

FROM SERVICE TO STARTUP: EMPOWERING VETERAN ENTREPRENEURS

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WEDNESDAY, DECEMBER 10, 2025

HOUSE OF REPRESENTATIVES,
COMMITTEE ON SMALL BUSINESS,
Washington, DC.

The Committee met, pursuant to call, at 10:08 a.m., in Room 2360, Rayburn House Office Building, Hon. Roger Williams [chairman of the Committee] presiding.

Present: Representatives Williams, Stauber, Meuser, Van Duyne, Alford, LaLota, Finstad, Wied, Bresnahan, Jack, Downing, King-Hinds, Schmidt, Patronis, Velázquez, Scholten, McIver, Cisneros, Morrison, Latimer, Tran, Simon, Olszewski, Conaway, and Goodlander.

Chairman WILLIAMS. Before we get started, I want to recognize Mr. Patronis for a prayer.

Mr. PATRONIS. Please bow your heads. Dear God, we gather here today. We have to do the people's work. We need your wisdom. We need your guidance. We need your strength. The decisions that we are looking at making are going to affect millions of people. They aren't easy. I hope that we do this right by the folks we serve but also right by you. Please look out for our families, as we appreciate their sacrifices, as we are doing the work of the people, and let us make sure that we always realize what is important for those that we get to serve and never lose sight of that. Amen.

Please face the flag. I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

Chairman WILLIAMS. A matter of personal privilege, real quick, I want to remind everybody we have our Christmas party reception tomorrow 4 o'clock to 6 o'clock. Everybody has got something going, but you need to be here because we are going to have a drawing. We are going to draw for new car. Okay. Everybody signed up for that. Right here.

Good morning, everyone. I appreciate everybody being here. I want to now call the Committee on Small Business to order.

Without objection, the Chair is authorized to declare a recess of the Committee at any time.

I now recognize for myself for my opening statement. I want to welcome, again, to today's hearing, "From Service to Startup; Empowering Veteran Entrepreneurs." I want to thank our witnesses for joining us today.

And, to our veteran witnesses and Committee Members, thank you for your service.

In the United States, we believe in taking care of veterans and their families with real opportunities that honor their service. Today there is about 1.6 million veteran-owned small businesses across the nation, which represent 5.3 percent of all U.S. businesses. They generate more than \$900 billion in revenue and employ 3.2 million Americans.

Our servicemembers have been willing to sacrifice their time, opportunities, and even their very lives for our nation. Yet, when they return to civilian life, many feel they are playing catchup. While veterans were serving their country, their peers were going to school, gaining skills in apprenticeships, and expanding their professional experience. And, when returning from their life of service, veterans must navigate transferring their military skills to the workplace. And, unlike their civilian peers, veterans often lack the credit history to access capital they need to start a small business. And, when they leave the military, they lose the built-in support network and mission that shaped their daily lives, forcing them to rebuild community and connections from the ground up.

Simply put, when returning to civilian life, veterans are searching for their new mission. Veterans and their families are some of the most capable, resilient, and driven people in this country. They are innovators, entrepreneurs and leaders, and with the right tools and opportunities, they can overcome their obstacle or setback.

Over the years, a variety of programs have been established to support our veterans. The Department of Defense's Transition Assistance Program, or TAP, and the SBA's Boots to Business program play a crucial role, an important role in that mission.

And Boots to Business, while helping returned servicemembers find their next mission, is entrepreneurs by teaching how to get started and grow a business. I am proud that this Committee led the way in the fiscal year 2025 NDAA to make Boots to Business a permanent resource for our veterans.

And, like you will hear from our witnesses today, veteran leaders in the private sector continue to step up in ways government simply can't, offering peer mentorship, business guidance, and connections that make all the difference in the world. Their contributions demonstrate that veteran entrepreneurs thrive when they have success and access to structured training, strong peer networks, and pathways to capital.

As a Committee, we have an important role in identifying gaps, demanding accountability, and ensuring federal programs deliver results for veteran entrepreneurs. By reinforcing this partnership between the federal government, the veteran community, and the private sector, we can continue innovating barriers and opening doors for every veteran entrepreneur seeking their next mission.

So I want to thank all of you again. I want to thank you for joining us today. I want to thank you for what you have done for our country. I look forward to the conversation ahead.

I now recognize my friend, the distinguished Ranking Member for this Committee, Ms. Velázquez from New York.

Ms. VELAZQUEZ. Thank you, Mr. Chairman. I appreciate the committee convening this important hearing today on how we can better assist and empower the veteran business community.

The committee has a long bipartisan tradition supporting veteran entrepreneurs as they start, build, and grow their businesses. I am working to create an environment that provides the opportunity for success.

Last year, this Committee worked in a bipartisan fashion with our colleagues on the Armed Services Committee to codify the Boots to Business Program in the National Defense Authorization Act. Boots to Business is offered as part of the DOD's Transition Assistance Program to provide targeted information on training to help servicemembers turn an idea into a business plan. Boots to Business is an important and effective program: 22,000 veteran servicemembers and military spouses participated in fiscal year 2024.

Unfortunately, many other programs and services that SBA provides are less secure, and veteran-owned firms are not exempt from the difficult environment created by this administration's policies, including, and especially, tariffs.

In their first budget request, this administration attempted to eliminate funding for the SBA Veteran Business Outreach Centers. VBOCs are critical resources that provide entrepreneur development assistance to veteran-owned small businesses across the country.

When I talk to veteran-owned small businesses and their advocates, I hear many of the same concerns as other small businesses, that access to capital and the ability to secure the amount of capital they need can be a challenge, as well as reaching new customers, hiring the right employees, and contracting with the federal government.

We know that among veteran-owned firms there are underserved communities in particular, female veterans and veterans returning to rural communities.

There are unique issues for veteran entrepreneurs, including accessing local resources after moving around the country and the world for so many years. VBOCs and other specific programs have targeted expertise and resources that can assist these firms in reaching their full potential. We must continue to ensure they have the necessary funding and support to provide assistance.

I look forward to hearing from the panel about what is working for veteran-owned small businesses and what gaps we can fill to ensure that the right services are available and accessible when needed.

I want to take this opportunity to welcome all of you, and to thank you for being here this morning. Thank you. I yield back.

Chairman WILLIAMS. The gentlelady yields back.

And I will now introduce our witnesses. Our first witness here with us today is Mr. Kevin Schmiegel. Did I say it right?

Mr. SCHMIEGEL. Yes, sir.

Chairman WILLIAMS. Okay. Mitch Schmiegel is the co-founder and chief executive officer of ZeroMils in Alexandria, Virginia. Mr. Schmiegel spent 20 years in the Marine Corps holding senior operational leadership roles and training Marines for combat deployments, managing large-scale personal assignments, and supporting top military leaders in high-stakes environments.

After returning from the Active Service, he founded Hiring Our Heroes at the U.S. Chamber of Commerce, where he created a nationwide model to connect veterans and military spouses with meaningful employment.

He later served as chief executive officer of Operation Gratitude, expanding the organization's mission to support servicemembers, veterans, and first-responders across the country.

Mr. Schmiegel holds a bachelor of arts in English literature. And I am asking you how you say it. So make sure I say it right. Okay. From College of Holy Cross, and a master's of science in management from the Naval Postgraduate School. I want to thank you for being here and thank you for your service.

Mr. SCHMIEGEL. Thank you, Chairman Williams.

Chairman WILLIAMS. Let me move—okay. You are fine. Let me finish this, and we will come back. Okay.

Our next witness here with us today is Misty Fox. Ms. Fox is Director of Entrepreneurship and Small Business at Syracuse University, D'Aniello Institute for Veterans and Military Families in Syracuse, New York.

Ms. Fox has spent nearly a decade building one of the nation's strongest ecosystems for veteran entrepreneurs, coordinating collaboration between Fortune 500 companies and more than 34,000 veteran-owned businesses.

Prior to joining the Institute, Ms. Fox served as manager of Oklahoma State University's Riata Center for Entrepreneurship, where she established a multi-university consortium, secured grant funding, and developed accelerator programs.

Ms. Fox holds a master of business administration and a bachelor of science in business management and marketing from Oklahoma State University and is an alumni of President George H. W. Bush Stand-To Veteran Leadership Program.

We are looking forward to your testimony, and thank you for everything you have done.

Our next witness is Mr. Christopher Lefebvre. Mr. Lefebvre is the president and chief executive officer of ISI Professional Services in Sterling, Virginia.

Mr. Lefebvre manages a team of more than 50 professionals who support federal agencies across program and project management, professional, and administrative services, logistics, and facility support, and real estate consultation.

As part of his work at ISI, Mr. Lefebvre served in the United States Marine Corps. His distinguished military service includes numerous declarations, among them the Joint Service Commendation Medal, the Navy Commendation Medal with Bronze Star, the Navy and Marine Corps Achievement Medal, and campaign medals for service in Afghanistan, Iraq, and the global war on Terrorism.

Mr. Lefebvre earned his master of business administration from the Robert H. School of Business at the University of Maryland and his bachelor of arts in government from Campbell University.

I want to thank all of you for being here. I now recognize the Ranking Member from the great State of New York, Ms. Velázquez, to briefly introduce our last witness appearing before us today.

Ms. VELÁZQUEZ. Thank you, Mr. Chairman. It is my pleasure to introduce our witness, Ms. Rebecca Aguilera-Gardiner—like Christina Aguilera, the singer.

Ms. Aguilera-Gardiner is the CEO of the Veterans In Business Network. She brought more than 30 years of expertise from her family's second-generation SDVOSB printing business to the VIB Network.

The network leads networking, matchmaking, and outreach initiatives designed to expand opportunities and strengthen engagement between veteran-owned businesses, corporations, and government agencies.

The VIB Network has received numerous awards, including the 2021 Calvert Award for Business Excellence and the 2019 Best in Class Trailblazer Award.

Ms. Aguilera-Gardiner has been honored for her work championing veteran entrepreneurs with the Veteran's Business Enterprise Champion of the Year Award, the Leadership Award, and the Women of Excellence Awards, an appointment to serve on the SBA Advisory Committee on Veterans Business Affairs. Thank you for being here. Welcome.

Chairman WILLIAMS. The lady yields back.

I now, again, want to say thanks to all of you. And, before I recognize the witnesses, I would like to remind them that their whole testimony is restricted to 5 minutes in length. If you see the light turn red in front of you, it means your 5 minutes has concluded, and you should wrap up your testimony. And you will hear this if you keep going. The louder this gets, it says you need to shut it down. Okay. And it will go fine.

And, also, I want to say, you will see Members moving in and out. There are a lot of hearings going on today. And so, if one of them leaves while you are speaking, it has nothing to do with what you said or anything; it is just we will be moving around. So thank you for understanding that.

So I now recognize Mr. Schmiegel for his 5 minutes for opening remarks.

STATEMENTS OF KEVIN SCHMIEGEL, CO-FOUNDER AND CEO, ZEROMILS; MISTY FOX, DIRECTOR, ENTREPRENEURSHIP AND SMALL BUSINESS, D'ANIELLO INSTITUTE FOR VETERANS AND MILITARY FAMILIES; CHRISTOPHER LEFEBVRE, PRESIDENT AND CEO, ISI PROFESSIONAL SERVICES; AND REBECCA AGUILERA-GARDINER, CEO, THE VETERANS IN BUSINESS NETWORK.

STATEMENT OF KEVIN SCHMIEGEL

Mr. SCHMIEGEL. Thank you, Chairman Williams, Ranking Member Velázquez, and distinguished Members of the Committee. My name is Kevin Schmiegel, and I am the co-founder and CEO of a service-disabled veteran small business called ZeroMils.

As a Marine veteran and entrepreneur, I am honored to represent the 1.6 million veteran small businesses owners in America. My transition from the military was seamless, not because of the Transition Assistance Program but through relationships built over 20 years in uniform.

General Jim Jones, who I served with at NATO and in the Middle East, became my mentor and biggest advocate in transition. He introduced me to the president and CEO of the U.S. Chamber of Commerce, Tom Donohue, who gave me my first civilian job.

Tom became my mentor, too. He taught me how to be a CEO, and he empowered me to start my own entrepreneur journey in 2011 as the founder of Hiring Our Heroes at the U.S. Chamber's Foundation. HOH was just the beginning.

After leaving the Chamber, I went on to lead two other national nonprofits. Over a decade, those three organizations impacted 4 million servicemembers, veterans, first-responders, and their families. All told, we raised \$100 million in private sector investment.

In March of 2022, my journey as an entrepreneur took a different path when I cofounded ZeroMils with a leader I have known for 30 years, retired Marine Colonel Paul Cucinotta. Paul and I started ZeroMils in response to growing trends in the public and private sectors that shaped a broken veteran narrative, one that has negatively impacted propensity to serve among American youth. Our mission at ZeroMils is to create military-thriving cultures and communities, not military-friendly.

And veteran-owned small businesses are at the very heart of this movement because we fundamentally believe we must play a larger role in impacting our country, our economy, and our communities.

According to the most recent SBA report, there are 1.6 million veteran small businesses in America that generate nearly \$1 trillion in revenue, employing 3.2 million people with a payroll of \$179 billion.

While these data tell a good news story, they represent an increasingly alarming trend: For the first time since the end of World War II, veterans are less likely to own a small business than civilians. 50 percent of World War II veterans went on to start or operate a business after returning home, defining a period of time that was not only an entrepreneurial boom for veterans, it marked an economic boom for the United States. This was the direct result of the GI bill providing low-interest business loans, along with educational and vocational training that helped veterans gain access to capital and the necessary skills to launch and grow their businesses.

In stark contrast, less than 5 percent of post-9/11 veterans have started a business, and the total number of VOSBs has declined dramatically from 11 percent of all businesses in 2014 to an all-time low today.

There are several factors causing this decline. First, the post-9/11 GI bill is structured to support education and training with no equivalent benefit for low-interest business loans, making it more challenging than ever for newer veterans to access capital.

Second, there is a fundamental difference in the advice, support and services provided in transition. TAP is about entitlement, not empowerment.

And finally, veteran small business owners don't have a seat at the table. We don't have a seat at the table at TAP. We don't have a seat at the table addressing systemic challenges that veterans face, even when we are best positioned to address them. And we

don't have a seat at the table in forming legislation and policy decisions that impact our community.

So, in the absence of these opportunities, my company, ZeroMils, is creating our own table for veteran small businesses. In 2026, with our military-thriving action coalition partners, we are hosting national and major events. We are modeling actionable community playbooks, and we are creating a military-thriving small business toolkit with the goal of reaching thousands of aspiring and current veteran entrepreneurs, helping them grow and thrive.

To close, I have three suggested next steps for this Committee: One, explore ways to improve access to capital for veterans who want to start a business or franchise, including but not limited to the GI bill; two, encourage other Committees that impact veteran transition and quality of life to give veteran small businesses a seat at round tables and a voice in hearings; and, three, increase access for VOSBs on military installations, at TAP, at hiring fairs, and at career-level schools.

Together these recommendations will educate and empower servicemembers and veteran entrepreneurs to make better, more informed decisions about the opportunities available to them. They will increase the number of post-9/11 veteran business owners, and they will enable current ones to play a larger role in making our country, our economy and our communities stronger.

Thank you, again, for this opportunity to speak today and for giving veteran small businesses like ours a voice and a seat at the table. I look forward to your questions and continuing to serve this Committee in any way possible in the future.

Chairman WILLIAMS. Thank you very much.

I now recognize Ms. Fox for her 5 minutes of opening remarks.

STATEMENT OF MISTY FOX

Ms. FOX. Chairman Williams, Ranking Member Velázquez, and Members of the Committee, thank you for the opportunity today to testify alongside my colleagues and friends here.

I appreciate your leadership for empowering veterans to continue their life of service through entrepreneurship and, of course, your ongoing support for Boots to Business.

My name is Misty Stutsman Fox, and I am the Director of Entrepreneurship and Small Business at the D'Aniello Institute for Veterans and Military Families at Syracuse University.

Each year, we support tens of thousands of transitioning servicemembers, veterans, and military spouses as they build businesses, careers, and economic mobility. Veteran entrepreneurship isn't just an outcome; it is an identity.

For many veterans, entrepreneurship is more than a career choice. It is a continuation of service. It provides renewed purpose, self-direction, and the ability to keep contributing after they transition to civilian life.

Veterans are proven entrepreneurs. Historically they have been more likely than their civilian peers to start businesses, and when they do, they outperform.

Veteran-owned businesses generate \$1.3 trillion in annual receipts, employ more than 4.4 million Americans, and pay over \$233 billion in payroll.

Here is the bottom line: Veterans outperform their civilian counterparts when barriers are removed. Veteran-owned businesses are less likely to close. They have an 8.2 percent lower risk of failure, and nearly 98 percent of veterans credit their military developed skills, planning, leadership, and pressure-tested decision-making for helping them overcome business obstacle. Military service trains you to make critical decisions with incomplete information. That is exactly what entrepreneurs do every single day.

Barriers are not about talent. They are about access. But, despite their strengths, veterans face barriers they shouldn't have to navigate alone.

First, a fragmented support landscape. Veteran entrepreneurs often describe the ecosystem as a maze and not a map. Without coordination across federal agencies, VSOs, State programs and non-profits, too many veterans are left to guess which door to enter.

Second, rural challenges: 39 percent of veteran entrepreneurs serve in rural economies where the entrepreneur may be the employer, the mentor, the community anchor, but broadband gaps, fewer peer connections, and limited technical assistance stack the deck against growth.

Third, access to market opportunities. Here is what keeps me up at night, veterans are ready to compete. They just need clear pathways and access to capital. But the bigger question is, are we creating policies that open doors or close them?

Two-thirds of veterans use personal or family savings as their primary access to capital at the foundational phase—not loans, not SBA programs. 88 percent of those veterans find the procurement landscape difficult to navigate.

Veterans know how to serve. What they need is a fair shot and not a shortcut. To meet this moment, I ask Congress to consider four solutions that unlock economic potential, rather than create new programs for programs' sake.

First, strengthen SBA's Office of Veteran Business Development by fully funding VBOCs and public-private partnership grants. Boots to Business alone cannot meet veteran entrepreneur's needs.

Second, strengthen capital readiness and access, coaching, credit repair and veteran-specific underwriting.

Third, ensure policies expand opportunities rather than limit it. We need thoughtful policy that enables veteran-owned businesses to compete fairly in the procurement landscape, streamline compliance, expanded rule infrastructure, transparent requirements, and meaningful feedback loops that build capacity rather than create barriers.

And, fourth, fund data collection that measures real outcomes from the SBA programs and resource partners, not just dependents. Veterans don't need guaranteed success. They need guaranteed access.

At IVMF, we operate over 11 training programs and navigation services that have supported nearly 100,000 veteran entrepreneurs. We have helped with 35,000 entrepreneurs get to the navigation that they need. We know that programs like CEOcircle, EDGE, Entrepreneurship Bootcamp for Veterans illustrate what is possible when government, banks, corporations act as partners and not parallel efforts. We know that public-private partnerships work.

Take Michael Bower, a Marine Corps veteran, through our program Michael connected with SCORE, SBDC, as well as CPAs to acquire Eagle Metalcraft, a sheet metal manufacturing company. He doubled sales and workforce in 3 years, and he was named the 2023 SBA veteran small business of the year. He said, "This help is really what changed our ability to add jobs." That is return on investment, measurable, and jobs created, businesses scaled, and community strengthened.

Veteran entrepreneurs are not asking for special treatment. They are asking for systems that recognize their potential and remove avoidable barriers. They defended the American Dream; they deserve a fair chance to build it.

I thank the Committee and look forward to your questions.

Chairman WILLIAMS. Thank you very much.

And I now recognize Mr. Lefebvre for his 5 minutes of opening remarks.

STATEMENT OF CHRISTOPHER LEFEBVRE

Mr. LEFEBVRE. Good morning, Chairman Williams, Ranking Member Velázquez, and esteemed Members of this Committee. Thank you for the opportunity to testify today. It is an honor to join you for a discussion that is not only vital to the economic strength of our country but to the future of the men and women who have served it.

My name is Chris Lefebvre. I am a Marine Corps veteran and president and CEO of ISI Professional Services, a service-disabled veteran-owned small business.

I appear before you today as a practitioner, someone who has lived the transition from military service and now employers and mentors veterans navigating similar paths.

When I left the Marine Corps, I didn't plan to start a business. I didn't even know that that was an option. I joined ISI as an employee seeking stability and to make an impact. Less than 3 years later, I became president and CEO, and I quickly learned that, while the military prepared me to lead people, I didn't understand the fundamentals of running a business. I didn't know what I didn't know.

What I encountered, and what so many veterans encounter, was not a lack of capability but a lack of clarity around the requirements that I stepped into and the resources available to me. Like me, veterans struggle because they enter an entrepreneurial ecosystem that is difficult to see. It is hard to navigate, and it is very easy to fall out of.

And that is the central point of my testimony. This is a system design problem, not a talent problem. Veterans bringing the qualities that every successful entrepreneur needs, but they face an ecosystem built in pieces. Strong programs, but not a pathway. Resources, but not direction. Opportunities, but not continuity.

From my experience, and from the data, four failures stand out. First is navigation. Awareness of resources can deeply depend on geography and structure, or, often, luck. Veterans often stumble into programs rather than being led or guided into them.

Second, continuity. Even when veterans enter high-quality programs like Boots to Business or Focused Accelerators, the programs

are not connected. There is no one handoff, no shared roadmap, no follow throughs, and momentum stalls.

Third, capital access. Traditional underwriting models do not reflect the realities of service. Frequent moves, deployment, shorter credit histories, these are structural mismatches, not risk factors.

Fourth, procurement volatility. Veteran-owned firms rely on a stable federal marketplace. When policies shift through reliance on category management, or consolidations that unintentionally limit participation, uncertainty rises, investment slows, and it becomes harder for veteran-led firms to complete and grow.

These failures come at a cost. And, while 1.6 million veteran-owned businesses contribute significantly to the economic, millions more veterans have the capacity to build and grow companies if the system just better enabled them to move from interest to action.

The good news is that targeted practical reforms can close these gaps. In my written testimony, I outline six recommendations that solve the fundamental problem—fragmentation—by building the unified continuum that veterans need.

First, establish a national navigation hub, a single front door, digital and human, that triages veterans to the right programs at the right times.

Second, standardized warm handoff between programs. This turns isolated touch points into a connected pathway, from ideation to launch, from growth to exit.

Third, modernize entrepreneurship exposure within TAP. Entrepreneurship education through Boots to Business during TAP is a game changer, but it should be mandatory, not elective. Consistent high-quality exposure ensures that every servicemember understands that entrepreneurship is a viable post-service option.

Fourth, modernize capital access. Implement the capital provisions in the Veteran Entrepreneurship Empowerment Act, expand early stage flexibility, and pilot structured uses of the GI bill for entrepreneurship training.

Fifth, stabilize procurement conditions for veteran-owned firms. Small businesses struggle to make multiyear investments when goals fluctuate, rules shift, or opportunities consolidate beyond their reach.

And, six, improve transparency across nonprofit and VSOs. Veterans deserve clarity about which programs produce outcomes, and which do not.

Individually these recommendations address the major pain points that veterans face. Collectively, though, they build the continuum that the current system lacks.

We as veterans do not need guarantees. We need a system that matches our capability: clear, coherent and built from momentum. If we modernize that system, they will continue to do what they have always done: lead with purpose, build with integrity, and strengthen the economic and strategic fabric of our nation.

Chairman Williams, Ranking Member Velázquez, Members of the Committee, thank you for your commitment to those who served. I appreciate the opportunity to testify today, and I am happy to answer any questions you have.

Chairman WILLIAMS. Thank you very much.

I now recognize Ms. Aguilera-Gardiner for her 5 minutes of opening remarks.

STATEMENT OF REBECCA AGUILERA-GARDINER

Ms. AGUILERA-GARDINER. Thank you. Chairman Williams, Ranking Member Velázquez, and distinguish Members of the Committee, thank you for the opportunity to testify.

My name is Rebecca Aguilera-Gardiner, and I am the CEO of Veterans in Business, or VIB, Network. We are a crucial nonprofit organization specifically dedicated to advocating for, educating, and connecting veteran-owned small businesses and service-disabled veteran-owned businesses with real opportunities in the corporate and government marketplace. The VIB Network represents diverse coalition of veterans who have traded their uniforms for business suits, applying the discipline, resilience, and leadership learned in the military to the American marketplace.

We execute our mission through impactful programs like our B.R.A.V.O. Corporate Mentor/Veteran Business Protege Program, which provides intensive mentoring and coaching at no cost to the veterans.

There are nearly 1.6 million veteran-owned businesses in the United States. These firms employ over 5 million Americans and generate approximately \$1 trillion in annual receipts. When a veteran succeeds in business, they hire other veterans, reinvest in their local communities, and strengthen the national supply chain.

We started the VIB Network because corporations were saying it was difficult to find veterans for projects, and the VA search engine was challenging to navigate. However, the path to success is fraught with obstacles.

Data from our 2023 veteran business survey indicates that the majority of veteran-owned businesses are small, nearly 90 percent, with over 60 percent reporting annual revenues below \$500,000.

I would like to highlight three critical areas where this Committee's support is essential for veteran business success. First, the federal government has a statutory goal of awarding 5 percent of all prime contract dollars to SDVOSBs. Yet the practice of category management, bundling small contracts into massive vehicles to save money, disproportionately harms veteran small businesses. This consolidation regulates capable veteran firms to permanent subcontractor status stripping them of past-performance rating necessary for growth.

Furthermore, large prime contractors are often awarded billion dollar contracts with a stipulation that they utilize small veteran businesses. Currently, there is insufficient oversight and penalties when a prime fails to meet their veteran utilization goals. We need teeth in these regulations.

We also strongly support updating the sole source threshold across SBA programs, including SDVOSBs, VOSBs, HUBZone and 8(a), to align permanent tools with current realities and expand access for small businesses.

Further, VIB supports H.R. 2804, the Protecting of Small Business Competition Act of 2025, which will help VOSBs remain competitive.

Second, in the federal government, veterans have a setaside status. However, in corporate America, veteran-owned businesses are often not recognized as a diverse category in the same vein as minority or women-owned. Veterans are a diverse group by nature representing every race, gender, and background in America. We urge this Committee to encourage the private sector to standardize inclusion of VOSBs and SDVOSBs in their supply diversity goals.

When major corporations open supply chains to veterans, it reduces reliance on government contracts and creates a more sustainable business ecosystem.

Finally, you cannot start a business or scale a business without capital. Unfortunately, veterans have struggled to access traditional financing. Many transition out the service with gaps in their credit history due to deployment or lack of tangible collateral required by traditional banks. While SBA loan programs are vital, the fees and strict underwriting criteria often leave smaller veteran startups behind.

Veterans have already signed a blank check to their country payable with their lives. When they return home and choose to start a business, they are asking for nothing more than an equal opportunity to compete. By removing bureaucratic barriers and ensuring fair access to capital and contracts, we do not just help veterans; we fuel the American economy.

Thank you for your time, and for your continued commitment to the veteran business community.

Chairman WILLIAMS. Thank you.

And we will now move to the Member questions under the 5-minute rule. I now recognize myself for 5 minutes.

Mr. Schmiegel, as a veteran who has dedicated his civilian life to serving fellow veterans, you have first-hand experience in navigating the benefits and the resources. So my question is, how difficult is it to navigate the business resources available to veterans, and how can technology make it easier?

Mr. SCHMIEGEL. Chairman Williams, I have to say that when I first started my entrepreneurial business, ZeroMils, we had to do it on our own. So it was difficult to navigate. And I think the points being made about that navigation and consolidating it under larger nonprofits, larger VSOs is exactly the wrong direction to take.

Figuring out how to run or how to start and run a business is part of the process. I think that the solution should lie with the private sector. I think it should be private-sector led, and I think the type of automation that we are working on through a military-thriving small business toolkit will be with companies that want small business owners to thrive, to make it seamless, to make a dashboard that they can use at the start of their business, and to carry them through so they not only have to start it, but they can grow and continue to grow.

Chairman WILLIAMS. Ms. Fox, your institution plays a vital role in helping veterans find their next mission as small business owners through programs like CEOcircle and Boots to Business, which you mentioned. And, last year, this Committee worked to make Boots to Business a course that gives a servicemember an introduction to entrepreneurship permanent.

So the question would be, how important is the timing of taking the Boots to Business course before transitioning to civilian life?

Ms. FOX. Thank you for that question, Chairman. It is extremely important. Quite frankly, Boots to Business is the language of entrepreneurship, and the fact that it is hosted both here and OCONUS is something that is extremely important as geography should never ration your opportunity. And I think the great thing about Boots to Business is that you have the ability to learn the 101 of entrepreneurship. We should expand it. It works. It works, but it needs to work for more people. We need to have it be more available online. We need to have it be more available with touch points even after transition because we know that veterans are starting businesses 11 years after transition. So to make sure that they can continue to check in and understand the resources that are there for them when they are ready is paramount. If we solve for transition, we will solve for small business. Thank you.

Chairman WILLIAMS. Thank you. And, Mr. Lefebvre, as a veteran, you both employ and mentor other veterans navigating similar circumstances and pathways. And can you share your approach to fostering veteran entrepreneurship and what others can learn from it.

Mr. LEFEBVRE. Absolutely. Thank you, Chairman. My approach is multifold. The reality of what my testimony talked about is the continuum throughout this process. There is ideation. There is startup. There is growth. There is exit, and what any individual veteran, or any entrepreneur for that matter, needs at any given moment is fundamentally different.

And so, whether it is mentoring employees of my current firm that are entrepreneurial in nature and how I can leverage SBA programs, like the Mentor Protege Program, and entering into joint ventures to help with real mentorship and support is fundamentally different than my advocacy and support that I give institutions like IVMF through EBV and other accelerators that can help, especially those veterans that are on the front end of that journey from ideation into building their business plan, actually letting boots hit the ground, to take it from momentum, I look at each step of that across the continuum very differently.

Chairman WILLIAMS. Thank you. In the time I got remaining, Mr. Schmiegel, veteran small business ownership has been decreasing over the years as fewer post-9/11 veterans are becoming entrepreneurs. You discussed that. However, some veterans have found that franchising has helped them achieve their dream of business ownership.

So, from your perspective, what is contributing to the decline in veteran entrepreneurship?

Mr. SCHMIEGEL. I think the decline is largely due to the lack of access to capital. You mentioned franchising. Veterans are actually twice as likely to own a franchise than their civilian counterparts. It is across the other small businesses where they are on their own that they don't get to achieve their full potential.

So I think we should really look at legislation that is out there that will improve access to capital, and, also, take off some of the onerous regulations that prohibit franchisers from engaging with the small business community, the veteran who wants to own a

franchise. The reason they are most likely to succeed as a franchisee is that they have an SOP, they have a playbook, and they have easier capital, access to capital than a small business owner that is doing it on their own.

Chairman WILLIAMS. Thank you very much. And I now yield my time back and recognize the Ranking Member for 5 minutes of questions.

Ms. VELÁZQUEZ. Thank you, Mr. Chairman. Ms. Aguilera-Gardiner, you were a Member of the SBA Advisory Committee on Veteran's Business Affairs previously, correct?

Ms. AGUILERA-GARDINER. Yes.

Ms. VELÁZQUEZ. What is the status of that Committee?

Ms. AGUILERA-GARDINER. The status is I have no idea. I haven't heard back from them. And we did a lot of work when I was on the Committee, and, you know, I would love to find out what the next steps are for that Committee as well. But I have not heard any process, and I don't think that they have had any meetings since.

Ms. VELÁZQUEZ. Okay. Did you see value in the Committee for both veteran business owners and for the SBA?

Ms. AGUILERA-GARDINER. Yes. There was a huge amount of value in that being able to speak to the SBA directly, talking about programs, talking about committees. We were actually on the verge of creating a committee that was there to help veterans connect more with corporations and leading that. And I really did see there was quite a bit of value, and we were able to connect with fellow veterans and organizations across the U.S. that are impacting veteran business' lives. So—

Ms. VELÁZQUEZ. What happened to the progress made by the Committee?

Ms. AGUILERA-GARDINER. I do not know. I wish I knew. And I have reached out, but I haven't heard anything. But, you know, we worked—we had a couple committees, and we worked very hard on creating this opportunity, new opportunity for veteran businesses.

Ms. VELÁZQUEZ. Well, Mr. Chairman, here we are listening to their stories and recommendations that you are making, but we don't have a way to channel those into SBA so that they could revisit, for example, the different SBA financing programs that they have.

Ms. AGUILERA-GARDINER. Yes.

Ms. VELÁZQUEZ. And how to reach the veteran community. So I will suggest that we should send a bipartisan letter inquiring as to the status of that committee.

Chairman WILLIAMS. So move.

Ms. VELÁZQUEZ. Thank you. Ms. Aguilera-Gardiner, can you speak to the importance of mentorships for helping veteran business owners start and grow their business?

Ms. AGUILERA-GARDINER. I think mentorship is key for anyone starting a business, you know, from the startups to people who have been in business 5 to 10 years. And veteran businesses who have been around for 5, 10, 20 years, having them mentor and share their experience with fellow veterans so that they can get past the red tape and understand which avenue to take, you know,

really can help decrease a veteran's time of struggling when they are starting a business.

I know, with our programs, so we have two programs, our Veteran-To-Veteran Business Cohort Program, which has a coaching section, a peer mentor group, and, also, our Corporate Mentor of Veteran Business Protege Program is very essential to helping veterans succeed in business.

Ms. VELAZQUEZ. Thank you. Yes.

Mr. LEFEBVRE. Thank you, ma'am. What I would say there is we, as veterans, we have discipline in abundance, and we are tenacious as can be. So we can succeed on our own, and we oftentimes do, but mentorship is a force multiplier. And what is lacking now is simple education around what mentorship avenues exist. And so a particular veteran that may be transitioning out of service or one that has transitioned 11 years prior just doesn't know where to start.

And so, whether it be commercially, within industry and certainly programs and policies that are put in place, what needs to happen is linking and connecting it all and making it accessible to everybody to better understand.

Ms. VELAZQUEZ. Thank you. Ms. Fox, are there opportunities you see around any overlooked or underutilized ways of improving outreach to veterans?

Ms. FOX. When improving outreach to veterans I go back to what I said earlier around connectivity. I think veterans are a high-trust group. They will often rely on word-of-mouth to understand what programs are out there. So making those who have succeeded within the ecosystem ambassadors for the ecosystem will be paramount.

In addition, one thing that we have to understand is that it can be—someone should not have to be a subject-matter expert in the ecosystem to be able to navigate it. So I think, as we look through how we can do outreach, it is around trust, it is around timing and making sure that, as they continue to move forward, we have interventions, and, of course, it is around that connectivity.

Ms. VELAZQUEZ. Thank you.

Mr. Schmiegel.

Mr. SCHMIEGEL. I would just like to add that the answer lies with us. I think, if you listen to Mr. Lefebvre and Ms. Aguilera-Gardiner, that they said the same thing. We don't have a seat at the table. So how do you mobilize small businesses, the 1.6 million across the country, to provide that mentorship? This isn't going to be solved with big nonprofits, big VSOs, and big companies alone. This will be solved by us, veteran small business owners for veteran small business owners. TAP is broken.

Chairman WILLIAMS. The gentleman's time is up.

Ms. VELAZQUEZ. I yield back.

Chairman WILLIAMS. The gentlelady yields back.

I now recognize Congressman Stauber from the great State of Minnesota for 5 minutes.

Mr. STAUBER. Thank you very much, Mr. Chair. Thank you, veterans, for sharing your information with us. But, most importantly, thanks for your service to this nation.

15 years ago my wife left service after 23 and a half years with the Minnesota Air National Guard, the first female command chief in the State's history. We struggled when we were considering opening up a small business with access to capital. That was 15 years ago.

I don't think we need any more committees and any more meetings. You said it, sir, 2 minutes ago: The answer lies right here. You have lived it. You have breathed it. You have understood it. You have had some ups and downs. This is important, that we recognize your value to the veterans community. We know the answers because you have given us the answers. Now it is up to us to try to help you out.

I don't know where we are from 15 years ago to today, but I am guessing access to capital, navigation, reintegration. We have been talking about that for a long time. You have the answers.

And, Mr. Lefebvre, I will tell you that you said something that struck me: There needs to be one single front door, and it has got to be a double door for our veterans. Open those double doors, and they are going to be connected to your great programs. One single door for the veterans, double door, and you will all get the opportunity to serve.

I don't understand how that is not done already. We have been talking about this. We have to put our talk into action by investing in your programs. And, when you talk about bringing veteran-owned businesses to all parts of our conference, you are exactly right. We need to take care of the veterans. We have always talked about, and we will always support our veterans. Now let's put that into action.

You are all leading in your own respective rights in your own respective communities. I am listening. Usually I have something to pick on here. I don't have anything to pick on. You guys are awesome. This is a great—this panel is one of the best panels that I have seen in the 7 years on small business. Spectacular because you know what you are talking about. You have lived it. You know the hardships.

39 percent of our veteran-owned businesses are in rural America. We can't forget rural America. That is where the veterans grew up, that is where they want to live and raise their family. That is where they are going to die, and that is where they are going to bring economic value.

Veterans are so important. The boots that my wife wore in Iraq, her hat she wore in Iraq, and that funeral picture in case she didn't make it back are in my office today.

And many Members—this is a bipartisan issue that we can get behind. And I thank the Chairman and the ranker for bringing the four of you professionals, the leaders in your respective communities. The time for talking is over. We need action to support our veterans. I ask each and every one of you to continue to do what you are doing. We have heard it now. In fact, we have heard it several times. It is time to put this into practice.

That one front door for our veterans—and, sir, let it be a double door because we have got a lot of American heroes that can bring their entrepreneurship and their leadership to Main Street America, and to rural America. We have asked them to serve our coun-

try, given us the freedoms that we enjoy today, you know what I am talking about because you experienced it: Upon your exit there should be reintegration, that front door, and then all the options should be there. We shouldn't have to go down 55 lanes and figure out where you should end up at.

I am committed, and I know the Chairman and both political parties are committed to making sure that our veterans are taken care of from start to finish. Thank you for being risk takers. Thank you for your service and sacrifice, and to your families.

And I yield back.

Chairman WILLIAMS. The gentleman yields back.

I now recognize Ms. Scholten from the great State of Michigan for 5 minutes.

Ms. SCHOLTEN. Thank you, Mr. Chair.

And thank you so much to our incredible witnesses today for taking the time to be here, helping us to do our jobs. For those who served, thank you for your service. To all of you who serve our veterans, thank you for your service to them.

I am proud to chair the bipartisan Congressional Franchise Caucus, our goal is to ensure franchise businesses thrive locally, empower workers, and serve as a pathway to entrepreneurship for all.

It is notable that, while veterans make up just 7 percent of the overall population, they account for 14 percent of franchise owners.

Mr. Schmiegel, my first question is for you, can you speak to why franchising draws veteran entrepreneurs?

Mr. SCHMIEGEL. Thank you, Representative Scholten. First of all, my wife grew up in Iron Mountain, Michigan. So, when we talk about rural communities and empowering veteran entrepreneurs to own businesses, we are living and breathing that right now. We are moving to northeast Wisconsin, and I can see how what we are doing to create military thriving cultures and communities right there where my wife grew up can really change the paradigm.

And I don't care if I have to model it in the town that I live, work and serve. It is just like a veteran entrepreneur to do that.

The phrase "in business for yourself and not by yourself" is frequently cited because it perfectly encapsulates why the franchise model bridges the gap between military service and civilian entrepreneurship so effectively.

In my experience, franchising provides veterans with the operational guardrails they are trained to respect while offering the autonomy and empowering them with the leadership skills they learned through service.

The most daunting aspect of entrepreneurship for many veterans is the lack of structure. In the military, survival depends on adherence to SOPs, and franchising replicates this safety net.

Finally, the data shows that, when a veteran goes into business for themselves, they rarely stay by themselves. Veteran franchises are 30 percent more likely to hire other veterans than nonveteran owners. Thank you.

Ms. SCHOLTEN. That is wonderful. Thank you. Thank you. And we are obviously a huge supporter, and if there is anything that we can do in the Franchise Caucus to elevate your issues, please reach out to me or my team.

Moving onto some contracting issues, the Departments of Defense and Veterans Affairs are the largest source of federal contract dollars for both service-disabled veterans and veteran-owned small businesses.

In fiscal year 2022, DOD awards accounted for over 42 percent of contract dollars to VOSBs, while 39 percent were awarded to service-disabled veteran-owned small businesses.

Similarly, 28 percent of VA contract dollars were awarded to veteran-owned small businesses, and 34 percent to service-disabled veteran-owned small businesses.

Ms. Aguilera-Gardiner, veteran entrepreneurs bring a skill set and knowledge base that is advantageous for defense-related contracts, but we all know these qualities can benefit contracting in every industry.

What more can Congress do to ensure that these veteran-owned small businesses have the tools they need to compete for contracts in other industries?

Ms. AGUILERA-GARDINER. Well, I think it is really important that a veteran actually wins these contracts. You know, just to say that they are available, but winning these contracts is really essential to a veteran's growth.

And what also happens is, when a veteran wins a contract, that shouldn't be just a one-time thing. They should win contracts over and over, and, also, grow from that. Every business wants to grow. Every business wants to continue to win those contracts. So, by opening up the SDVOSBs and VOSBs and the Rule of Two, these are opportunities that any veteran, and a veteran can actually use these to access these certification to grow their business and to move to that next level.

Ms. SCHOLTEN. Thank you.

Ms. Fox, you seem like you want to say something. Yeah. I want to hear from you. Yeah.

Ms. FOX. So, since 2016, we have worked with the Coalition of Veteran Owned Business, which is a group of Fortune 500 companies who have said, "We will spend more with veterans than our supply chain," and when we see that—last year about \$238 million were made from connections that we made to those Fortune 500 companies.

What I will say is that training without market sets people up to fail, and being able to make sure that those businesses are trained and retooled and that it doesn't require an onerous amount of retooling between government and private sector is paramount. We see great training programs out there. We have them. The Veteran Institute for Procurement has them both in government contracting and newly now in corporate contracting, and that training and those peer networks of people who have been there, done that, and that connectivity, we will continue to see more success.

Ms. SCHOLTEN. Thank you. Very helpful. My time has expired. I yield back. Thank you.

Chairman WILLIAMS. The gentlelady yields back.

I now recognize Mr. Meuser from the great State of Pennsylvania for 5 minutes.

Mr. MEUSER. Thank you, Mr. Chairman.

And thanks very much to our witnesses.

And, particularly to our veterans, thank you for your service very much.

So, yeah, like many, I have 45,000 veterans throughout my district. Many of them are entrepreneurs. We certainly want strong transition support, to reduce burdens on regulations, and ensure access to capital.

You know, in my former business, we did our best to hire veterans. I mean, many businesses do. You go in. You see their support and their programs. And they talk about it. They kind of, you know, boast about it, which is great. You know, we want more of that.

Nevertheless, I do sense, even though the dedication is clear from all of you in your care for our veterans, I also sense frustration. So, you know, we do; our government is bureaucratic. So we are really dealing with two agencies, I guess, right, SBA and Veterans Administration. We have Kelly Loeffler there at SBA, and we have got Doug Collins, who is a former Member, a good friend of all of ours, as the VA Secretary. We should be able to make some improvements here moving forward.

So, as I am asking you questions, please just tell me what you want to do, what needs to be done. If you were here, what would you be doing as a priority to help TAP? Like, for instance, Mr. Schmiegel, Colonel Schmiegel, you mentioned that TAP is broken. Well, TAP is a pretty viable—or, actually, it doesn't sound viable, but it is listed as an important program. Maybe you could describe what we need to fix it.

Mr. SCHMIEGEL. I think we need to start with why it is broken. Think about a servicemember at the end of their service: You don't have a captive audience. In 5 days, you are jamming a bunch of information to an audience that is not really listening.

Mr. MEUSER. Right.

Mr. SCHMIEGEL. And they have no context. How are they supposed to understand the fundamentals of owning a small business, or, in a gig economy, what job to have? We should be asking them fundamental questions so they discover for themselves: What brings me joy? What is my purpose? And what does my community need from me? Or how can I make money or make an impact with the next chapter of my life? They should ask themselves, what are the five things they need to thrive? In transition, we are just talking about education, benefits, and employment in a gig economy, instead of encouraging them to get these five things. Outside of meaningful employment, the second thing is a sense of purpose through continued service. The third is a connected community or a tribe. The fourth is good health outcomes, physical, mental, spiritual, emotional. And the fifth is the "kit bag", those things they need to constantly seek self-improvement so that they understand the strengths that they have and they apply those strengths going forward. All the other stuff that is part of a 5-day course is going right over their heads. So we need to prepare them with the fundamental questions that they have in their lives to succeed.

Mr. MEUSER. Are those departments within the VA and SBA sufficiently supported, funded? Do they have enough people in TAP.

Mr. SCHMIEGEL. I think the programs are funded well. Where I think the common theme today that you heard was access to cap-

ital. Instead of investing taxpayer dollars in things that are not having the impact, as we see veteran small businesses decline, use some of that capital, use some of the funding to provide more access to capital.

Mr. MEUSER. Ms. Fox—excuse me. Thank you. Access to capital, let's focus there. I am on Financial Services, access to capital is, you know, should be a specialty for small businesses. Tell me what problems there are and what you think we should do to make it better.

Ms. FOX. Thank you for that question. 37 percent of veteran entrepreneurs basically say that access to capital is a barrier for them. And, if you look at it, typically they will need about \$50,000 to start a business, but they are going to their personal savings. They are going to those areas instead of loans. And why, because as we look at TAP, we are not setting a solid foundation in terms of credit repair. What do you need to do to be successful so that you can then go start your business?

And I said earlier, when we solve for transition, we will get there. 43 percent of veterans say, "We have a tough time with transition." And, if you think about it, when someone gets out and they are looking at what their options are, we have more corporate hiring programs.

Mr. MEUSER.—your community banks' cooperation.

Ms. FOX. They do, yes, but 66 percent of veterans do not know about CDFIs, or any of those options as well. So the issue is not just access. It is readiness.

Mr. MEUSER. All right. Thank you. Mr. Lefebvre, last word, I only have 15 seconds left, on access to capital.

Mr. LEFEBVRE. Yes, sir. I appreciate it. The only thing that I would continue is in the rest of my testimony is continuity across the entire continuum. It is not just about startups and access to capital at the front end. It also includes exit. The SBA 7(a) loan with a limit of \$5 million from a loan is not going to help a veteran that actually wants to pay that forward to another veteran internally. If you are trying to look avenues outside of private equity or some venture capital firm—

Mr. MEUSER. We are looking to raise that up, so thank you all very much.

Mr. LEFEBVRE. Thank you, sir.

Mr. MEUSER. I appreciate it. And, again, thank you for your service.

Chairman WILLIAMS. The gentleman yields back.

I now recognize Mrs. McIver from the great State of New Jersey for 5 minutes.

Mrs. MCIVER. Thank you, Chairman and Ranking Member, for convening this hearing, and thank you to our witnesses for their service in keeping our country safe and for sharing their expertise with the Committee today.

The mission of supporting our military veterans as they transition to civilian life and pursue entrepreneurship—the heart of the American dream—unites every Member of this body. We all recognize that these men and women possess a foundation of leadership, discipline, and problem-solving skills that are invaluable assets in business. We must encourage and empower them to build and grow

veteran-owned small businesses. This is one of the most meaningful ways we can honor their service and ensure our economy benefits from their exceptional talent.

In my hometown in New Jersey's Tenth Congressional District, we see this potential every day through businesses like Dogwood Green Dispensary—there we go—a newly opened veteran-, Black-, and woman-owned business in West Orange. Dogwood Green is the product of three lifelong friends who joined together to build a business grounded in education, community empowerment, and their shared experiences, all while employing hardworking people and stimulating the local economy. When we equip veterans with tools to succeed as entrepreneurs, we uplift an entire community.

To each of my witnesses, I have the same question for all of you. Veterans sometimes struggle to translate their specialized military experience into civilian business plans and projections when transitioning to business ownership. What procedures can the SBA standardize within the Transition Assistance Program, better known as TAP, to ensure veterans consistently and effectively translate their military skills into viable civilian business models? Anyone can jump in and start.

Ms. FOX. Once we look at—or thank you for the question. Once we look at TAP, I think one thing that would really help there are those warm handoffs. Right now, we are expecting those who are transitioning and figuring out where they are moving to, what job they are getting, et cetera, to also navigate this landscape. As we look at warm handoffs and to resource partners and trusted grantees, we need to incentivize connectivity and referrals so that these resources are at their first best use and also capitalizing on the dollars that continue to shrink in the nonprofit world.

Mrs. MCIVER. Thank you, Ms. Fox.

Mr. SCHMIEGEL. I think the biggest answer, again, lies with us. Veteran small business owners aren't invited to installations to speak on bases and stations to have access to transitioning servicemembers at TAP. They just don't. It is the same big nonprofits with the big companies. And, in a lot of cases, the veteran small business owner is expected to pay to play to actually get on an installation. Not all of them get that access.

So, again, if we want to solve this problem, the answer lies with us. Give veteran small business owners like the ones on this panel—give us more access. Give us more access so we can share our stories. You want to streamline frustration and confusion? Let the mentors who represent the veteran small business owners of America talk to the future entrepreneurs who want to be part of this movement.

Mrs. MCIVER. Thank you.

Mr. LEFEBVRE. Thank you, ma'am, for the question. I will narrow my answer specifically to entrepreneurship.

We invest a tremendous amount into our servicemembers, whether that is in a unique specialty or a generalist. The problem with entrepreneurship is, even within TAP, it is still inconsistent. As great as Boots to Business is, the deployment and delivery of Boots to Business is highly inconsistent. Whether someone is redeploying from Japan, whether they had a ship at sea, how they re-

ceive the knowledge is inconsistent, so we cannot fundamentally expect to have a consistent outcome.

The other thing that I would say for entrepreneurship is what if we introduced it before TAP? You have a servicemember that is riddled with questions about the future and the uncertainty, and so they may elect to receive a class on entrepreneurship, but really what they are wondering and worried about is what is next, period. So what if our military service branches—and we all say something to some degree that we want to return better citizens post service. And servicemembers go into service for education, for different reasons. What if one of those was this was actually a springboard into entrepreneurship to deploy their ideas that they have?

Mrs. MCIVER. Got it. Thank you.

Anything to add in 20 seconds? I am sorry.

Ms. AGUILERA-GARDINER. Yeah. No problem. I think that entrepreneurship is valuable and having that mentorship and also making sure that the veterans who are leaving know about the different options that they have available to them like entrepreneurship and working in a variety of different avenues. Thank you.

Mrs. MCIVER. Thank you. Thank you all so much for your expertise. Thank you.

With that, I yield back.

Chairman WILLIAMS. The gentlelady yields back.

I now recognize Mr. Alford from the great State of Missouri for 5 minutes.

Mr. ALFORD. Well, thank you, Mr. Chair.

Today's hearing focuses on a very important mission in my estimation. When our veterans return home, many of them want to start a business and continue serving their communities. They have the skills. They have the discipline. They have the leadership that makes them a natural fit for starting a small business in America. But we also know the reality is that veteran entrepreneurship has declined sharply. After World War II and Korea, nearly half of all returning veterans started a business. Today, that number is just more than 4 percent.

Our veterans today are not less capable than they were 70 years ago. In fact, I think they are more capable than they were 70 years ago, but we no longer support them in the way that we did 70 years ago. That is why I introduced the bipartisan SERVE Act with Representatives Davids and Conaway. The House passed it with overwhelming support. This legislation identifies the challenges veterans face when starting a small business and evaluates how military service deployment and transition affects the ability to access affordable credit. Our veterans deserve better. They deserve clear access to resources, to capital, and to the opportunities that they earned.

Mr. Schmiegel, I want to start with you. Thank you for your testimony today. In your opinion, what is the driving force behind this precipitous decline, the shrinking rates of veteran entrepreneurship in the last 70 years?

Mr. SCHMIEGEL. I think a lot of it has to do with the same organizations saying the same things with the same agendas in mind. Like, we are focused on the past. When I started Hiring Our Heroes in 2011, veteran employment was at a historic high at 10

percent. Over the last 2 years, it has been lower than 3 percent. So why are we investing all of our resources on a problem that doesn't exist? Three percent unemployment for veterans, but we still think that it is a problem when it is not.

How do we invest the same sort of energy, resources, time into getting servicemembers and veteran entrepreneurs to consider a different pathway? It really is a focus of emphasis. Look at HVAC, look at SVAC, and look at the same players talking about the same things. Do you see a veteran small business owner testifying before the HVAC and SVAC very often? Ask ourselves the question. If you really want to make change, put it in the hands of people who are living, breathing, and walking in the shoes of the future veteran entrepreneurs in America.

Mr. ALFORD. What can the federal government do to better support veteran entrepreneurs?

Mr. SCHMIEGEL. I think we start with investing—investing in them and make sure that they have access to capital. The difference in our environment right now in this culture is, in transition, servicemembers are entitled. We are talking about their benefits. We are talking about education. We are talking about employment. What happened in World War II and Korea was we invested and empowered veterans to come home and run businesses. We need more of that and less of what is going on now. It is as simple as that.

Mr. ALFORD. And, Ms. Fox, I think I heard you say in your previous answer to Mr. Meuser's question that the issue is not access to capital. It is the readiness. Please expand on that.

Ms. FOX. Yes. Thank you for the question. Veterans are turned down at a rate about 6 percent higher than their civilian counterparts when it comes to capital. The issue is that veterans will not go back. Unlike their civilian counterparts, once they are turned down, that is it.

Mr. ALFORD. Why is that?

Ms. FOX. So, typically, it goes back to a high-trust organization, meaning that once they feel like they are not able to access a resource, they don't feel as comfortable going back, whereas a civilian might feel a little bit more comfortable just trying it again.

In addition, if you look at limited networks and limited mentoring, because of the nature of PCSs, you look at the fact that they don't have as many people to lean on to say what should I have done there. And that is why we have to create transparency and connectivity so that they are trying to figure out their business and not the system.

Mr. ALFORD. Well, thank you to all of our witnesses here today for coming here. This is a very important issue, and I am so glad that our Chair and Ranking Member are taking leadership in trying to fix this issue because it is an issue worth fixing in my estimation. There is no better person to be able to start, maintain, and lead our small business community than veterans.

And, with that, sir, I yield back.

Chairman WILLIAMS. The gentleman yields back.

I now recognize Mr. Cisneros from the great State of California for 5 minutes.

Mr. CISNEROS. Thank you, Mr. Chairman. I want to thank you and the Ranking Member for this hearing today to try and shed some light on what our veteran entrepreneurs need to start and grow their businesses. I appreciate our witnesses for being here today.

As a veteran and former small business owner, I stand with you and I want all our veteran-owned businesses to succeed. But yet again, we are having another hearing with no representation from the SBA, and I am concerned at the SBA's continued absence and silence on issues in this matter—on this matter. Concerns raised by Members of this Committee and by my esteemed witnesses—or esteemed witnesses should not be ignored by those tasked with carrying out the laws passed by Congress.

I am the Ranking Member on the Contracting and Infrastructure Subcommittee, and I can't get a straight answer from the SBA about the SBA's contracting programs. Veterans have personally shared with me that their small business contracts were canceled due to the administration's policies, and there was no action by the SBA to support them. So I know the SBA either doesn't care or is actively ignoring them.

I join my colleagues in requesting that the SBA and the VA provide Congress with accurate data on the cuts at the VA and the impacts they had on service-disabled veteran-owned small businesses, and we have been met with silence. When I asked the administrator directly about changes to the FAR and specifically the Rule of Two, there was no way to tell if the SBA had been involved.

The SBA instead has touted workforce cuts of 43 percent, which has resulted in fewer SBA contracting staff to support our veterans. The SBA has touted leaving major metropolitan areas because of politics with no regard for the thousands of veterans that would be abandoned. The SBA should be here to answer questions, and I hope the SBA gets serious about becoming an active partner in our work to support our veterans, entrepreneurs, and small businesses across this country.

And, with that, I will start with questions. Just real quick, do any of you know how many veteran-owned or service-disabled veteran-owned small businesses lost their federal contracts in 2025? No?

Ms. AGUILERA-GARDINER. I think it was over 900.

Mr. CISNEROS. Over 900. Thank you.

Ms. Aguilera-Gardiner, why is it important for veteran-owned businesses that sole-sourced contracting thresholds be increased across SBA programs?

Ms. AGUILERA-GARDINER. Thank you. When it comes to the veteran growing their business, sole sourcing is vital for them to continue to grow, getting that opportunity that they may not have previously had before. So being able to sole source to a veteran business who is able and capable to do that helps them with the small businesses win those contracts and also that the larger billion-dollar contracts that go to these corporations and actually gives the opportunity to the small business to grow.

Mr. CISNEROS. Thank you. As you shared in your statement, veterans are often also women, minority, or are located in underutilized communities, and I want to ensure that the threshold for

veterans and all small businesses reflects the current realities and that the tools to meet small business goals are available. That is why I am introducing legislation to streamline and increase the threshold across SBA programs.

Is this something that veterans and business networks might consider supporting?

Ms. AGUILERA-GARDINER. Yes.

Mr. CISNEROS. All right. Thank you.

Again, Ms. Aguilera-Gardiner, we should all share the goals of supporting our veteran entrepreneurs in starting and growing their small businesses. Unfortunately, over the past year, the SBA has sought to drive a political wedge in that support and risks leaving veteran entrepreneurs in Democratic-led cities and States behind.

When the SBA announced that it would leave Los Angeles, that meant moving away from over 35,000 veteran-owned businesses in the metropolitan area alone, according to the SBA Office of Advocacy. That is more than the State of Alabama, the State of Kentucky, and the State of Wyoming, as well as Iowa. 35,000 veteran-owned businesses in Los Angeles alone.

What is the potential impact on veteran entrepreneurs when the SBA seeks to abandon them in these cities?

Ms. AGUILERA-GARDINER. Well, it would be devastating to the veteran business community. When you are taking away that instruction and that guidance to work with the federal government, it—you are putting a muzzle on the veteran business community so they can't find these opportunities or even find out how to find those opportunities.

Mr. CISNEROS. Thank you.

And just real quick, I also serve on Armed Services, and TAP needs to be fixed, and I want to work with all of you. So please come to my office and we can see how we can improve TAP. Thank you.

Chairman WILLIAMS. The gentleman yields back.

I now recognize Mr. Wied from the great State of Wisconsin for 5 minutes.

Mr. WIED. Thank you, Mr. Chairman, and thank you to all of our witnesses for being here today and the important work that you do for our veterans. I would also like to thank Mr. Schmiegel and Mr. Lefebvre for your service to our country. Thank you.

As veterans end their military service, many face difficulties entering the civilian workforce. In Wisconsin, we have over 300,000 veterans—with most being Vietnam war veterans, according to a 2022 study from the Wisconsin Veterans Chamber of Commerce—and over 1,700 nonprofits serving veterans in our State, which is eighth most out of any state in the nation. Despite the support that exists for veteran entrepreneurs from these organizations and from programs through the SBA and Department of War, many veterans have difficulty translating their military experience into the civilian world.

I will start out with Mr. Schmiegel. I understand you are—you frequent the great State of Wisconsin on occasion. Florence County?

Mr. SCHMIEGEL. Yes, sir. We are just building a house in Florence County, my wife and I.

Mr. WIED. Oh, that is great. So would you say you like Wisconsin or Virginia better, sir?

Mr. SCHMIEGEL. With my wife listening, I would say the great State of Wisconsin.

Mr. WIED. That is a great answer.

Ms. FOX. Good answer.

Mr. WIED. Thank you. I want to make that for the record, Mr. Chair. All right.

But you brought up a good point. Since veteran unemployment has dropped to 3 percent thanks to great people like you and Mr. Lefebvre, how would you in your—and we talked about TAPs and the issues that you addressed there. How would you—could you reorient existing federal programs to better address some of the issues that you as veterans—and I am going to open it up to both of you, you and Mr. Lefebvre. Is that a possibility?

Mr. SCHMIEGEL. Yeah. I would just say the first three businesses I ran were nonprofits. I hate the word “nonprofit.” It is a for-purpose business. And I raised \$100 million in private sector capital. I don’t think nonprofits should be funded by the government to do this work.

I think, again, the answer lies with people like Mr. Lefebvre and myself who were Marines and are living and breathing the challenges that veteran entrepreneurs face. That is why we are creating, at the community level, a military-thriving community play-book. That is why we are automating a tool kit that small business owners who are veterans and military spouses can use. I think the answer, again, lies with us. If that is the one takeaway, we need to give more access to veteran small business owners.

And I promise you this, Mr. Wied. In the great State of Wisconsin, we are going to bring veteran small business owners in great numbers.

Mr. WIED. That is great.

Mr. Lefebvre?

Mr. LEFEBVRE. Thank you, sir. Great question. And I would differ a bit from my colleague here. I don’t believe there should be a single point of failure. We are a component of the solution in terms of private industry, but there is a long record of federal programs being highly effective. How we can support this is not the addition of more programs. It is making a coherent link between the programs that exist today. It is about defining outcome-based reports and results of what is working and what isn’t, what needs to be retooled.

And so I think we have a phenomenal capability right now. It is just not streamlined. It is not coherent. It is unconnected, not just disconnected, and that is why it is so difficult without, as I mentioned, a single front door to come in to understand what the pathway and the map looks like ahead of us.

Mr. WIED. I tend to listen to business owners, people that are out in the world signing the fronts of checks. Tell me how do we do that as Members of Congress. What is your suggestion for us?

Mr. LEFEBVRE. One, I think we need to have a defined playing field. When we look at VSOs or nonprofits, the accelerators, or any program that has a mission, what are the outcomes? Are we meeting the existing goals? Is there a clearly defined goal currently?

And so how we can do that, I think, upfront is to create a study. We can no longer build the plane as we are flying it, right? I think we need to understand what we are seeking out to do, have a true mission and a purpose, and we back plan from there. But we first have to understand where is it broken, where are things not connected, how can we connect and have those handoffs upfront.

Mr. WIED. Mr. Schmiegel, would you like to follow up on that?

Mr. SCHMIEGEL. Yeah. I think we have studied the problem long enough. I actually think we agree. I am starting with the fundamental concept. So, if it weren't a problem that big nonprofits and the same big corporations and the same big VSOs—we wouldn't be here today talking about historically low rates of veteran small business ownership.

All I am saying is veteran small business owners don't have a seat at the table, so start with that. If we are part of the study, if we are providing both anecdotal and real data on our own businesses, what the challenges were, great. But I don't think the government should fund another study. They should be looking at us for the answers.

Mr. WIED. I could not agree more. You are the answer. You, the business owners, the veterans that are out in the field out every day doing the work, and you need to have a seat at the table. I am glad you are here today. Thank you for having this hearing. And if I can ever be of assistance, please let me know. I look forward to seeing you in Wisconsin.

Chairman WILLIAMS. The gentleman yields back.

I now recognize Dr. Morrison from the great State of Minnesota for 5 minutes.

Ms. MORRISON. Thank you, Chairman Williams and Ranking Member Velázquez, for holding the hearing. Thanks so much to our witnesses for being here today.

In addition to serving on this Committee, I have the honor of serving on the House Committee on Veterans' Affairs. My husband and my father-in-law are both Army combat veterans, and I firmly believe it is our duty here in Congress to provide veterans with the resources that they have earned, including ensuring they are supported in the transition from military life to civilian life.

As we have heard today, many veterans choose to pursue entrepreneurship to start their own business. However, making this transition can be challenging for some due to a lack of access to capital, difficulty acquiring the necessary and relevant training, and trouble receiving contracting opportunities.

So, Mr. Schmiegel and Mr. Lefebvre, thank you both so much for your service to our country, and thanks for being here today. Would you be willing to speak a little bit more about making that transition from military service to working at a nonprofit or in the private sector and if there were any programs or resources that were particularly helpful to you in making this transition?

Mr. LEFEBVRE. I can start. It has been some years since I transitioned from the Marine Corps. The system then was not helpful to me. It was a check in the box. And I would venture to say that, for many right now, that is a persistent issue. It is a gate before they leave active duty.

And so what does that mean? There may be some meaningful information that is within TAP. Again, those that are leaving and electing to take the entrepreneurial track because they have that burning desire, that is fantastic. But, otherwise, most veterans are looking at their benefits and what is next.

And so I think what is imperative is to have a handoff. TAP is a class. It is a gate. But what happens thereafter? And it should not be voluntary. There should be an actual handoff to another program, another link in the chain that can help them along that continuum; otherwise, it just falls off.

Ms. MORRISON. Yeah. I appreciate that. Thank you.

Mr. Schmiegel?

Mr. SCHMIEGEL. I would just add that TAP did absolutely nothing to encourage me to be an entrepreneur. I was 42 years old when I left the Marine Corps in 2009. If someone had told me then what I know now, there would be no doubt that I would have run more than five small businesses—three nonprofits, and two for-profits. I think, fundamentally, we are talking about the same thing.

So, if we are going to invest government money, create a network of veteran small business owners that become a resource for aspiring entrepreneurs who are leaving the military, let's be honest. Let's not create false expectations and create an entitled post 9/11 veteran mindset. Not every servicemember is capable of running a business right after they leave the military.

I started Hiring Our Heroes for E-5s and below, for junior-enlisted Marines, soldiers, sailors, airmen to find meaningful employment. They are not going to have access to capital and they are not going to have the runway to own a business for the most part. Careerists, officers, staff NCOs—we should be talking to them at career-level schools, not only for themselves to become entrepreneurs and small business owners, but for them to educate and empower young enlisted men and women who are leaving the military about the opportunities that exist and open up their apertures. Ask them those three questions, the five things they need to thrive.

We are not doing that because—when I was Lieutenant Colonel, even in the Marine Corps, I could not tell a young Marine what to do next. How could I know? I had never been in the private sector, which is the same reason a lot of nonprofit leaders who are talking about this who have never run a small business and have never been in the private sector aren't the solution either.

So I think it is this network of mentors, of us veterans—by veterans, for veterans—by veteran small business owners, for veteran small business owners—that is going to solve this problem.

Ms. MORRISON. Thank you for sharing. I think there is a real opportunity there. Thank you very much.

Ms. Aguilera-Gardiner, during your testimony, you mentioned that nearly 90 percent of veteran-owned businesses have between zero and 15 employees, meaning that the vast majority are small businesses. You also noted that when the federal government consolidates or bundles smaller contracts, it can put those contracts out of reach of some small businesses, disproportionately harming veteran small businesses.

Could you elaborate on why this is detrimental to veteran-owned small businesses and what actions this Committee and SBA should take to ensure that federal contracts remain accessible to small businesses?

Ms. AGUILERA-GARDINER. Yes. Sure. Thank you. As small businesses are the backbone to America's economy, we feel that the veterans is the heart of that backbone. And so, with that, I think when you open up those opportunities and make them bite-sized contracts, that makes it more accessible for the smaller veteran business owner who is under a million dollars, which you find there is, I think, over—actually, 500,000—which is over 60 percent of when we surveyed our veteran businesses.

So, in order to have those \$500,000 businesses grow to that million, 2 million, 10 million, you need to make sure that those contracts are able to be a starting point for them so that they can go and access—

Chairman WILLIAMS. The gentlelady's time is up.

Ms. AGUILERA-GARDINER. Oh, sorry. Thank you.

Ms. MORRISON. Thank you. Thank you so much.

I have more questions, Mr. Chair, but I yield my time. Thank you.

Chairman WILLIAMS. The gentlelady yields her time back.

I now recognize Mr. Bresnahan from the great State of Pennsylvania for 5 minutes.

Mr. BRESNAHAN. Thank you, Mr. Chairman, and to the Ranking Member, and to all of our servicemembers and veterans. Thank you for your service, and thank you to each and every one of you for what you do for our military and families each and every day.

I guess my first question would be for Mr. Schmiegel. You mentioned a few different occurrences about not having veterans at the table during those conversations. I am a new Member, so I mean this genuinely. What are some examples that we could be doing with the SBA and in Congress to make sure that those veterans are seen and heard when they are going through the entrepreneurialship process, which is daunting to begin with, let alone transitioning from your service to the country and now looking to be an entrepreneur? Is there any specific examples that you can point out?

Mr. SCHMIEGEL. My point was addressing the fact that small business owners ourselves don't have the access to influence the decision-making process to help servicemembers who are transitioning and even veterans who are in transition. I have had seven jobs since I left the Marine Corps. So we are always in transition. We transform ourselves. We earn the title soldier, sailor, airmen, Marine. We need to earn the title veteran, too.

The point I was making, if you—again, if you look at other committees that are part of the House and the Senate, you don't see small business owners like us creating a voice and having a seat at the table. If you look on installations, it is the same big players that have preferred access. Small business owners aren't at TAP, small business owners aren't generally at hiring fairs, and small business owners aren't influencing and empowering young servicemembers to consider these opportunities, whether it is when

they are transitioning or later in life. We are not planting the right seeds because we don't have access. That was the point.

Mr. BRESNAHAN. So do you think it is that—you know, is it the access to lending opportunities? Is it the access to counsel? Like, you know, I am trying to think about—I was a highway contractor in my last life. I am new to political public service. But, you know, I was thinking about all the different hurdles and challenges that we had to go through to grow the company and to be able to expand at the different demographics, and it was daunting, and I can only imagine applying the same thing as a veteran. And thank you for your service once again.

But is it, you know, making sure that we are driving and steering policies that are more inclusive to our veterans that are looking to take that next step?

Mr. SCHMIEGEL. Yes. And, to my point about committees like these on both the House and Senate side, including veteran small business owners routinely rather than the same nonprofits, the same VSOs, and the same big corporations that fund those same nonprofits and same VSOs. We should just have a seat at the table—at least one of us—on hearings like these. I think that would affect policy decisions. I think people would be more considerate about the problem that exists in this country.

Listen, this is a national security imperative. Shipbuilding, sub building, semi-con, energy—the major industries have massive supplier diversity networks, and we are seeing veteran small business owners' ship crash. Not, like, decline. Crash. The reason this economy grew and the reason the United States realized excellence and became the strongest global power is because veteran small business owners came back from World War II, came back from Korea, and even came back from Vietnam, and they grew the economy. We need empowerment, not entitlement, and we need veteran small business owners as part of the solution.

Mr. BRESNAHAN. Well, thank you for that.

I am going to pivot over to Ms. Fox. Obviously, you work with a plethora of veterans that leave their time in service and then pivot into the private sector or to be entrepreneurs. How do you navigate some of the mental health challenges, or are there any specific repetitive trends that you have noticed for someone pivoting from a longer tenure of service into the private space?

Ms. FOX. Thank you for the question. Currently, some of the fastest growing areas of veteran small business are those that have spent 20 years in service and then starting. When we look at mental health, we at the IVMF have several pillars, and we have one that is around community-coordinated care. How do we get the right person to the right resource?

One thing that we do is we are backing everything that we do by data. So, after a program, we look at how many new connections did you make. In our CEOcircle program and our EBV programs, typically, about 98 percent of our graduates will say they made seven or more connections. What does that mean? It means that now I have an expanded network. I have expanded cheerleaders. And, as you speak about mental health, we actually track that in our entrepreneurs, and they have a higher sense of wellness than those who are not serving in this area because of that connectivity.

So I do think that, you know, data is extremely important, and I do think that that is another way that we can include veteran voices in it by understanding exactly their needs and wants and delivering on that in programming.

Mr. BRESNAHAN. Well, thank you, again, all for being here.

And I think, Mr. Schmiegel, you are taking the first step on being in the SBA Committee here, and thanks for taking the time.

And, with that, I yield, Mr. Chairman.

Chairman WILLIAMS. The gentleman yields back.

Now, I recognize Mr. Olszewski from the great State of Maryland for 5 minutes.

Mr. OLSZEWSKI. Thank you very much, Mr. Chairman. Thank you to all of our witnesses today.

I am just really passionate about this issue and grateful for the work that you all are doing in this really important space. I think that, across the board, we spend far too little time lifting up those who have given everything to this country, and I think it is high time that we do more to acknowledge that service instead of leaving people behind after that.

So I guess, in addition to the conversation that we have been having today about what we can do from the business perspective, do you all have any thoughts about ways in which we can merge other veteran services with access to business so it sort of becomes a holistic approach to how we are meeting the needs of our veterans here in this country? And I am happy to just leave that as an open-ended question to anyone who wants to jump in there.

Mr. SCHMIEGEL. I think what we are trying to model—I was part of the Presidential Leadership Scholars program, and my project as part of the PLS program was to model military-thriving communities. This is a very complex and visionary concept because, if you cross the border from Virginia to North Carolina, there is a sign that says “the most military-friendly state in the nation.” Well, what does friendly mean? Are you doing us a favor by giving us a job, letting us pay our taxes? Are you doing us a favor by letting us run our small businesses?

So we are modeling military thriving across multiple stakeholder groups, across the public-private nonprofit sector, and really focused on outcomes. It is fine to attract people to your State. What really matters is you keep them there.

And if you look at the State of Maryland, you have 14 installations, right? So measuring how many servicemembers are transitioning each year from Maryland and how many are staying by creating a thriving community—not a friendly community, a thriving community—and measure what matters: Affordable housing, healthcare, dual incomes, not just the veteran but the military spouse.

After ZeroMils did a Military Thriving National Change Forum at Georgetown in October of 2024, I went to 15 communities. I can tell you what the best practices and lessons learned are. So we are modeling military-thriving communities, and the first State that executes that model will win the war for talent. They will win the war for business owners. They will win the war for civic assets. And I think this—this is a competition between governors, mayors,

city councils. If they want our talent, if they want our revenue, they have to go from friendly to thriving.

Ms. FOX. Thank you for the question. Eighty two percent of entrepreneurs are still starting businesses because of opportunities, so ensuring that those opportunities still exist will be key.

I think as we look at, again, how can we combine all these things, we host military entrepreneurship forums across the United States linking together nonprofits, corporations, and those who are not just VSOs in terms of how can we serve entrepreneurs, and we have to do so holistically, not only looking at social determinants of health, but challenges and connectivity as well. And I think that that is why we are launching a member council tomorrow that includes corporations, nonprofits, as well as veteran entrepreneurs to understand what can we be doing better from a policy ecosystem, connectivity, and collaboration.

Ms. AGUILERA-GARDINER. I was just going to agree with Misty. I mean, collaboration, working with other groups, knowing what other people are doing, you know, in a variety of different aspects, you know, from transitioning to start-ups to actually even succession planning is all valuable information that any veteran business needs to know. And if we work together, we can only help the veteran business community continue to thrive.

Mr. OLSZEWSKI. I appreciate that very much. And our office, as I am sure many Members of this Committee, look forward to working with you on that holistic thriving, certainly in this space with small business, but all the ways that we can win that war for talent for America and for our communities.

Just to close, Mr. Chairman, on that point of partnership, I think that is a really important theme there. You know, in good faith, we do try to communicate with our partners in the administration, and I know that, you know, I have sent letters of concern to VA Secretary Collins and have joined myself and individually, and it is frustrating when we are trying to advocate for all of these services and all of these opportunities to not have a Secretary be responsive to Members of Congress. I think that is the only way that we can, in good faith and in that partnership, really understand what they are doing and ways in which we can do better and be better.

And so to the extent, Mr. Chairman, you and others are able to help us get those answers, we certainly appreciate that so that we can take the lessons learned from panelists like today and really move forward together. And, with that, I yield. Thank you all very much.

Chairman WILLIAMS. The gentleman yields back.

I now recognize Mr. Jack from the great State of Georgia for 5 minutes.

Mr. JACK. Well, thank you very much, Mr. Chairman. I want to thank our witnesses for your testimony today.

And if I could start with you, Mr. Schmiegel, I am curious. I want to talk a little bit about—we have seen recruitment efforts expand under President Trump's administration and delightfully so. We see more people wanting to join our Armed Services. And I am just curious. As our military plans to capitalize on that positive momentum, do you think communicating the advantages and opportu-

nities for veterans to become entrepreneurs should be emphasized as more of a benefit in our nation's recruitment efforts?

Mr. SCHMIEGEL. A hundred percent. I think the challenge that we have with recruitment—I wrote about this in an op-ed in *The Hill* a few weeks ago, and I said November 11 is not about serving veterans. November 11 is about veterans serving America.

I think over time, since the Global War on Terror began, this proliferation of a broken veteran narrative has shaped propensity to serve and the willingness of young people. We have to tell the stories of successful small business owners, veterans who have gone back into society and have contributed to this country, the economy, and their communities. The more you tell young people that service leads to positive outcomes, the more likely they are to serve in future wars.

Mr. JACK. Thank you very much.

I noticed a positive reaction from you as well, Ms. Fox. I welcome thoughts from you on that.

Ms. FOX. Thank you for the question. I think that anytime you can lead with opportunity will be great. As I mentioned, 82 percent of veteran entrepreneurs see that as an opportunity. And what we know is that, as you get out of the military, that sense of service and those peer-to-peer networks are paramount.

We have the CEOcircle program that we run. Chris Lefebvre is a part of it. We have seen those graduates through those peer-to-peer networks get over \$1.3 billion in capital and create over 650 jobs. So there is a huge amount of opportunity not only in the small business area but also as employees for those firms.

I think one important thing is to make sure that they are not burdened by the regulations and other items that are taking away from the attention to starting and growing businesses but, obviously—as I said at the end of mine—that veterans have defended and built the American dream. They need their opportunity to make sure they can live it.

Mr. JACK. Well said.

And, Mr. Lefebvre, I am curious. As a veteran business owner, what additional training or educational opportunities do you wish you had received when you were still in the military that would have made the transition to becoming a business owner easier and more approachable?

Mr. LEFEBVRE. At the time, nothing. It wasn't an idea that I had. Again, I did not know it was in the realm of the possible. And so, for me, offering an idea in TAP is a step forward. It is. But it has to start before then, the communication, the narrative. But the reality of taking specialized training, integration among a team, all of the leadership experience that is built over any servicemember's time—it needs to be able to be communicated that it does translate to the private sector. It does. And this is a viable option. But the communication has to start far before they are about to take their first step out the door.

Mr. JACK. I am curious. Just in closing, as we wrap this hearing, Mr. Schmiegel, any closing thoughts and comments that you think should be punctuated as it relates to what we can do better to help serve our veteran business owners?

Mr. SCHMIEGEL. I think, as much as possible, to talk to other Members in Congress. Whatever committees they are on, I think there is a fundamental responsibility to include veteran small business owners in conversations to get their input, to get their feedback, and to get the struggles that they turned into strengths, the challenges that they turned into opportunity, the trials that they turned into triumphs.

I struggled myself with mental health issues after I left purpose-driven work at Hiring Our Heroes, but I found my way back to thriving. I found those five things that I needed in life. Not just meaningful employment, but a sense of purpose through service, a connected community and my tribe. I took better care of my health like I did when I was a Marine, and I am constantly seeking self-improvement. I want the same thing for every servicemember and every veteran.

So I think small business owners are at the heart of growth, change, and impact, and we—we need a voice. We need a seat at the table. So, as much as you can encourage the HVAC, the SVAC, the Small Business Committee on the Senate side, Appropriations, anywhere that people will listen to us, I think we are going to make leaps and bounds improvements in what is happening right now with the decrease in small business ownership.

Mr. JACK. Well, we are blessed to have sitting beside me a colleague in my freshman class, a veteran who is an incredible entrepreneur himself and an incredible business owner. So I am privileged to have that leadership on our Committee, and I think as—to you note, I hope more and more people get elected to Congress like Mr. Downing who have that incredible experience not just in the military but also the business life as well.

Thank you very much. I yield back, Mr. Chairman.

Chairman WILLIAMS. The gentleman yields back.

I now recognize Dr. Conaway from the great State of New Jersey for 5 minutes.

Mr. CONAWAY. Thank you, Mr. Chairman.

When looking to ensure that small businesses have access to capital, it is also important to study what barriers small businesses face when attempting to access that capital. As Members of Congress, it is essential that we find ways to remove those barriers in order to provide the equity of access for small businesses across the nation. One of the greatest obligations Congress has is to ensure that men and women who served our country have all the support that they need.

As a veteran myself and a Member of the House Veterans' Affairs Committee, I was proud to introduce the SERVE Act alongside my colleagues Congresswoman Davids and Congressman Alford. This legislation commissions the Government Accountability Office to study and report on the ability of veteran and reservist small business owners to access credit. This bill additionally requires Interagency Task Force on Veterans Small Business Development and to—a report on an action plan to promote the programs available to veterans. It is important that this important piece of legislation passed the House on the 24th. However, much work needs to be done.

Ms. Aguilera-Gardiner, can you speak more on some of the unique issues that veterans face when starting the process to access capital?

Ms. AGUILERA-GARDINER. Access to capital is one of those funny things that when you need it, you can't find it, and when you don't need it, you know, you can get it. So, yeah, it is definitely something that a lot of our veteran businesses have struggled with, even ones that are quite successful.

One of our veteran businesses was just telling us that he was—he has a \$42-million business that he is trying to get access to capital to win more contracts, and he had a hard time actually accessing capital for these future contracts. He had to go several times and try different ways to access some more capital in order to win these contracts.

So we cannot have access to capital be a barrier for the veteran and small business community when they need it. These are people who have—he has had a successful business. He has shown that he can, you know, repay these loans and this investment. So we do need to make sure that we are just not rejecting veteran businesses or any veteran businesses for capital on minor things. So we really do need to pay attention to what kind of veteran business or what kind of business it is and look at the bigger picture and access—and give them more access to capital when they need it.

Mr. CONAWAY. Ms. Fox, you had a comment?

Ms. FOX. I would just like to—yes. I would just like to add a few of the statistics behind it. Thirty seven percent of entrepreneurs do face difficulty accessing capital, but 52 percent of all entrepreneurs say that they need more tailored financial products as their finances grow. And I think that that is really important, is that it will not be a one-size-fits-all model. That is why we like to say it is about capital readiness. How can I get you ready for the right capital at the right time so that you can find it?

And I think that is, again, back to navigation and credit repair at an earlier time, including during transition, so that we have a solid foundation so that business opportunity and business start-up is more of an option earlier. Thank you.

Mr. CONAWAY. Go ahead.

Mr. SCHMIEGEL. Yes, sir. I actually grew up in the State of New Jersey. My dad, a Vietnam-era veteran. I moved back when I was young, and I spent my formative years in Toms River, New Jersey. So it is great to see you.

Mr. CONAWAY. Oh, friends there.

Mr. SCHMIEGEL. And thank you for your service, too.

I would just say we probably should look at what is happening in franchising versus just small business ownership in general. I mean, I think there are a number of opportunities there. There is a reason veterans own franchises at twice the rate of their civilian counterparts. And across all other businesses, we are seeing this nosedive, so we should study the two and look at the difference.

ZeroMils is working with a company called Neighborly. It is the largest home service and maintenance company in the world. They were modeling military-thriving cultures. They have a goal of 20 percent new veteran franchise owners across the enterprise. It is 19 domestic brands representing 5,500 small business owners. Five

hundred of them are veterans right now. The reason their programs are so successful is they provide better access to capital than a normal business owner.

So think about the Vietnam-era veterans who are leaving their small businesses right now. That is why we see this nosedive, too. Let's say there was a veteran named Joe who owns a plumbing company. He could be handing that off to a younger veteran in franchising called Mr. Rooter, right? We have to think about these things and think about how we can streamline these processes.

But I think we should study the two. There is a reason there is a difference, and any legislation that supports the franchising community should be considered as well.

Mr. CONAWAY. Thank you, Mr. Chairman. I yield back.

Chairman WILLIAMS. The gentleman yields back.

I now recognize Mr. Downing from the great State of Montana for 5 minutes.

Mr. DOWNING. Well, thank you, Mr. Chair, and thank you all for being here. This is a topic that is particularly interesting to me having been an entrepreneur, having served in the military, and having served on organizations that mentor transitioning servicemembers out of the military careers and into the private sector.

And, you know, for me personally, you know, I am a little bit of an anomaly. I was building a national real estate company—a commercial real estate company when I got activated in 2005 and sent to Afghanistan. And I was in combat search-and-rescue. My day started at sunset and ended at sunrise. So, during daylight, I was having wet-ink signature documents FedEx'd to Kandahar from conduit lenders as I was building my portfolio. So, you know, I have been in the trenches, you know, in more ways than one.

But a couple things I want to talk about, and anybody who has served in the military understands this. You know, the military members—servicemembers are particularly suited for building small business. I mean, what are the issues that you have in starting a company? First of all, you have to have some risk tolerance. I mean, military, you understand risk tolerance. The other thing is you have to understand the value of teamwork and having the ability to put together a team and to depend on your team.

And that is another thing that I think about often with these opportunities with servicemembers. When you are serving, when you are at the peak of your military career, you are the best person on this planet that knows how to do what you know how to do. You know your place. You know how to do your job. You know that you can depend on your team, and your team knows that they can depend on you.

And you come out of that. You transition out of the military. Let's just face it. Most military members are not going to thrive being a greeter at a department store. You have to have something that drives you, something that has that risk, something where you are building a team and working on that team.

So I think that, you know, the service community, you know, post service is particularly suited for this. And, you know, we have got about 1.9 million businesses across the United States that are veteran-owned. I have got about 12,000 in my home State of Mon-

tana. And I just really love this topic because it is something that is near and dear to me.

I want to transition a little bit to discussing some of the barriers that veterans face when looking to start a business.

Mr. Schmiegel, in your testimony, you mentioned that, for the first time since the end of World War II, veterans are less likely to own a small business than their civilian counterparts. You know, from your experience advising aspiring veteran entrepreneurs, why do you think this decline has occurred? Why do you think this has happened?

Mr. SCHMIEGEL. Excuse me. Representative Downing, thank you for your service, too, sir. I appreciate your perspectives as an entrepreneur as well.

I talked a little bit about this in my oral testimony. I think if you look at the GI Bill—post-World War II GI Bill versus today's GI Bill—there is a difference in empowering veterans who are coming home to own a small business versus post-9/11 veterans, which is more entitled. We are talking about their benefits, we are talking about traditional employment, and we are talking about education for a 4-year degree. We are completely missing the mark with the younger servicemembers who are leaving and with veterans and the opportunities that exist for them.

So, in post-World War II GI Bill, there were low interest business loans. It is as simple as that. So, as we are investing money from the GI Bill, is there an option—is there an option for veterans to use their GI benefits to get the education, the training, and the capital they need to start a business like they did in World War II when 50 percent of veterans came home and started and operated a small business? That is the fundamental question.

Mr. DOWNING. Thank you. Thank you.

Mr. Lefebvre, from your perspective as a veteran business owner, what factors do you believe have contributed to this decrease?

Mr. LEFEBVRE. Yes, sir. Thank you for the question, and thank you for your service, sir.

As you mentioned, and as I said in my testimony, this is not a talent problem. It is not a capability problem. I mean, the entrepreneurial system itself has evolved in such a way. It is so vast. It is so complex. And you have the transitioning servicemember that understands a truly codified system with guardrails on it—from SOPs, from culture, from mission-driven—and they are leaving that completely scared of what is next.

And so although we can operate in an environment that deals with volatility and uncertainty and combat, the thought of what happens in civilian life is fundamentally polar to that. And so I think the fact that there is not this road map, there is not a clear SOP or process—which, in the military, that is how we operate—it is even more uncertain. So I think that that fear and lack of certainty aids in it.

Mr. DOWNING. Right. So I am going to move on a little bit in the interest of time.

Despite developing skills in their time in the military, servicemembers often lack access to capital and networks needed for effective entrepreneurship when they retire. There are federal

programs like the DOD's Transition Assistance Program, SBA's Office of Veterans Business Development, et cetera, helping this.

So I am going to move to Ms. Fox. From your experience working with veterans through the Institute for Veterans and Military Families, how would you assess the current effectiveness of the SBA and its outreach to aspiring veteran entrepreneurs?

Ms. FOX. I think right now, the challenge—thank you for the question. I think right now, the challenge with that outreach—in the interest of time—would be the connectivity. So making sure that veterans know about the resources and are ambassadors of the resources will be key.

Mr. DOWNING. Well, thank you. Unfortunately, I have run out of time. I can talk about this all day. But thank you all for your testimony.

And, with that, Mr. Chair, I yield.

Chairman WILLIAMS. The gentleman yields back.

I now recognize Ms. Goodlander from the great State of New Hampshire for 5 minutes.

Ms. GOODLANDER. Thank you, Mr. Chairman. Thank you so much to our witnesses for being here today.

Mr. Schmiegel, Mr. Lefebvre—tell us how to pronounce your name. I have heard it seven different ways.

Mr. LEFEBVRE. Lefebvre.

Ms. GOODLANDER. Lefebvre. Thank you. I want to thank you both for your service to our country and your continued service to our country as entrepreneurs and what you are doing for our small businesses.

This is such an important topic. I serve on the House Armed Services Committee, and I am really grateful that you are here today. When I think about the transition from service to start-up, it is really the ultimate expression and continuation of patriotism in its purest form, and I am very focused and committed to doing everything I can on this Committee and on the Armed Services Committee to make the changes that we know we need to see.

You know, I am the proud daughter of a Navy veteran who went on to start a small business. I served in the Navy. And every single day on this job, I get to see in my great State of New Hampshire what veterans are doing for our small business—for our small businesses and for our economy in New Hampshire. And, in New Hampshire, we are very lucky. We are outperforming the national average of veteran-owned small businesses. We have got more than 8,000 of them across our State. They are 7 percent of small businesses overall, which is above the national average.

But, as you point out very powerfully, when we look over time and in our history, you know, at the height of just after the Second World War when the GI Bill was written in a way that was going to be most useful to us, 50 percent of servicemembers went on as veterans to start small businesses. We have talked about the reasons why that is the case. You know, this is—it is the teamwork, it is the ability to transform challenges into opportunities, it is the basic focus on problem-solving. You see a problem, and you find a way to fix it.

And I just want to say I recently had a chance to spend some time with a veteran who started a small business in New Hamp-

shire. He really put everything he learned and everything he did to serve our country in the military into starting a small business. He saw a problem, which is that our country relies on China and Russia for critical minerals in a way that is very dangerous to our national security. He saw specifically that germanium, a critical mineral that is used in optics that keeps our servicemembers equipped, could be recycled and in a way that was actually going to help our bottom line for our economy and for our national security. And he started a small business that actually recycles germanium and could be a huge—of huge value to our country. So this is one of many examples that we see.

But one of the things I hear again and again is that the Transition Assistance Program—and I have heard it from both of you today—the Transition Assistance Program, or TAP, is of very little value to most veterans who go on to start small businesses.

I want to ask you both, having gone through that program, was there anything that worked in it, and can we count on you to help us think through the changes that need to be made to TAP to really make it worth our while? This is a program that should be doing a lot more work than it is doing now for our country.

Mr. LEFEBVRE. Thank you for your question, and thank you for your service. As you also went through TAP, you likely have an individual experience.

What I would offer—I did get some benefit out of it. Thinking back—and, again, I exited in 2008, 2009 timeframe—it was a very different TAP then than it is now. And so I did learn about education and benefits. And so for me looking back, in honesty, that was the sole benefit.

And one of the primary challenges with the TAP program right now is it is a one-size-fits-all solution for every servicemember regardless of rank, specialty, and experience. And that is really challenging to be effective when it is simply a one-size-fits-all. What is for a lieutenant colonel when he is retiring and coming out of TAP and a PFC that is exiting after 3 years—those are two very different needs, and it just isn't an effective program as it is written now to cover that wide breadth.

Mr. SCHMIEGEL. I think TAP has evolved a lot, to Mr. Lefebvre's point. There is an executive TAP course that kind of creates that differentiation so that careerists—officers and staff NCOs that serve for 20 or more years—have the opportunity to learn about these opportunities at greater rates than some of our junior-enlisted folks that are in the military.

I think this is—again, I don't want to be contrarian, but closing apertures by allowing the same organizations to impact TAP with a GS-12 who had never been in the private sector or even a non-profit leader—giving them access over people who are actually living and breathing the challenges is the problem. We need to open apertures. We need to help servicemembers make better, more informed decisions based on, like, what are their strengths? What are their weaknesses? Like CliftonStrengths, right? What do you want to do with the next chapter of your life?

The problem that we have is we put in their brains that they need entitlements when they just need to be empowered. They earned the title just like you did, right? You earned the title sailor.

You earned the title veteran, just like you are serving today. That is what I want them to know.

And that directly relates to the next generation serving our country. They see us as broken, too. Sixty two percent of young people in America—this is DOD’s figure from 2023—think that every veteran and every servicemember leaving the military will have a psychological disorder.

Chairman WILLIAMS. The gentleman’s time is up.

Ms. GOODLANDER. Well, I thank our witnesses, and I yield back. I look forward to working with you.

Chairman WILLIAMS. The gentlelady yields back.

I now recognize Ms. King-Hinds from the great Northern Mariana Islands for 5 minutes.

Ms. KING-HINDS. Thank you, Mr. Chairman, and thank you to the witnesses for making time to be with us today. So as the Chairman has said, I am from the Northern Mariana Islands, and the GAO reports that we have the second highest enlistment rate in any State or territory, second only to Guam. Right.

Which means that in a couple of years most of the people in my community are going to be veterans. And there isn’t a single household in the CNMI now that does not have a veteran living in that household.

I am sitting here and I was preparing for today’s hearing and I was looking up some studies that have been done with regards to some of the barriers that vets face when it comes to financial literacy and small business lending.

And this 2023 report states that the biggest barrier basically is building credit and financial history, challenges obtaining financing from large banks, limited networks, mentoring or business relationships, low representation in SBA back loans, weak program, oversight and inconsistent support from SBA.

But when they conduct these reports there are no suggestions sometimes with regards to how do we fix it. What is the policy change. And I want to do less talking and hear from you, each of you to give your insight. And we will start with you, Mr. Schmiegel.

Mr. SCHMIEGEL. First of all, I think you hit a really important point, like my dad was a Marine, my son is a Marine, I am a Marine, so this handoff from generation to generation needs to be addressed, too, and we need to make sure that we continue those legacies of service.

You know, for me, the opportunity lies with actionable solutions. So I made a point earlier in my testimony that I am not crying in my milk, like I am literally creating actionable solutions with a number of stakeholders in communities. So we will be in Charlotte, we will be in Dallas, we will be in Southern California modeling the solution.

I think small business owners are at the heart of this, and we are going to mobilize big businesses, nonprofits, government agencies at the State and local level where this will be solved, and then replicated in other places. So the solution, again, is the most important thing.

And in the absence of anything changing, we are going to create a seat for veteran small business owners at the local level, model

it, create the first military thriving region of the country, and then show people what right looks like. It will be the small business owners that will answer the problems that exist in this country.

Ms. KING-HINDS. Thank you.

Ms. FOX. Thank you for the question. And to add to that a little bit, if you really look at what gives strength in capital readiness, credit and underwriting, coaching, I think that we have some opportunities to create veteran specific underwriting guidance that might look at nontraditional forms as capital and revenue streams as qualifying as income.

I think that we also have to look at what are the amounts that veterans are going for. So if you look at startup, it is about \$25,000. And if you look at scale, it is \$50,000 or more. That is typically not a bankable amount. So there is a continuum of capital access that needs better education around when do you go to the right part of capital, and at what time so that we can lessen the amount of denial.

As I mentioned earlier, veterans are denied at about 6 percent higher than their civilian counterparts, and that right there is critical because once that denial happens, it starts to shut down the opportunity of business ownership.

So I think through a connected network and through resources that can offer in-kind provisions so that veterans aren't having to spend every dollar on every small thing, and, also, shared peer-to-peer networks we will solve for capital access because veterans will then better understand what resource do I go to, how do I get ready for it, and how can I access it. And that is a big challenge that we have right now, that veterans will look for capital in the wrong places and that will hurt their chances to grow their businesses.

Ms. KING-HINDS. Thank you. Mr. Lefebvre.

Mr. LEFEBVRE. Yes, ma'am. I think the direct answer to your question is to look in the Veteran Entrepreneurship Empowerment Act already. I mean, there is a waiver of an SBA guarantee fee for loans less than or equal to a million dollars, there are lowered down payments and equity injection requirements for small loans, as Ms. Fox is talking about, and mandated data collection and transparency on those SBA loans, for the direct answer to the question.

But you mentioned something that is potentially far more important when we think about the continuum here, it is financial literacy. And so what are we doing while veterans while still active duty are broadening the nature of what they know. It is too late when they have exited and now they are trying to figure out the parameters of a loan and why they are not qualifying for it.

Ms. AGUILERA-GARDINER. I was going to agree, pathway to credit repair, sometimes when you are looking for a loan as a small business and you don't have any options, you have to go to a non-traditional and the interest rates will kill you. So, you know, looking for financial literacy so you don't have to go to those nontraditional loan places. Thanks.

Ms. KING-HINDS. I am out of time. Thank you.

Chairman WILLIAMS. The gentlelady yields back. And I want to thank our witnesses today. It has been a great panel, and we ap-

preciate all of you for your testimony and for appearing before us today.

Without objection, Members have five legislative days to submit additional materials and written questions for the witnesses to the Chair which will be forwarded to the witnesses. And I would like to ask the witnesses to please respond promptly if that happens.

If there is no further business, without objection, this Committee is adjourned. May God bless, and have a great holiday and Christmas season for you.

[Whereupon, at 12:12 p.m., the committee was adjourned.]

APPENDIX

Written Testimony House Committee on Small Business
From Service to Startup: Empowering Veteran Entrepreneurs
December 10, 2025

Submitted by: Kevin M. Schmiegel, Lieutenant Colonel, USMC (Ret.)

Thank you Chairman Williams, Ranking Member Velázquez, and distinguished members of this Committee. My name is Kevin Schmiegel and I am the Co-Founder and CEO of a service disabled Veteran owned small business (VOSB) called ZeroMils. As a retired Marine and Veteran entrepreneur, I am honored to represent the 1.6 million Veteran small business owners in America.

My transition from the military in 2009 was seamless, thanks not to the Transition Assistance Program (TAP), but to relationships built over 20 years in uniform.

It didn't hurt that one of those relationships was with a former Commandant and Combatant Commander, General Jim Jones, who became my biggest advocate and mentor in transition. After serving as his principal advisor at NATO and U.S. European Command, and later in his role as the Special Envoy for Middle East Regional Security, General Jones introduced me to Tom Donohue. This led to my first civilian job as Vice President and Executive Advisor to the President and CEO of the U.S. Chamber of Commerce.

For two years, I learned from Tom, meeting with Fortune 500 executives and heads of state, understanding business priorities, and being taught how to be an entrepreneur and CEO. Tom also taught me self-belief and to never settle. He empowered me to start my entrepreneurial journey as the founder of Hiring Our Heroes within the Chamber's Foundation.

From 2011 to 2013, we raised over \$40 million in corporate investment, built a talented team of 30 that executed 500+ hiring fairs in all 50 states, and helped hundreds of thousands of veterans and military spouses find meaningful employment in partnership with the White House, The American Legion, and all three government agencies responsible for TAP. It is worth noting that a majority of the hiring was done by small businesses, and they became a driving force in lowering Veteran unemployment from its peak of 9.9% in 2011 to less than 3% today.

After leaving the Chamber I went on to lead two other national nonprofits, ThanksUSA and Operation Gratitude. In growing and scaling all three organizations through private sector investments of more than \$100 million, we collectively impacted more than 4 million service members, Veterans, first responders, and their families over a decade.

In March of 2022 my journey as a social impact entrepreneur took a different path, when I co-founded ZeroMils with a close friend and leader who I've served alongside for 30 years, retired Marine Colonel Paul Cucinotta.

Paul and I started ZeroMils in response to growing trends in the public, private and nonprofit sectors that shaped a broken Veteran narrative — one that has negatively impacted perceptions of military service and propensity to serve among American youth.

With a team of three Veterans and two military spouses, we are building Military Thriving® cultures with employers, nonprofits, and other organizations that strive to go beyond “friendly” and create environments that keep military talent for the long haul.

With a growing list of partners, we are creating and modeling Military Thriving® communities in regions of the country that are poised for growth but hindered by massive skills gaps.

With a coalition of committed stakeholders, we are building a Military Thriving movement — not by entitling transitioning service members, Veterans, and their families, but by empowering them as catalysts for growth, change and impact.

And with Veteran owned small businesses at the very heart of our mission and this movement, we are changing the broken Veteran narrative.

Our decision to prioritize Veteran small business owners is based on our own experiences and the fundamental belief that VOSBs must play a larger role in providing actionable solutions that impact our country, our economy, and our communities. It was also driven by data, which overwhelmingly supports the need to better educate, empower, and equip more Post 9-11 veterans to own small businesses going forward.

The data are both compelling and concerning. According to the most recent Small Business Administration report in 2023, there were 1.6 million Veteran owned small businesses, generating \$1 Trillion of revenue in our economy. VOSBs employ 3.3 million Americans with a payroll of \$179 Billion. With a majority of our employees being veterans and military spouses, VOSBs represent more than one-third of the 8.3 million veterans in the workforce. We also give back to our communities at significantly higher rates than our civilian neighbors volunteering 30% more of our time annually.

While these data are often presented as a good news story, they represent an increasingly alarming trend. For the first time since the end of World War II, veterans are less likely to own a small business than our civilian counterparts and that number continues to drop.

After returning home from World War II nearly 50% of veterans went on to start or operate a business, defining a period of time that was not only an entrepreneurial boom for veterans, it marked an economic boom for the United States.

The extraordinarily high rate of veteran entrepreneurship after WWII was largely attributed to unprecedented and unique support provided by the G.I. Bill — which at the time, offered low-interest business loans that made accessing capital easier for veterans, as well as educational and vocational training benefits that helped veterans gain necessary skills to launch and grow their businesses.

In stark contrast today, fewer than 5% of Post 9-11 Veterans have started a business, and the number of veteran small business owners as a percentage of all U.S. businesses has declined dramatically over the past 10 years. The overall share of VOSBs has shrunk from 11% of all businesses in 2014, to 8.1% in 2020 to an all time low of 4.3% in 2023.

While this decrease is partly attributed to the aging veteran population there are several other contributing factors precipitating this rapid decline.

First, the Post 9-11 GI Bill is structured to support education and training, with no equivalent benefit for low-interest business loans, forcing newer veterans to find other, more challenging ways to access capital.

Second, there is a fundamental difference in the approach we are taking with Post 9-11 veterans in terms of the advice, support and services provided in transition compared to previous generations of veterans. A vast majority of organizations with access to government agencies, policy and decision makers, and Veterans themselves, are focused on benefits and emphasize conventional employment and education opportunities.

And finally, the greatest limiting factor is perhaps the most obvious: ***Veteran small businesses don't have a seat at the table.***

We don't have a seat at the table in helping service members make better, more informed decisions about small business ownership when transitioning from the military. TAP played no role in helping me discover my fit for entrepreneurship, and it continues to fall short, largely because Veteran small businesses, like ZeroMils, have little to no access to military installations.

We don't have a seat at the table in helping solve systemic challenges facing our community, even though we are the most vulnerable, and simultaneously the best equipped and positioned to address issues like Veteran suicide, military spouse unemployment, and recruiting the next generation to serve in our military.

We don't have a seat at the table in helping inform legislation, policy decisions and discussions taking place in other committees, as well as in federal agencies including the Departments of War, Veterans Affairs, and Labor. Oftentimes, it's the same big nonprofits and Veteran Service Organizations, along with the big businesses that fund them, that are invited to join roundtables and called to testify before the House and Senate Veterans Affairs Committees. Moreover, these organizations are prone to saying the same things and advancing the same agendas, which have little to do with increasing Veteran small business ownership.

In the absence of opportunities like these for VOSBs, ZeroMils is committed to doing something about it by creating our own table. Working with our Military Thriving® Action Coalition (MTAC) partners, we are educating and empowering service members and Veterans in transition and focusing our efforts on helping the current 1.6 million VOSBs grow and thrive.

In 2026 we will host national and regional events that address these topics while creating actionable solutions and playbooks to include: an inaugural unTAPped Change Forum on March 25 when we will rethink transition from a private sector lens in partnership with the National Association of County Veterans Service Officers: our 3rd Annual Military Thriving® Change Forum at Georgetown University on June 10, and Regional Change Forums, where we model Military Thriving® communities with hundreds of key stakeholders in Dallas, San Diego, Charlotte, Nashville, Los Angeles and South Bend throughout the year.

All of these events will be live-streamed along with virtual webinars, with the goal of building audiences and reaching thousands of aspiring and current Veteran small business owners.

Lastly ZeroMils is exploring the development of a Military Thriving® Small Business Toolkit with the help of subject matter experts from across the private sector committed to empowering VOSBs to grow and thrive.

To close I would like to make three recommendations that may increase the number of Post 9-11 veterans considering entrepreneurship and small business ownership as a pathway to success and enabling Veteran small business owners to play a larger, more impactful role on issues affecting military and veteran connected families.

- Explore ways to improve access to capital for Veterans who want to start a business, including but not limited to the GI Bill, especially in franchising where Veterans continue to over-index as small business owners and outperform their civilian counterparts.
- Encourage more frequent engagement for Veteran small business owners with other Congressional committees that directly impact Veteran transition and quality of life to include the House Veterans Affairs Committee, as well as sister committees in the Senate. These engagements could include roundtables and providing testimony more frequently, alongside larger VSOs, nonprofits, and corporations that are routinely included in hearings.
- Increase access for VOSBs, national franchisors and other organizations with subject matter expertise in entrepreneurship and small business ownership on military installations as part of TAP, at hiring fairs, and at career level schools.

Thank you again for the opportunity to speak with you today and for giving Veteran small businesses like ours a seat at the table. I look forward to your questions and continuing to serve this Committee in any way possible in the future.



From Service to Startup: Empowering Veteran Entrepreneurs

Prepared for:

House Committee on Small Business

Testimony by:

D'Aniello Institute for Veterans and Military Families (IVMF) at Syracuse University

December 10, 2025

INTRODUCTION

Chairman, Ranking Member, and Members of the Committee, thank you for the opportunity to testify on the state of veteran and military-connected entrepreneurship. My name is Misty Stutsman Fox, and I serve as the Director of Entrepreneurship & Small Business at the D'Aniello Institute for Veterans & Military Families (IVMF) at Syracuse University. Each year, the IVMF serves tens of thousands of transitioning service members, veterans, and military spouses through programs that strengthen business ownership, build workforce pathways, and increase long-term economic mobility and stability for military-connected families nationwide. Much of the evidence I will reference in this testimony comes from IVMF's own research, including the National Survey of Military Affiliated Entrepreneurs (NSMAE) and related studies of veteran and military spouse business owners as well as U.S. Census data.

The Role and Impact of Veteran Entrepreneurs

Veteran entrepreneurship is a proven driver of economic growth, innovation, and social mobility. Military service and small business ownership have long been connected. Since World War II, millions of returning service members have used business ownership to transition into civilian life, build wealth, and revitalize local economies. Some studies have shown that about 50% of World War II veterans had at one point started a business. According to the U.S. Census Bureau veterans have historically and consistently been more likely than their civilian peers to pursue entrepreneurship, and once in business, they often outperform. In recent years, however, the self-employment rate for veterans has been declining, and the proportion of veterans starting businesses now mirrors civilian rates.



Today, veteran entrepreneurship matters to our economy, to workforce development, and to the long-term well-being of those who served. More than 1.8 million veteran-owned businesses operate across the country, generating \$1.3 trillion in receipts, employing over 4.4 million Americans, and paying \$233 billion in payroll. These businesses often anchor their communities, particularly in rural areas where veteran-owned firms represent a larger share of local employers.

Entrepreneurship also plays an important role in facilitating the military-to-civilian transition. For many veterans, business ownership represents a continuation of service and leadership, one that provides renewed purpose and agency during a period of significant change. It is not simply a career path; it is an identity pathway.

Veterans outperform their peers when opportunities are equitable and accessible:

- Veteran-owned businesses are 5% less likely to close and have an 8.2% lower risk of failure compared to non-veteran peers.
- 55–57% survive at least five years, exceeding the national survival rate
- 98% of veteran entrepreneurs report that military-developed skills helped them overcome business obstacles.

These advantages are grounded in distinctive assets, mission focus, adaptability, high-pressure decision-making, team leadership, and a commitment to accountability. They translate directly into skills required in the private sector, such as operational planning, training, resource stewardship, and the ability to navigate uncertainty.

Veterans Drive Economic and Social Impact

Beyond their measurable economic contribution, veteran entrepreneurs are drivers of community stability, civic engagement, and social innovation. Veteran-owned businesses are far more likely than civilian-owned businesses to reinvest in community priorities and hire other veterans, creating a ripple effect that benefits the broader transition pipeline.

- 47% of veteran entrepreneurs identify as social entrepreneurs, focused on solving community challenges through their business model.
- On average, veteran entrepreneurs estimate that 35% of their employees are other military-connected individuals. When veteran-owned businesses employ more veterans, they leverage shared experiences to create supportive, mission-oriented workplaces.



This social impact model reflects a shared value proposition: empowering veterans to succeed in entrepreneurship strengthens workforce systems, reduces unemployment and underemployment, and deepens community resilience and cohesion.

Challenges in Today's Entrepreneurial Landscape

Despite their strengths, veterans encounter persistent barriers that limit business formation, stability, and scale. Drawing on IVMF research, including the NSMAE, related studies, and our experience working with veteran and military spouse entrepreneurs, five areas stand out. These challenges are not driven by lack of ability or motivation, but by structural gaps that require coordinated policy responses.

1. Access to Capital and Capital Readiness

Access to capital remains the most cited barrier for veteran entrepreneurs, from microenterprises to growth-oriented firms. In our research, access to capital consistently appears as a top challenge, although some veteran entrepreneurs experience it more acutely than others. Veterans often underestimate capital needs during the scale-up stage and rely heavily on personal savings or credit.

- 50% of startup businesses (under \$250k revenue) relied on personal savings for capital.
- 59% needed less than \$25,000 to start, but
- 51% needed more than \$50,000 to grow, often without preparation for debt, investment, or procurement-based financing.

A culture of self-reliance within the veteran community can delay engagement with technical assistance, which impacts creditworthiness and loan readiness. These challenges are even greater in rural regions:

- Nearly half (47%) of rural veteran entrepreneurs applied for credit in the last year.
- 36–50% were denied or received less than requested, depending on rural classification.

Capital access cannot be addressed without capital preparation. Technical assistance, financial literacy, and procurement of readiness are essential to unlocking the financing required to compete.

2. Navigation and Fragmented Support

Today's support landscape includes many well-intentioned but short-term interventions. At the same time, it is large and often disjointed, spanning federal agencies, state and





municipal programs, national nonprofits, corporate strategies, and grassroots coalitions. Veterans often struggle to determine what program fits their business model, which stage they qualify for, and how supports link across multiple years.

- 46% report difficulty finding or accessing resources, increasing to 65% among rural veterans.
- Many programs are tied to transition windows, even though the median time to start a business is nine years after service.

Fragmentation results in duplication, missed opportunities, and uneven access, particularly for first-generation entrepreneurs, caregivers, and those serving in the Guard and Reserve. In an environment where new initiatives and providers are constantly emerging, it is reasonable to expect organizations to build clear pathways, make high quality referrals, and actively help the veterans who come to them navigate the broader ecosystem, not just their own program.

3. Rural Entrepreneurship Gaps

Veterans in rural communities are often assets to local economies, creating businesses that preserve community identity, provide essential services, and diversify local industry. However:

- 39% of veteran entrepreneurs reside in rural or small-town America, where support is limited.
- Rural veterans report fewer peer entrepreneurs, fewer nonprofits, and less access to technical assistance.
- Broadband constraints and distance to support centers create significant disparities in revenue growth and business longevity.

These gaps reflect not only economic distance, but social and informational distance—networks matter, and many rural veterans lack access to them.

4. Barriers to Corporate Procurement

Our research, including outcomes from the Walmart-funded Corporate Procurement Readiness Summit, found that corporate supply chain entry points are often opaque.

- Only 12% find corporate contracting requirements easy to navigate.
- 34% require more than \$50,000 in available capital to scale and meet procurement demand.
- Bid rejection rarely includes actionable feedback.



Veterans face a translation challenge: corporate language, relationship-building, contract cycles, and documentation requirements differ significantly from military norms and small government contracting.

5. A Changing Veteran Support Ecosystem

Traditional veteran service organizations, once the backbone of post-service support, face shifting donor priorities and reduced membership engagement.

- VSOs have seen a 12% decline in revenue since 2016, with donor retention below 20% nationally.
- Research from the SBA Office of Advocacy (2021) shows that millennial veterans, the most diverse veteran cohort, start businesses at lower rates than their non-veteran peers, primarily due to financing challenges.

As the ecosystem changes, so must the strategy for how federal, corporate, nonprofit, and educational partners coordinate. Without intentional alignment, veterans may encounter duplicative services while other critical needs remain unmet.

Transition Entrepreneurship Education and Boots to Business

SBA's Boots to Business course is one of the few federal tools that reach service members right as they are thinking about life after the military. Delivered through Transition Assistance Program sites and partners such as Syracuse University, Mississippi State University, and Veterans Business Outreach Centers, it gives service members a realistic introduction to small business ownership, financing, and the SBA resource network. Our own data show that the median time to start a business is about nine years after service, so most participants will not launch a business immediately after taking Boots to Business. It is better understood as planting a seed than as a trigger for immediate start up activity. The value of the course is that it gives service members a basic language for entrepreneurship and a clear sense of who to call later; years down the road, many of the veterans we see in IVMF programs can still point back to Boots to Business as the moment they first saw business ownership as a realistic option and knew how to connect with SBA partners when they were ready to move from interest to action.

Importance of Public-Private Partnership

Recognizing that the SBA cannot address all challenges alone, a symbiotic relationship between the public and private sectors becomes crucial. Public-private partnerships, exemplified by SBA collaboration with the non-governmental partners, create a responsive



ecosystem. This collaboration ensures tailored solutions to diverse challenges faced by transitioning veterans, fostering an environment where they can thrive.

Public-private partnerships create a proactive and 'needs-driven' ecosystem, ensuring tailored solutions to diverse challenges faced by transitioning veterans. An example is the IVMF's VetSource program, a partnership to support and connect those military-connected business owners seeking their first, second, or third contract with a Fortune 500 corporation or prime government contract. These types of government-industry collaborations are instrumental in fostering an environment where veterans can thrive as business owners and leaders. Further, the return on investment of these types of collaborations is clear.

Since World War II, veteran-business owners have played a pivotal role in the nation's economy. Each year, veteran-owned businesses make significant contributions to the U.S. economy, employing over four million Americans and generating \$1.3 trillion in total sales. Beyond economic considerations, empowering veterans as business owners aligns with ideals of service and citizenship. Veterans, who defended freedom, can now contribute to economic freedom through business ownership. Expanding access to business ownership via public-private partnerships is not just economically sensible; it is a recognition of the deserving pursuit of the American Dream by those who pledged to defend it in uniform.

Syracuse University's D'Aniello Institute for Veterans and Military Families (IVMF) Programs

The D'Aniello Institute for Veterans and Military Families (IVMF) contribute directly to the military-connected business ownership ecosystem. Specifically, the IVMF designs and operates a portfolio of transformative initiatives that include eleven national training programs and three tailored information hubs, each designed to meet veteran entrepreneurs where they are in their business lifecycle. Across this portfolio, the IVMF has provided business ownership training to more than 70,000 military-connected entrepreneurs over the past decade and navigation and guidance services to 35,000 individuals, all at no cost to the veteran.

The IVMF's entrepreneurship portfolio includes programs such as the Entrepreneurship Bootcamp for Veterans (EBV), for service members, veterans, and spouses in the ideation and start up stages. Where public funding is available, it provides an important anchor, but it only covers part of the cost and scope of the entrepreneurship work we do, so IVMF also relies on corporate and philanthropic partners to sustain and expand these programs. Programs such as the Veteran EDGE conference, corporate supplier diversity efforts like the Coalition for Veteran Owned Businesses (CVOB) and growth focused peer groups such as CEOcircle, powered by JPMorgan Chase Commercial Banking in partnership with the IVMF, focus on growth, capital readiness, and access to corporate and government procurement opportunities. Through these efforts, we have facilitated more than 18,000 connections





between veteran owned businesses and Fortune 1000 companies seeking to work with them. Our programs and resources help participants connect these offerings over time, so they experience a path, not just a single course or event.

One example of how this support plays out in practice is the story of Michael Bower, a U.S. Marine Corps veteran and owner of Eagle Metalcraft, a precision sheet metal manufacturer in East Syracuse, New York. Michael's journey began with a vision to ensure manufacturing thrives in the United States while creating good jobs and giving back to his community. Through IVMF's Community Navigator Pilot Program, he was connected to a network of experts, including SCORE mentors, Small Business Development Center advisors, and Bowers CPAs & Advisors, who supported him with acquisition financing, entity selection, tax work, and broader financial planning. He first stepped in as general manager at Eagle Metalcraft in 2020 and completed the acquisition of the company in February 2022. Under his leadership, the firm has doubled its sales and workforce in about three years and was named the 2023 Veteran Small Business of the Year by the SBA's Upstate New York District. Michael has said that "the help is really what changed our ability to add jobs," and that support gave the company the foundation it needed to grow and add jobs in Central New York.

A second example is Nick Ripplinger, a veteran entrepreneur and IVMF alumnus who has engaged with multiple programs over the course of building his company. Nick has participated in EBV, EBV Accelerate, the Acceleration Challenge, the Veteran EDGE conference, and CEOcircle, and has successfully competed for government contracts, and SBIR and STTR awards. Today, Nick leads a multimillion-dollar company where about half of his employees are veterans. He has also invested in and advised several other companies showing how entrepreneurship can translate military experience into good jobs and long-term economic mobility for those who served.

CEOcircle, IVMF's program for scaling veteran entrepreneurs powered by JPMorgan Chase, illustrates how private sector partnerships can scale this impact. Since 2021, CEOcircle has served 318 veteran and military spouse entrepreneurs across five cohorts, with participating businesses raising more than 1.3 billion dollars in capital and creating at least 656 documented new jobs. More than half of participants report revenue increases that they attribute to the program, and nine in ten report gaining advisor and mentor connections. One CEOcircle participant explained that, over two years in the program, they were able to use JPMorgan Chase resources to move their business forward and generated more than 50,000 dollars in new sales directly from relationships with other cohort members. These results demonstrate what is possible when banks and corporations invest in veteran-owned firms not just as suppliers, but as long-term growth partners.



Taken together, these stories match what we see in our research. Veterans consistently identify access to capital, difficulty navigating resources, and gaps in coordination as key barriers. When training, mentorship, capital readiness, and capital access are aligned through programs like those in the IVMF portfolio and private-sector partnerships like CEOcircle, veteran-owned businesses are better positioned to start, grow, hire, and reinvest in their communities.

Recommendations for Congressional Action

Congress can help veteran entrepreneurs start and grow businesses by strengthening coordination, expanding access, and making sure programs fit the needs of veteran and military spouse business owners.

1. Build Integrated, Regional Veteran Entrepreneur Ecosystems

- Fund regional ecosystem mapping and coordination hubs.
- Incentivize cross-sector partnerships between SBDCs, universities, VSOs, state commerce offices, and rural entrepreneurship centers.
- Reduce duplication and improve local access through shared intake and referral systems. We have tried navigation models and it works.

2. Strengthen Capital Readiness and Capital Access

- Expand SBA's Veterans Advantage and Microloan programs.
- Increase funding for coaching, credit repair, and capital readiness services.
- Encourage community-backed funds with veteran-specific underwriting considerations.

3. Improve Navigation, Timing, and Program Accessibility

- Fund navigators or "concierge" models that follow the entrepreneur, not the eligibility window.
- Ensure programs accommodate post-transition entry points and non-traditional service pathways.

4. Rural-Focused Entrepreneurship Initiatives

- Increase rural entrepreneurship grants, incubators, and broadband-based support platforms.
- Develop rural procurement and supply chain access models.
- Support capacity-building for rural chambers, universities, and economic development organizations.



5. Corporate Procurement & Supplier-Diversity Readiness

- Coordinate and align potential supplier portals.
- Standardize feedback for unsuccessful bids to improve competitiveness.
- Fund matchmaking and shared learning between corporations and veteran-owned businesses.

6. Invest in Data and Metrics that Reflect Real Outcomes

- Move beyond participation counts and graduation numbers.
- Track confidence, capital access, revenue growth, procurement readiness, and five-year survival rates.
- Pilot, then evaluate improvements to SBA capital and entrepreneurial development programs for veterans.

Conclusion

Veteran entrepreneurs are not asking for special treatment; they are asking for systems that reflect their potential and remove avoidable barriers. When given equitable access to capital, networks, and clear procurement pathways, veterans outperform, innovate, and build community strength into the fabric of the American economy.

By supporting coordinated ecosystems, navigation support, rural access, and procurement readiness, Congress can help ensure entrepreneurial opportunity is achievable for every veteran—regardless of geography, background, or time since service. Thank you for your continued leadership and your commitment to empowering those who once served our nation to continue serving it in new and impactful ways.



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FULL WRITTEN TESTIMONY

Christopher J. Lefebvre

President & CEO, ISI Professional Services

Before the U.S. House of Representatives

Committee on Small Business

Hearing: From Service to Startup – Empowering Veteran Entrepreneurs

Date: December 10, 2025

PART I — INTRODUCTION & EXECUTIVE FRAMING

Good morning, Chairman Williams, Ranking Member Velazquez, and Members of the Committee. Thank you for the opportunity to testify today. It is an honor to join you for a discussion that is vital not only to the economic strength of our country, but to the future of the men and women who have served it.

My name is Christopher J. Lefebvre, and I am a Marine Corps veteran and the President and Chief Executive Officer of ISI Professional Services. I appear before you today as a practitioner, someone who has lived the transition from military service into the private sector, who has stepped unexpectedly into entrepreneurship, and who now employs and mentors veterans navigating similar pathways.

I want to begin by acknowledging the Committee’s longstanding, bipartisan commitment to strengthening veteran entrepreneurship, including initiatives such as the SERV Act (Supporting Every Veteran Entrepreneur) and Veteran Entrepreneurship Empowerment Act. Veterans feel this commitment, and I am grateful for it.

Veteran-owned businesses are a core economic asset. As you know, there are **1.6 million veteran-owned firms in the United States, employing over 3.2 million Americans and generating nearly \$1 trillion in annual receipts.**¹ These businesses contribute to local economies, reinforce rural and underserved regions, and support critical sectors essential to national competitiveness.

Yet too many veterans, whether starting a business, acquiring one, or unexpectedly stepping into senior leadership roles, encounter a system that is fragmented, uncoordinated, and difficult to navigate.

This is a system design problem, not a talent problem.

My testimony focuses on how to modernize that system so that veterans can more effectively translate their experience, leadership, and ambition into economic impact.

PART II — A PRACTITIONER’S EXPERIENCE

When I left the Marine Corps, I did **not** intend to become an entrepreneur. I wasn’t drafting business plans or seeking investors. I didn’t know that was an option. Like many veterans, I was

focused on stability, service, and finding my footing in a world that looked nothing like the environment I had led within for years.

I joined ISI Professional Services as a project manager. I worked hard, learned quickly, and tried to translate my military experience into civilian impact. Less than three years later, at an age and stage where most people are still developing their early career, I became the President and CEO of the company.

That moment changed everything.

Suddenly, there was a shift from contributing to being responsible for an entire enterprise, its people, its financial health, its growth, its risks, and its future. I was stepping into entrepreneurship not by founding a venture, but by **taking over an existing one**, with no roadmap, no coordinated system, and no structured way to understand what support existed or how to access it.

Very quickly, I experienced the same challenge that countless veterans face:

I was fully prepared to lead people, but completely unprepared to navigate the business ecosystem in front of me.

This was not a matter of capability. It was a matter of **system architecture**. The resources I needed were not missing; they were simply unconnected. There was no coherent pathway, no coordinated sequence, and no continuity between programs that could have helped me make sense of the complexity I had suddenly been entrusted with leading.

Years later, as ISI grew and I began hiring and mentoring more veterans, I heard echoes of my own transition. Veterans who were stepping into startups, joining small businesses, acquiring companies, or moving into entrepreneurial environments all said some version of the same thing:

I know I can build. I know I can lead. I just don't know how to move through a system that looks like this.

My experience is not unique. It is representative.

Veterans do not lack drive, discipline, technical skill, or leadership. They lack a system that is navigable, coherent, and designed around the realities of military service and the complexity of post-service entrepreneurship.

This is why the reforms we discuss today matter.

This testimony is a reflection of that lived experience: the experience of entering entrepreneurship without a map, of discovering systemic gaps through trial and error, and of watching other veterans try to navigate the same fragmented ecosystem with unnecessary friction.

PART III — THE SYSTEM DESIGN GAP: WHERE THE ECOSYSTEM BREAKS DOWN

Veteran entrepreneurship is constrained by **structural gaps**, not personal deficiencies. They struggle because they enter a system **not built around their lived experience, timing, or needs**. The obstacles they encounter fall into predictable, structural categories, each one representing a design flaw, not a personal shortcoming.

Below is the architecture of the problem.

1. No Reliable Front Door

Cause: IVMF data show that many veterans express interest in entrepreneurship, yet only about 6 percent of U.S. businesses today are veteran-owned. Further, nearly half of veterans are unaware of key federal entrepreneurship programs, and most learn about resources informally rather than through DoD or SBA channels³. This intention-to-action gap is simply a navigation and continuity issue. There is no coherent national point of entry into veteran entrepreneurship. Exposure varies by military installation, service branch, instructor, timing of transition, and luck.

Effect: Veterans discover programs by accident, too late, or not at all. Their starting point is determined more by geography or happenstance than by need.

Cost: Early-stage momentum is lost, federal investments in transition are diluted, and fewer veterans reach the point of business formation or acquisition readiness.

2. Uneven and Inconsistent Entrepreneurship Exposure During TAP

Cause: GAO findings indicate that entrepreneurship exposure during TAP varies significantly across installations, with some service members receiving substantive content and others receiving none. Some veterans receive a meaningful introduction; others receive a one-time briefing.⁵

Effect: Veterans begin transition with widely disparate levels of awareness, preparation, and confidence. High-potential founders miss early interventions that could accelerate readiness.

Cost: The United States underutilizes one of its strongest economic assets, the entrepreneurial capacity of veterans.

3. A System With Almost No Handoffs or Continuity

Cause: Federal, nonprofit, and academic programs operate independently, with no structured handoff protocol. One program ends, and another may or may not begin.

Effect: Veterans stall after initial engagement. They complete excellent programs like Boots to Business, but without a warm referral or follow-on support, they lose momentum.

Cost: Federal funding produces isolated successes rather than sustained impact. Veterans experience “program tourism” without conversion into business outcomes.

4. Capital Systems That Penalize Military Service

Cause: Traditional underwriting models rely on long-term geographic stability, collateral patterns, and uninterrupted credit histories, conditions military service rarely allows.

Effect: According to Federal Reserve data, veteran-owned firms face higher rates of denial and partial approvals, not because they are riskier, but because their financial profiles do not match civilian patterns.⁶

Cost: High-potential veteran entrepreneurs become undercapitalized or never funded. Innovation is stifled, growth is delayed, and early-stage ventures remain fragile.

5. Procurement Volatility That Discourages Veteran-Led Firms

Cause: Frequent shifts in federal procurement policy, including changes to small-business goals, the expansion of enterprise category management, agency underperformance in meeting Service-Disabled Veteran-Owned Small Business (SDVOSB) and Veteran-Owned Small Business (VOSB) targets, and acquisition streamlining efforts that inadvertently disadvantage small firms, create operational uncertainty for veteran-owned businesses.

Effect: Veteran-owned businesses hesitate to invest, hire, or scale. New entrants withdraw before reaching competitiveness.

Cost: The federal government loses a pipeline of SDVOSB/VOSB suppliers who understand mission execution, weakening the industrial base that supports government functions.

6. “Signal-to-Noise” Problems Across the Ecosystem

Cause: Ecosystem scans by IVMF, GuideStar, the Bush Institute, and RAND have identified more than 200 veteran-serving organizations providing some form of transition or entrepreneurship support. Fewer than 10 percent publicly report consistent outcome metrics, making it difficult for veterans to distinguish high-impact programs from well-intentioned but ineffective ones.^{18 19 20}

Effect: Veterans cannot distinguish between high-impact programs and well-intentioned but ineffective ones. Decision fatigue sets in before progress is made.

Cost: Time, energy, and trust are wasted. Veterans who could thrive in entrepreneurship disengage entirely.

7. Lack of a National Architecture to Connect the Whole System

Cause: No entity “owns” the entire continuum of veteran entrepreneurship. Agencies operate within statutory boundaries, VSOs follow their missions, and nonprofits fill gaps inconsistently.

Effect: The system is a **network of disconnected programs rather than a coordinated ecosystem**. Veterans bear the burden of stitching it together.

Cost: The United States leaves significant economic value untapped. Veterans under-participate in entrepreneurship not by choice, but by design.

Core Thesis: The Problem Is Structural, Not Personal

Veterans overwhelmingly possess the attributes of successful entrepreneurs, resilience, leadership, adaptability, problem-solving under pressure, and team orientation. What they lack is not capacity, but a **navigable, continuous, predictable system** that honors that capacity.

This systemic pattern is what the remainder of the testimony addresses.

PART IV — THE COST OF INACTION

The consequences of an uncoordinated veteran entrepreneurship ecosystem are not theoretical. They are economic, strategic, and measurable. Veteran-owned businesses already represent a powerful engine for the United States economy, but the absence of a coherent system suppresses their potential and weakens the return on federal investment.

Veteran entrepreneurship has declined drastically over the last several decades, from nearly 50 percent of returning WWII veterans owning or starting businesses¹². This is not explained by a change in veteran talent. It is explained by a system that has not kept pace with modern entrepreneurial realities.

Below are the most significant costs, supported by research and observable patterns across the ecosystem.

1. Fewer Businesses Formed, Fewer Jobs Created

Veteran-owned firms strengthen local economies, create durable employment, and play outsized roles in rural and underserved regions. When friction slows or prevents business formation.

Inaction means:

- Fewer new veteran-owned firms are formed
- Existing businesses hesitate to grow or hire
- Entire communities miss out on jobs that veterans are well-positioned to create

Economic cost: A slower rate of small-business formation and reduced labor market resilience. If even 1% more veterans launched businesses each year (~20,000 additional veteran founders)¹³.

- 40,000 – 80,000 additional new jobs would be created¹³
- Regional GDP growth would rise proportionally¹³
- Rural communities (where veteran density is high)¹⁵ would see measurable stabilization¹³

2. Underutilized Entrepreneurial Talent

Veterans possess attributes consistently associated with high-impact entrepreneurship: resilience, comfort with ambiguity, execution under pressure, and team leadership.

But when the ecosystem is fragmented, their strengths cannot be fully leveraged.

Inaction means:

- Fewer veterans engage with the system at all
- Those who enter struggle to progress without guidance
- High-potential founders become discouraged or delayed

Economic cost: Loss of innovation, slowed business scaling, and diminished contribution from a highly capable population.

3. Lost Momentum at the Most Critical Stage

Entrepreneurial success depends heavily on early-stage continuity. When veterans complete a program and then encounter a gap (e.g. no warm referral, no advisor, no clear next step) the majority lose momentum.

Inaction means:

- Promising ideas stall
- Federal programs deliver fractional ROI
- Veterans repeatedly “start over”

Economic cost: Investments in TAP, VBOCs, SBDCs, and nonprofit accelerators fail to compound and convert into business outcomes.

4. Structural Capital Barriers That Never Get Addressed

Veterans are more likely to be denied credit or offered only partial funding.⁶ This is not due to risk, but to military service patterns that disrupt the financial indicators lenders rely upon.

Without modernization, this cycle continues.

Inaction means:

- Veterans remain systematically undercapitalized
- Promising early-stage ventures fail to launch

- Growth-phase businesses plateau prematurely

Economic cost: Missed innovation, reduced competitiveness, and stagnation of veteran-owned firms across high-growth sectors.

5. Erosion of the Veteran Presence Within Federal Contracting

SDVOSBs and VOSBs play a crucial role in federal procurement, often supporting mission-critical functions across VA, DoD, DHS, GSA, USACE, and public health agencies.

But shifting certification processes, procurement reforms, and complex compliance environments create volatility.

Inaction means:

- Fewer new firms enter the federal marketplace
- Existing firms hesitate to invest or expand
- Agencies face challenges meeting small-business goals

Economic cost: A shrinking and increasingly fragile veteran supplier base.

6. National Security and Supply Chain Vulnerabilities

Veteran-owned businesses contribute disproportionately to sectors essential for national resilience: construction and facilities support, cybersecurity, logistics, emergency management, engineering, and technical services.¹⁵

These firms understand mission tempo, operational risk, and the gravity of federal requirements. They are uniquely positioned to strengthen the federal industrial base.³

Inaction means:

- Critical supply chain gaps remain unfilled
- Emergency response and continuity-of-operations capabilities weaken
- Government loses partners with direct mission experience

Strategic cost: Reduced national readiness and increased vulnerability in sensitive sectors that depend on reliable small-business participation.

7. Continued “Signal-to-Noise” Problems Across the Ecosystem

Without transparency, outcome data, or quality benchmarks, veterans cannot distinguish which programs drive real outcomes.

Inaction means:

- Veterans waste time navigating ineffective or redundant programs
- High-impact programs remain underutilized
- Trust in the ecosystem erodes

Economic cost: Lower conversion of engagement to outcomes; diminished effectiveness of federal funding.

The Cumulative Consequence: Unrealized National Potential

The cost of maintaining the status quo is high. The cost of modernizing the system is relatively low, and **the return on investment is substantial**.

If Congress does not modernize the architecture of this system, the United States will continue to lose:

- Startups not founded
- Jobs not created
- Innovations not pursued
- Contracts not captured
- Lifetime economic contributions not realized

And the loss is not only economic. It is a loss of national strength, community vitality, and the continued service of millions of Americans who have already demonstrated their commitment to this country.

PART V —A MODERN POLICY FRAMEWORK FOR VETERAN ENTREPRENEURSHIP

The goal is not to replace existing programs. The goal is to **connect, coordinate, and modernize** the ones that already exist so they function as a coherent system for veterans. The following recommendations represent the most high-impact, feasible, and system-oriented actions Congress can take.

Recommendation 1: Establish a National Veteran Entrepreneurship Navigation Hub

Create a single, coherent “front door” that guides every veteran based on stage, need, geography, and aspiration.

Why This Matters

Right now, a veteran’s ability to access entrepreneurship support depends on their installation, branch of service, timing of transition, or pure luck. There is no national point of entry, no map, no triage function, and no central organizing mechanism.

This is the most fundamental structural failure in the ecosystem.

Mechanism: What Congress Can Direct

Congress can authorize SBA, in coordination with DoD and VA, to stand up a **Navigation Hub** that:

- Serves as a unified digital portal and call center
- Conducts a short diagnostic intake (business stage, goals, geography, readiness)
- Generates tailored pathways across TAP, VBOCs, SBDCs, accelerators, procurement advisors, and capital partners
- Tracks referrals and ensures documented follow-through

Impact

Veterans gain predictable entry. Federal dollars go further. High-quality programs receive the right participants at the right time.

Risk of Inaction

Veterans continue to stumble into the wrong resources at the wrong time, and early-stage friction suppresses business formation.

Recommendation 2: Require Warm Handoff Protocols Across the Ecosystem

The missing ingredient in the entire system is continuity.

Why This Matters

Even when veterans find strong programs, they rarely experience coordinated follow-up. A single program ends, and unless the veteran takes proactive action, the pathway ends too.

In every other high-stakes system, healthcare, education, workforce development, continuity is the determinant of outcomes. Veteran entrepreneurship lacks it almost entirely.

Mechanism: Standardized Four-Step Handoff Protocol

Congress can direct SBA and partner agencies to adopt a universal handoff standard:

1. **Notification:** Referring program sends intake + next steps within 48 hours
2. **Acceptance:** Receiving organization acknowledges referral responsibility
3. **Outreach:** Documented veteran contact within 5–7 days
4. **Tracking:** Quarterly data on referral volumes, connection rates, outcomes

Impact

Veterans never lose momentum. Every program becomes part of a coordinated pathway rather than a stand-alone experience.

Risk of Inaction

Federal investments deliver isolated benefits instead of compounding outcomes.

Recommendation 3: Modernize TAP With a Mandated Entrepreneurship Track

Entrepreneurship must be treated as a legitimate post-service pathway, not an elective exposure.

Why This Matters

TAP is the earliest and most universal touchpoint for separating service members, yet the quality of its entrepreneurship content varies dramatically. Many veterans first learn entrepreneurship is an option **after** leaving service, which is far too late.

Mechanism:

Congress can require DoD, with SBA and VA, to:

- Implement a standardized entrepreneurial curriculum
- Include ideation, feasibility assessment, capital readiness, procurement awareness, and ecosystem navigation
- Track outcomes, including follow-on support engagement and early-stage business formation

Impact

Veterans receive foundational awareness at the optimal time. The system stops losing high-potential entrepreneurs before their journey even begins.

Risk of Inaction

Veterans continue entering the entrepreneurship ecosystem unprepared, unaware, and unsupported.

Recommendation 4: Modernize Access to Capital — Including a GI Bill Entrepreneurship Pilot

Capital access must reflect the realities of military service and modern business formation.

Why This Matters

Traditional underwriting does not account for service-related financial patterns: frequent moves, delayed homeownership, deployments, or interrupted credit histories. Veterans often appear less “bankable” on paper despite high capability and low default tendencies.

Mechanisms:

Congress can:

- Implement and expand the provisions within the **Veteran Entrepreneurship Empowerment Act**
- Reduce or waive fees for certain early-stage loans
- Lower equity injection requirements for pre-revenue businesses with validated advisory support
- Pair approved loans with mandatory technical assistance
- **Increase the 7(a) secondary market selling threshold above \$5 million** to support capital access in later-stage entrepreneurial journeys

Special Mechanism: GI Bill Entrepreneurship Pilot

Authorize a pilot allowing eligible veterans to direct a portion of GI Bill benefits toward:

- Accredited entrepreneurship education
- Structured business formation support
- Financial literacy and capital-readiness programming

This positions entrepreneurship as an educational pathway, not a fringe option.

Impact

Veterans become capital-ready earlier. High-potential ventures launch and scale rather than stall due to systemic barriers.

Risk of Inaction

Veterans remain undercapitalized and disproportionately constrained at the most critical stage of their business journey.

Recommendation 5: Promote Stability and Predictability in Federal Contracting

Procurement volatility discourages veteran participation and undermines the federal supplier base.

Why This Matters

Veteran-owned businesses are essential contributors across federal missions like construction, cybersecurity, logistics, engineering, and emergency response. But procurement rules, certification requirements, enterprise-level category management, and FAR updates often shift faster than small businesses can adapt.

Mechanism:

Congress can require agencies to:

- Conduct impact assessments before implementing major procurement changes
- Publish transition timelines and guidance early
- Align VA and SBA certification processes and compliance requirements to reduce administrative confusion
- Strengthen accountability around meeting SDVOSB and VOSB goals

Impact

Veteran-owned firms can plan, invest, hire, and scale with confidence.

Risk of Inaction

The veteran presence within the federal industrial base shrinks, weakening resilience and mission continuity.

Recommendation 6: Increase Transparency, Accountability, and Program Clarity Across the Ecosystem

Veterans need to distinguish high-impact programs from noise.

Why This Matters

With hundreds of nonprofit, academic, VSO, and federal programs in the ecosystem, all varying in mission, quality, and outcomes, veterans cannot easily determine which resources materially improve their chances of success.

Mechanism:

Congress can direct the creation of:

- A national public dashboard of program outcomes
- Standardized performance metrics (e.g., job creation, revenue growth, successful transitions, follow-on capital raised)
- A centralized index of federally supported organizations serving veteran entrepreneurs
- Quality standards for publicly funded programs

Impact

Veterans make informed decisions.
High-quality programs receive more engagement.
Federal investment flows to proven interventions.

Risk of Inaction

The “signal-to-noise” problem persists, and veterans remain overwhelmed by choices rather than empowered by clarity.

SECTION VI — CONCLUSION: A SYSTEM WORTHY OF THOSE WHO SERVED

Veterans do not ask for guarantees, shortcuts, or preferential treatment. What they ask for, and what they deserve, is clarity, coherence, and a system designed with the same intentionality and coordination that defined their years in uniform.

Modernizing the ecosystem is not only an economic imperative, it is a national one. Veterans bring resilience, discipline, problem-solving, team orientation, and mission focus. But when they enter a system without a front door, without continuity, without clear pathways, and without capital structures aligned to military service, even the strongest leaders struggle to find traction.

This is why modernization matters.

Veteran-owned businesses strengthen rural economies, bolster the federal supplier base, advance innovation, and contribute directly to national readiness in sectors such as logistics, engineering, construction, cybersecurity, and emergency response.

When the system works, veterans accelerate economic mobility, not only for themselves, but for those they employ and the communities they lift.

When the system fails, the cost is borne not only by individual veterans, but by the nation: jobs not created, innovations not pursued, contracts not captured, and mission-critical industries without the veteran leadership that strengthens them.

Congress has an opportunity to turn a fragmented ecosystem into a coordinated one, to replace friction with clarity, isolation with continuity, and complexity with a navigable architecture that guides veterans from ideation to launch, from growth to long-term success.

The recommendations in this testimony — a Navigation Hub, warm handoffs, a modernized TAP track, improved capital access, procurement stability, and ecosystem transparency — do not replace existing programs. They connect and align them so that every federal investment compounds rather than disperses.

I want to again acknowledge the Committee’s bipartisan work to support veteran entrepreneurs. Your leadership signals to veterans that their continued service to this nation matters, not only in uniform, but in the businesses they build, the people they employ, and the missions they strengthen.

If the system is modernized, veterans will do what they have always done: lead with purpose, build with integrity, and continue contributing to the strength and resilience of our nation.

Thank you for the opportunity to testify. I look forward to your questions and to supporting the Committee’s continued efforts to empower veteran entrepreneurs.

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**Written Testimony of
Rebecca Aguilera-Gardiner
Chief Executive Officer
Veterans in Business (VIB) Network**

**Before the
U.S. House of Representatives Committee on Small
Business**

**“From Service to Suite: Addressing the Challenges
Faced By Veteran-Owned Small Businesses”**

December 10, 2025

Chairman Williams, Ranking Member Velázquez, and distinguished Members of the Committee, thank you for the opportunity to submit testimony regarding the state of veteran entrepreneurship and the challenges faced by the men and women who have transitioned from serving our country to fueling our economy.

My name is Rebecca Aguilera-Gardiner, and I am the CEO of the Veterans in Business (VIB) Network. We are a nonprofit organization dedicated to advocating for, educating, and connecting Veteran-Owned Small Businesses (VOSBs) and Service-Disabled Veteran-Owned Small Businesses (SDVOSBs) with real opportunities in both the corporate and government marketplaces. We represent a diverse coalition of veterans who have traded their uniforms for business suits, applying the discipline, resilience, and leadership learned in the military to the American marketplace.

The VIB Network stands as a critical nonprofit 501(c)(3) organization specifically dedicated to advocating for and enabling the success of the Veteran Business Community, including SDVOSBs and VOSBs. The VIB Network's core mission is to invest in education, create economic growth, establish relationships, and provide essential resources and advocacy. They are a significant national resource, supporting thousands of Veteran-owned businesses across the country and internationally. Critically, the organization operates under a model that removes financial barriers to entry: programs and resources, including their comprehensive online directory, are offered at no cost to veteran entrepreneurs, ensuring that access to tools and opportunities is based on merit and service, rather than a business's capacity to pay annual fees.

The VIB Network executes its mission through a portfolio of impactful business development programs designed for both early-stage and established veteran firms. Their key initiatives include the Veteran 2 Veteran (V2V) Business Cohorts, a 6-month intensive program aimed at guiding established veteran business owners toward strategic growth, and B.R.A.V.O. (Business Readiness And Veteran Optimization) Corporate Mentor/Veteran Business Protégé program. The VIB Network's B.R.A.V.O. Program is a six-month corporate mentor and veteran-business protégé initiative designed to help established Veteran-owned businesses strengthen their operational readiness and become more competitive in corporate and institutional contracting environments. The program combines one-on-one mentorship with representatives from major corporations, monthly group learning sessions, and individualized business-readiness coaching. It is structured to help veterans refine capability statements, strengthen marketing materials, understand corporate procurement expectations, and position themselves as reliable subcontractors or suppliers.

To join the program as a protégé, a business must meet several eligibility requirements. Companies must be Veteran-owned and active members of the VIB Directory. They should have at least three years of operational history, annual revenues of at least \$100,000 (or a two-year average), and a minimum of two employees or contractors. Applicants must also have basic business-readiness documentation, such as a capability statement or pitch deck.

The program offers significant benefits to participants. Veteran-owned businesses receive structured mentoring from corporate partners across diverse industries, gaining insight into corporate contracting, supplier expectations, and business development strategies. They also take

part in group sessions that encourage peer support and shared learning, as well as individual coaching sessions that help refine branding, presentations, and overall business positioning. VIB describes the experience as a high-value package, estimated at around \$12,000 per participant, but provided at no cost thanks to corporate sponsors. These pairings offer a cross-sector network that benefits both mentors and protégés, strengthening the broader Veteran-owned business ecosystem. Participants often report that the program helps them elevate their professionalism, improve their marketing materials, and increase their readiness for contracting opportunities.

Furthermore, the VIB Network specializes in generating contracting opportunities by hosting national events, outreach, and structured one-on-one Business Matchmaking sessions, which connect veteran businesses directly with corporate and government agencies looking to fulfill supplier diversity requirements. Our events and outreach are intentionally structured to connect Veteran businesses directly with corporate and government agencies looking to fulfill their diversity requirements through our structure, agenda and focus for each session at our events are all to allow for natural, relaxed and intentional networking and connecting. This holistic approach ensures veteran businesses receive the training, connections, and visibility necessary to compete effectively in both the public and private sectors.

However, despite their training and drive, veteran entrepreneurs face systemic barriers that prevent them from competing on a level playing field.

The Landscape of Veteran Entrepreneurship

There are nearly 2 million Veteran-owned businesses in the United States. These firms employ over 5 million Americans and generate approximately \$1 trillion in annual receipts. When a veteran succeeds in business, they hire other veterans, they reinvest in their local communities, and they strengthen the national supply chain.

However, the path to success is fraught with obstacles. I would like to highlight three critical areas where this Committee's support is essential: Federal Contracting Access, Access to Capital, and the Private Sector "Diversity" distinction. For the past 7 years, the VIB Network has conducted a yearly Veteran Business Survey and has received input nationwide. This information helps us create a roadmap on how we will move forward and what kind of support the Veteran business community is seeking. It is crucial to ensure that policies and programs designed to support the Veteran business community are informed by the current economic realities and structural challenges they face.

Data from the 2023 Veteran Business Survey Report indicate the majority of Veteran-owned businesses (VBs) are small and micro-enterprises. A significant 66% of respondents reported employing between 0 and 5 individuals, while another 22% employ 6 to 15 people, showing that nearly 90% of veteran entrepreneurs operate within the small business category. Economically, a large proportion of these businesses are still in the early stages of growth, with over 60% reporting annual revenues below \$500,000. The veteran business community is highly engaged in key service sectors, with the largest segments in our network falling into Professional Services (35%), Service (23%), and Information Technology (16%).

Despite the importance of official verification, a substantial number of Veteran-owned businesses face significant hurdles in achieving certified status. While 43% of respondents have secured the new SBA VetCert, and another 26% hold the SAM self-certified SDVOSB designation, 18% of businesses reported being not certified or verified at all. Among those not certified, the primary barriers are related to complexity and lack of awareness. Specifically, 31% stated, "I don't know where to get certified/verified," and an equal 31% cited a lack of time to complete the process. Furthermore, 25% found the process "Too difficult to get certified/verified," underscoring the need for streamlined application processes and more widely available, accessible resources.

While certification is intended to be a powerful tool for business development, its practical impact has yet to fully materialize for many entrepreneurs. A significant majority of respondents – 52% – reported that their certified status (VetCert, SDVOSB, or VOSB) has resulted in "nothing yet" in terms of tangible business benefits. However, for those who have seen benefits, the status is most valuable for market access: 25% reported that certification was key in their business being selected as a subcontractor or consultant, and 16% credited it with helping them win a contract as a prime contractor. These results suggest that while the programs create opportunities, further effort is needed to ensure certification consistently translates into concrete contract awards and substantial growth across the Veteran business community.

Federal Contracting: Bureaucracy and Bundling

The federal government has a statutory goal of awarding 5% of all prime contract dollars to SDVOSBs. While we applaud the increase in goals, the reality on the ground often tells a different story. The practice of "Category Management" – bundling smaller contracts into massive vehicles to save money – disproportionately harms veteran small businesses. When contracts are consolidated, they become too large for a small business to bid on as a prime contractor. This relegates capable veteran firms to permanent subcontractor status, stripping them of past performance ratings necessary for growth. This Committee has long Large prime contractors are often awarded billion-dollar contracts with the stipulation that they utilize small veteran businesses. Currently, there is insufficient oversight or penalty when these primes fail to meet their veteran utilization goals. We need "teeth" in these regulations. A plan without enforcement is merely a suggestion.

Efforts to raise sole source thresholds across all SBA programs trace back to this Committee's efforts in 2019 with the introduction of H.R. 190, which sought to modernize outdated limits and give small businesses a fairer opportunity to compete in today's federal marketplace. Updating these thresholds remains essential because acquisition needs, market prices, and the complexity of federal missions have evolved substantially, while many statutory thresholds have not kept pace. By expanding contracting officers' authority to award sole source contracts at more practical levels, agencies can move more efficiently, reduce procurement delays, and better engage small businesses that have the capability but lack the resources to navigate lengthy competitive processes. Raising these thresholds now would continue the momentum Congress began with H.R. 190, aligning procurement tools with current realities and strengthening the government's ability to leverage small, diverse, and Veteran-owned firms across critical sectors.

It is important to note that sole source thresholds should be increased across all SBA programs – including SDVOSB, WOSB, HUBZone, and 8(a) – because Veteran-owned businesses do not operate in isolation; many veteran entrepreneurs qualify for multiple programs simultaneously, and an uneven set of thresholds creates unnecessary barriers rather than opportunities. Raising these limits uniformly promotes parity across the federal contracting landscape, ensuring that contracting officers have consistent, efficient tools to meet mission needs while expanding access for small and disadvantaged businesses. A level playing field strengthens competition, supports the government’s socio-economic goals, and better reflects the interconnected reality of the small business community, where veterans are often also women, minority, or located in underutilized communities.

The preservation of the Rule of Two in the Administration's FAR Part 19 rewrite is a commendable victory for the small business community, particularly for Veteran-owned firms, as it ensures contracting officers must continue to set aside opportunities when two or more responsible small firms are expected to bid at fair market prices. However, to genuinely align with the Administration's OneGov strategy, which drives the increased use of larger, Multiple Award Contracts with fewer prime awards, this critical protective mechanism must be explicitly extended to mandate its application at the task and delivery order level. The government is consolidating spend onto fewer large vehicles, and to prevent the marginalization of small business participation, the small business set-aside mechanism must necessarily follow that spending to the order level to remain effective, thereby making the FAR overhaul truly revolutionary for small firms, including those owned by Veterans. This necessary extension of the Rule of Two to cover individual orders strongly aligns with the intent of H.R. 2804, the *Protecting Small Business Competitions Act of 2025*, introduced by Ranking Member Nydia Velázquez, and its bipartisan companion Senate bill, S. 2656. The VIB Network applauds and wholeheartedly supports these legislative efforts, which seek to formally codify the Rule of Two in the Small Business Act and ensure its application to all task and delivery orders above the Simplified Acquisition Threshold. Passage of this Act would provide the statutory clarity and protection needed to safeguard small business access to federal procurement in an era of increasing contract consolidation.

Access to Capital

You cannot start or scale a business without capital. Unfortunately, veterans often struggle to access traditional financing. Many veterans transition out of the service with gaps in their credit history due to deployments or lack the tangible collateral required by traditional banks. While SBA loan programs (7(a) and Express) are vital, the fees and strict underwriting criteria often leave smaller veteran startups behind. We need lenders who understand the veteran profile – individuals who may not have a traditional credit score but possess high character and a proven ability to execute complex missions.

Recognition in Corporate Supplier Diversity

In the federal government, veterans have a "set-aside" status. However, in Corporate America, Veteran-Owned businesses are often not recognized as a diverse category in the same vein as Minority-Owned (MBE) or Women-Owned (WBE) enterprises. Veterans are a diverse group by

nature, representing every race, gender, and background in America. We urge this Committee to encourage the private sector to standardize the inclusion of VOSBs and SDVOSBs in their supplier diversity goals. When major corporations open their supply chains to veterans, it reduces reliance on government contracts and creates a more sustainable business ecosystem.

Conclusion

Veterans have already signed a blank check to this country, payable with their lives. When they return home and choose to start a business, they are asking for nothing more than an equal opportunity to compete. By removing bureaucratic barriers and ensuring fair access to capital and contracts, we do not just help veterans; we fuel the American economy.

Thank you for your time and for your continued commitment to our nation's heroes.



Jason Stverak
Chief Advocacy Officer

December 8, 2025

The Honorable Roger Williams
Chairman, House Committee on Small Business
2361 Rayburn House Office Building
Washington, DC 20515

The Honorable Nydia M. Velázquez
Ranking Member, House Committee on Small Business
2361 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Williams and Ranking Member Velázquez:

On behalf of the Defense Credit Union Council (DCUC) and America's 200+ defense credit unions serving nearly 40 million members, I write to thank you for holding the hearing entitled "*From Service to Startup: Empowering Veteran Entrepreneurs*." We applaud the Committee's leadership in spotlighting the need to improve access to capital for entrepreneurs, particularly in our military and veteran communities. DCUC is the trusted voice for credit unions that serve our nation's servicemembers, veterans, and their families. For over 60 years, these credit unions have operated on or near military installations worldwide, providing vital financial services that enhance military readiness and family financial security. Our mission is to ensure that the unique financial needs of military and veteran families are met – including the needs of veteran small business owners striving to achieve the American dream of entrepreneurship.

DCUC's Membership and Mission: DCUC's member credit unions are primarily focused on serving military-affiliated populations, from active-duty troops to retired veterans. We maintain close liaison with the Pentagon, Capitol Hill, and regulators to champion the interests of credit unions serving military and veteran communities. Our coalition of defense credit unions is uniquely positioned to support veteran entrepreneurs at every stage, from helping transitioning servicemembers start a business to providing capital for established veteran-owned companies. We have a proud history of promoting financial readiness and economic opportunity for those who served our country. It is in this capacity that we strongly **support pending legislation to exempt veteran small business loans from the credit union member business lending cap**, as a critical step to increase veteran access to capital.

The Credit Union Member Business Lending Cap – An Outdated Barrier: Under current law, federally chartered credit unions are subject to an aggregate member business lending (MBL) cap equal to 12.25% of the credit union's total assets. This **12.25% cap** is a statutory limit imposed by 12 U.S.C. §1757a, and it has become an **unfair and arbitrary constraint** that hinders credit unions' ability to fully serve veteran-owned small businesses. Unlike banks, which face no comparable cap, credit unions must turn away or curtail small business loans once they approach this threshold. DCUC's member credit unions consistently report that they remain well-capitalized and eager to do more business lending while maintaining safe and sound operations. However, the rigid MBL cap "*prevent[s] [credit unions] from doing more to help America's veterans start small businesses*". In practice, this means deserving veteran entrepreneurs may be denied credit or left under-served **not due to credit risk, but due to an**

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artificial lending ceiling imposed on the community-based financial institutions best suited to assist them. In DCUC's view, this cap is an outdated relic that does not reflect the realities of today's economy or the strong lending track record of credit unions. It is especially untenable when its impact falls on those who have served our nation.

Legislative Solution – The Veterans Member Business Loan Act (VMBLA): We urge the Committee to support and advance the **Veterans Member Business Loan Act**, bipartisan, bicameral legislation to modernize the Federal Credit Union Act. In the 119th Congress, this proposal was introduced as **H.R. 507** by Rep. Vicente Gonzalez (D-TX) and Rep. Brian Fitzpatrick (R-PA) in the House, and as **S. 110** by Sen. Mazie Hirono (D-HI) and Sen. Dan Sullivan (R-AK) in the Senate. The VMBLA is a common-sense bill that would **exempt loans made to veteran-owned small businesses from the credit union MBL cap**, thereby freeing up additional lending capacity specifically for veterans. Importantly, this change would come at **no cost to taxpayers** – it simply removes an arbitrary limit and allows credit unions to deploy more of their own capital to veteran entrepreneurs. By excluding veteran business loans from the cap calculation, Congress would *“unlock more capital for veterans”* and enable credit unions to fully support these borrowers without having to scale back other business lending. DCUC wholeheartedly supports this legislation and believes it aligns perfectly with the hearing's goal of *increasing access to capital for small businesses*. Enacting the VMBLA would immediately inject new opportunities for veterans to obtain affordable credit through credit unions, all while maintaining prudent regulatory oversight and without expanding government spending. We are grateful that this Committee has already shown interest in the issue, and we hope to see the bill move forward with your endorsement.

Veteran-Owned Businesses – A Growing Community with Unmet Credit Needs: America's veteran entrepreneurs have proven their dedication and skills in service, and now contribute tremendously to our economy as small business owners. There are nearly **2 million veteran-owned small businesses** in the United States, collectively employing about **5 million Americans** and generating close to **\$1 trillion in annual sales**. These firms span every industry, from Main Street retail shops to high-tech startups, and represent approximately 5% of all U.S. businesses. Despite their successes and pivotal role in local economies, veteran-owned businesses often face greater difficulty in accessing the capital needed to launch and grow. Studies consistently show that **veteran entrepreneurs have higher loan denial rates than their non-veteran counterparts** – for example, **36% of veteran business owners are denied credit** when seeking to start or expand a business, versus about 20% for non-veterans. Likewise, veteran-owned firms tend to apply for credit more frequently and in larger amounts, yet **a staggering 60% report a financing shortfall (receiving less funding than requested)**. According to the Federal Reserve and SBA, loan approval rates from major lenders are roughly 10 percentage points lower for veterans than for other borrowers. The reasons often include shorter or less-established credit histories (due to military relocations and deployments) and lack of collateral, challenges that many veterans encounter when transitioning to civilian business life. The bottom line is that **veterans have the ideas, discipline, and drive to build businesses, but they frequently struggle to obtain equitable access to financing**. This Committee's focus on increasing capital access is therefore especially pertinent to veteran entrepreneurs. By exempting veteran business loans from the credit union MBL cap, Congress can materially **bridge this credit gap**. Credit unions – mission-driven, not-for-profit lenders rooted in their communities – are ideally suited to step in and provide more loans to veteran-owned businesses once freed from the current cap. In fact, credit unions often serve markets that big banks overlook, including military bases and rural areas. Removing the cap barrier will empower us to say “yes” more often to a veteran applying for a business startup loan or an expanding vet-owned company looking for capital. This means more veteran-owned startups launched, more jobs created in local communities, and ultimately a stronger small business sector – truly **investing in the backbone of America**.

DCUC's Ongoing Advocacy and Commitment: DCUC has long championed this policy change as part of our commitment to veteran financial access and economic opportunity. In a letter to the Committee last year, we emphasized that the 12.25% lending cap is *"hindering [credit unions'] ability to serve veteran-owned small businesses"* and urged support for exempting veteran loans via the Veterans Member Business Loan Act. We noted then, as we do again now, that credit unions stand ready to safely **lend more to veteran entrepreneurs** if given the chance. *"We are prevented from doing more to help America's veterans... due to this outdated MBL cap. Our members stand ready to do more now to help America's veterans,"* DCUC wrote in that testimony. This sentiment remains true today. Our credit unions see firsthand the promising veteran-owned ventures that could hire more employees or expand operations with a modest loan – if not for the arbitrary ceiling imposed on our lending. Removing that ceiling for veteran loans is a top legislative priority for DCUC. We have applauded the bipartisan coalition in Congress working to fix this issue, and we have highlighted the overwhelming public support for expanding veteran small business credit availability. Simply put, *"veteran entrepreneurs deserve full access to capital, and credit unions are uniquely positioned to provide it"*. We firmly believe that **lifting the MBL cap for veteran loans "helps pay back the sacrifices [veterans] made in defense of our nation"**. No organizations understand that duty better than defense credit unions, which exist to serve those who served us. DCUC will continue to work tirelessly with Congress, the Small Business Administration, and other stakeholders to eliminate barriers and improve financing options for our veteran small business community.

Conclusion – A Call to Support Veteran Access to Capital: In closing, we respectfully urge the House Small Business Committee to **support exempting veteran business loans from the credit union MBL cap** as a critical measure to increase access to capital for those who have worn our nation's uniform. This reform is pro-veteran, pro-small business, and pro-community – it allows local not-for-profit lenders to do what they do best: invest in their members' success. Enacting the Veterans Member Business Loan Act would immediately expand the availability of affordable credit for veteran entrepreneurs, unleashing new economic opportunities in communities across the country. **By embracing this bipartisan solution, Congress can honor our veterans' service in a meaningful way – helping them overcome financial hurdles and build thriving businesses here at home.** DCUC and our member credit unions stand ready to assist you in advancing this policy. We remain committed to partnering with you to ensure that *all* of America's small business owners, especially our veterans, have a fair chance to access the capital they need to succeed. Thank you again for holding this important hearing and for your leadership on expanding small business capital access. We appreciate your consideration of our views, and we welcome any further opportunity to provide information or assistance to the Committee.

Sincerely,



Jason Stverak
Chief Advocacy Officer
DCUC

CC: Members of the House Committee on Small Business



**STATEMENT FOR THE RECORD
OF
DEMETRICUS LION
POLICY ASSOCIATE
VETERANS' EMPLOYMENT AND EDUCATION DIVISION
THE AMERICAN LEGION
BEFORE THE
HOUSE COMMITTEE ON SMALL BUSINESS
ON
"FROM SERVICE TO STARTUP: EMPOWERING VETERAN
ENTREPRENEURS"
DECEMBER 10, 2025**

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December 10, 2025

Chairman Williams, Ranking Member Velázquez, and distinguished members of this committee, on behalf of National Commander Dan Wiley, and more than 1.5 million dues-paying members of The American Legion, we thank you for the opportunity to offer our statement for the record.

The American Legion is guided by active Legionnaires who dedicate their time and resources to serve veterans, servicemembers, their families, and caregivers. As a resolution-based organization, our positions are directed by more than 106 years of advocacy and resolutions that originate at the post level of our organization. Every time The American Legion testifies, we offer a direct voice from the Veteran community to Congress.

The American Legion would like to recognize this committee and its members for ensuring that Veterans are included in the national conversation and for your willingness to modernize and improve programs like Boots to Business (B2B) and the Transition Assistance Program (TAP).

The American Legion believes that starting, owning, and operating a business should not only be a luxury for Wall Street but a reality that every Veteran, regardless of duty status, can pursue, grow, and sustain. I am a son of veteran parents who owned three different businesses and I want to thank you for your hard work. As National Commander Dan Wiley stated, "The American Legion believes that when we empower Veterans to build businesses, our communities and nation not only succeed, but we fortify the very foundation of the American Dream they once fought to protect."¹

The American Legion supports Congressman LaLota's bill, H.R. 865, the *Service-Disabled Veteran Opportunities in Small Business Act*. This legislation will strengthen existing law, provide clarity to the contracting process, and improve the Small Business Act. Moreover, the bill would also require the SBA to issue a report to Congress detailing a list of each Federal agency that failed to meet its contracting goals and provide training for Federal agencies that failed to meet their contracting goals. In addition, the American Legion supports stronger enforcement tools,

¹Markey, M. (2025). *Ranking Member Markey Introduces Legislation to Reduce Costs for Veteran Entrepreneurs*. U.S. Committee on Small Business & Entrepreneurship. <https://www.sbc.senate.gov/public/index.cfm/2025/11/ranking-member-markey-introduces-legislation-to-reduce-costs-for-veteran-entrepreneurs>

mandatory use of the Veterans First Contracting Program, extension of Veterans First to the Department of Defense, and protections for Veteran-owned small business subcontractors.

Every year that federal agencies miss the government-wide Service-Disabled Veteran-Owned Small Business (SDVOSB) contracting goals represents not only a failure in compliance, but also an immeasurable loss in opportunity for thousands of veteran-owned businesses and their families. For veterans, federal contracting opportunities are not simply a preference; they are a pathway to economic independence, a chance to achieve the American Dream, an investment back into their communities, and a continuation of their service to the nation.

Veterans are more likely than nonveterans to start businesses, and veteran-owned firms contribute hundreds of billions of dollars in revenue each year.² According to the Census Bureau, veterans are the majority owners of more than 1.6 million firms that employ nearly 3.2 million workers and generate about 1 trillion dollars in revenue.³ SDVOSBs represent a significant share of our nation's small businesses and demonstrate that when SDVOSBs succeed, America succeeds.

Aligning federal procurement and acquisition policies with veteran-owned small businesses strengthens the industrial base and keeps taxpayer dollars working in communities across the United States. In fiscal year 2024, small businesses received \$183.5 billion dollars in federal contracts, of which \$32.8 billion dollars went to SDVOSBs.⁴ These figures indicate that federal procurement policy is a significant economic tool that the United States can better leverage to drive economic growth and reinvest in local communities.

Recently, the federal government as a whole has met or exceeded government-wide contracting goals in several small-business categories. However, meeting SDVOSB contracting goals across the individual agencies remains a challenge, as multiple agencies still fall short of their goals. Some agencies consistently exceed the SDVOSB goal, most notably the Department of Veterans Affairs, while others fail each year. Past oversight of veteran programs has shown that agencies struggle to apply rules consistently and that training gaps contribute to underuse of the programs.

The Department of Veterans Affairs Rule of Two, the Veterans Affairs Acquisition Regulations (VAAR), and the VETS First Contracting Program, provide a proven model that, when paired with this bill, can offer an innovative change to procurement policy. The Supreme Court affirmed this mandate unanimously in the *Kingdomware Technologies, Inc. v. United States* decision.⁵ The Department of Veterans Affairs' approach to federal contracts should guide federal procurement policy by giving clear priority to qualified Veteran-Owned firms when they can perform at a fair and reasonable price.

² Office of Advocacy. (2024, November 12). *Facts About Small Business: Veteran Ownership Statistics 2024*. Office of Advocacy. <https://advocacy.sba.gov/2024/11/12/facts-about-small-business-veteran-ownership-statistics-2024>

³ Bureau, U. C. (2025, November 20). *Census Bureau Releases New Data About Characteristics of Employer and Nonemployer Business Owners*. Census.gov. <https://www.census.gov/newsroom/press-releases/2025/business-owner-characteristics.html>

⁴ *Scorecard details | U.S. Small Business Administration*. (2024). Sba.gov. <https://www.sba.gov/federal-contracting/contracting-data/small-business-procurement-scorecard/scorecard-details>

Congress must do more to help veteran entrepreneurs, who are a key to driving the economic engine of success. Many bring direct experience in leadership, training, mentoring, and achieving critical results under pressure. These traits transfer directly into strong performance in federal contracting and are invaluable to agencies who need to move at speed and at scale while not compromising quality. Yet even with this demonstrated potential, veterans still face greater difficulty navigating federal procurement and accessing capital than their peers.⁵

By strengthening the execution phase of existing contracting, the goals of the *Service-Disabled Veteran Opportunities in Small Business Act* align veteran entrepreneurship with the current congressional and administration priorities in supply chain resilience and innovation. The American Legion supports stronger enforcement tools, mandatory use of the Veterans First Contracting Program, extension of Veterans First to the Department of Defense, and protections for veteran-owned small business subcontractors.

During The American Legion's 2025 National Convention, the Veterans Employment and Education Division (VE&E) hosted a Small Business Conference that brought together Veteran entrepreneurs, small business owners, and policy experts. These discussions emphasized the critical need to provide Veterans with innovative ways to increase access to capital and participation in federal contracting among Veteran-Owned Businesses, not just in major cities but also in overlooked rural areas. Our members are particularly concerned with difficulties navigating procurement portals, a lack of transparency across agencies, insufficient staff training, and contracting goals treated as discretionary rather than mandatory. The discussions led to several recommendations, including support to model key elements of federal procurement and acquisition policies after the Department of Veterans Affairs, so SDVOSBs receive a fair opportunity. These are not handouts; they are an earned benefit.⁶

The *Service-Disabled Veteran Opportunities in Small Business Act* equips Congress with tools to drive improvement in agency performance. This legislation takes a focused and practical approach that works within existing structures by requiring the Small Business Administration Administrator, in consultation with the Office of Veterans Business Development, to take actions linking training, performance, and guidance.

Access to Capital

The American Legion supports broadening access to capital and improving existing SBA programs. In that endeavor, we have endorsed Ranking Member Markey and Senator Jeanne Shaheen's legislation, Veteran Entrepreneurship Empowerment Act, which would increase the guarantees

⁵ IVMF. (2025, April 23). *Unlocking Procurement Contracting For Veteran Entrepreneurs - D'Aniello Institute for Veterans and Military Families*. D'Aniello Institute for Veterans and Military Families.

<https://ivmf.syracuse.edu/2025/04/23/unlocking-procurement-contracting-for-veteran-entrepreneurs/>

⁶ *Small Business Conference provides support for veteran entrepreneurs*. (2025). The American Legion.

<https://www.legion.org/information-center/news/convention/2025/august/small-business-conference-provides-support-for-veteran-entrepreneurs>

covered by SBA, decrease down payment requirements, and eliminate fees on the 7(a) and 504 loan programs for Veterans.⁷

In addition, The American Legion supports expanding the Small Business Administration direct lending authority to provide startup loans for Veteran entrepreneurs, and The *Veterans Member Business Loan Act*, this removes an unnecessary cap that limits credit unions from lending to veteran-owned small businesses. By excluding these loans from the member business loan cap, Congress can unlock more capital for veterans at no cost to taxpayers. This change simply allows credit unions to use more of their own resources to empower veteran entrepreneurs and expand access to the financing they have earned.

Together, these measures form a meaningful path forward to strengthen veteran entrepreneurship. By modernizing lending tools, reducing barriers, and expanding access to capital, Congress can ensure that veterans have every opportunity to build successful businesses and continue serving our nation in the civilian economy.

Conclusion

Chairman Williams, Ranking Member Velázquez, and distinguished members of this committee, The American Legion thanks you for your leadership and for allowing us the opportunity to explain the positions of our members on the importance of investing in our nation's Veterans and the need to develop sound policies that promote Veteran entrepreneurship in the federal contracting space. In doing so, The American Legion believes that our nation not only fulfills its statutory obligations but also honors a moral obligation to those service members who swore an oath, cherished in the words "so help me God," to protect our nation and to defend the Constitution.

The American Legion looks forward to continuing this work with the Committee and providing the feedback we receive from our membership. Questions concerning this testimony can be directed to Jake Corsi, Legislative Associate, at jcorsi@legion.org.

⁷ Markey, M. (2025). *Ranking Member Markey Introduces Legislation to Reduce Costs for Veteran Entrepreneurs*. U.S. Committee on Small Business & Entrepreneurship. <https://www.sbc.senate.gov/public/index.cfm/2025/11/ranking-member-markey-introduces-legislation-to-reduce-costs-for-veteran-entrepreneurs>

