



VETLOAN ADVANTAGE

A STRATEGIC INITIATIVE OF NADCO

What is VetLoan Advantage?

NADCO's VetLoan Advantage strategic initiative, founded in cooperation with the Small Business Administration and our 250 members, offers small business financing discounts and training to veterans who own businesses or are interested in small business ownership. In the first four months of 2013, 381 veterans have received loans totaling \$260 million – or approximately 10 percent of all loans offered through NADCO members.

Why was VetLoan Advantage founded?

Noting that veterans have a track record of success as small business owners, and recognizing that capital access continues to be a challenge in an economy with high unemployment rates, the nation's 250 Certified Development Companies (CDCs), in partnership with SBA, launched an initiative to help veterans access capital through reduced-rate financing.

How does it work?

NADCO and its member CDCs publish their reduced fees, training and incentives on their websites and at www.nadco.org. Veterans can save up to \$20,000 on commercial real estate loans and reduced fees on Community Advantage working capital loans under \$250,000.

How many veterans have chosen small business ownership as a career path?

Veterans are at least 45 percent more likely to take the plunge into entrepreneurship than people with no active-duty military experience, according to a May 2011 study from the SBA Office of Advocacy. In 2007 (the latest data available from the U.S. Census Bureau), veterans owned 2.4 million businesses, or 9 percent of all businesses nationwide, generating \$1.2 trillion in receipts and employing nearly 5.8 million people.

As an example of veterans' success in small business ownership, one out of every seven franchise businesses are owned and operated by veterans of the U.S. military, according to a recent study conducted for the International Franchise Association Educational Foundation based on U.S. Census data. More than 66,000 veteran-owned franchise businesses in the U.S. provide jobs directly for 815,000 Americans, and generate more than \$41 billion in GDP. The statistics for non-franchised small businesses are similarly impressive.

Why are veterans successful in small business ownership?

- Veterans come back with strong leadership skills and a thorough understanding of teams. Military experience includes leading people, improving processes, and accomplishing the mission. Just like in the military, in small business, the mission is accomplished by the team.



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- Many veterans have innate entrepreneurial skill. Veterans are trained and taught to solve problems. Those same skills -- adapting to the unexpected and finding a path to success -- lead to success in small business.
- Certified Development Companies and the SBA's network of Small Business Development Centers and SCORE volunteers offer support and training such as marketing, social media, and financial counseling.

What should veterans consider when exploring small business opportunities?

Seek out other veterans in small business. Create and access support networks. Prioritize what's important. Consider different models (home-based vs. office-based, capital requirements, etc.) to find or create a small business that will be a good fit. Do research to understand the history of the franchise and other opportunities. Seek out others who know and have succeeded -- or moved on.

How can I find out about specific finance incentives for Veterans?

Starting in June 2013, the VetLoan Advantage Toolkit and VetLoan Advantage directory will be available at www.nadco.org.