

2002 Survey of Business Owners Press Releases

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Census Bureau Publishes First-Ever Reports on Veteran Entrepreneurs and Their Businesses

Veterans tend to be better educated before starting or acquiring their businesses and older than other business owners, according to new reports released today by the U.S. Census Bureau.

Characteristics of Veteran-Owned Businesses: 2002 [PDF] and *Characteristics of Veteran Business Owners: 2002* [PDF] show veteran business owners comprised about 3 million or 14.5 percent of the estimated 20.5 million owners of all firms that responded to the 2002 Survey of Business Owners (SBO).

The first-ever reports examining veterans in business show that prior to establishing, purchasing or acquiring their firms, veteran owners were somewhat better educated compared to other business owners. In 2002, veterans were about as likely to have either bachelor or postgraduate degrees as all owners of respondent business firms (40.7 percent vs. 40.1 percent). But they were more likely to have postgraduate degrees (19.2 percent vs. 17.3 percent) and less likely not to have graduated high school (4.3 percent vs. 6 percent).

Sixty-eight percent of veteran owners were age 55 or over, and 32 percent were 65 or older. By contrast, among all business owners of firms completing the survey, 31 percent were 55 or older.

Otherwise, businesses owned by veterans tended to be virtually identical to all respondent businesses in receipts and employment size of firm. (*Figure 1* [PDF] shows the distribution by receipts size category; *Figure 2* [PDF] by employment size category.) Moreover, the largest percent of shares of veteran-owned and all respondent businesses (totaling about 60 percent of the businesses in each group) were concentrated in the same five business sectors: professional, scientific, and technical services; construction; other services; retail trade; and real estate and rental and leasing. (See *Figure 3* [PDF] on the distribution of firms by kind of business.)

Other highlights:

- Nearly 7 percent of veteran business owners of respondent firms were disabled from injuries or illnesses incurred during active military service.
- About 55 percent of veteran-owned employer respondent firms reported having been originally established, purchased or acquired before 1990, compared with 36 percent of all employer firms responding to the survey.
- More than half (51.8 percent) of the veteran-owned respondent businesses were home-based compared with 49.4 percent of all respondent businesses.
- The percentage of veteran-owned firms with owners that relied on personal or family assets for capital to start or acquire their businesses was nearly identical to the percentage of all respondent businesses (63.9 percent vs. 63.6 percent). Percentages of businesses originally financed by banks or outside investors were also nearly identical for respondent veteran-owned businesses and all respondent businesses (14.2 percent vs. 14.8 percent), as were the percentages financed directly by government loans or government-guaranteed loans (1.3 percent vs. 1.6 percent).

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The SBO is part of the Economic Census that is conducted every five years. It combines survey data with administrative data.

All estimates were based on the businesses, both firms with paid employees and firms with no paid employees, that returned the 2002 SBO form and provided the gender, Hispanic or Latino origin, or race for the owner(s) or indicated that the firm was publicly held.

Of total respondents to the SBO, 92 percent of owners identified themselves as white, 5 percent as Asian, 4 percent as black, about 1 percent as American Indian or Alaska Native and 0.1 percent as Native Hawaiian or Other Pacific Islander. Five percent identified themselves as Hispanic (who can be of any race). See *Figure 4* [PDF].

For more information on veteran characteristics, access the summary of findings from the 2002 Characteristics of Business Owners (CBO) on the Census Bureau's Web site at <http://www.census.gov/econ/sbo/>, specifically the section titled "Nearly Fifteen Percent of Respondent Business Owners are U.S. Military Veterans," and Table 4, "Statistics for Owners of Respondent Firms by Owner's Veteran Status and Business Interest: 2002," at <http://www2.census.gov/econ/sbo/02/sb0200cscbo.pdf>. Please note that the CBO data only refer to veteran owners and not veteran-owned businesses.

Data for 2002 are not directly comparable to previous survey years (the last CBO survey was conducted for 1992) because of several significant changes to the survey methodology. See "Comparability of 2002 CB/CBO and 1992 CBO Data" of the 2002 Characteristics of Businesses (CB) and 2002 CBO reports, which are part of the SBO publication series at <http://www.census.gov/econ/sbo/methodology.html#comparability>.

The data collected in a sample survey are subject to sampling variability as well as nonsampling errors. Sources of nonsampling errors include errors of response, nonreporting and coverage.