

SMALL BUSINESS FACTS

SPOTLIGHT ON VETERAN-OWNED EMPLOYER BUSINESSES

December 2018, Nora Esposito, Research Fellow

At A Glance

According to the Census Bureau's 2016 Annual Survey of Entrepreneurs, there are 379,620 veteran-owned employer businesses in the United States. Overall, 6.8 percent of all employer businesses were majority owned by one or more veterans. They contributed to the economy by employing 4.2 million workers, amassed \$901 billion in total annual receipts, and paid \$182 billion in total annual payroll. On average, a veteran-owned firm had \$2.4 million in annual sales and employed 11 workers. Small businesses constitute the majority of these firms with 99.9 percent of veteran-owned employer businesses classified as small, having fewer than 500 employees.

The Veteran Business Owner

Generally, veteran business owners are older. Approximately 58 percent of veteran business owners are age 65 or older compared to 16 percent of non-veteran owners. Chart 1 demonstrates age distribution among veteran and non-veteran business owners. Veteran employer owners have generally been in business longer than non-veteran employer owners; 46 percent of veteran owners have been in business 16 years or longer, compared with 29 percent of their non-veteran counterparts.

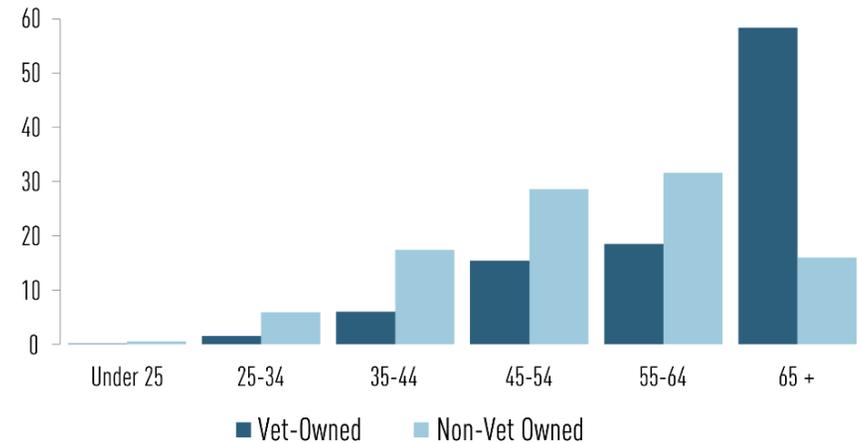
In 2016, 71 percent of veteran employer business owners had previously served on active duty military service, 7 percent were service-disabled, and 4 percent continued to serve either on active duty, in the National Guard, or as a military reservist.

Industry and Geographic Diversity

Veteran-owned businesses are active in a wide range of sectors and areas. In 2016, the sectors with the largest number of workers employed by a veteran-owned business were the accommodation and food services group with 577,000 employees, and the administrative, support, waste management, and remediation services group with 523,000 employees. Other top sectors for veteran-owned business employment were retail trade with 436,000 employees and construction with 424,000 employees. Chart 2 shows the percentage of businesses owned by veterans in each state. States with the highest share of businesses owned by veterans were Virginia, Maine, Alabama, South Carolina, and South Dakota.

*There are 2.5 million veteran-owned businesses total when including businesses without employees (or nonemployers). The U.S. Census Bureau's Annual Survey of Entrepreneurs is focused on employer businesses only. For information on both employer and nonemployer veteran-owned businesses, see the Office of Advocacy publication "[Veteran-Owned Businesses and Their Owners](#)."

Chart 1. Percent of Business Owners by Age

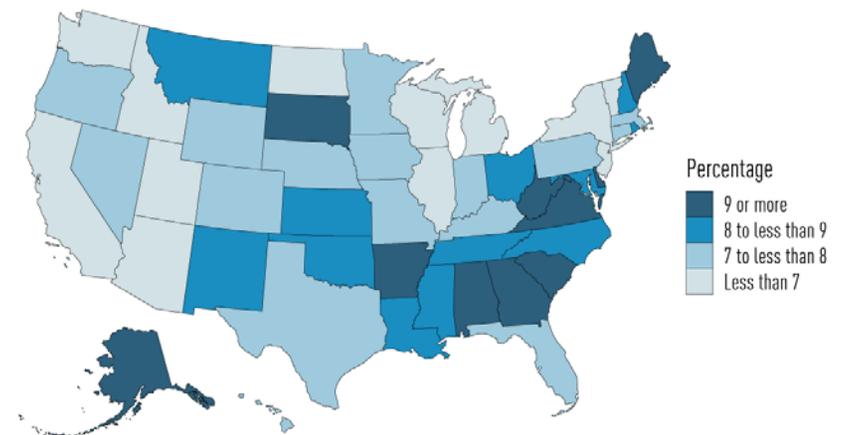


Source: U.S. Census Bureau, Annual Survey of Entrepreneurs

Facts About Veteran-Owned Employer Businesses:

4.2 Million Workers Employed
379,620 Employer Businesses Owned by Veterans
99.9% Are Small

Chart 2. Share of Businesses Owned by Veterans



Source: U.S. Census Bureau, Annual Survey of Entrepreneurs

U.S. SMALL BUSINESS ADMINISTRATION

OFFICE OF ADVOCACY

REGULATION • RESEARCH • OUTREACH