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**Contact: Patrick Morris (202) 205-6941
patrick.morris@sba.gov**

Veterans Often Choose Entrepreneurship

Washington, D.C. – Military service is highly correlated with self-employment, according to an Office of Advocacy study, *Factors Affecting Entrepreneurship among Veterans*, released today. The study by John Hope, Brian Oh, and Patrick Mackin of SAG Corporation uses three data sources to explore how military service is related to veteran entrepreneurship. In the private sector workforce, the study found that veterans are at least 45 percent more likely than those with no active-duty military experience to be self-employed.

The study also tested the hypothesis that military service imparts some unique training or acculturation that makes veterans more likely to be entrepreneurs, but found no evidence for such a correlation.

“Entrepreneurship is a choice made by many of our men and women in uniform when they move into civilian life,” said Chief Counsel for Advocacy Winslow Sargeant. “Knowing more about the factors behind veterans’ self-employment offers opportunities to lay the groundwork for successful ventures.”

The relationship between veterans’ entrepreneurship and their previous length of military service is complex. Compared with the whole population of veterans, those with four or fewer years of service are more likely to be self-employed. This suggests that the involvement in entrepreneurship is related to a veteran’s individual characteristics rather than military training or culture.

At the other end of the spectrum, career military retirees with 20 or more years of service had higher rates of self-employment, a finding that may be related to the relatively greater wealth of military retirees with longer careers. These veterans are also predominantly older, male, married, and possessing at least a high school education. Older military retirees are more likely to be self-employed—an additional year of age increases the probability of self-employment by about 7.5 percent.

Officers are 55.6 percent more likely to be entrepreneurs than enlisted personnel. The study suggests this is related to differences in education; officers are more likely to have college educations, and there are differentials in education and entrepreneurship that are similarly related in the general population.

Factors Affecting Entrepreneurship among Veterans and the research summary may be found at www.sba.gov/content/factors-affecting-entrepreneurship-among-veterans

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