analysis.

²¹ Included in the ASE are firms with paid employees and all nonfarm businesses filing Internal Revenue Service tax forms as individual proprietorships, partnerships, or any type of corporation, and with receipts of \$1,000 or more.

²² See Appendix Section "Business Size and Revenue: Employer Firms, Employment and Payroll"

Veteran women employ 2 percent of all workers at veteran-owned businesses and generate 1.6 percent of all veteran business payroll. In regards to payroll per employee, it appears that veteran women pay their employees *slightly* more than their non-veteran counterparts (\$33,894 per employee compared to \$32,912 per employee). However, both figures are substantially less than the average \$42,555 salary paid by veteran men business owners.

Table 3. Employer Firms by Employment and Payroll, 2015
Annual Survey of Entrepreneurs

	Gender	Employees	Percent of Employment	Annual Payroll (\$1,000)	Percent of Payroll	Payroll Per Employee
Veteran-owned	Women-owned	85,520	2.0%	\$ 2,898,587	1.6%	\$ 33,894
	Men-owned	4,119,543	97.5%	\$ 175,307,060	98.0%	\$ 42,555
	Equally-owned	20,174	0.5%	\$ 688,309	0.4%	\$ 34,119
	All veteran-owned	4,225,238	100%	\$ 178,893,956	100%	\$ 42,339
Non Veteran-owned	Women-owned	8,806,865	17.3%	\$ 289,849,395	14.3%	\$ 32,912
	Men-owned	36,329,240	71.3%	\$ 1,556,022,685	76.7%	\$ 42,831
	Equally-owned	5,837,223	11.5%	\$ 182,091,862	9.0%	\$ 31,195
	All non-veteran-owned	50,973,328	100%	\$ 2,027,963,942	100%	\$ 39,785

Industry

More than 72 percent of veteran women-owned employer firms can be located in five industry sectors. These five sectors are also responsible for 73 percent of employment created by veteran women.

Veteran women-owned employer firms are located in diverse industries that span from health care to construction and more. Yet, some industries have significantly higher representation of veteran women than others. According to the 2012 SBO, the majority of veteran women-owned employer firms can be found in five industries:²³

1. Health care and social assistance²⁴ (4,211 firms)
2. Professional, scientific, and technical services (2,194 firms)
3. Retail trade (1,069)
4. Construction (845 firms)
5. Administrative and support, waste management, and remediation services (796 firms)

These top industries for veteran women-owned employer firms represent 72 percent of all veteran women-owned employer businesses (9,115 firms). In aggregate, these firms generate over \$6.3 billion in revenue, employ over 73,000 individuals, and have combined payroll of \$2.4 billion. When examining the top five industries more carefully, healthcare as well as professional services have not only the largest number of veteran women-owned employer firms, but also the highest employment numbers. Together, these two industries employ more than half of individuals employed by veteran women-owned employer firms (55,928 employees). All remaining industry codes combined employ a total of 44,743 individuals.²⁵

Yet, it is also important to examine the industries in which veteran women-owned employer firms are least represented. These firms can be located in the following industries²⁶:

- 1) Agriculture, forestry, fishing and hunting (6 firms)
- 2) Management of companies and enterprises (6 firms)
- 3) Mining, quarrying, and oil and gas extraction (9 firms)
- 4) Information (82 firms)
- 5) Educational services (163 firms)

Women veterans own about 1 percent of all employer firms in these industries.

²³ See appendix section "Industry"

²⁴ For this analysis, the NWBC utilized the 2012 North American Industry Classification System (NAICS) for 2-digit NAICS codes and 20 2-digit industry codes were used. <https://www.census.gov/cgi-bin/sssd/naics/naicsrch?chart=2012>

²⁵ See appendix section "Industry"

²⁶ The NAICS category of "Industries Not Classified" and "Wholesale Trade" and "Agriculture, forestry, fishing and hunting" and "utilities" were excluded from this analysis due to missing or unavailable data.

Geography

60 percent of all veteran women-owned firms are located in 10 states in the U.S.

According to the Department of Veteran Affairs, the states with the highest number of women veterans are Texas, California, Florida, Virginia, and Georgia.²⁷ Together, these five states represent more than one-third (34.7) of all women veterans in the U.S. The top states for veteran women business owners are nearly identical to the top states by population for women veterans. High concentrations of veteran women-owned firms are located in California, Texas, Florida, New York, and Georgia. These states are home to nearly 43 percent of all veteran women-owned firms. Moreover, nearly 60 percent of all veteran women-owned firms are located in just 10 states.²⁸

Top 10 States by Number of Veteran Women-owned Firms, 2012

1. California	45,846	6. Illinois	16,631
2. Texas	37,822	7. North Carolina	12,755
3. Florida	34,990	8. Michigan	12,132
4. New York	24,587	9. Ohio	12,051
5. Georgia	20,808	10. Virginia	11,109

As previously discussed, nationally, veteran women-owned firms grew at a rate of 294.7 percent from 2007 to 2012. The District of Columbia witnessed the largest percent growth with an increase of 1,418 percent.²⁹ Throughout the United States, there was no state that witnessed a decrease in the number of veteran women-owned firms.³⁰

Top 10 States by Percent Change for Veteran Women-owned Firms, 2007 to 2012

1. District of Columbia	1,418%	6. Illinois	461%
2. Louisiana	673%	7. Hawaii	459%
3. Connecticut	655%	8. Utah	458%
4. Michigan	502%	9. New Jersey	456%
5. New York	500%	10. California	369%

Another important indicator to examine is proportionality. Currently, even though the District of Columbia witnessed the greatest percent increase in veteran women-owned business from 2007 to 2012, only 28.4 percent of the veteran owned businesses in Washington D.C. are owned and operated by veteran women-owned firms. Yet, Washington D.C. has the highest representation of veteran women-owned firms compared to veteran men and equally-owned firms of any state.³¹

²⁷ U.S. Department of Veterans Affairs. (2016, October). Fact sheet: Women veterans population. <http://www.va.gov/womenvet/docs/WomenVeteransPopulationFactSheet.pdf>

²⁸ See appendix section "Geography"

²⁹ Please see NWBC Survey of Business Owner NWBC Calculation Methodology <https://www.nwbc.gov/content/survey-business-owners-nwbc-calculations-methodology>

³⁰ Idaho, Delaware, and Vermont were excluded as numbers for number of firms for 2007 were not available.

³¹ See appendix section "Geography"

Business Years of Operation

Firms with only one year of operation had average receipts of \$19,032 while older firms tended to have significantly higher average receipts.

According to research conducted by JPMorgan Chase, a large portion of businesses in the U.S. are young businesses. As of 2014, 32.5 percent of firms were 0 to 5 years of age.³² Veteran women owned firms are especially young: According to the SBO, as of 2012, of individuals surveyed, 42.2 percent were 0 to 5 years of age.³³

Business longevity is often linked to higher levels of receipts and nearly one-third of firms exit within the first two years of business.³⁴ Firms with at least six years of operation had average receipts that were significantly higher than younger firms: Results from the 2012 SBO demonstrate that firms established between 2002 and 2007 had average receipts of \$186,688 while firms created in 2008 had average receipts of \$62,571. In general, non-veteran women-owned firms had higher average receipts than veteran women-owned firms, with the exception of firms established from 2002 to 2007 and in 2010.³⁵

Table 4: Year Established for Veteran and Non-Veteran Women-owned Firms, 2012³⁶
Survey of Business Owners

Year Established	Percent Veteran Women-Owned	Average Receipts Veteran Women-Owned	Percent Non-Veteran Women-Owned	Average Receipts Non-Veteran Women-Owned
Before 1980	1.6%	\$336,061	2.6%	\$1,635,031
1980 to 1989	3.1%	\$465,664	4.9%	\$491,483
1990 to 1999	8.2%	\$227,350	10.4%	\$268,897
2000 to 2007	20.4%	\$186,688	20.2%	\$160,702
2008	3.7%	\$62,571	4.0%	\$100,478
2009	5.6%	\$77,053	4.8%	\$94,264
2010	7%	\$73,226	6.2%	\$72,985
2011	10.8%	\$43,839	8.3%	\$50,108
2012	15.1%	\$19,032	13.7%	\$20,529
Don't Know	24.4%	\$34,336	24.9%	\$98,506

The high percentage of veteran women-owned firms with *less than* six years of business lifetime may be one of the explanations for low average receipts seen by veteran women business owners. These low receipt levels are especially prevalent for firms established between 2008 and 2012, which is also the time period in which veteran women-owned firms saw substantial growth.

³² JP Morgan Chase & Co. Institute: Small Business Data Dashboard. <https://www.jpmorganchase.com/corporate/institute/small-business-longevity.htm>

³³ Appendix section "Business Years of Operation"

³⁴ Ibid.

³⁵ When examining these results, it is important to note that only in 1973 did the military transition to an All-Volunteer Force enabling more women to enter into the military and that during the 1980 decennial census it was reported that about 2 percent of Veterans were women.

³⁶ Percentages are based off the total number of firms reporting. The number of Veteran women-owned businesses reporting is 78,849 and 3,534 not reporting. The number of total women-owned businesses reporting is 5,547,558 and 119,085 not reporting.

Start-up Capital

Veteran women business owners start their enterprises with less capital than their male peers.

Women-owned firms often experience challenges with access to capital. Capital sources can range from personal savings, credit cards, traditional loans, venture capital and more. Research has demonstrated that compared to men, women-owned firms start their business with nearly half as much capital as men.³⁷ What's more, compared to their male counterparts, women are less likely to utilize business loans from banks or financial institutions.³⁸

A study conducted by Gallup that interviewed 729 veteran small business owners found that 89 percent of veterans used personal cash or savings to launch their business while 46 percent used personal credit cards.^{39,40} Although 87 percent of the general population interviewed also relied on personal cash or savings, only 38 percent relied on personal credit card. This difference indicates a high dependence on these two startup capital sources for veteran interview participants, in particular.⁴¹

SBO numbers allow for a comparison between men and women veteran business owners. 55.9 percent of veteran women business owners used personal or family savings to launch their businesses compared to 59.5 percent of veteran men business owners. When examining personal credit cards, 11.9 percent of veteran women business owners used this capital source compared to 7.2 percent of their male peers.⁴²

Research conducted by Babson College demonstrates that women-owned businesses are less inclined to seek business loans compared to their male peers.⁴³ Current analysis of SBO data shows that veteran women are more likely to start their business with a traditional bank loan than non-veteran women (4.9 percent to 3.6 percent respectively); yet, veteran women are less likely to take out business loans to start a business than male veterans (4.9 percent to 8.4 percent respectively).

³⁷ Coleman, Susan and Robb, Alicia. (2014, April). Access to Capital by High-Growth Women-Owned Businesses. National Women's Business Council. Solicitation number: SBAHQ-13-Q-0A63

[https://www.nwbc.gov/sites/default/files/Access%20to%20Capital%20by%20High%20Growth%20Women-Owned%20Businesses%20\(Robb\)%20-%20Final%20Draft.pdf](https://www.nwbc.gov/sites/default/files/Access%20to%20Capital%20by%20High%20Growth%20Women-Owned%20Businesses%20(Robb)%20-%20Final%20Draft.pdf)

³⁸ Kymn, Christine. (2014 January) Access to Capital for Women- and Minority-owned Businesses. Revisiting Key Variables. Small Business Administration, Office of Advocacy. <https://www.sba.gov/sites/default/files/Issue%20Brief%203%20Access%20to%20Capital.pdf>

³⁹ Gallop. (2015, May). Small Business Diverse Segments Lending Study. <https://wellsfargoworks.com/File/Index/H60RWh0jmUSO9iziox4Fpg>

⁴⁰ Individuals interviewed could indicate more than one response. Question asked was "Now, thinking about when you started your small business, for each of the following, please indicate if you used this as a way to initially fund your business?"

⁴¹ 1003 Small Business Owners from the General Population were interviewed

⁴² See appendix section "Start-up Capital"

⁴³ Babson College. (2014). Investing in the Power of Women: Progress Report on the 10,000 Women Initiative.

<http://www.goldmansachs.com/citizenship/10000women/news-and-events/10kw-progress-report/progress-reportfull.pdf>

**Table 5. Source of Startup Capital by Percent of Respondent Firms, 2012
Survey of Business Owners**

	Veteran Women-Owned	Veteran Men-Owned	Non-Veteran Women-Owned	Non-Veteran Men-Owned
Personal/family savings of owner(s)	55.9%	59.5%	51.3%	58.8%
Personal/family assets other than savings of owner(s)	5.9%	6.2%	4.5%	5.7%
Personal/family home equity loan	1.8%	2.6%	2.1%	3.0%
Personal credit card(s) carrying balances	11.9%	7.2%	7.3%	7.5%
Business credit card(s) carrying balances	3.4%	2.4%	1.9%	2.5%
Business loan from federal, state, or local government	0.2%	0.1%	0.1%	0.2%
Government-guaranteed business loan from a bank or financial institution	0.9%	0.6%	0.4%	0.6%
Business loan from a bank or financial institution	4.9%	7.9%	3.6%	8.4%
Business loan/investment from family/friends	1.1%	1.4%	1.3%	2.0%
Investment by venture capitalist(s)	0.1%	0.2%	0.1%	0.3%
Grants	0.3%	0.1%	0.3%	0.2%
Other source(s) of capital	2.0%	1.9%	1.4%	2.0%
Don't know	3.9%	5.7%	5.6%	8.4%
None needed	30.5%	23.5%	34.4%	21.9%

Veteran women-owned businesses were more likely to start their business with less capital than their peers. More than half of all veteran women-owned firms started their business with less than \$25,000. On a more granular level, over 40 percent of veteran women started their business with less than \$5,000 compared to about 34 percent of veteran men.⁴⁴

⁴⁴ See appendix section "Start-up Capital"

Conclusion and Recommendations

According to the 2012 Survey of Business Owners (SBO), there are over 2.5 million veteran-owned firms in the U.S, comprising more than 9 percent of all firms. Of these veteran-owned firms, 15 percent, or approximately 383,000, are woman-owned. These veteran women-owned businesses earn almost \$18 billion in annual receipts, translating to over 102,000 jobs, while in 2007 veteran women-owned firms' receipts stood at less than \$16 billion annually and were responsible for fewer than 70,000 jobs. The growth of this population has exceeded any other demographic segment of the entrepreneurial economy. Yet, for every dollar that a veteran man makes in his business, a veteran woman makes just 7 cents in hers.

As this dynamic subpopulation of women entrepreneurs in the U.S. continues to grow, it is imperative to develop a deeper knowledge of their impact, as well as the climate in which these women businesses owners operate. In an effort to discern how to better support women veterans and their business pursuits the following recommendations should be considered:

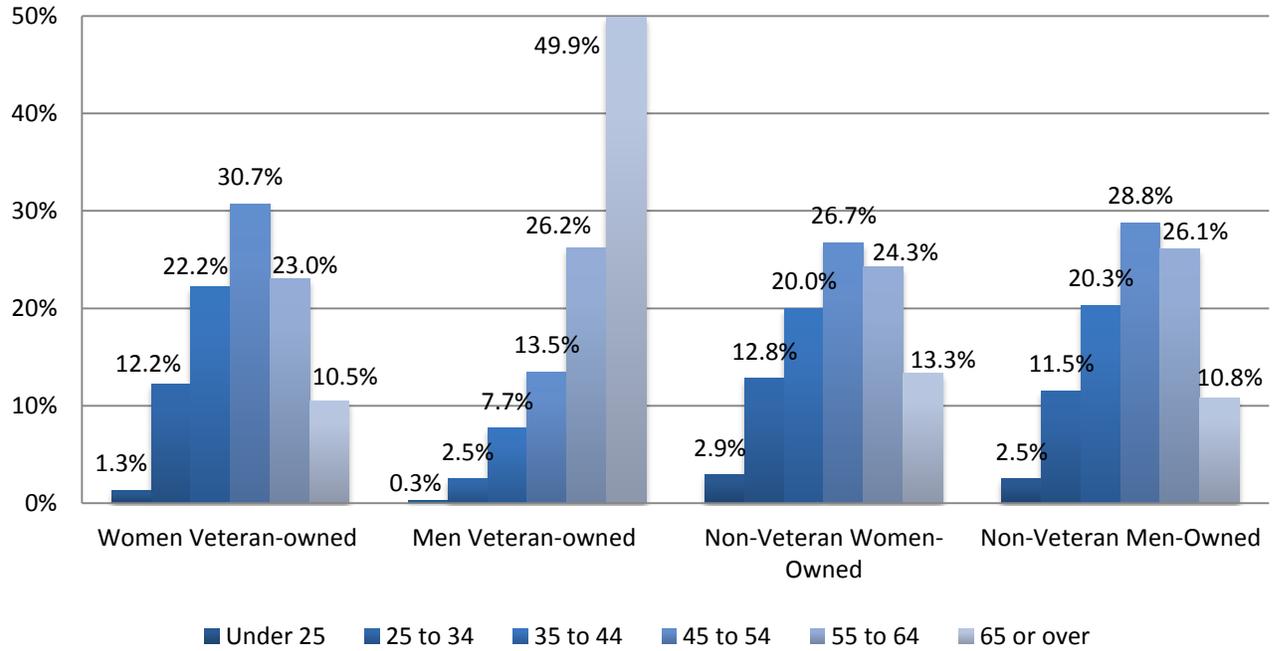
Data Collection: The federal government should standardize data collection efforts to ensure comparability for systematic longitudinal analysis and reliable population estimates of veteran entrepreneurs. Per methodology published by the Census Bureau, "For the 2012 SBO, the use of administrative data for direct substitution may have affected the equally owned estimates." In particular, the 2012 SBO reflects relatively fewer equally-owned firms than non-equally owned firms in comparison with 2007 and earlier estimates. Further analysis is required to understand these effects as well as its effects on comparability from 2002 to 2012 and beyond.

Future Research: The share of non-employer veteran women-owned firms continues to rise. It is unclear if this a temporary phenomenon linked to the increasing rate of veterans who are launching new ventures or other environmental factors such as the sharing economy. Therefore, there are significant merits in additional research that examines non-employer veteran-owned firms through a public or private survey collection.

Increase Access to Start-up Capital: The veteran entrepreneurial support community, both private and public, should work to improve and enhance entrepreneurial opportunities for veteran women, specifically as it relates to start-up capital needs. Support entities should consider the merits of conducting a pilot program to determine how monies and grants could be funneled to quality veterans seeking to open a business. Pilot programs should aim at determining feasibility and acceptability measures in connecting new veteran entrepreneurs to vital startup capital such as grants as well as resources and technical assistance.⁴⁵

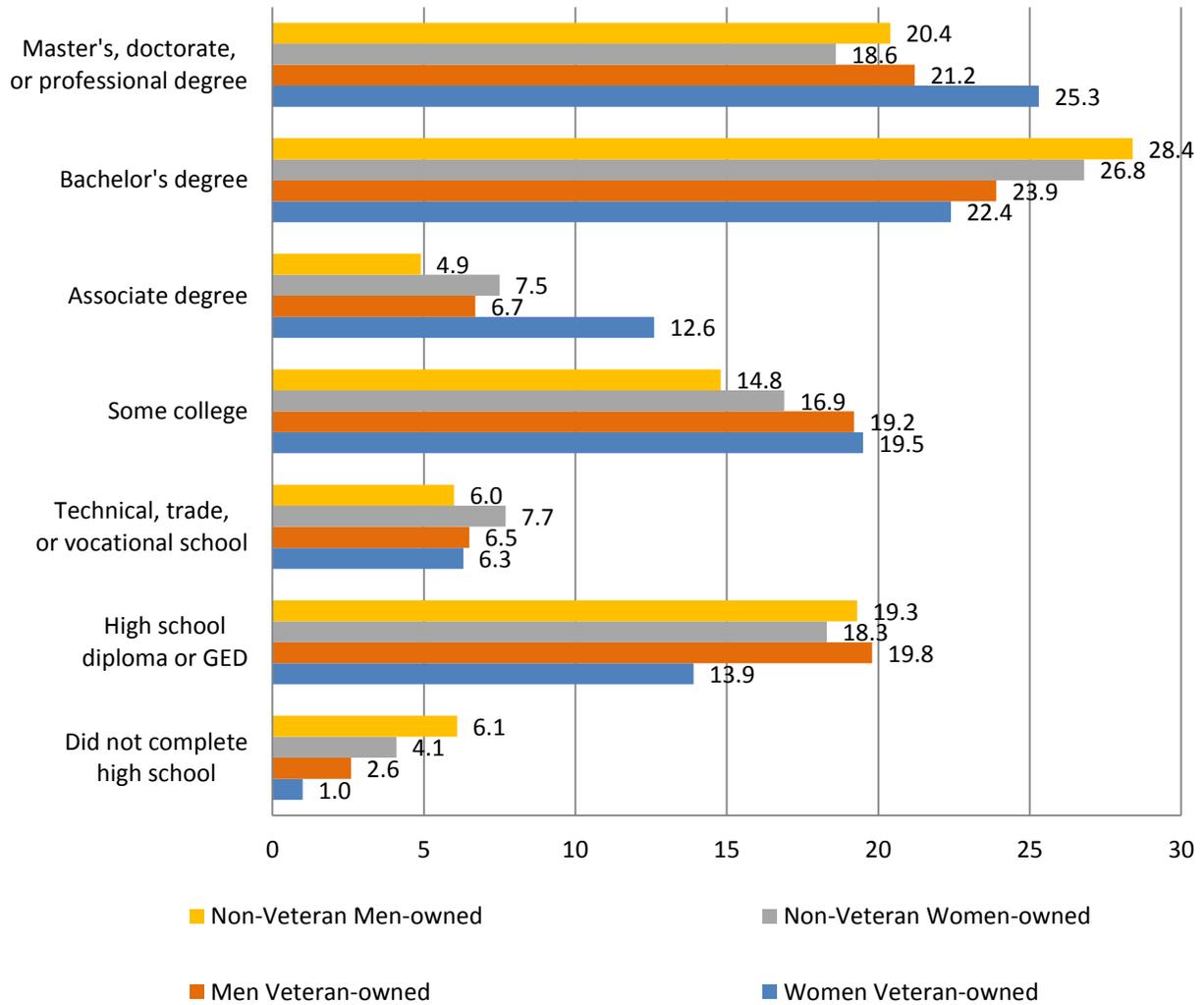
⁴⁵ US Small Business Administration Office of Veterans Business Development. (2017) *Report to Congress on Alternative Use of Education Benefits*.

Figure 1. Age Distribution of Business Owners, 2012
Survey of Business Owners



Education

**Figure 2. Educational Attainment by Veteran Status and Age, 2012
Survey of Business Owners**

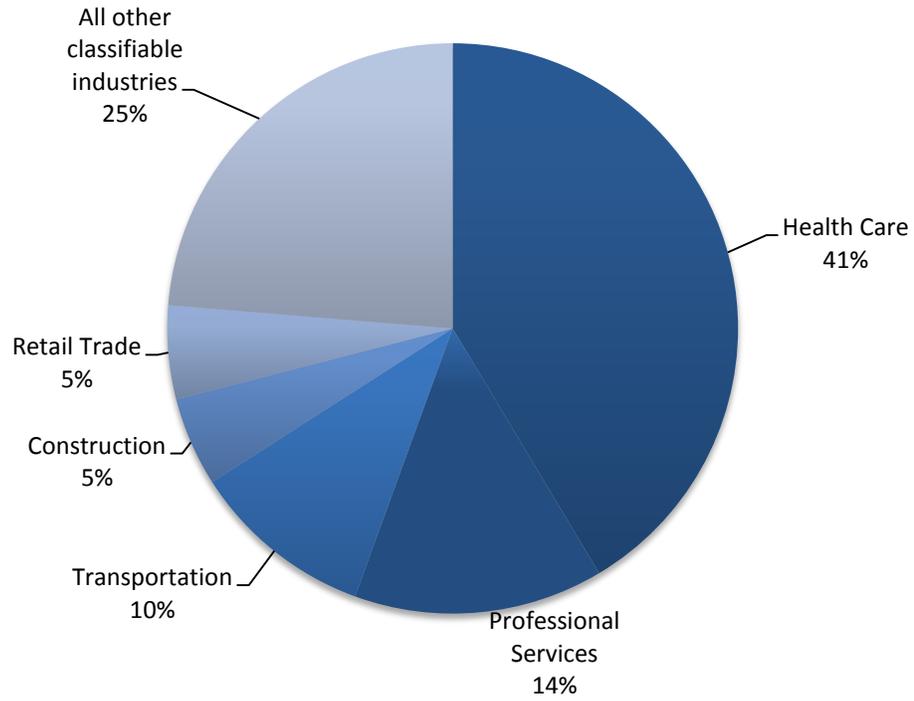


Business Size and Revenue: Employer Firms, Employment and Payroll

Table 1. Employer Firms by Gender and Receipts, 2015
Annual Survey of Entrepreneurs

	Gender	Number of Firms	Receipts (\$1,000)	Share of Receipts	Sales Per Business
Veteran-owned	Women-owned	13,317	\$9,992,620	1.1%	\$750,366
	Men-owned	381,827	\$876,673,587	98.7%	\$2,295,997
	Equally-owned	3,309	\$1,992,918	0.2%	\$602,272
	All Veteran-owned	398,453	\$888,659,126	100.0%	\$ 2,230,273
Non Veteran-owned	Women-owned	1,074,163	\$1,342,481,995	12.9%	\$1,249,794
	Men-owned	2,959,433	\$8,174,172,941	78.6%	\$2,762,074
	Equally-owned	655,406	\$878,912,802	8.5%	\$1,341,020
	All Non-Veteran Owned	4,689,002	\$10,395,567,738	100.0%	\$2,217,011

**Figure 3. Percent of Employees by Industry for Veteran Women-Owned Employer Firms, 2012
Survey of Business Owners**



**Table 2. Veteran Women-Owned Employer Firms by Industry, 2012
Survey of Business Owners**

Industry	Number of Employer Businesses	Receipts (\$1,000)	Employees	Payroll (\$1,000)	Payroll Per Employee
Total for all sectors	12,617	\$10,890,350	102,662	\$3,342,244	\$32,556
Health care and social assistance	4,211	\$2,335,751	41,695	\$1,074,102	\$25,761
Professional, scientific, and technical services	2,194	\$1,828,537	14,233	\$862,836	\$60,622
Retail trade	1,069	\$749,963	5,352	\$101,199	\$18,909
Construction	845	\$794,141	5,082	\$178,707	\$35,165
Administrative and support and waste management and remediation services	796	\$594,584	6,659	\$154,708	\$23,233
Accommodation and food services	614	\$224,621	5,756	\$64,417	\$11,191
Other services (except public administration)	611	\$216,304	2,919	\$69,630	\$23,854
Real estate and rental and leasing	558	\$206,639	1,923	\$42,511	\$22,107
Wholesale trade	363	X	X	X	X
Transportation and warehousing	328	\$1,403,675	44,743	\$440,973	\$42,158
Manufacturing	286	\$466,180	2,875	\$122,285	\$42,534
Finance and insurance	262	\$122,775	789	\$34,747	\$44,039
Arts, entertainment, and recreation	218	\$63,816	1,171	\$20,125	\$17,186
Educational services	163	\$78,379	603	\$19,032	\$31,562
Information	82	\$81,815	790	\$37,526	\$47,501
Industries not classified	13	\$1,277	9	\$249	\$27,667
Mining, quarrying, and oil and gas extraction	9	\$14,038	52	\$2,472	\$47,538
Agriculture, forestry, fishing and hunting	6	X	X	X	X
Management of companies and enterprises	6	\$11,469	303	\$15,329	\$50,591
Utilities	-	X	X	X	X

Table 3. Top Five Industries by Number of Veteran Women-owned Employer Businesses, 2012
Survey of Business Owners

Industry	Number of Employer Businesses	Receipts (\$1,000)	Employees	Payroll (\$1,000)	Payroll Per Employee
Health care	4,211	\$2,335,751	41,695	\$1,074,102	\$ 25,761
Professional services	2,194	\$ 1,828,537	14,233	\$ 862,836	\$ 60,622
Retail trade	1,069	\$ 749,963	5,352	\$ 101,199	\$ 18,909
Construction	845	\$ 794,141	5,082	\$ 178,707	\$ 35,165
Administrative and support	796	\$ 594,584	6,659	\$ 154,708	\$ 23,233

Table 4. Top Five Industries by Number of Veteran Women-owned Businesses by Employment , 2012
Survey of Business Owners

Industry	Number of Employer Businesses	Receipts (\$1,000)	Employees	Payroll (\$1,000)	Payroll Per Employee
Health care	4,211	\$2,335,751	41,695	\$1,074,102	\$ 25,761
Professional services	2,194	\$1,828,537	14,233	\$ 862,836	\$ 60,622
Transportation	328	\$1,403,675	10,460	\$ 440,973	\$ 42,158
Administrative and support	796	\$ 594,584	6,659	\$ 154,708	\$ 23,233
Accommodation	614	\$ 224,621	5,756	\$ 64,417	\$ 11,191

Table 5. Top Five Industries by Number of Veteran Women-owned Non-Employer Businesses, 2012
Survey of Business Owners

Industry	Number of Non-Employer Businesses	Receipts (\$1,000)	Receipts Per Business
Other services	83,985	\$ 1,222,620	\$ 14,558
Health care	58,206	\$ 1,059,738	\$ 18,207
Administrative services	45,791	\$ 607,681	\$ 13,271
Professional services	41,205	\$ 976,965	\$ 23,710
Retail trade	38,587	\$ 680,424	\$ 17,634

Table 6. Top Five Industries by Average Receipts of Veteran Women-owned Non-Employer Firms, 2012
Survey of Business Owners

Industry	Number of Non-Employer Businesses	Receipts (\$1,000)	Average Receipts
Mining and quarrying	1,015	\$38,228	\$37,663
Real estate	20,291	\$691,480	\$34,078
Transportation	8,895	\$257,510	\$28,950
Construction	9,357	\$245,752	\$26,264
Finance	8,400	\$216,270	\$25,746

Geography

Figure 4. Percentage of Veteran Women-owned Businesses to Women Veterans in States with the Highest Number of Veteran Women-owned Businesses, 2012 Survey of Business Owners

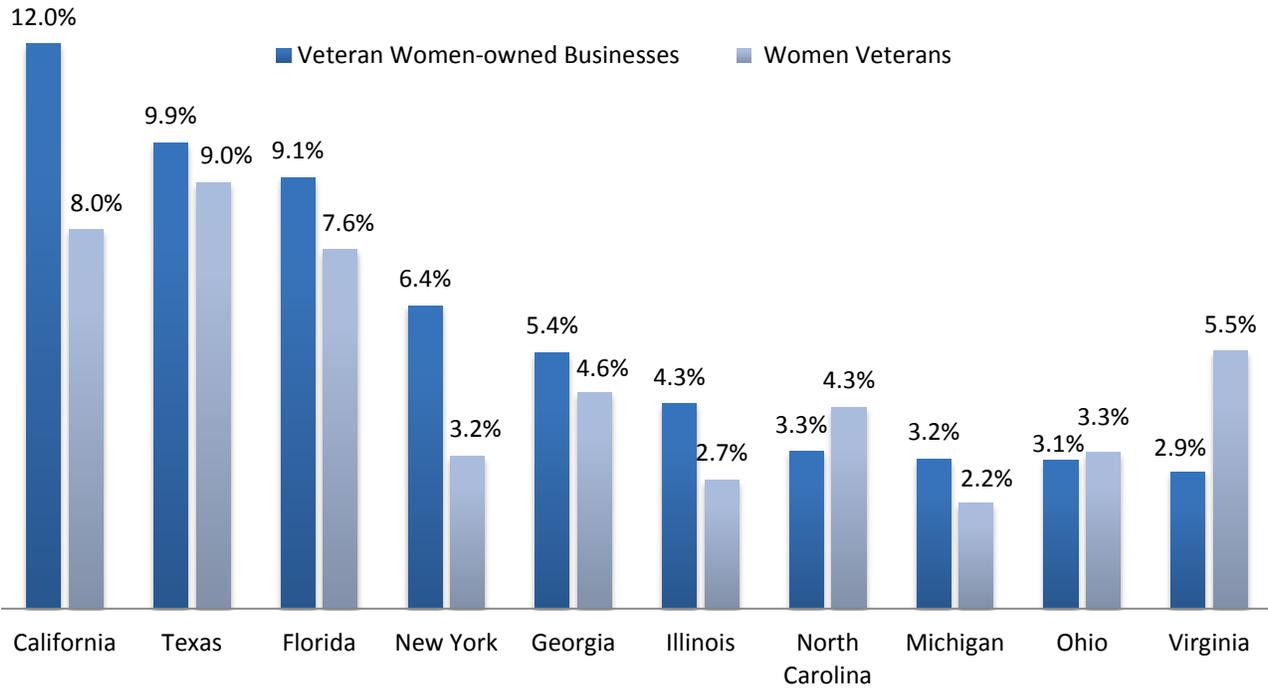


Table 7. Veteran Women-Owned Firms by State, 2012
Survey of Business Owners

State	Women-Owned	Men-Owned	Equally- Owned	Percent Women-Owned
United States	383,302	2,124,666	13,714	15.2%
Alabama	6,715	34,992	237	16.0%
Alaska	1,054	6,814	84	13.3%
Arizona	7,055	39,442	283	15.1%
Arkansas	3,050	22,637	228	11.8%
California	45,846	205,389	1,142	18.2%
Colorado	6,788	44,274	660	13.1%
Connecticut	3,193	27,738	124	10.3%
Delaware	712	6,429	64	9.9%
District of Columbia	1,442	3,625	3	28.4%
Florida	34,990	149,656	1,110	18.8%
Georgia	20,808	75,533	446	21.5%
Hawaii	1,611	9,474	64	14.5%
Idaho	1,411	11,285	108	11.0%
Illinois	16,631	72,293	186	18.7%
Indiana	5,753	39,179	242	12.7%
Iowa	2,275	23,243	370	8.8%
Kansas	2,163	19,273	174	10.0%
Kentucky	3,716	29,321	171	11.2%
Louisiana	8,283	33,728	201	19.6%
Maine	1,315	14,302	72	8.4%
Maryland	9,169	41,624	183	18.0%
Massachusetts	5,767	52,414	158	9.9%
Michigan	12,132	59,275	454	16.9%
Minnesota	4,456	41,072	54	9.8%
Mississippi	4,870	21,806	113	18.2%
Missouri	6,198	42,728	291	12.6%
Montana	1,135	10,305	46	9.9%
Nebraska	1,572	15,079	42	9.4%
Nevada	3,467	19,470	112	15.0%
New Hampshire	1,077	14,833	209	6.7%
New Jersey	7,800	50,010	186	13.4%
New Mexico	2,303	11,673	120	16.3%
New York	24,587	112,615	330	17.9%
North Carolina	12,755	73,165	651	14.7%
North Dakota	738	5,812	35	11.2%
Ohio	12,051	79,028	237	13.2%
Oklahoma	3,865	32,242	165	10.7%
Oregon	3,990	26,750	178	12.9%
Pennsylvania	9,411	88,403	155	9.6%
Rhode Island	976	8,918	9	9.9%
South Carolina	6,343	41,486	158	13.2%
South Dakota	825	7,744	34	9.6%
Tennessee	9,209	49,920	250	15.5%
Texas	37,822	174,026	1,742	17.7%

Utah	1,714	16,992	49	9.1%
Vermont	615	7,520	101	7.5%
Virginia	11,109	64,830	496	14.5%
Washington	6,635	41,995	701	13.4%
West Virginia	1,225	11,652	35	9.5%
Wisconsin	4,325	35,179	326	10.9%
Wyoming	435	5,905	130	6.7%

Start-up Capital

Table 8. Amount of Startup Capital by Average Receipts of Respondent Firms, 2012 ⁴⁶
Survey of Business Owners

	Veteran Women- Owned	Veteran Men- Owned	Non-Veteran Women-Owned	Non-Veteran Men-Owned
All firms	\$46,832	\$527,577	\$147,592	\$ 650,318
Less than \$5,000	\$42,070	\$140,323	\$54,878	\$ 190,427
\$5,000 to \$9,999	\$114,065	\$272,174	\$131,307	\$ 254,819
\$10,000 to \$24,999	\$201,339	\$397,456	\$236,497	\$ 421,094
\$25,000 to \$49,999	\$326,273	\$511,972	\$328,043	\$ 548,058
\$50,000 to \$99,999	\$277,598	\$721,718	\$463,101	\$ 854,381
\$100,000 to \$249,999	\$650,347	\$1,191,118	\$742,790	\$ 1,200,963
\$250,000 to \$999,999	\$598,276	\$1,798,677	\$898,559	\$ 1,890,891
\$1,000,000 to \$2,999,999	\$1,107,616	\$3,346,880	\$1,638,780	\$ 4,036,998
\$3,000,000 or more	Not Available	\$11,524,221	\$3,391,250	\$ 10,577,484
Don't know	\$267,406	\$1,913,047	\$666,150	\$ 2,201,267
Not applicable	\$34,388	\$112,975	\$49,815	\$194,680

Table 9. Amount of Startup Capital by Percent of Respondent Firms, 2012 ⁴⁷
Survey of Business Owners

	Veteran Women- Owned	Veteran Men- Owned	Non-Veteran Women-Owned	Non-Veteran Men-Owned
Less than \$5,000	40.1%	33.7%	36.5%	29.3%
\$5,000 to \$9,999	7.8%	8.7%	6.4%	8.6%
\$10,000 to \$24,999	5.3%	8.1%	5.0%	8.3%
\$25,000 to \$49,999	2.8%	4.6%	2.8%	5.0%
\$50,000 to \$99,999	2.4%	3.8%	2.2%	4.3%
\$100,000 to \$249,999	2.5%	3.1%	1.9%	4.1%
\$250,000 to \$999,999	1.2%	2.0%	1.0%	2.8%
\$1,000,000 to \$2,999,999	0.1%	0.6%	0.3%	0.8%
\$3,000,000 or more	0.1%	0.3%	0.1%	0.3%
Don't know	7.2%	11.7%	9.5%	14.5%
Not applicable	30.5%	23.4%	34.3%	21.9%

⁴⁶ For Veteran women-owned firms, 76,979 individuals reported this question while 5,402 did not report this question. For non-Veteran women-owned firms, 5,529,385 individuals reported question while 131,341 did not report this question. For Veteran men-owned firms, 1,407,644 individuals reported this question while 33,467 did not report this question. For non-Veteran men-owned firms, 7,862,180 individuals reported question while 141,108 did not report this question.

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