



Report to Congress

Empowering Women Veterans:
An overview of programs available to women
veterans through SBA's Women's Business Centers
and Veterans Business Outreach Centers

January 2016

Introduction

This report is in response to language contained in Section 3 of the Veterans Entrepreneurship Act of 2015, Public Law 114-38, directing the Administrator of the U.S. Small Business Administration (SBA) to report to Congress on “assessing the level of outreach to and consultation with female veterans regarding access to capital by women's business centers (as described in section 29 of the Small Business Act ([15 U.S.C. 656](#)) and Veterans Business Outreach Centers (as referred to in section 32 of such Act ([15 U.S.C. 657b](#))).” In accordance with Public Law 114-38, and on behalf of SBA, the Office of Veterans Business Development (OVBD) and the Office of Women’s Business Ownership (OWBO), respectfully submit a response by way of this report.

SBA’s mission is to maintain and strengthen the nation’s economy by enabling the establishment and vitality of small businesses and by assisting in the economic recovery of communities after disasters. To reach this end, the agency has established three primary goals: 1) growing businesses and creating jobs; 2) serving as the voice for small businesses; and, 3) building an SBA that meets the needs of today’s and tomorrow’s small businesses.

Serving the women veteran population is a priority at SBA. Aiding in the establishment and development of women veteran entrepreneurship threads itself through all three of the Agency’s primary goals. SBA’s Women’s Business Centers (WBCs) and Veterans Business Outreach Centers (VBOCs) provide available resources to women veterans who wish to establish or expand and build a small business. Through these centers, women veterans are counseled and trained and are provided with the necessary tools to expand their knowledge, develop skills and improve their ability to manage and operate a small business.

SBA is proud of its overall work to support veteran entrepreneurship; each year the agency serves over 60,000 veterans, service-disabled veterans and military spouses across the United States and at military installations around the globe. SBA has put into place long-term improvements to servicing this demographic and continues to respond to challenges in identifying the needs of the women veteran entrepreneur population.

What We Know About Women Veterans

Women represent about 15.1% of active duty military, 18.8% of the Reserve and Guard (Selected Reserve), and 20% of new recruits.¹ Almost 280,000 women have served Post-9/11 in Afghanistan and Iraq.²

¹ U.S. Department of Defense, Office of Deputy Assistance Secretary of Defense (Military Community and Family Policy). “2014 Demographics, Profile of the Military Community.”

<http://download.militaryonesource.mil/12038/MOS/Reports/2014-Demographics-Report.pdf>

² Disabled American Veterans. “Women Veterans: The Long Journey Home.” 2014. <https://www.dav.org/wp-content/uploads/women-veterans-study.pdf>. January 2016.



The total women veteran population in the U.S. and Puerto Rico, and Territories/Foreign is 2,035,213. States with the largest number of women veterans are Texas, California, Florida, Virginia and Georgia.³

As of 2012, there are 383,302 veteran women-owned businesses in the United States. This reflects an increase of 286,188, or 294.7%, from 2007. Of nonfarm and non-publicly-held veteran businesses, 15.2% are women-owned. In 2007, 4.0% were women-owned.⁴

In 2012, veteran women-owned businesses generated a total of \$17.9 billion in receipts. Of these firms, 96.7% have no employees other than the owner; these firms have receipts of \$7.1 billion. In 2007, 89.8% of veteran women-owned firms were sole-proprietorships with receipts of \$2.0 billion.

The remaining 3.3% of the firms have paid employees, employing 102,662 people in addition to the owner. In 2012 veteran women-owned employer firms paid their employees \$3.3 billion, a \$1.2 million, or 56.4% increase since 2007. Veteran women-owned firms with employees generated \$10.9 billion in receipts.⁵

States with the highest number of veteran women-owned firms:⁶

- California (45,846 firms, or 12% of VWOBs)
- Texas (37,822 firms or 9.9% of VWOBs)
- Florida (34,990 firms or 9.1% of VWOBs)
- New York (24,587 firms or 6.4% of VWOBs)
- Georgia (20,808 firms or 5.4% of VWOBs)

Top industries for women-owned businesses include:⁷

- Other Services (except Public Administration) – 84.6K firms
- Health Care and Social Assistance – 62.4K firms
- Administrative and Support and Waste Management and Remediation Services - 46.6K firms
- Professional, Scientific, and Technical Services – 43.4K firms
- Retail Trade – 39.7K firms

A report by Babson College on the Goldman Sachs *10,000 Women* initiative revealed that women are less likely to ask for business loans out of fear of being denied, even though their financial profiles are often better than their male counterparts.⁸

³ Department of Veterans Affairs, Office of Public Affairs Media Relations. “Fact Sheet, Women Veterans Population.” October 2, 2015. <http://www1.va.gov/womenvet/docs/WomenVeteransPopulationFactSheet.pdf>. January 2016.

⁴ National Women’s Business Council. “Fact Sheet on Veteran Women-Owned Businesses (WOBs).” December 2015. <https://www.nwbc.gov/facts/new-fact-sheet-veteran-women-owned-businesses>. 12 January 2016.

⁶ Ibid.

⁷ Ibid.

⁸ Babson College. “Investing in the Power of Women: Progress Report on the *10,000 Women Initiative*” 2014. <http://www.goldmansachs.com/citizenship/10000women/news-and-events/10kw-progress-report/progress-report-full.pdf> January 2016.

SBA lending through the 7(a) and 504 loan programs in FY 2015 provided 239 loans to veteran women-owned firms totaling \$87.31 million representing a significant increase in the last 5 years. The average loan size to veteran women-owned firms in FY 2015 was \$365,316.⁹

SBA's Office of Women's Business Ownership (OWBO) and the Women's Business Centers (WBCs) Network

WBCs are designed to assist women in starting and growing small businesses and represent a national network of over 100 educational centers throughout the U.S. and its territories. WBCs seek to "level the playing field" for women entrepreneurs, who still face unique obstacles in the business world. OWBO oversees the WBC network, which provides entrepreneurs (especially women who are economically or socially disadvantaged) comprehensive training and counseling on a variety of topics in several languages. WBCs serve over 140,000 clients every year and coordinate with other local partners to ensure they empower and support women who are starting or growing a business, including women veteran entrepreneurs. A complete listing of WBCs can be found on SBA's website at: <https://www.sba.gov/tools/local-assistance/wbc>.

Out of the over 100 WBCs, approximately 18.5% or 20 of the centers specifically target the women veteran demographic. This includes programs aligned with OVBD, such as 'Boots to Business' where particular outreach may encompass female veterans, female spouses of military personnel, and female soldiers preparing to transition out of the military in the near future. One particular program offered to supplement the traditional Boots to Business program is the *Boots to Business for Spouses* in Hawaii. This is a two-step entrepreneurial training program in partnership with the SBA District Office and the Institute for Veterans and Military Families (IVMF) at Syracuse University. This program is available free at participating installations such as Schofield Barracks to Service members and their dependents transitioning out of or retiring from the U.S. military.

Over 30% of WBCs also have or are associated with an SBA Microloan program or similar lending program that provides women veterans with an even greater level of access to capital support as they start and grow America's small businesses. As an example, the Wisconsin Women's Business Initiative Corp, which hosts both a WBC and a microlending program, made 10 loans to veteran-owned businesses in FY 2015 totaling nearly \$428,000. These loans are expected to create 25.5 jobs and retain 8 full-time jobs. Of these jobs, 40% were to racial/ethnic minorities; 30% were to disabled veterans; and, 20% were to females.

The WESST WBCs provide 4 individual centers throughout New Mexico that offer a *Veterans Suite* which is a co-working space for veterans that provides technology access and shared office space to active and retired military entrepreneurs. These veterans also have access through the

⁹ In FY 2015, through SBA's 7(a) & 504 loan programs, \$87.31 million was loaned to firms that were 50% or more owned by veteran women. This represents an increase from FY 2013, when the next highest loan amount to veteran women-owned firms was reported as \$61.46 million through 175 loans. U.S. Small Business Administration, Office of Performance Management. 12 January 2016.



WESST network to meeting rooms, to one-on-one consulting and entrepreneurial training which is focused on business needs such as access to capital.

The Women's Business Center of Ohio holds an annual education and training event for female veterans called *VGATE: Veterans Growing America through Entrepreneurship*. Here, the sessions are co-taught by female veterans who are also authors and professional speakers. They provide veterans and their spouses the tools necessary for taking the first step in business ownership.

In New York, the Women Igniting the Spirit of Entrepreneurship (WISE) WBC serves as a support mechanism for the rich network of veteran support organizations that exist in that state. For example, in collaboration with the IMVF, they have developed their *Start Up and Grow* program which focuses on how to leverage the ecosystem to provide women veteran entrepreneurs with the counseling and capital support they need to be successful. The California Capital Financial Development Corporation WBC provides a monthly workshop, called *Women Veterans One Stop* to provide information and education on topics that will assist women veterans reentering the civilian work force. It also provides them with an overview of access to capital options. The WBC host organization also has a lending program allowing for an easy access point for clients that go through their counseling services.

The Chicago WBC offers a program called *Women VETrepreneurship* that targets women veterans who are considering business ownership as their path forward to economic independence and empowerment. The Chicago WBC works closely with local lenders to ensure women veterans are aware-of and have access-to available resources. The program is operated in partnership with the Illinois Department of Veterans Affairs (IDVA).

SBA's Office of Veterans Business Development (OVBD)

OVBD promotes and supports veteran small business ownership by administering programs, formulating policy, making grants to VBOCs and other partners, and acting as the ombudsman to ensure all SBA technical assistance, contracting and capital access services are accessible and available to active duty, National Guard and Reserve Service members, veterans, and veteran or military spouses. SBA provides direct assistance to veterans through the veteran business development officers in its District Offices and the 15 VBOCs. In FY 2016, OVBD has been authorized to commit \$11.9 million in grants to veteran entrepreneurial programs. In addition, SBA uses its unique cosponsorship authority to partner with private and public sector organizations, such as the IVMF at Syracuse University, the U.S. Chamber of Commerce Foundation, Blue Star Families, and the American Legion to support SBA's programs and conduct training and outreach activities together.

To assist and advise in policy making activities, SBA administers an Interagency Task Force on Veterans Business Development (IATF) and an Advisory Council on Veterans Business Affairs (ACVBA). Both groups hold quarterly meetings open to the public and work together to amplify entrepreneurship opportunities for veterans, Service members, and their families.

Additional interagency cooperation is facilitated via the U.S. Department of Labor (DoL), the U.S. Department of Veterans Affairs (VA), and SBA's participation in the governance of the U.S. Department of Defense (DoD) Transition Assistance Program (TAP).

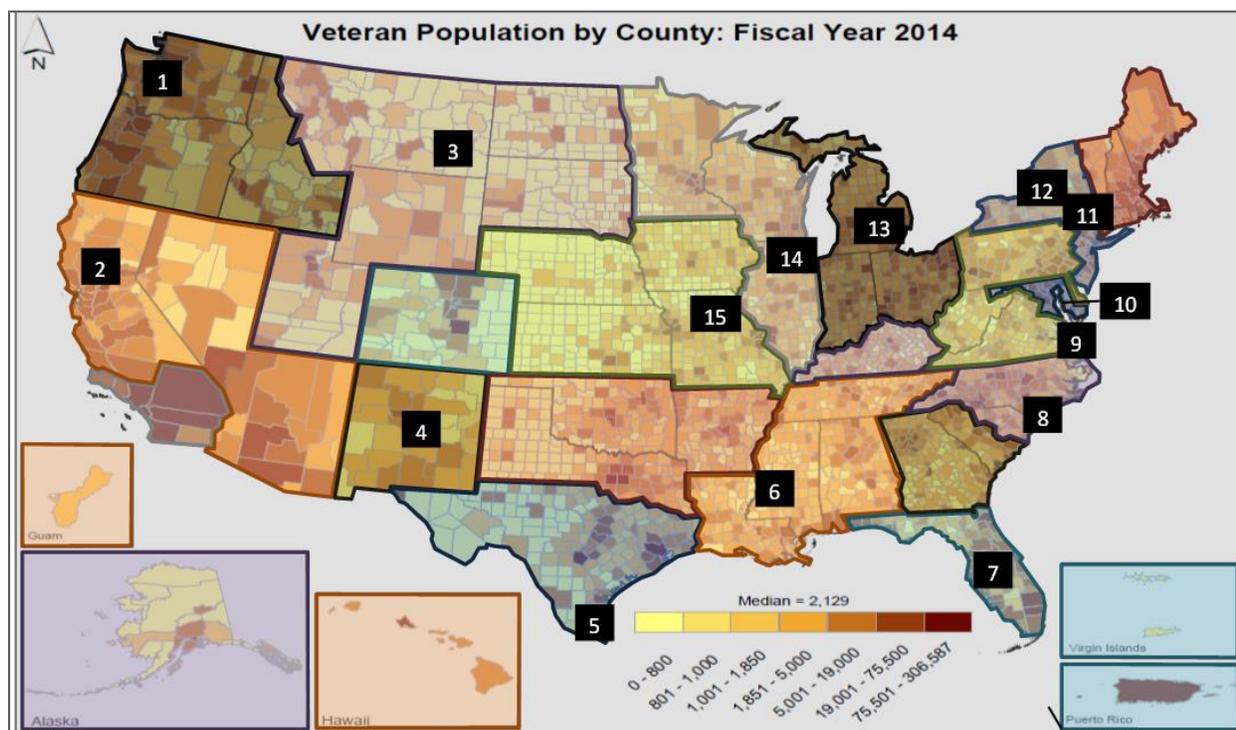


Veterans Business Outreach Center (VBOC) Network: Serving Women Veteran Customers

VBOCs represent a national network of 15 small business resource centers across the U.S. In FY 2015, VBOCs counseled 6,840 new clients, including 2,400 who were self-identified as women, and participated in 1,165 training events with a total of 46,859 attendees. VBOCs are unique in their ability to address veteran-specific challenges while integrating SBA services and referring clients when appropriate to other organizations for specialized and/or needed services. VBOCs bring together local and regional service networks creating the most effective small business ecosystems.

In accordance with Public Law 106-50, VBOCs increased their participation and expertise in programs for Service members transitioning from active duty to civilian life who aspire to be business owners. VBOC counselors continue to develop innovative programs to assist veteran small businesses and entrepreneurs in their communities. These programs are focused on rural and urban locations, women veterans, franchising, corporate contract opportunities, and the high tech community.

Map of SBA's Veteran's Business Outreach Centers



Other Veteran Entrepreneurship Programs

Boots to Business (B2B)

SBA continued to sustain and grow the B2B program, which forms the entrepreneurship track of DoD's TAP. In FY 2015, 14,419 transitioning Service members and spouses benefited from the 2-day 'Introduction to Entrepreneurship' course, and 23% or 3,316 of these participants were female. An additional 246 females or 21% of 1,171 of participants went on to participate and benefit from the 8-week online 'Foundations of Entrepreneurship' course.

Since the B2B program launch on January 1, 2013, 7,305 or 22% of participants have been female. For comparison, as of November 2015, 15.6% of the active force was female. While some of these female B2B participants are military spouses the majority are women Service members. This over-indexing of women Service members in B2B is further evidence of the strong growth in business ownership in the female veteran population and a leading indicator of a continuing trend.

An important aspect of B2B and TAP is to provide the same quality and access to training to Service members and spouses transitioning from overseas installations that is provided by the federal government in the U.S. This was a firm program requirement established by the Veterans Employment Initiative Task Force and executed by all the inter-agency TAP governing partners. Through the unique, creative and cost efficient public-private partnership with IVMF, SBA was able to launch B2B overseas in FY 2014 and in FY 2015 conducted 92 courses for 1,377 participants at 30 installations across Europe, Asia and the Middle East. Overseas B2B witnesses the same strong female participation; 20% of all participants were female in FY 2015. In FY 2016 and beyond, B2B intends to sustain this level of service to ensure deployed Service members and spouses pursuing business ownership as a post-service vocation have the support they need and deserve.

Boots to Business: Reboot (B2B: Reboot)

SBA continued leveraging the B2B program to implement B2B: Reboot, a co-sponsored extension that provides the 'Introduction of Entrepreneurship' training to veterans of all eras and their spouses. B2B: Reboot is delivered by SBA District Offices, VBOCs, and other partners, further enhancing the creation of networks or ecosystems needed to support small business development. 30% of B2B:Reboot participants have been female since the program's launch.

Veteran Women Igniting the Spirit of Entrepreneurship (V-WISE)

Women veterans and military/veteran spouses continue to be underserved populations and are an SBA priority. The premier program for the women veteran/spouse demographic is V-WISE, which SBA supports through a cooperative agreement with Syracuse University's IVMF. From the program's inception through FY 2015, 13 V-WISE events empowered 2,000 female veterans, Service members and female military spouses of veterans or Service members, with entrepreneurial training. V-WISE graduates also received follow-on mentoring in business and are connected to the full range of SBA programs and services. Since implementing the V-WISE specialized training program, surveys indicate 65% of alumnae have started or continued to grow businesses, resulting in the hiring of 1,003 employees. Additionally, 69% of the graduates sought continued assistance from the SBA and its resource partners. V-WISE has been instrumental in



helping 1 out of 5 female veteran alumnae generate annual revenue exceeding \$100,000. To date, among all V-WISE participants, alumnae generate annual revenue exceeding \$41 million. In February 2015, V-WISE was recognized as a “Bright Idea” by Harvard University’s John F. Kennedy School of Government Innovations in Government program. In March 2015, V-WISE received an award from the Army Foundation for its pioneering work in veteran women entrepreneurship and research.

Veterans Institute for Procurement (VIP)

In FY 2015, SBA began supporting the VIP program through a cooperative agreement between SBA, the Montgomery County Chamber of Commerce, the State of Maryland, and private supporters. VIP is an accelerator-like in-residence educational training program for owners, principals and C-level executives of veteran-owned businesses that consists of a 27-hour, 3-day comprehensive certification program instructed by professional service experts, government officials, and agency representatives. It is designed for veteran-owned businesses to increase their ability to win government contracts by establishing best business practices. To date, 496 veteran-owned businesses have graduated from the program across 37 states and the District of Columbia, including Alaska and Hawaii. Of these, 81% are SDVOSB, 40% 8(a), 53% minority-owned, 15% woman-owned, and 10.5% HUBZone. A survey of 184 VIP graduates showed that within their first year of graduation their revenues increased by an average of 49% and 2,018 jobs were created.

Women Veterans’ Lending Activity and Opportunities to Access Capital

In FY 2015, lenders utilized the SBA’s 7(a) & 504 loan programs to make 3,354 loans, totaling over \$1.38 billion to veteran-owned small businesses - an 80% increase over FY 2014. 239 loans were made to veteran women-owned firms totaling \$87.31 million, representing a significant increase over the last 5 years. In FY 2015, the average loan size to veteran women-owned firms was \$365,316.

Congressional support to help increase veterans access to capital was authorized through the Veterans Entrepreneurship Act of 2015 making permanent the SBA Express Loan guarantee fee waiver for veterans. SBA Veterans Advantage was an effective and instrumental lending tool for the second year in a row, reducing the upfront borrower fee to \$0 for eligible veterans and military spouses for SBA Express loans up to \$350,000. Additionally, the fee for 7(a) loans between \$150,001 and \$5 million was reduced by half. SBA also made it easier for small business borrowers to connect with participating SBA Lenders through an online referral tool called LINC (access) available at SBA’s website at <https://www.sba.gov/tools/linc>.

Economic Injury Working Capital Available to Veterans

SBA’s outreach and training programs supporting veterans include both pre and post deployment. U.S. National Guard and Reserve members are uniquely challenged when they are called upon to serve while at the same time positioned as a key employee with a small business. Many National Guard and Reserve members are either small business owners or work for a small business where they are an essential employee. Pre-deployment counseling and training provides them with the information, advice and resources they need to make an informed decision on how to prepare their business prior to deployment and manage their business during deployment. In addition, many



National Guard and Reserve members are thinking about business ownership as a path forward. Pre-deployment counseling and training gives them access to the information and resources to assist them during deployment, so they're better prepared to move forward with business ownership when they return.

One of the main tools the SBA has in regard to Guard and Reserve members is the [Military Reservist Economic Injury Disaster Loan Program](#) (MREIDL). Pre and post deployment training and counseling is one of the most effective means to provide information to those that can take advantage, whether it's a Guard or Reserve member that owns a business or one that works for a small business and can pass the info on to the owner. MREIDL loans average approximately \$88,000 per loan with a 69% approval rate.¹⁰ More information may be found on SBA's website at: <https://www.sba.gov/content/military-reservists-economic-injury-loans>.

SBA District Offices, VBOCs, Service Core of Retired Executives (SCORE) mentors, Small Business Development Centers (SBDCs), and WBCs are involved in providing pre-deployment training and counseling to Guard Members and Reservists through collaboration with local DoD Yellow Ribbon Reintegration Program managers, Military Family Readiness Centers and State National Guard Adjutant Generals.

Events may range from sponsors hosting information tables and providing plenary sessions with 5 minute overviews to 60 minute "Exploring Entrepreneurship/Introduction to SBA Resources" workshops, depending upon the venue, number of Service members and/or spouses attending, and the timeframe allotted. Training opportunities and other events can be found on the Yellow Ribbon Reintegration Program website at <https://www.yellowribbonevents.org>.

The Way Ahead: Recommendations

SBA appreciates your support, partnership, and feedback – all of which significantly contributed to the FY 2015 achievements outlined above. We look forward to continuing to support women veterans through capital, counseling, and contracting programs and to make further strides in coordinating federal and state resources for women veteran entrepreneurs in FY 2016.

As we move forward to rigorously implement communication and outreach strategies to further amplify and enable veteran entrepreneur programs, SBA recommends the following for improving our efforts to reach these demographic groups.

Women's Business Centers

1. Provide preference to organizations with demonstrated experience serving women veterans in the Office of Women's Business Ownership, Women's Business Center grant program announcements. This will help to bring in new WBCs that can better serve women veterans.
2. Increase funding to WBCs with a focus on serving women veteran entrepreneurs.

¹⁰ U.S. Small Business Administration, Office of Disaster Assistance. According to SBA MREIDL State Activity Report beginning August 24, 2001 through September 30, 2015.

Access to Capital and Markets

1. Encourage the connection and collaboration of lending institutions and SBA resource partners at the local level to focus on access to capital for women veteran entrepreneurs.
2. Share tools, programs, and resources that help women veterans navigate the federal procurement process – “readiness” audits, matchmaking opportunities, and certification requirements.

Veteran Business Outreach Centers

1. Work with the VA Center for Women Veterans to identify and provide information to women veterans regarding entrepreneurship and financial literacy programs.
2. Work with lending industry partners (National Association of Government Guaranteed Lenders, National Association of Development Companies, microlenders, et al), to create financial literacy and access to capital programs targeted to women veterans. Working with our TAP partners (DoD, Labor, and VA) will ensure these programs are available to women veterans throughout their military career and transition.
3. Provide additional funding to increase the number of VBOCs giving SBA the ability to promote targeted assistance to the woman veteran and military spouse communities.

Research

1. Facilitate collaboration between the National Women’s Business Council and with SBA’s Office of Veterans Business Development and Office of Women’s Business Ownership to conduct research on the challenges and opportunities facing women veteran entrepreneurs.