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Veteran-Owned Businesses Receive More Federal Contract Dollars Than Reported, Study Shows ***Status Coding Of Contracts Inconsistent Across Federal Agencies***

WASHINGTON, D.C. – Veteran-owned firms receive substantially more federal contract dollars than official figures show, according to a study released today by the Office of Advocacy of the U.S. Small Business Administration. The discrepancy results from inconsistent status coding of contracts across federal agencies and from difficulties in identifying veteran-owned businesses.

Official statistics from the Federal Procurement Data System (FPDS) indicate that veteran-owned businesses were awarded 0.6 percent of total prime contract dollars in Fiscal Year (FY) 2002 and 0.4 percent in FY 2001. However, according to the new analysis veteran-owned businesses received at least 1.7 percent of prime contract dollars in FY 2002 and 1.6 percent in FY 2001.

“Today America’s veterans received some good news,” said Thomas M. Sullivan, Chief Counsel for Advocacy. “The grim federal procurement numbers for veteran-owned businesses just got a little better. But, many federal agencies still have a long way to go to reach their procurement goals, particularly their three percent goal for service-disabled veteran-owned businesses,” he said.

Among the study’s findings is the fact that thousands of companies flagged as veteran-owned in the Department of Defense’s Central Contractor Registry, in the Small Business Administration’s ProNet file, and by Dun and Bradstreet are not coded as veteran-owned in the General Service Administration’s master prime contract file. Consequently, the FPDS substantially understated the number of veteran-owned businesses.

Eagle Eye Publishers wrote *Characteristics of Federal Government Procurement Spending With Veteran-Owned Businesses FY 2000 – FY 2003 (3Q)*, with funding from the Office of Advocacy.

The Office of Advocacy, the “small business watchdog” of the government, examines the role and status of small business in the economy and independently represents the views of small business to federal agencies, Congress, and the President. It is the source for small business statistics presented in user-friendly formats and it funds research into small business issues.

For more information, visit the Office of Advocacy website at www.sba.gov/advo.

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Created by Congress in 1976, the Office of Advocacy of the U.S. Small Business Administration (SBA) is an independent voice for small business within the federal government. Appointed by the President and confirmed by the U.S. Senate, the Chief Counsel for Advocacy directs the office. The Chief Counsel advances the views, concerns, and interests of small business before Congress, the White House, federal agencies, federal courts, and state policy makers. Economic research, policy analyses, and small business outreach help identify issues of concern. Regional Advocates and an office in Washington, DC, support the Chief Counsel’s efforts. For more information on the Office of Advocacy, visit www.sba.gov/advo, or call (202) 205-6533.