

MAY 2015

GALLUP: SMALL BUSINESS DIVERSE SEGMENTS LENDING STUDY

VETERAN BUSINESS OWNERS

Sponsored by: Wells Fargo

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A. OBJECTIVES AND BACKGROUND

OBJECTIVES OF THE STUDY

This white paper is part of a Gallup series sponsored by Wells Fargo analyzing the experiences of small business owners across diverse segments, including race, ethnicity, gender, veteran status and sexual orientation. The main objective is to learn not only about the lending experience of each segment, but also how the financial community can better serve their needs. The study does not focus on any single bank or financial institution. Rather, it addresses, more broadly, the overall experiences of small business owners across the various diverse segments.

The study aims to shed light on similarities and differences of the small business experience for each diverse segment. In addition, the study seeks to provide a better understanding of small business owners' challenges with respect to sources of funding, obtaining credit and developing trustworthy relationships with financial institutions. This includes their motivations to become business owners as well as the challenges they face, their definition of success, their sources of financial advice and their attitudes about business finances. The analysis in this paper focuses on the veteran segment and provides important attitudinal and behavioral findings about their experiences as small business owners.

PHASES OF THE RESEARCH

Phase 1: Qualitative. Wells Fargo commissioned a qualitative research firm to conduct in-depth, one-on-one interviews with small business owners in the various diverse segments. The firm conducted the in-depth interviews in June 2014. Themes and patterns identified in the interviews helped to inform the Gallup team to design the quantitative phase of the survey.

Phase 2: Quantitative. Gallup conducted 1,003 interviews among a general population of small business owners during the periods of August 1-18, 2014 and November 10-21, 2014. A total of 729 interviews among veteran small business owners were conducted August 1-18, 2014. Researchers integrated findings from the qualitative phase to develop survey questions that would address the objectives of the project. Respondents who indicated they were either business owners or self-employed were eligible for inclusion in the study. Owners with less than \$10,000 in business revenue were included in the study as long as they considered their work a business. Respondents who said they had ever served in the U.S. armed forces were classified as veterans.

Total Number of Interviews in Each Segment	
Veterans	Small Business Owner General Population
729	1,003

B. EXECUTIVE SUMMARY

Gallup conducted this study, which was sponsored by Wells Fargo, in order to gain insight into the experiences of U.S. small business owners across diverse segments, including race, ethnicity, gender, veteran status and sexual orientation. The main objective of the study was to understand the credit and other financial needs of diverse segments to better serve them as small business customers. This study covers three main topic areas: life as a small business owner, funding a small business, and the small business owner lending experience. The analysis in this paper focuses on the veteran segment. For comparison, a general population of small business owners is also included.

LIFE OF SMALL BUSINESS OWNERS – KEY FINDINGS

- Veterans make up an important segment of the overall small business population in the U.S., accounting for nearly 13% of all small business owners according to Gallup's nightly nationally representative surveys of adults.
- While veterans' percentage of the total population and hence, percentage of small business owners, will continue to decline as large populations of draft-era (World War II and Vietnam) veterans near retirement or pass away, current drawn downs in the post-9/11 force will continue to add highly qualified veterans into the possible small business entrepreneur pool.¹
- In many ways, the experience of veteran small business owners is similar to the general population of small business owners but there are some interesting differences.
- Veteran small business owners, as compared with the general population of owners, are far more likely to be men than women. Among the veteran segment, 89% of business owners are men compared with 58% among the general population of owners. This heavy skew toward men in veteran small business owners is consistent with gender representation for veterans overall. As a category, veterans are far more likely to be men than women. The Department of Veterans Affairs: Veteran Population Model estimates nearly 91% of living veterans were men in 2014.²
- Thirty-two percent of veteran business owners report total revenue of less than \$50,000 per year, about one-half say it is between \$50,000 and \$249,999 and nearly one in four say it is at least \$250,000 per year. Among the general population of owners, the distribution by revenue is similar.
- While most veteran business owners and those in the general population are either in the growing or sustaining phases of their business lifecycle, the study finds that those in the veteran segment are more likely than their peers in the general population to be in the winding down phase. This is likely because veteran business owners tend to be older than those in the general population and many may be considering retirement or other life changes.
- In this study, and consistent with the overall demographics, veterans tend to be older than those in the general population. In this study of business owners, 61% of veteran owners are over the age of 55 compared with 38% among the general population of owners. The main driver of business creation for both the veteran and general population segments is a desire for independence, followed by financial stability.
- The most important challenges veteran business owners say they face today are attracting new business (13%), government regulation (12%), costs/fees to run the business and the economy (10%). However, preoccupations appear to depend on business revenue.

¹ http://www.kauffman.org/~media/kauffman_org/research%20reports%20and%20covers/2012/12/2012%20kiea_vet_final.pdf

² http://www.va.gov/vetdata/Veteran_Population.asp

Small business owners in the general segment report facing similar challenges.

- The top sources of financial information for veteran business owners are other business owners (66%), accountants or accounting firms (60%) and friends/family members (51%). Both the veteran and general segments rely on sources to the same extent, although business owners in the general segment are more likely than veterans to depend on friends and family members for financial advice to run their business.
- Veterans' interest in learning more about several key aspects of business ownership is particularly strong, especially to learn more about increasing sales and understanding/managing their company's finances. This is similar to the general population of small business owners' interest levels.
- Veterans express high levels of satisfaction being small business owners as 67% say they are extremely (29%) or very (38%) satisfied. However, satisfaction does not appear to increase steadily as business revenue grows. As a point of comparison, 70% of small business owners in the general segment say they are extremely (28%) or very (42%) satisfied working as business owners.
- Perceptions of success are similar in the veteran and general population segments of small business owners. Fifty percent of veteran business owners feel they are extremely (10%) or very (40%) successful. But perceptions of success do not dramatically increase across revenue categories in the veteran segment: Just 5% of those with less than \$50,000 in annual business revenue say they are extremely successful, trailing those in the intermediary revenue category (10%). Among veteran business owners in the top revenue category, 16% feel extremely successful. However, the difference is not statistically significant with those in the intermediate revenue category.
- Eighty-seven percent of veterans say they would still become a small business owner rather than do something else. While there are no differences across

gender or revenue categories, younger veterans (those aged 18 to 39) are slightly more likely than older veterans to say they would still become small business owners. And veterans who are in the sustaining or winding down phases (82%) of their business cycle are less likely than those in the startup or growing phases (93%) to say so. Small business owners in the general segment would also overwhelmingly choose to be an owner rather than do something else.

FUNDING A SMALL BUSINESS – KEY FINDINGS

- Sources of initial funding are similar for business owners in both segments, although veterans tend to rely more on personal credit cards, personal lines of credit and small business lines of credit than their peers in the general population.
- Among veteran owners, the primary source of funding used to launch their business is personal cash or savings (89%). This is also true for the general population of owners (87%). The second most often cited source of initial funding among veteran business owners is personal credit cards (46%) while it is 38% in the general population segment of small business owners. Personal lines of credit or home equity is the third most often cited source of initial funding for veteran business owners (34%) and 24% for their peers in the general segment.
- Similar to the general segment of owners, veteran business owners rely on two main sources to fund their operations currently: revenue generated from their business and personal cash or savings. But veteran business owners tend to rely more on personal as well as business credit cards, personal lines of credit and on proceeds from the sale of major items than those in the general segment.
- Fifty-eight percent of veteran business owners say they have borrowed or used credit for their business in the past, which is slightly higher than what business owners in the general segment say (50%). Veteran owners whose annual revenue is at least \$250,000 are far more likely than those in the other revenue categories to say they borrowed for their business.

Overall, awareness in Small Business Administration (SBA) loan programs is relatively low, although veteran business owners tend to be more aware than small business owners in the general segment.

- Twenty-three percent of veteran business owners say they were able to obtain all the credit they needed in the past year, identical to the general population of business owners. However, veterans (11%) tend to report being unable to get all the credit they needed in the past year to a greater extent than their peers in the general population segment (6%). Additionally, veteran business owners are less likely than those in the general population segment to say they did not need to borrow in the past year.
- Just 14% of veteran business owners say they plan to apply for a new credit product in the next 12 months, which is similar to what small business owners in the general population say. Veterans whose business generates at least \$250,000 in revenue have the highest reported intent to borrow compared with other revenue groups.
- Fifty-five percent of veteran business owners who were ever declined credit for their business say it negatively affected their opinion of banks and other financial institutions while 45% say it did not.
- When asked about their level of confidence to obtain credit today, if they needed it, 61% of veteran business owners say they are extremely or very confident that they would be able to obtain credit. Among the general population segment, 53% say the same. Veterans' confidence in their ability to obtain credit seems to be related to their business revenue, but their confidence appears to plateau once business revenue reaches a certain level.
- Veteran owners and the general population of owners are similar in their responses to dealing with banks and managing their business finances. This includes comparable levels of trust in banks, confidence in being able to obtain credit if they needed it and comparable levels of comfort approaching banks or other financial institutions with questions and concerns.
- Veteran business owners feel their veteran status makes no difference in running their business operations. Seventy-six percent say they feel they are treated about the same as other small business owners. Fifteen percent feel they are treated better and just 2% say they feel they are treated worse.
- Fifty-six percent of veteran business owners say being a minority-owned business has no effect on their company but 18% say it makes it harder to run their business.

SMALL BUSINESS OWNERS' LENDING EXPERIENCE – KEY FINDINGS

- Fifteen percent of veteran business owners report ever having been declined for credit in the past, similar to what their peers in the general population segment say. Among veteran owners, those whose annual revenue is at least \$250,000 are more likely than those in the other revenue categories to say they have been declined credit for their business.

C. LIFE AS A SMALL BUSINESS OWNER

According to the latest results from the Survey of Business Owners (SBO), which is conducted every five years by the U.S. Census, 2.5 million businesses are veteran-owned, representing about 9% of all U.S. companies. In 2007, veteran-owned businesses employed more than 5.7 million people and generated more than one trillion dollars in sales¹. Results from the next SBO will be released in November 2015².

As such, veterans represent an important segment of the private sector. Their military background enabled them to hone skills that are essential to launch successful business ventures. Many veterans have transferred their leadership, decision-making, organization and risk management skills to the challenges of business ownership. This section reveals important findings about the challenges and needs of veteran small business owners.

SOCIO-DEMOGRAPHIC PROFILE

The following table indicates the distribution of the demographics among the veteran and general population segments of owners. Overwhelmingly, veteran small business owners are men and most are at least 55 years of age, while the general population has higher proportions of women and younger business owners. Both the gender and age of veteran small business owners track closely to overall veteran demographics.

The educational profile of veteran business owners is on par with those in the general population segment and one-half say they graduated from college in both segments. In terms of geographic distribution, veteran small business owners and the general population of owners are spread across all four major regions of the U.S., with the highest percentages of both veteran and general small business owners found in the South and West.

	Veteran	Small Business Owner General Population
	%	%
Men	89	58
Women	11	42
18-39	11	21
40-54	27	39
55 and older	61	38
High school or less	14	17
Some college	31	30
College graduate and higher	55	53
East	17	19
Midwest	21	21
South	37	32
West	26	29
Number of Interviews	729	1,003

¹ <http://www.census.gov/econ/sbo/07menu.html>

² <http://www.census.gov/econ/sbo/releaseschedule12.html>

Overall, business revenue in the veterans segment is on par with small business owners in the general population. Among veteran owners, about one-third report total revenue of less than \$50,000 per year. Forty-five percent report total annual revenue between \$50,000 and \$249,999 and about one in five say it is at least \$250,000 per year, suggesting that a significant proportion of the veteran business owner segment is comprised of established companies that can generate a significant amount of revenue in communities across the country.

Most veteran and general population segments of small business owners are either in the growing or sustaining phases of their business lifecycle. About one in 10 in both segments say they are in the start-up phase (13% among veterans and 10% in the general population of owners). However, the proportion in the winding down phase among veterans is higher than the general population, 24% and 15%, respectively. This difference is likely related to age of the respondents as veterans tend to be older than the general population segment of owners, and are therefore more likely to be nearing retirement. Overall, these findings underscore the wide range of business and financial needs veterans may have.

Annual Business Revenue	Veteran	Small Business Owner General Population
	%	%
Less than \$50,000	32	36
\$50,000-\$249,999	45	42
\$250,000 or more	24	22
Number of Interviews	729	1,003

At what phase of your business lifecycle would you say you are currently in, would you say you are in the start-up phase, you are past start-up and are in the growing business phase, are you in a phase where you are sustaining your business but not growing or are you winding down your business?

Current Phase of Business Cycle	Veteran	Small Business Owner General Population
	%	%
Start-up	13	10
Past start-up and in the growing phase	31	37
Sustaining business but not growing	32	38
Winding down the business	24	15
Number of Interviews	729	1,003

MOTIVATIONS AND CHALLENGES FOR VETERANS

The top three reasons that motivated them to launch a business are similar in the two segments and differences are not statistically significant. The top reason veterans cite to explain why they decided to become business owners is independence. In their own words, veterans speak of “having control over my life” and to “create my own path.” Financial stability is the second reason veteran small business owners cite (14%). In addition, 10% of veteran business owners say it was to “do what I enjoy doing.” Most other reasons, including job loss, are cited by 7% or less of veteran business owners. Just 5% say the main reason was because there are no jobs or they lost their jobs, identical to what small business owners in the general population segment say. Relatively few (5%) say it is because of their age or that they retired, which is on par with what those in the general population segment say (2%). Further, there are no statistical gender differences in the veterans segment.

“

“Because working and punching a clock for someone else did not meet my financial needs.” (Male veteran, West region)

“I am a sculptor. There’s no other job I could do.” (Male veteran, South region)

”

In your own words, what would you say is the main reason why you decided to become a small business owner? (Open ended)

Top Reasons	Veteran	Small Business Owner General Population
	%	%
Be own boss/work for self/flexibility	45	48
Financial stability/cash flow	14	12
Do what I enjoy doing/good at it/all I’ve done	10	11
Attracting customers/targeting business opportunities/finding work/ new business	7	4
Age, retired, part-time	5	2
No jobs/lost job/laid off	5	5
Other	5	3
Number of Interviews	729	1,003

In general, top challenges facing veteran business owners are the same ones facing those in the general population as differences are not statistically significant. They equally worry about attracting new business (13%), government regulation (12%), costs/fees to run the business (10%) and the economy (10%). Financial stability, taxes and hiring/retaining competent staff are other important challenges veteran business owners say they face today and to the same extent their counterparts in the general segment do. These findings suggest that the combination of government regulations, fees and taxes may be burdensome for veterans' businesses.

For veterans whose annual business revenue is less than \$50,000, attracting new customers, government regulation as well as the costs of running their business are top-of-mind preoccupations. Veterans whose annual revenue is at least \$250,000 seem especially concerned with government regulation as well as government in general, the state of the economy, finding qualified employees and taxes. Those in the intermediate revenue category report being faced with a multitude of challenges equally, including taxes, government regulation, business development, cash flow as well as the cost of running their business.

What do you think is the most important challenge facing you as a small business owner today?

Top Ten Challenges	Veteran	Small Business Owner General Population
	%	%
Attracting customers/ targeting business opportunities/finding work/ new business	13	15
Government regulation	12	10
Costs/fees of running the business/having enough money for capital investments	10	6
The economy	10	9
Financial stability/cash flow	9	9
Taxes	9	9
Hiring qualified/good staff and retaining them	7	7
Government (general)	7	4
Competition/larger corporations/internet	3	5
Marketing/advertising/reaching out/getting noticed	3	4
Number of Interviews	729	1,003

Top Ten Challenges	Veteran	Veteran – Less than \$50K	Veteran – \$50K-\$249.9K	Veteran – \$250K or more
	%	%	%	%
Attracting customers/targeting business opportunities/finding work/new business	13	18	13	6
Government regulation	12	10	12	17
Costs/fees of running the business/having enough money for capital investments	10	12	10	8
The economy	10	6	10	17
Financial stability/cash flow	9	8	11	6
Taxes	9	8	10	11
Hiring qualified/good staff and retaining them	7	4	7	10
Government (general)	7	6	6	11
Competition/larger corporations/Internet	3	2	3	4
Marketing/advertising/reaching out/getting noticed	3	5	2	1
Number of Interviews	729	227	324	178

VETERAN BUSINESS OWNERS' INFORMATION NEEDS AND SOURCES

Business owners in the general population and veteran segments alike tend to rely on the same top three sources for financial advice to run their business — other business owners, accountants and friends/family members, although those in the general population segment rely on friends and family members to a slightly greater extent than veterans, 59% and 51%, respectively.

Veteran business owners and those in the general segment equally rely on their banker/relationship manager for day-to-day financial advice, but veterans (34%) are more likely to report using lawyers than their counterparts in the general population (25%). Significant proportions of veteran small business owners also say they rely on non-social media Internet information sources (31%) and trade organizations (29%). Veteran small business owners also tend to cite their

financial institution's website, the SBA and chambers of commerce to a slightly greater extent than their peers in the general population segment.

Except for friends and family members, veterans in the startup and growing phases tend to rely on most sources they were asked about to a greater extent than those in the sustaining or winding down phases. In particular, those in the first two phases of their business lifecycle appear to rely on other business owners, accountants and their bankers more than those in the last two phases. Additionally, start-up- and growing-phase veteran business owners appear to turn to the SBA, non-profit groups and chambers of commerce to a greater extent than those in the last two phases of their business lifecycle. Overall, these findings suggest that as their business matures, veterans tend to de-emphasize certain sources of financial advice as they become more experienced business owners.

Apart from others in your company, who do you turn to when you need day to day financial advice for running your company? This could include things such as, establishing your credit needs, employee benefit needs, or cash flow analysis. Do you look to...?

	Veteran	Small Business Owner General Population
	%	%
Other business owners	66	64
An accountant or accounting firm	60	60
Friends and family members	51	59
Your banker or relationship manager	36	34
A lawyer or a law firm	34	25
Non-social media sources of information on the Internet, such as news organizations, blogs, etc.	31	35
Trade organizations or associations	29	27
Your financial institution's website	24	18
Small Business Administration	18	10
Non-profit groups or government agencies	15	12
Chamber of Commerce	13	8
Social media, such as Facebook groups or Twitter Accounts	10	11
Number of Interviews	729	1,003

	Veteran Total	Veteran – Startup/ Growing Phases	Veteran – Sustaining/Winding Down Phases
	%	%	%
Other business owners	66	74	60
An accountant or accounting firm	60	67	55
Friends and family members	51	53	49
Your banker or relationship manager	36	40	33
A lawyer or a law firm	34	40	30
Non-social media sources of information on the Internet, such as news organizations, blogs, etc.	31	38	24
Trade organizations or associations	29	35	24
Your financial institution's website	24	26	22
Small Business Administration	18	29	9
Non-profit groups or government agencies	15	22	10
Chamber of Commerce	13	21	8
Social media, such as Facebook groups or Twitter Accounts	10	13	7
Number of Interviews	729	275	451

Veteran and the general population segments of small business owners express a high level of interest in learning more about key aspects of running a business — especially in learning more about increasing sales of their business. It should be noted that veteran business owners express higher levels of interest than their counterparts in the general segment to learn about building a strong credit application and choosing the best type of credit for their business needs.

When comparing interest between veteran owners at different stages of their business lifecycle, the results underscore the greater levels of interest in learning more about each one of the business topics mentioned among those in the first two stages. The results also indicate that significant proportions of veterans in the last two stages want to learn more about those business issues.

Veterans' main interest is in sales growth. Interest in this topic is particularly high among veterans who are in the

start-up or growth phases of their business lifecycle as 68% of them say they are extremely or very interested compared with 42% of veterans who are in the sustaining or winding down phases. More than four in 10 in the start-up or growing phases express a high level of interest in having a better understanding about managing their company's finances and 38% in the last two stages of their business cycle say the same.

Roughly one-third express high levels of interest to learn how to put together a strong credit application, choose a credit product that fits their business needs and write a better business plan. It is important to note that a relatively large proportion (at least one-quarter) of veterans in the sustaining or winding down phases also express high levels of interest in learning more about those business issues. Overall, these findings underscore veteran business owners' strong appetite to improve their business operations, even among more experienced owners.

As a small business owner, how interested are you in learning more about each of the following, extremely, very, somewhat, not very, or not at all interested in each?

% “Extremely” or “Very”	Veteran	Small Business Owner General Population
	%	%
Increasing sales for your business	54	52
Understanding and managing your company finances	41	41
Building a strong credit application	29	23
Choosing the type of credit that is best for the needs of your business	30	23
Developing a business plan	28	28
Number of Interviews	729	1,003

% “Extremely” or “Very”	Veteran Total	Veteran – Startup/ Growing Phases	Veteran – Sustaining/ Winding Down Phases
	%	%	%
Increasing sales for your business	54	68	42
Understanding and managing your company finances	41	44	38
Building a strong credit application	29	34	25
Choosing the type of credit that is best for the needs of your business	30	35	26
Developing a business plan	28	31	25
Number of Interviews	729	275	451

VETERAN BUSINESS OWNERS' SATISFACTION AND SUCCESS

In general, veterans express high levels of satisfaction being small business owners as 67% say they are extremely (29%) or very (38%) satisfied. This is on par with the levels of satisfaction expressed by small business owners in the general population segment.

Perceptions of success are similar in the veteran and general population segments of small business owners. One-half of veteran business owners feel they are extremely (10%) or very (40%) successful; in the general population segment, 7% say they are extremely successful and 42% say very

successful. Interestingly, when looking at success across revenue categories, veterans' highest assessments do not dramatically increase as revenue rises. Just 5% of those with less than \$50,000 in annual business revenue say they are extremely successful, trailing those in the intermediate revenue category (10%). Among veteran business owners in the top revenue category, 16% feel they are extremely successful; however, the difference is not statistically significant compared with those in the intermediate category. These findings suggest that while veteran business owners measure their success in terms of revenue growth, once they reach a certain threshold, their perceptions of their business accomplishments are unlikely to change.

Overall, how satisfied are you with being a small business owner? Are you...?

	Veteran	Small Business Owner General Population
	%	%
Extremely satisfied	29	28
Very satisfied	38	42
Somewhat satisfied	25	27
Not too satisfied	4	2
Not at all satisfied	3	1
Number of Interviews	729	1,003

	Veteran Total	Veteran – Less than \$50K	Veteran – \$50K-\$249.9K	Veteran – \$250K or more
	%	%	%	%
Extremely satisfied	29	23	29	38
Very satisfied	38	42	42	27
Somewhat satisfied	25	27	24	22
Not too satisfied	4	3	4	5
Not at all satisfied	3	5	*	7
Number of Interviews	729	227	324	178

*Less than 0.5%

Overall, how successful do you feel you have been as a small business owner? Have you been...?

	Veteran	Small Business Owner General Population
	%	%
Extremely successful	10	7
Very successful	40	42
Somewhat successful	46	49
Not too successful	4	2
Not at all successful	*	*
Number of Interviews	729	1,003

*Less than 0.5%

	Veteran Total	Veteran – Less than \$50K	Veteran – \$50K-\$249.9K	Veteran – \$250K or more
	%	%	%	%
Extremely successful	10	5	10	16
Very successful	40	25	46	46
Somewhat successful	46	58	42	36
Not too successful	4	9	2	2
Not at all successful	*	1	-	1
Number of Interviews	729	227	324	178

*Less than 0.5%

Veteran small business owners' own words underscore financial outcomes as the top measure of their success. Forty-five percent of veteran business owners define their success in terms of sales/revenue/making money/profitability. The predominance of "making money" to define success holds true across revenue categories and business phases as well as gender. Veteran small business owners also mention personal satisfaction (17%) and business survival (10%) to define success, but to a much lesser degree than they are to equate their success to money matters.

Other definitions of success include customer satisfaction and growth. But mentions of freedom and independence are relatively few (5% or less) even though it is the main reason veteran business owners cite to start their business.

“

“You can measure your success by revenue, and having enough revenue to employ enough people.” (Female veteran, Midwest region)

“As long as my phone keeps ringing for additional work.” (Male veteran, West region)

“First would be the bottom line, money. Right with that is the satisfaction that I get out of it.” (Female veteran, South region)

”

In spite of the challenges and sacrifices business ownership entails, 87% of veteran owners and 88% of the general segment of owners say they would do it all over again. Looking just at veterans, there are no differences across gender or revenue categories, although younger veterans (those aged 18 to 39) are slightly more likely than older

veterans to say they would still become small business owners. Further, veterans who are in the sustaining or winding down phases of their business cycle (82%) are less likely than those in the startup or growing phases (93%) to say they would become a small business owner rather than do something else.

How do you define success as a small business owner? (Open ended)

Top Reasons	Veteran	Small Business Owner General Population
	%	%
Sales/revenue/making money/wealth/ profitability/ steady income/making a good living/pay bills	45	47
Personal satisfaction/achieving your goals/doing what you love	17	12
Survival/staying in business/busy/getting work/a good customer base/returning customers	10	15
Growth/expansion	5	4
Satisfied customers	4	3
Freedom/independence/making your own decisions	4	3
Having a good/in-demand product/service/ahead of the competition	3	3
Contributing to the community/society/helping others	3	1
Number of Interviews	729	1,003

If you had to do it all over again, would you...?

	Veteran	Small Business Owner General Population
	%	%
Still become a small business owner	87	88
Do something else	12	10
Don't know/Refused	1	2
Number of Interviews	729	1,003

	Veteran Total	Veteran – Startup/Growing Phase	Veteran – Sustaining/ Winding Down Phases
	%	%	%
Still become a small business owner	87	93	82
Do something else	12	6	16
Don't know/Refused	1	1	2
Number of Interviews	729	275	451

D. FUNDING A SMALL BUSINESS

This section reports on veteran business owners' sources of funding, and experiences obtaining credit. The analysis focuses on differences across revenue categories or lifecycle business phases, where applicable.

SOURCES OF FUNDING

Overall, sources of initial funding are similar for business owners in both segments, although veterans tend to rely more on personal credit cards, personal lines of credit and small business lines of credit than their peers in the general population segment.

The primary source of funding veterans say they used to launch their venture is personal cash or savings, irrespective of the revenue categories. Eighty-nine percent of veteran business owners say they used personal cash or savings to initially fund their business, with those in the bottom two revenue categories slightly more likely than those in the upper category to rely on such a source. As their second source, but far behind personal cash, is personal credit cards (46%), with no differences across revenue categories being statistically significant. Personal lines of credit (34%) also represent an important source of initial funding for the

veteran segment, especially among those whose business revenue is at least \$250,000 per year.

In general, business credit cards, small business lines of credit and small business loans are more prevalent sources of initial funding for veterans in the highest revenue category than for those in the other two revenue groups.

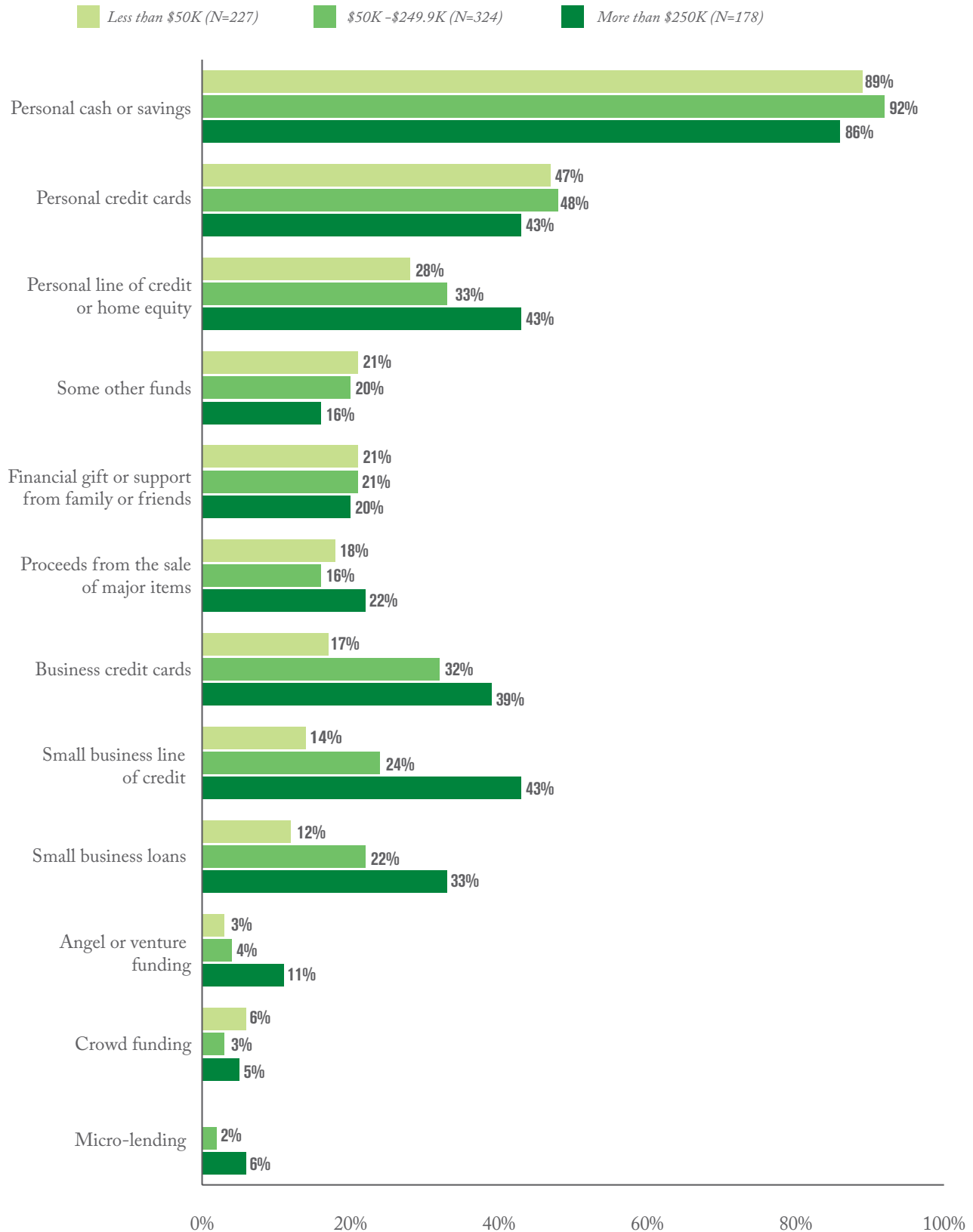
Among veterans who say they used a small business loan as a source of initial funding, 28% of them say it was an SBA loan. Among the general population segment, the incidence is similar at 27%.

Angel money and micro-lending, while not common, appear to be more common among veterans in the revenue category of at least \$250,000. Veteran business owners also mention "some other funds," which usually refers to other personal funds or savings, although a few cite 401K or other retirement funds as well as stocks/bonds/mutual funds. Veteran small business owners mention other sources of initial business funding, such as proceeds from the sale of major items and financial gifts or support from family or friends, equally across all three revenue categories.

Now, thinking about when you started your small business, for each of the following, please indicate if you used this as a way to initially fund your business?

	Veteran	Small Business Owner General Population
	%	%
Personal cash or savings	89	87
Personal credit cards	46	38
Personal line of credit or home equity	34	24
Business credit cards	29	27
A small business line of credit from a bank or other financial institution	25	20
A small business loan from a bank or other financial institution	21	19
Financial gift or support from family or friends	21	27
Some other funds	19	17
Proceeds from the sale of major items, such as a car or house	18	11
Angel or venture funding	5	3
Crowd funding, such as Kickstarter or peer-to-peer lending sites, such as Lending Club	4	2
Micro-lending organizations, such as Accion	2	1
Number of Interviews	729	1,003

Veteran small business owners – top sources of initial funding by annual revenue



How familiar are you with the Small Business Administration's loan programs available to small business owners — would you say extremely, very, somewhat, not very, or not at all?

	Veteran	Small Business Owner General Population
	%	%
Extremely/very familiar	17	12
Somewhat familiar	31	26
Not very/not at all familiar	52	62
Number of Interviews	729	1,003

	Veteran Total	Veteran – Less than \$50K	Veteran – \$50K-\$249.9K	Veteran – \$250K or more
	%	%	%	%
Extremely/very familiar	17	18	16	17
Somewhat familiar	31	33	31	28
Not very/not at all familiar	52	50	53	54
Number of Interviews	729	227	324	178

Awareness of SBA loan programs among veterans is significantly higher than those in the general population segment of owners (48% vs. 38%, respectively).

In terms of current sources of funding, veteran business owners mirror the general business population segment, relying on two main sources. Overwhelmingly, veteran business owners and their peers in the general segment rely equally on the revenue their business generates. Personal cash or savings is the next source of current funding, although veteran business owners say they rely on it to a greater extent than those in the general population segment, 66% and 59%, respectively. Veteran business owners also tend to rely more on personal credit cards, business credit cards, personal lines of credit and proceeds from the sale of major items than those in the general population segment.

There are, however, significant differences across revenue categories. Overall, veteran business owners whose annual revenue is at least \$250,000 are more likely than those in the other revenue categories to rely on money generated by their

business. Conversely, those in the upper business revenue category are far less likely than owners in the other revenue categories to say they rely on personal cash or savings to operate their business today. Those in the upper revenue group also tend to rely more on business credit cards as well as small business lines of credit compared with those in the other two revenue categories.

Veteran owners whose annual business revenue is between \$50,000 and \$249,999 rely mainly on the revenue generated by their business, although to a lesser extent than owners in the upper revenue category. Further, personal cash still represents an important source of current funding as 67% say they use personal savings to operate their business venture currently. They are also more likely to rely on personal credit cards to fund their current business operations compared with owners in the other two revenue categories. Reliance on business credit cards is more important for this group compared with business owners in the lowest revenue category, 34% and 15%, respectively.

Veterans whose annual business revenue is less than \$50,000 depend equally on revenue generated by their business and their personal cash or savings as current sources of funding. This is a unique characteristic of this veteran group. An additional 15% of veteran owners with less than \$50,000 in business revenue cite “some other funds,” which usually refer to other personal funds or savings. This underscores the importance of personal savings for this group. Further, relatively significant proportions in the lowest revenue category also cite personal credit cards (28%) and personal lines of credit (18%).

Overall, the comparison between initial and current sources of funding reveal three main profiles of veteran business operations. First, veteran business owners who have dramatically decreased their dependence on personal cash to run their enterprise. They are also the ones most likely

to use business credit products to fund current operations, in addition to the funds their business generates. In the second group, veteran business owners rely equally on funds generated by their business and on personal cash and have relatively limited exposure to business credit products. These owners have the lowest reported business revenue. Those in the third group appear to be a hybrid of the other two groups, with strong reliance on funds generated by their business as well as a mix of personal and business credit card use. In addition, veteran business owners in this subgroup still rely heavily on personal cash at this stage.

Current use of SBA loans among the veteran segment is 31% among those who have taken out a loan. As a point of comparison, the percentage among the general population segment is 18%. Caution should be taken when comparing the two groups due to the small base size on this question.

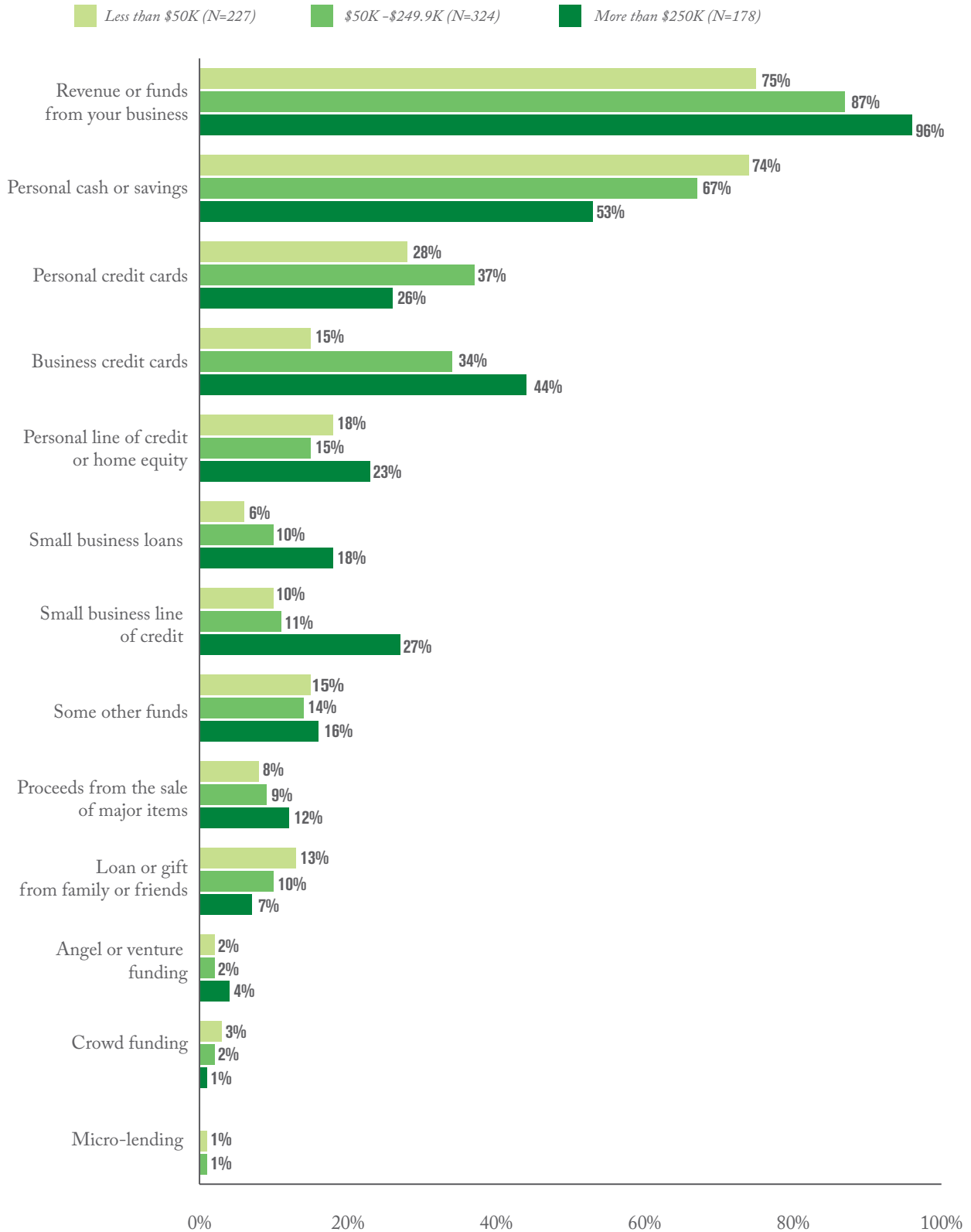
Which of the following do you currently use to fund your business today?

	Veteran	Small Business Owner General Population
	%	%
Revenue or funds from your business	85	87
Personal cash or savings	66	59
Personal credit cards	31	24
Business credit cards	30	25
Personal line of credit or home equity	18	11
A small business loan from a bank or other financial institution	10	9
A small business line of credit from a bank or other financial institution	14	14
Some other funds	14	7
Proceeds from the sale of major items, such as a car or house	10	4
Loan or gift from family or friends	10	11
Angel or venture funding	3	1
Crowd funding, such as Kickstarter or peer-to-peer lending sites, such as Lending Club	2	1
Micro-lending organizations, such as Accion	1	*
Number of Interviews	729	1,003

*Less than 0.5%

Which of the following do you currently use to fund your business today?

Veteran small business owners – top sources of current funding by annual revenue



APPLYING FOR CREDIT AND OUTCOMES

When compared with the general population segment of small business owners, veterans are more likely to report having borrowed or used credit for their business, 50% and 58%, respectively. Within the veteran segment, those whose annual revenue is at least \$250,000 are the most likely to say they have borrowed or used credit for their business.

When asked if they had been able to obtain all the credit they needed in the past year for their business, 23% of veteran business owners say they had, which is identical to the general population segment of business owners. However, veterans (11%) tend to report being unable to get all the credit they needed in the past year to a slightly

greater extent than their peers in the general population segment (6%). Additionally, veteran business owners are less likely than those in the general segment to say they did not need to borrow in the past year.

There are some important differences across revenue categories. While veteran small business owners in the highest revenue group appear to have the most need to borrow and are also the ones most likely to obtain all the business credit they need, they are as likely as those in the lowest revenue category to report not getting all the credit they needed in the past year. These findings underscore the point that revenue is an important component of the credit application process, but many other factors come into play.

Have you ever borrowed money or used credit for your business?

	Veteran	Small Business Owner General Population
	%	%
Yes	58	50
No	42	50
Number of Interviews	729	1,003

	Veteran Total	Veteran – Less than \$50K	Veteran – \$50K-\$249.9K	Veteran – \$250K or more
	%	%	%	%
Yes	58	45	53	84
No	42	55	47	16
Number of Interviews	729	227	324	178

Have you been able to obtain all the credit you needed for your business in the last year, not been able to obtain all the credit you needed, OR have you not needed credit in the past year?

	Veteran	Small Business Owner General Population
	%	%
Been able to obtain all the credit needed	23	23
Not been able to obtain all the credit needed	11	6
Not needed credit	66	71
Number of Interviews	729	1,003

	Veteran Total	Veteran – Less than \$50K	Veteran – \$50K-\$249.9K	Veteran – \$250K or more
	%	%	%	%
Been able to obtain all the credit needed	23	19	20	33
Not been able to obtain all the credit needed	11	14	7	13
Not needed credit	66	67	72	54
Number of Interviews	729	227	324	178

PLANS TO APPLY FOR NEW CREDIT PRODUCTS

Just 14% of veteran business owners say they plan to apply for a new credit product in the next 12 months, which is on par with what small business owners in the general population segment say. As revenue increases, so does intent

to borrow. Perhaps not surprisingly, veteran business owners in the startup/growing phases (25%) are far more likely to say they plan to apply for credit in the next 12 months than those in the sustaining/winding down phases (5%).

Are you planning to apply for any new credit products, such as a business credit card or a line of credit or loan for your business, in the next 12 months?

	Veteran	Small Business Owner General Population
	%	%
Yes	14	15
No	86	85
Number of Interviews	729	1,003

	Veteran Total	Veteran – Less than \$50K	Veteran – \$50K-\$249.9K	Veteran – \$250K or more
	%	%	%	%
Yes	14	11	12	21
No	86	89	88	77
Number of Interviews	729	227	324	178

E. SMALL BUSINESS OWNERS' LENDING EXPERIENCE

Fifteen percent of veteran business owners report ever having been declined for credit in the past, similar to what their peers in the general population segment say. But those whose annual revenue is at least \$250,000 are more likely than those in the other revenue categories to say they have ever been declined credit for their business. Further, among veteran business owners who say they have been declined for credit, 58% say they applied for credit again. Sample sizes across revenue categories are too small to report the results of those who applied again for credit.

Interestingly, veteran business owners who were ever denied credit appear somewhat divided as to how they view banks. Fifty-five percent of those who were ever declined credit for their business say it negatively affected their opinion of banks and other financial institutions and 45% say it did not. While the results of the general population segment indicate a higher percentage saying their opinion was negatively affected, it is important to note that it is not a significant difference.

Due to the small sample sizes of those ever being declined for a business credit product, results across revenue categories cannot be reported.

Have you ever been declined for credit for your business in the past?

	Veteran	Small Business Owner General Population
	%	%
Yes	15	14
No/Refused	85	86
Number of Interviews	729	1,003

	Veteran Total	Veteran – Less than \$50K	Veteran – \$50K-\$249.9K	Veteran – \$250K or more
	%	%	%	%
Yes	15	14	9	27
No/Refused	85	86	91	73
Number of Interviews	729	227	324	178

After you were declined, did you apply for credit again at any bank or financial institution? (Based on those who say they have ever been declined for credit)

	Veteran	Small Business Owner General Population
	%	%
Yes	58	53
No/Don't Know/Refused	42	47
Number of Interviews	114	134

Has being declined for credit in the past negatively impacted your opinion of banks and other financial institutions or not?
(Among those who say they had been declined for credit in the past)

	Veteran	Small Business Owner General Population
	%	%
Yes	55	62
No	45	37
Number of Interviews	114	134

CONFIDENCE IN OBTAINING CREDIT

When asked about their level of confidence to obtain credit today if they needed it, a majority (61%) of veteran business owners say they are extremely or very confident that they would, well above what their peers in the general population segment say (53%). Although veterans' confidence in their ability to obtain credit seems related to their business revenue, such confidence appears to plateau once revenue reaches a certain level.

The main reason veteran business owners say they lack confidence to obtain credit, if they needed it, is because they believe that banks are not lending or that lending requirements are too tight (24%). To explain their lack of confidence in obtaining credit for their business, veteran business owners also cite their low revenue, credit rating and that banks do not like small businesses/their business or their industry. Due to the small sample sizes, results across revenue categories cannot be reported.

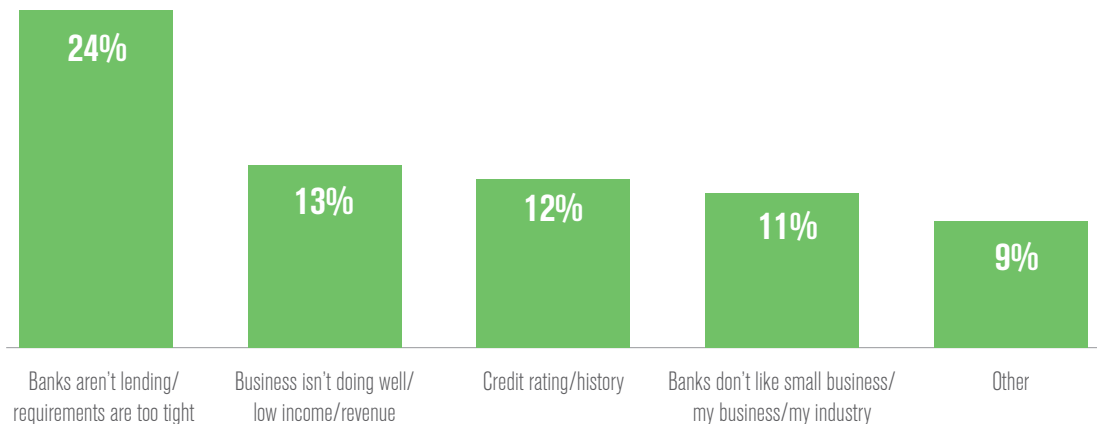
If you needed credit today, how confident do you feel that your business would be able to obtain it? Would you say you are extremely, very, somewhat, not very, or not at all confident?

	Veteran	Small Business Owner General Population
	%	%
Extremely/Very confident	61	53
Somewhat confident	20	27
Not very/Not at all confident	18	20
Number of Interviews	729	1,003

	Veteran Total	Veteran – Less than \$50K	Veteran – \$50K-\$249.9K	Veteran – \$250K or more
	%	%	%	%
Extremely/Very confident	61	50	66	67
Somewhat confident	20	24	18	17
Not very/Not at all confident	18	25	14	15
Number of Interviews	729	227	324	178

Why are you not confident about being able to obtain credit if you needed it?

Top mentions – among veterans who are not at all/very confident they could obtain credit, if needed (N=127)



MANAGING FINANCIAL ISSUES

Veteran and general population segment owners were asked how strongly they agreed with a series of statements about various aspects of handling financial issues for their business. Overall, veteran business owners' confidence in each area is on par with that of business owners in the general segment. They are most confident in their ability to manage their business' finances, with no statistically significant difference between veteran business owners and those in the general population segment (45% and 43%, respectively). Far fewer veteran business owners (31%) strongly agree they are confident in their understanding of banks' and financial institutions' credit qualification process, although this is similar to the level of confidence expressed by business owners in the general population segment.

Relatively few veteran business owners say they would be willing to use credit to help grow their business, similar to what their peers in the general population segment say and

with no statistically significant differences across revenue categories. At the same time, just 7% of veteran business owners strongly agree it has been difficult for their business to get credit. In addition, about one-quarter (28%) strongly agree they would only borrow money for their business during emergencies, although differences across revenue categories are not statistically significant.

Fewer than two in 10 veteran business owners strongly agree that managing their cash flow is a serious problem in the current economic climate (15%), with those in the upper revenue category (23%) the most likely to say they strongly agree with the statement. In fact, veteran business owners (15%) are more likely than their counterparts in the general population segment (8%) to strongly agree cash flow is an important issue right now.

For each of the following statements, please tell me if you strongly agree, agree, neither agree nor disagree, disagree, or strongly disagree? (% strongly agree)

	Veteran	Small Business Owner General Population
	%	%
I am confident in my ability to manage the finances of my business	45	43
I am confident in my understanding of banks' and financial institutions' credit qualification process	31	28
When it comes to my business, I consider myself to be technologically savvy	31	24
I would only borrow money for my business in emergencies	28	24
I am comfortable going to banks or other financial institutions with questions and concerns about credit and lending	23	21
Managing cash flow is a serious problem for my business in the current economic climate	15	8
I am willing to use credit to help grow my business	12	11
I have struggled with personal credit issues in the past	8	5
It has been difficult for my business to get credit	7	4
Number of Interviews	729	1,003

	Veteran Total	Veteran – Less than \$50K	Veteran – \$50K-\$249.9K	Veteran – \$250K or more
	%	%	%	
I am confident in my ability to manage the finances of my business	45	42	45	51
I am confident in my understanding of banks' and financial institutions' credit qualification process	31	29	27	42
When it comes to my business, I consider myself to be technologically savvy	31	29	31	32
I would only borrow money for my business in emergencies	28	24	30	30
I am comfortable going to banks or other financial institutions with questions and concerns about credit and lending	23	18	22	31
Managing cash flow is a serious problem for my business in the current economic climate	15	12	14	23
I am willing to use credit to help grow my business	12	11	9	19
I have struggled with personal credit issues in the past	8	11	7	6
It has been difficult for my business to get credit	7	9	6	8
Number of Interviews	729	227	324	178

TRUST IN FINANCIAL INSTITUTIONS

A majority of veteran business owners say they trust banks and financial institutions a great deal (18%) or somewhat (52%), which is similar to what business owners in the general population segment say. Although, differences across revenue categories are not statistically significant, some interesting patterns emerge when looking at age and stages of the business cycle.

Those in the sustaining/winding down phases (23%) tend to express higher levels of trust in banks and other financial institutions than those in the startup/growing phases (12%) of their business. Those aged 55 and older are also more likely than those under the age of 55 to say they trust banks and other financial institutions a great deal.

Credit use appears to be related to trust levels, but only at the high and low ends of the scale. Veteran business owners who have ever borrowed money or used credit for their business tend to trust banks and other institutions “a great deal” to a greater extent than if they never borrowed money for their business, 22% vs. 11%. At the other end of the spectrum, those who have borrowed money for their business are less likely than those who have not to say they do “not at all” trust banks and other institutions. These findings suggest that the business lending experience for veterans helps improve trust but only to a certain extent. In others words, there are likely other factors in play with regard to veteran business owners’ trust in financial institutions.

Thinking about banks and other financial institutions, would you say that you currently trust them a great deal, somewhat, not very much, or not at all?

	Veteran	Small Business Owner General Population
	%	%
A great deal	18	14
Somewhat	52	55
Not very much	16	19
Not at all	13	11
Number of Interviews	729	1,003

	Veteran Total	18-54	55 and older	Startup/Growing Phases	Sustaining/Winding Down Phases
	%	%	%	%	%
A great deal	18	7	24	12	23
Somewhat	52	58	47	57	47
Not very much	16	18	15	18	15
Not at all	13	16	13	12	14
Number of Interviews	729	218	503	275	451

Levels of trust based on those who have borrowed and those who have not

	Yes, has ever borrowed money for business	No, has never borrowed money for business
	%	%
A great deal	22	11
Somewhat	50	54
Not very much	16	17
Not at all	11	17
Number of Interviews	418	310

IMPROVING THE BANKING EXPERIENCE

When asked, in an open-ended question, what banks or financial institutions could do to make the small business banking experience better, veterans and the general population segment of owners alike cite similar ways to improve the experience. The top item mentioned by both segments is loosening credit (better loans, lending availability). Among veteran owners, 14% say “better loans/lending availability.” Veteran owners’ other suggestions include improving the overall processes involved in getting a loan (8%), better communication and transparency during the loan transaction (6%), charging fewer fees (5%), being honest (5%) and better rates (5%). While relatively few mention issues related to the customer experience (hearing positive comments, being more understanding, having more knowledgeable employees or getting more personal attention), such mentions add up to more than 20% of their responses. In addition, 29% of veteran business owners are unable to provide a specific recommendation.

“

“Respect the small business owner as a client and not a body that just walked in.” (Male veteran, South region)

“Honesty.”
(Female veteran, South region)

“More financial literacy.” (Female veteran, East region)

“They need to look more at the individual and individual circumstances instead of just cookie-cutter ideas that they try to fit everybody into.” (Male veteran, Midwest region)

”

ATTITUDES TOWARD VETERAN STATUS IN BUSINESS

Since diverse attributes are not mutually exclusive and respondents can have more than one diverse attribute, such as being a veteran and identifying as African American, caution should be used when interpreting results in this section.

Overall, veteran business owners say their veteran status makes no difference in business. About three-quarters (76%) say they feel they are treated about the same as other small business owners. Fifteen percent feel they are treated better and just 2% say they feel they are treated worse. Across revenue categories, differences are minimal and not meaningful. However, there are important differences in terms of age.

In general, younger veteran business owners tend to say they are treated better than other small business owners compared with older veterans, 22% and 11%, respectively. In addition, results suggest women veteran business owners tend to feel better treated than other small business owners compared with their men counterparts. However, they are also more likely to say they do not know or refuse to answer.

Attitudes toward being a minority-owned business are mixed. A majority of veteran business owners say being a minority-owned business has no effect on their company, but almost one in five say it makes it harder to run their business. It is important to note that 18% of veteran business owners do not have an opinion or refused to answer.

Do you feel that as a veteran, you are treated better as a small business owner, worse, or about the same as other small business owners? (Among those who identify as veterans)

	Veteran Total	18-54	55 and older
	%	%	%
Treated better	15	22	11
Treated worse	2	2	1
Treated about the same	76	70	81
Don't Know/Refused	7	5	7
Number of Interviews	729	218	503

Does being a minority-owned business...?

	Veteran
	%
Make it easier to run your business	8
Make it harder to run your business	18
No effect on your business	56
Don't Know/Refused	18
Number of Interviews	729

PAST EXPERIENCE WITH ANY FORM OF DISCRIMINATION

One-quarter (25%) of veteran business owners say they have ever experienced discrimination of any form based on race, ethnicity, gender or sexual orientation, which is on par with what their peers in the general population segment of business owners say (23%). Within the veteran segment, reports of discrimination are more prevalent among those aged 18 to 54 and veterans who are in the startup or growing phases of their business lifecycle. However,

it is important to reiterate that their perceived sense of discrimination is not based on being a veteran and may be due to another attribute, such as race or ethnicity.

Among veteran business owners who say they experienced discrimination, 23% of them say they reported it to any organization or authority. Although the sample sizes are small, preliminary data suggest younger owners (those aged 18 to 54) are more likely than older individuals to report the discrimination to an organization.

Have you ever experienced discrimination of any form based on race, ethnicity, gender, or sexual orientation?

	Veteran	Small Business Owner General Population
	%	%
Yes	25	23
No	74	77
Number of Interviews	729	1,003

	Veteran Total	18-54	55 and older	Startup/Growing Phases	Sustaining/Winding Down Phases
	%	%	%	%	%
Yes	25	41	15	29	22
No	74	57	84	70	77
Number of Interviews	729	218	503	275	451

DIVERSE ATTRIBUTES AND PERCEIVED IMPACT ON BUSINESS

A large majority of veteran business owners say they do not feel their business was impacted because of their race, ethnicity, gender or sexual orientation. This is similar to what small business owners in the general population segment say.

Do you feel that your business has ever been negatively impacted based on your race, ethnicity, gender, or sexual orientation, positively impacted, or has it had no impact?

	Veteran	Small Business Owner General Population
	%	%
Negatively impacted	10	10
Positively impacted	5	3
Has had no impact	83	86
Number of Interviews	729	1,003

PERCEIVED DISCRIMINATION FROM A FINANCIAL INSTITUTION

Overwhelmingly, veteran business owners say they do not feel that discrimination from a financial institution based on their race, ethnicity, gender or sexual orientation has ever impacted their chances of obtaining credit for their company. The results are similar among the general population segment of owners. Within the veteran segment, those aged 18 to 54 tend to say such discrimination affected their chances of getting credit more than veterans aged 55 and older.

Do you feel that discrimination from a financial institution based on your race, ethnicity, gender or sexual orientation has ever impacted your chances of obtaining credit for your business?

	Veteran	Small Business Owner General Population
	%	%
Yes	8	5
No	90	94
Number of Interviews	729	1,003

F. DETAILED METHODOLOGY

QUANTITATIVE DATA COLLECTION OVERVIEW

For the quantitative phase, results for the veteran segment are based on a Gallup telephone study completed with small business owners, aged 18 and older, conducted August 1-18, 2014. Among the general population, interviews were conducted between August 1-18 and November 10-21, 2014.

The Gallup Daily tracking completed interview sample was used to create a nationally representative sample frame of small business owners. Every day, Gallup completes 1,000 nationally representative interviews of adults aged 18 and older living in all 50 states and the District of Columbia, via landline and cellular telephones. At the end of each interview, respondents are asked if they would be willing to be re-contacted to participate in a future Gallup survey. Respondents who indicated they were either a business owner or self-employed and agreed to be re-contacted on the Gallup Daily tracking study were eligible for inclusion in the current study. Owners with less than \$10,000 in business revenue were included in the study as long as they considered their work a business. Respondents who said they had ever served in the U.S. armed forces were classified as veterans.

WEIGHTING GENERAL POPULATION OF BUSINESS OWNERS

The sample was weighted to account for unequal selection probability and nonresponse. The data are weighted to match national small business owners' demographics of gender, age and race/Hispanic ethnicity. These demographic weighting targets are based on the weighted demographic

distribution of Gallup's Daily Tracking Survey respondents identified as small business owners.

WEIGHTING OF DIVERSE SEGMENTS

The sample was weighted to account for unequal selection probability and nonresponse. The data are weighted within segments to match national small business owners' demographics of gender and age for each segment. These demographic weighting targets are based on the weighted demographic distribution of Gallup's Daily Tracking Survey respondents identified as small business owners in each segment.

SAMPLE SIZE AND MARGIN OF ERROR

The margin of error for 729 veterans is ± 5 percentage points at the 95% confidence level. Among the general population of small business owners, the margin of error is ± 4 percentage points. Margins of error are higher for subsamples.

In addition to sampling error, question wording and practical difficulties in conducting surveys can introduce error and bias into the findings of public opinion polls.

SURVEY LENGTH

The survey length averaged 15 minutes and included both closed-ended and open-ended questions. Prior to conducting the survey, Gallup completed an in-depth briefing with the interviewing team.

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