

# Veteran-Owned Small Business Insights



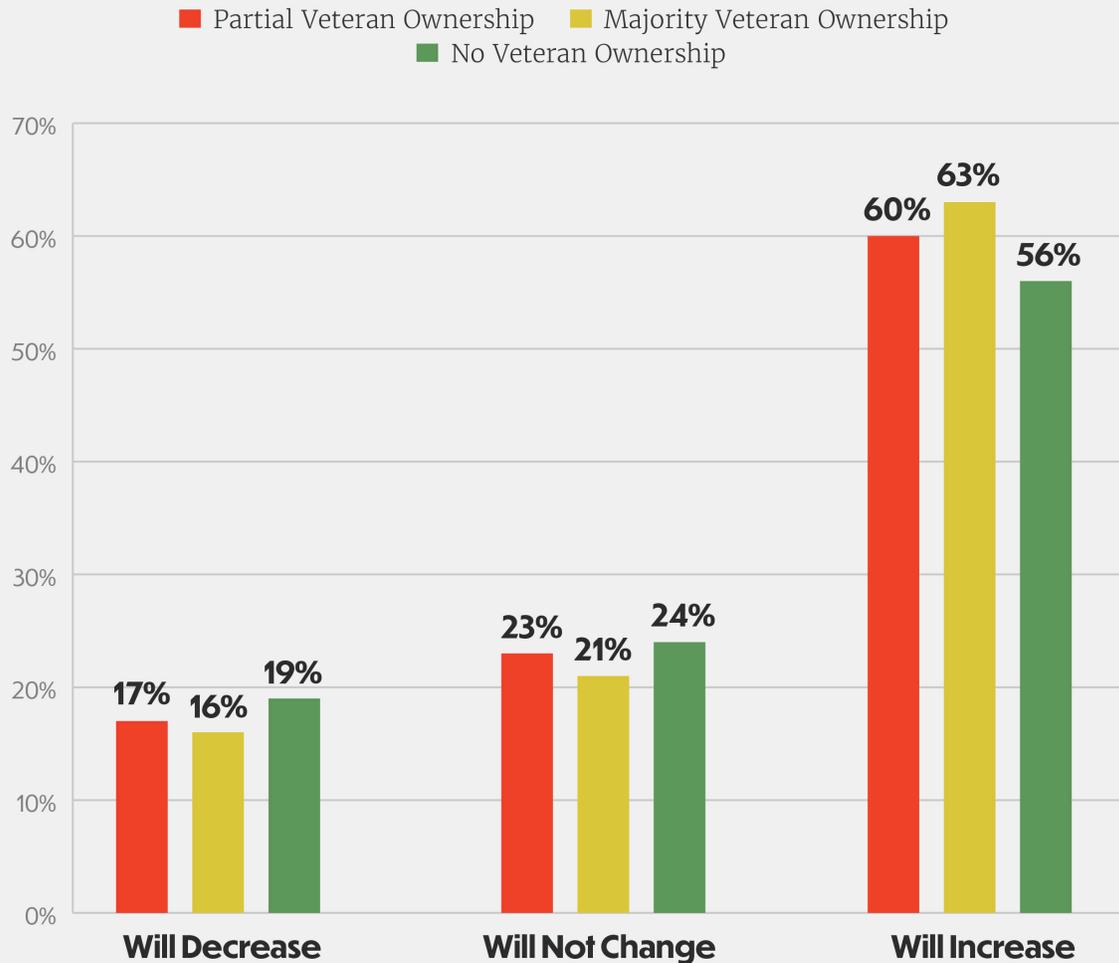
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In honor of National Veterans Small Business Week, we highlight the important role veteran-owned businesses play in the American economy. Veteran entrepreneurs bring a unique set of skills and experience, helping to drive innovation and create jobs across the country. Below are four insights on veteran-owned businesses with employees based on the latest data from the Federal Reserve.

## **A majority of veteran-owned businesses expect increased revenue in the year ahead.**

Currently, 54% of veteran-owned firms generate annual revenues between \$100,000 and \$1 million. <sup>1</sup> When asked about the financial health of their business, 44% say they are doing good, very good, or excellent, and only 16% report poor financial condition. <sup>2</sup> Notably, more than 60% of veteran-owned businesses expect their revenue to increase in the next year. <sup>3</sup>

## Revenue Expectations of Veteran-Owned Employer Firms in the Next Year



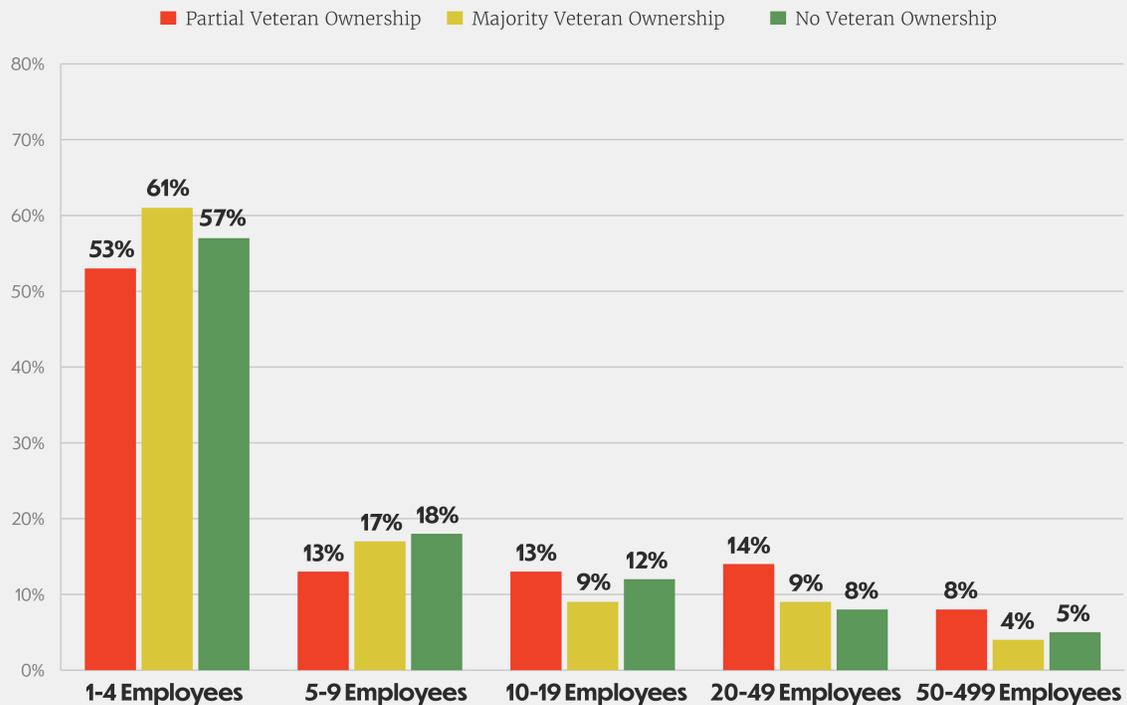
Source: Federal Reserve Banks, "2024 Firms in Focus: Findings from the 2023 Small Business Credit Survey: Chartbook on Veteran-Owned Firms." Fed Small Business, 2024, <https://www.fedsmallbusiness.org/categories/veteran-owned-firms>. Accessed 16 Oct. 2024. Page 8.



## More than half of all veteran-owned businesses are small firms.

Like other employer businesses, most veteran-owned businesses are small. Sixty-one percent of veteran-owned businesses operate with fewer than five employees, and 78% have less than 10. <sup>4</sup> Half of veteran-owned businesses expect to keep their employment levels stable, while close to a third expect to increase hiring in the next year. <sup>5</sup>

## Number of Employees at Veteran-Owned Firms



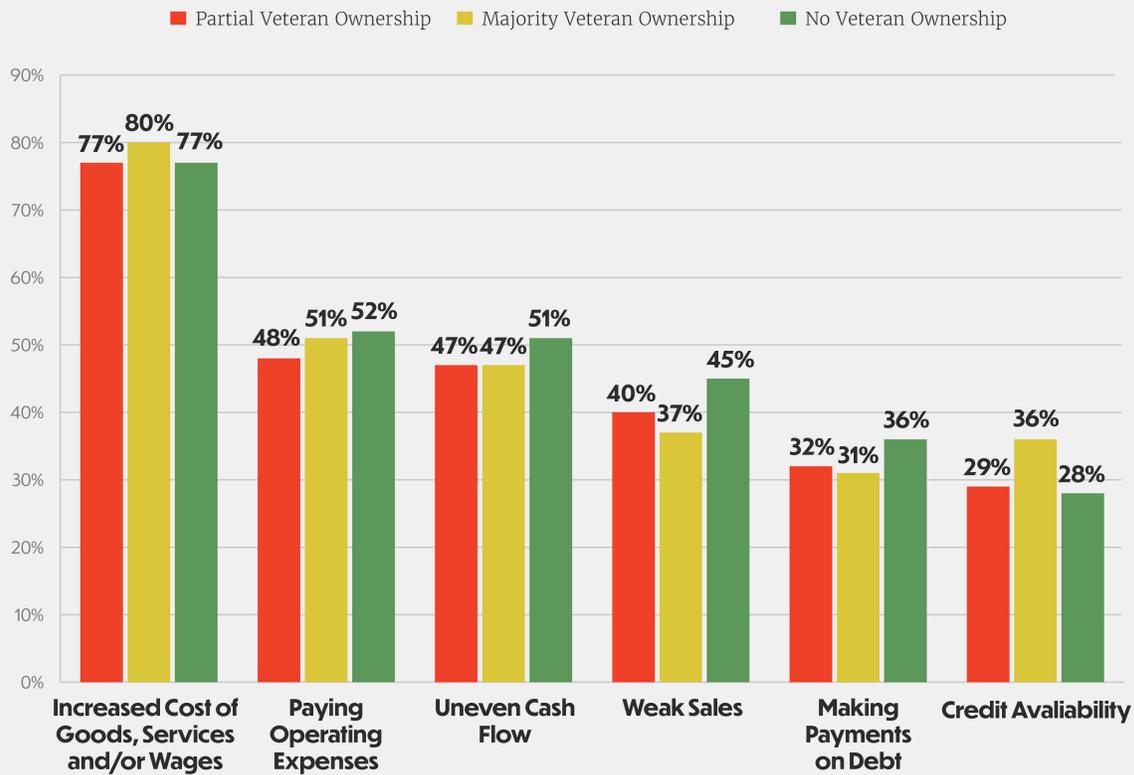
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## Veteran-owned businesses have myriad struggles, from inflation to operations.

During the end of 2023, 80% of veteran-owned businesses cited rising costs of goods, services, and wages as a significant financial concern.<sup>6</sup> Fifty-one percent struggled with paying operating expenses, and almost half experienced higher revenues in one month and lower in the next.<sup>7</sup> In response to these financial pressures, more than half have raised prices, used personal funds or cash reserves, or obtained funding that must be repaid.<sup>8</sup> Interestingly, veterans were 13 percentage points more likely to obtain repayable funding compared to non-veteran small business owners.<sup>9</sup>

## Financial Challenges for Veteran-Owned Firms in the Past Year



Source: Federal Reserve Banks, "2024 Firms in Focus: Findings from the 2023 Small Business Credit Survey: Chartbook on Veteran-Owned Firms." Fed Small Business, 2024, <https://www.fedsmallbusiness.org/categories/veteran-owned-firms>. Accessed 16 Oct. 2024. Page 13.

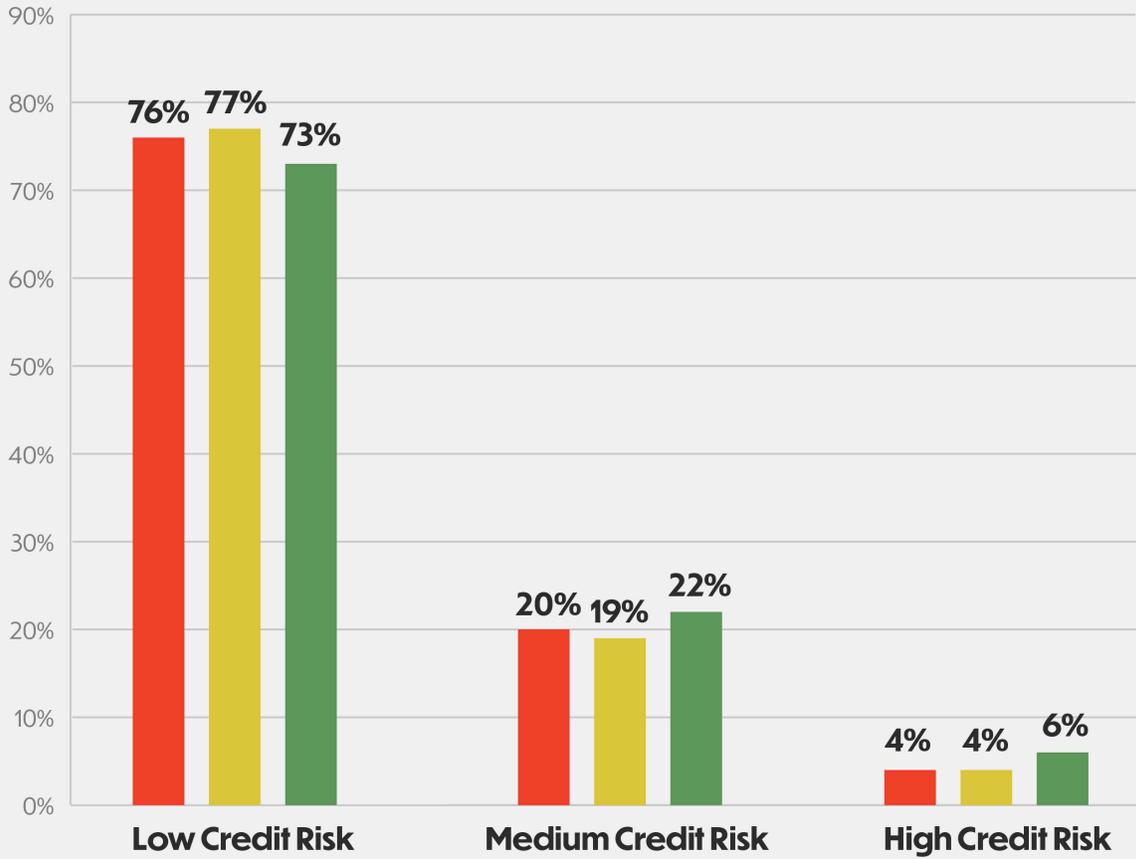


## Almost half of all veteran-owned businesses have limited access to credit.

Despite only 4% of veteran-owned businesses being labeled a high credit risk, 49% are not fully approved for loans.<sup>10</sup> Compared to non-veterans, they are slightly more likely to rely on big banks and credit unions for financing.<sup>11</sup> According to the Small Business Administration, federal loans to veteran-owned small businesses increased by 14% last year.<sup>12</sup>

## Credit Risk of Veteran-Owned Firms

Partial Veteran Ownership   Majority Veteran Ownership  
No Veteran Ownership



Source: Federal Reserve Banks, "2024 Firms in Focus: Findings from the 2023 Small Business Credit Survey: Chartbook on Veteran-Owned Firms." Fed Small Business, 2024, <https://www.fedsmallbusiness.org/categories/veteran-owned-firms>. Accessed 16 Oct. 2024. Page 39.



## ENDNOTES

1. Federal Reserve Banks, "2024 Firms in Focus: Findings from the 2023 Small Business Credit Survey: Chartbook on Veteran-Owned Firms." *Fed Small Business*, 2024, <https://www.fedsmallbusiness.org/categories/veteran-owned-firms>. Accessed 16 Oct. 2024. Page 38.
2. Federal Reserve Banks, "2024 Firms in Focus: Findings from the 2023 Small Business Credit Survey: Chartbook on Veteran-Owned Firms." *Fed Small Business*, 2024, <https://www.fedsmallbusiness.org/categories/veteran-owned-firms>. Accessed 16 Oct. 2024. Page 10.
3. Federal Reserve Banks, "2024 Firms in Focus: Findings from the 2023 Small Business Credit Survey: Chartbook on Veteran-Owned Firms." *Fed Small Business*, 2024, <https://www.fedsmallbusiness.org/categories/veteran-owned-firms>. Accessed 16 Oct. 2024. Page 8.
4. Federal Reserve Banks, "2024 Firms in Focus: Findings from the 2023 Small Business Credit Survey: Chartbook on Veteran-Owned Firms." *Fed Small Business*, 2024, <https://www.fedsmallbusiness.org/categories/veteran-owned-firms>. Accessed 16 Oct. 2024. Page 43.
5. Federal Reserve Banks, "2024 Firms in Focus: Findings from the 2023 Small Business Credit Survey: Chartbook on Veteran-Owned Firms." *Fed Small Business*, 2024, <https://www.fedsmallbusiness.org/categories/veteran-owned-firms>. Accessed 16 Oct. 2024. Page 6.
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7. Federal Reserve Banks, "2024 Firms in Focus: Findings from the 2023 Small Business Credit Survey: Chartbook on Veteran-Owned Firms." *Fed Small Business*, 2024, <https://www.fedsmallbusiness.org/categories/veteran-owned-firms>. Accessed 16 Oct. 2024. Page 13.

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- 9.** Federal Reserve Banks, "2024 Firms in Focus: Findings from the 2023 Small Business Credit Survey: Chartbook on Veteran-Owned Firms." *Fed Small Business*, 2024, <https://www.fedsmallbusiness.org/categories/veteran-owned-firms>. Accessed 16 Oct. 2024. Page 14.
- 10.** Federal Reserve Banks, "2024 Firms in Focus: Findings from the 2023 Small Business Credit Survey: Chartbook on Veteran-Owned Firms." *Fed Small Business*, 2024, <https://www.fedsmallbusiness.org/categories/veteran-owned-firms>. Accessed 16 Oct. 2024. Pages 39, 32.
- 11.** Federal Reserve Banks, "2024 Firms in Focus: Findings from the 2023 Small Business Credit Survey: Chartbook on Veteran-Owned Firms." *Fed Small Business*, 2024, <https://www.fedsmallbusiness.org/categories/veteran-owned-firms>. Accessed 16 Oct. 2024. Page 19.
- 12.** Shane, Leo. "Federal Aid to Veteran-Owned Small Businesses Grew in FY23." *Navy Times*, 20 Nov. 2023, <https://www.navytimes.com/veterans/2023/11/20/federal-aid-to-veteran-owned-small-businesses-grew-in-fy23>. Accessed 16 Oct. 2024.