

## Veteran-owned Businesses and their Owners—Data from the Census Bureau’s Survey of Business Owners

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U.S. Small Business Administration, Office of Advocacy. 88 pages.

### Purpose

Businesses owned by veterans and by service-disabled veterans have been a research priority for the U. S. Small Business Administration’s Office of Advocacy since the enactment of the Veterans Entrepreneurship and Small Business Development Act of 1999, Public Law 106-50. This report continues Advocacy’s ongoing veteran entrepreneurship research program and features data on veteran-owned businesses and their owners. The report is based on 2007 Survey of Business Owners data released in 2011.

### Overall Findings

According to the Census Bureau, in 2007 there were 2.45 million businesses with majority ownership by veterans. Of these, 491,000 were employers and 1.956 million were nonemployers. They represented 9 percent of all U.S. firms.

### Highlights

- Veteran-owned firms had sales/receipts of \$1.220 trillion, 5.793 million employees, and annual payroll of \$210 billion. Employer firms were responsible for 92.3 percent of the receipts, \$1.126 trillion.
- Nearly one third of all veteran-owned firms were in two industry groups: construction and professional, scientific, and technical services.
- By industry, finance and insurance had the largest share of veteran-owned businesses, at 13.2 percent, followed by transportation and warehousing; mining; construction; professional, scientific, and technical services; and manufacturing.
- By state, California, Texas, Florida, New York, and Georgia had the largest numbers of veteran-owned businesses. Ranked by the veteran-owned percentage of businesses in the state, the top five states were South Carolina, West Virginia, Virginia, Tennessee, and Alabama.
- Veteran business owners were overwhelmingly male (94.8 percent) and White (89.7 percent); 7.6 percent of veteran-owned firms were owned by African Americans and 4.6 percent by Hispanic Americans.
- The owners were predominantly over the age of 55 (75.1 percent), reflecting the ages of veterans overall, and they tended to be better educated than other business owners.
- Of the veteran business owners who responded to the survey, 8.3 percent had service-connected disabilities.
- By far the largest source of capital for veteran-owned business startup or acquisition was personal or family savings: 61.7 percent of respondents reported using this source. Business loans from banks or other commercial lenders were the second most important source at 9.8 percent.
- For business expansion or capital improvements, 30 percent used personal or family savings. Personal and business credit cards were also important sources of capital, at 10.9 percent.
- Veteran-owned businesses were more likely to be home-based, less likely to be family-owned, and somewhat less likely to be franchises than the business population overall.
- Veteran-owned employer businesses were slightly more likely to offer benefits such as health insurance, contributions to retirement plans, profit sharing, and paid leave than businesses overall.

## Scope and Methodology

A critical source of data on veteran-owned businesses and their owners is the U.S. Census Bureau's Survey of Business Owners (SBO). The SBO was first conducted in its present form for data year 2002, and the most recent edition is for data year 2007. About 2.3 million businesses received the SBO survey instrument during 2008-2009 asking for information about the characteristics of the business and its owners. The information obtained from respondents was combined with additional Census data and administrative records from other agencies to develop a wide variety of data products, including information on veteran-owned firms and their owners.

The 2007 SBO provides the most detailed data on veterans and service-disabled veterans in business ever collected, far more than was available in the 2002 SBO. Datasets with specialized veteran-related information from the 2007 SBO were released in 2011.

These analyses summarized key data from large datasets available online at <http://www.census.gov/csd/sbo/veteran2007.htm>. In all, 39 datasets have information on veteran-owned businesses or their owners, including seven with full-universe estimates of all firms by industry, location, size by receipts/sales, size by number of employees, gender, race, and ethnicity. Another 22 datasets concern characteristics of respondent businesses, and 10 more have data on the characteristics of the owners of respondent firms.

Respondent firms include all firms that responded to the characteristic(s) tabulated in this dataset and reported gender, ethnicity, race, or veteran status or that were publicly held or not classifiable by gender, ethnicity, race, and veteran status. For additional information on methodology, definitions, relative standard errors, and confidentiality protection, see the 2007 SBO website at <http://www.census.gov/econ/sbo>.

This report was peer-reviewed consistent with Advocacy's data quality guidelines. More information on this process can be obtained by contacting the director of economic research by email at [advocacy@sba.gov](mailto:advocacy@sba.gov) or by phone at (202) 205-6533.

## Ordering Information

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