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SALUTING SERVICE: SUPPORTING VETERAN OWNED SMALL BUSINESSES

HEARING

BEFORE THE

COMMITTEE ON SMALL BUSINESS
UNITED STATES
HOUSE OF REPRESENTATIVES

ONE HUNDRED EIGHTEENTH CONGRESS

FIRST SESSION

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SALUTING SERVICE: SUPPORTING VETERAN-OWNED SMALL BUSINESSES

WEDNESDAY, MAY 24, 2023

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

The Committee met, pursuant to call, at 2:01 p.m., in Room 2360, Rayburn House Office Building, Hon. Roger Williams [chairman of the Committee] presiding.

Present: Representatives Williams, Luetkemeyer, Stauber, Meuser, Van Duyne, Mann, Ellzey, Molinaro, Alford, Crane, Bean, Hunt, LaLota, Velázquez, Golden, Mfume, McGarvey, Gluesenkamp Perez, Scholten, Thanedar, Chu, Davids, and Pappas.

Chairman WILLIAMS. Good afternoon, everyone, and thank the witnesses for being here. And I 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.

And I now recognize myself for my opening statement.

Welcome to today's hearing, which will focus on supporting veteran-owned small businesses.

Without our brave men and women serving in the Armed Forces, we would not be the country that we are today. Their service and willingness to pay the ultimate sacrifice are what always allows us here at home to carry on with our daily lives through everything from going to work and school to helping with our kids' little league games and everything in between. Our servicemembers run towards danger, defend our God-given freedoms in faraway lands, and protect us from those who seek to do us harm.

Simply put, those who have served on the front lines to protect our nation are beacons of hope for our country, not only in the present but for the future generations of leaders, and serve as an example for others to follow in their footsteps.

For the last 12 years, I have had the pleasure of representing the great place in Texas, Fort Cavazos, formerly known as Fort Hood. This is the largest military base in the country, and it is called home by over 30,000 Active Duty servicemembers. It is an honor every time I meet with them there, as they come from all walks of life, from all corners of our country.

When I visit the base and sit down with our soldiers, it is inspiring to hear these people's stories and what they want to accomplish once they finish their military service. They and their families are nothing short of extraordinary. Their drive, dedication, and work

ethic are all attributes we should all strive to have and all of which make our society a much better place.

As they protect us and allow us to pursue our American Dreams, we have a responsibility to help them do the same after their service is complete. Military servicemembers are natural leaders who play a vital role in our economy. Our nation's heroes own close to 2 million businesses, nearly all of which are small businesses, and are 45 percent more likely to be self-employed than non-veterans.

The federal government offers an array of programs that support servicemembers and their families if they are interested in creating their own small business.

One of those programs is the Small Business Administration's Boots to Business initiative, which provides entrepreneurship training to transitioning servicemembers to help them reenter the workforce and give them the tools to start their own business. Since the program's inception in 2013, over 150,000 servicemembers, veterans, and military spouses have participated in the Boots to Business program.

I was fortunate enough to see firsthand the work this program does when I visited Fort Cavazos with Administrator Guzman this past March to listen to the amazing business ideas that many of our servicemembers have today.

Our nation's brave servicemen and servicewomen are truly the bedrock of our country and put their lives on the line to defend our Constitution and freedom around the world.

To conclude, I hope today's hearing can further assist our country's servicemen and -women in their transition to civilian life and to help them pursue their dreams here at home.

God bless you all, and thank you for all you have done for our country.

With that, I yield to our distinguished Ranking Member from New York, Ms. Velázquez.

Ms. VELÁZQUEZ. Thank you, Mr. Chairman.

Thank you to the witnesses for being here today and to the Chairman for convening this hearing as we near Memorial Day, a time when our nation collectively honors the ultimate sacrifice made by so many in service to our country.

Today, we turn our focus to those brave men and women who, having completed their military service, continue to serve our nation. Every year, more than 200,000 servicemembers transition to civilian life, carrying with them the invaluable skills and experiences gained during their years of service. Their unwavering courage, astute decision-making, and exceptional leadership abilities are enormous assets for starting a business.

Our military members are not only among the most well-equipped to overcome obstacles in resource-constrained environments, but they have also recognized entrepreneurship as a powerful form of social and economic service.

According to the U.S. Census Bureau, over 2.4 million veteran business owners employ more than 5.7 million Americans and contribute approximately $1.2 trillion annually to our GDP.

By all measures, veteran entrepreneurs are an integral part of our economic engine. By expanding entrepreneurial opportunities

for transitioning servicemembers, we foster wealth creation and community development.

In past hearings, we have discussed the unfortunate decline in self-employment rates among veterans, but there are some encouraging signs this may be reversing. Just as new business applications have surged by over 10 million in the past 2 years, one survey found that the share of businesses started by veterans nearly doubled, from 5.4 percent in 2019 to 10.7 percent.

This is a tremendous achievement, but it does not mean the job is done. Veterans face more barriers to accessing capital, navigating the resources available to them, and finding adequate mentors.

That is why the SBA has a range of programs to support veteran entrepreneurs, like the Boots to Business program, which this Committee voted yesterday to codify, and Veteran Business Outreach Centers that provided training to over 58,000 veteran small-business owners throughout 2022.

Two weeks ago, we heard from witnesses about the benefits of the Veteran Institute for Procurement, a program designed specifically to educate veterans on how to do business with the federal government from start to finish.

Unfortunately, budget cuts demanded by Republicans in their "Default on America Act" would reduce the SBA's budget by 22 percent. This dramatic cut will significantly impact the ability to administer SBA programs benefiting millions of veterans.

I encourage my colleagues to consider the consequences of the draconian cuts they are demanding while they hold our economy hostage. This does nothing but harm our country's veterans and veteran entrepreneurs. I hope we can come to a resolution without causing deep economic consequences.

Mr. Chairman, I yield back.

Chairman WILLIAMS. Thank you, Ranking Member.

And before we get started, we are going to ask the military to adjust again, okay? Our clocks aren't working, that are in front of you. So we've got two timers back here. I will watch the time. As we get close to 5 minutes, I will give you a tap, and you will know where you are, okay? So thank you for that.

I now have the pleasure of recognizing my esteemed colleagues to introduce our witnesses, all of which are from Member states.

I now recognize my colleague Mr. Alford from Missouri to introduce his constituent who is appearing before us today.

Mr. ALFORD. Thank you, Mr. Chairman.

Well, it is really my distinct pleasure and honor for me to have Lieutenant Commander Taylor Burks testifying before us today as we discuss two very important issues to this country and Missouri's Fourth Congressional District—veterans and small business.

Taylor Burks currently serves as the president and general manager of Rost, Inc., located in Columbia, Missouri. Founded by Tim and Toby Rost in 1985, Rost prides itself on creating vivid landscape designs for central Missourians.

Prior to working for Rost, Taylor served our State in various capacities. He was a director for the University of Missouri System, appointed by the Governor in 2017 to serve as Boone County's

clerk, and a director for the Missouri Department of Labor and Industrial Relations.

Taylor has also served our country for 16 years in the U.S. Navy in both Active Duty and the Reserves, earning numerous awards such as the Defense Meritorious Service Medal, Joint Commendation Medal, Navy and Marine Corps Commendation Medal, Navy and Marine Corps Achievement Medal, and the Military Outstanding Volunteer Service Medal.

He continues to serve as a lieutenant commander in the Navy Reserve. As a fifth-generation Missourian who grew up on his family's cattle farm, it clearly runs through Taylor's veins—service does indeed.

Mr. Chairman, if you will indulge me just a short time more in this introduction, on a personal note, Taylor Burks was a formidable opponent in our Republican primary for this seat. We became friends early on, encouraging one another, proving that politics does not have to be a nasty business.

He is a brother in Christ, and Proverbs 27:17 says, "So as iron sharpens iron, so one man sharpens another."

Taylor, thank you for sharpening me, and thank you for your service. I look forward to your testimony, sir.

Commander BURKS. Thank you.

Chairman WILLIAMS. Thank you, Mr. Alford.

I now recognize my colleague Mr. Crane from Arizona to introduce his constituent who is appearing before us today.

Mr. CRANE. Our next witness here today with us is a good friend of mine, Mr. Grant Quezada.

Mr. Quezada is the co-founder of Founding Fathers Collective in my district, Arizona's Second Congressional District, in Prescott, Arizona.

A veteran of the United States Army, who served for 8 years, did six tours as an Army Ranger—for those of you guys that don't know, that is like a Navy SEAL but JV version—Mr. Quezada began his business venture in 2014 when he opened the John Hancock Barbershop, providing a working environment to benefit fellow veterans and create a unique experience for his community.

Following the success of the John Hancock Barbershop, he cofounded Founding Fathers Collective, the parent company which owns and operates 6 different entities, employing 65 people, and contributing to the thriving tourism industry in Prescott. In 2022, Founding Fathers Collective won the W.O. Lawton Award for Business Leadership, beating out over 300 nominees selected nationwide.

Mr. Quezada, I speak for the whole Committee when I say, thank you for all you have done for our country. And we are looking forward to the conversation ahead.

Chairman WILLIAMS. Thank you, Mr. Crane.

I now recognize my colleague Mr. Bean from Florida to introduce his constituent who is appearing before us today.

Mr. BEAN. Thank you very much, Mr. Chairman. A very good afternoon to you.

And good afternoon, Small Business Committee.

I do have the special honor to introduce a special guest who—welcome to everybody.

But in addition to having the most patriotic name ever, Liberty Weaver is the owner of Breakable Hearts, LLC, located in my hometown of Fernandina Beach, which, of course, is located in the free State of Florida. Prior to starting Breakable Hearts, Ms. Weaver proudly served her country in the United States Air Force.

Breakable Hearts was founded in 2021 by Ms. Weaver and her mother, Megan, who is in the audience today—a proud mom. Breakable Hearts is a baking company that specializes—get this—in making delectable desserts, including their famous cake in the shape of a heart that contains gifts inside the cake. Some say that is genius; I call it delicious.

Starting a small business, especially during the challenging times of the pandemic, has made Ms. Weaver far too aware of the issues that lack of capital can have on an aspiring business and makes her a valuable voice to hear from today.

We got to spend a few minutes before. She is ready to talk, and she has got things to say, and we are going to hear them.

Ms. Weaver is a graduate of the Community College of the Air Force, received a Bachelor of Applied Science degree in psychology from the University of Maryland, and received a master's degree from Pepperdine University Graduate School of Education in psychology.

Ms. Weaver, Liberty—let's call you Liberty—Liberty, thank you for coming and having the courage to share your story. We are glad to have you here.

Chairman WILLIAMS. Thank you, Mr. Bean.

And I now recognize the Ranking Member from New York, Ms. Velázquez, to briefly introduce our last witness appearing before us today.

Ms. VELÁZQUEZ. Thank you, Mr. Chairman.

And I would now like to yield to Representative Scholten, Ranking Member of our Subcommittee on Contracting and Infrastructure, from Michigan, to introduce our final witness.

Ms. SCHOLTEN. Well, thank you so much.

Our final witness today is a constituent of mine, Mr. Michael Hyacinthe, who is an amazing veteran entrepreneur based in Grand Rapids.

Michael is an 8-year U.S. Navy veteran, who served as a U.S. Navy Seabee. After exiting the military, he became a recognized entrepreneur, including his role as co-founder and Chairman of HAS HEART, an organization aimed at helping service-disabled veterans find a creative outlet.

He is also CEO and founder of Wimage, a children's media company dedicated to fostering learning and exploration through new technological innovation. I have had the pleasure of touring Wimage, and I can speak firsthand of the amazing work that Michael is doing.

Within Wimage, he serves as the executive producer for "Wimee's Words," an educational children's show broadcasted in 24 PBS markets and other platforms. He has his original Wimee prototype here with him today, right behind him. I know my two boys are big fans.

Finally, he is a lead facilitator and founding Member of the Veteran Entrepreneurship Lab at Grand Valley State University, where he helps other veterans start and grow businesses.

His entrepreneurial journey gained him national recognition by outlets like Inc. Magazine and the Grand Rapids Business Journal. Most recently, he was recognized as a Top 10 Admired Leader of 2022 by Industry Era Magazine.

Thank you for joining us today, Michael. We look forward to your testimony.

Petty Officer HYACINTHE. Thank you.

Chairman WILLIAMS. All right. Thank you.

And before I recognize the witnesses, I would like to remind them again that your oral testimony is restricted to 5 minutes in length. And if you see the light turn red—we have already been through that—we will run it for the gavel so you will know where you are. So we will handle that.

I now recognize Mr. Burks for his 5-minute opening remarks.

STATEMENTS OF LIEUTENANT COMMANDER TAYLOR BURKS, PRESIDENT AND GENERAL MANAGER, ROST LANDSCAPING; SERGEANT FIRST CLASS GRANT QUEZADA, FOUNDER, FOUNDING FATHERS COLLECTIVE; E5 STAFF SERGEANT LIBERTY WEAVER, OWNER, BREAKABLE HEARTS, LLC; AND PETTY OFFICER SECOND CLASS MICHAEL HYACINTHE, CEO AND FOUNDER, WIMAGE

STATEMENT OF LIEUTENANT COMMANDER TAYLOR BURKS

Commander BURKS. Thank you, Mr. Chairman, for the honor and privilege to be here and speak on behalf of my fellow residents of Missouri's Fourth District but also veterans in small business.

I also appreciate the heartwarming introduction from my Congressman, Mr. Alford. I think he read my bio and intro pretty well because he heard it a thousand times in 2022.

But if anyone knows Mr. Alford, you know the first time he meets you, he looks up to you, and after that, you grow to look up to him. He has the heart for service that I have grown to admire and respect, and love him and his beautiful wife, Leslie, his kids.

And so I am honored to have him as my Congressman here, but also the connection to speak to small business and the issues facing veterans.

I am Taylor Burks. I am the president of Rost, Incorporated, and the general manager of Midway Golf, Games, Events & 44 Tavern in Columbia, Missouri. I am a former director of labor standards for the State of Missouri under Governor Mike Parson and have served 16 years now in the United States Navy, both Active Duty and the Reserves.

I have served overseas a number of times for this country, and I firmly believe and have spoken repeatedly that the United States military is our number-one career-skills program that we can offer young people in this country.

After my career in public service, Tim and Toby Rost approached me to discuss stepping into their chief executive role for their family-owned company. It was founded 38 years ago by Tim Rost when he was a college student at the University of Missouri. The con-

tractor skipped out on a job. The general contractor approached him, said, "Can you finish it?" He did, and his company was founded that way.

Thirty-eight years later, they have five divisions, phenomenal divisions—not just landscaping design and construction. We have tree farms, we have retail centers, wholesale centers, and we have expanded into entertainment and outdoor sports.

Our initial conversations with the Rosts centered around expanding their entertainment business with indoor golf bays, a restaurant, and an events center at Midway, which is part of Columbia, Missouri. And they needed an executive to do that.

After that expansion, our company's strategy focuses on the next generation of ownership and leadership at Rost, Incorporated, whenever they decide to step back from their daily roles within the company that they founded nearly 40 years ago.

In this conversation about how they continue their family business, my experience as an accountant, logistician, and labor professional were high on their priority list for anybody. And good luck finding that mix. I didn't plan it. I stumbled upon each step of my career in doing that.

Not least of these priorities are because of the automation, the supply chain, and the H-2B visa issues that we face in the industries that we work in and we provide for mid-Missouri.

What sealed the deal for Tim and Toby Rost was my service as an officer in the United States Navy. You learn resiliency, you learn character, you learn the soft skills in the military that I and veterans bring to the table. In short, the Navy opened the door to small-business entrepreneurship for me, made possible through a family's vision for the future of their own business.

Like many servicemembers leaving the military, my experience transitioning out of Active Duty was challenging. I went through Transition GPS for the Navy in 2014 while I was at business school at Washington University in St. Louis, which, itself, was paid for through the Post-9/11 GI Bill's Yellow Ribbon Program.

Transition GPS gave me the opportunity to think about how I translate my service into civilian-speak. And it was frustrating for me because, of the over 60 jobs I applied for, the response was generally that I am overqualified. Common to servicemembers who are leaving, my sailors who are transitioning out of Active Duty tell me the same thing, that they get approached and told, you are overqualified; the Navy or the military has taught you too much.

Where I found success was my own ability to connect with my own community leaders, business owners in mid-Missouri. Those connections, determination, and hard work gave me my first opportunity at entrepreneurship. I am blessed that the Rosts had a vision for their company and they chose me to include in their strategic planning for the future ownership of Rost, Inc.

The second issue that I hope that we discuss today is what happens to the tens of thousands of small and medium-size businesses whose owners approach their own retirement and no succession planning in place. Veterans have an opportunity to transition and step into these businesses, many of them in the trades which servicemembers learn during their military service, but may have

a gulf between connecting that entrepreneurship with their skills as they leave the Navy.

In short, the military prepares us for success. Transition programs are invaluable to the veterans who are moving to civilian life, but barriers to entrepreneurship can be lowered further so that veterans of today can enjoy the same opportunities that previous post-war veterans' generations saw for their veterans.

I appreciate the chance to talk about that today. I look forward to our conversation.

Chairman WILLIAMS. Thank you very much.

And I now recognize Mr. Quezada for his 5-minute opening remarks.

STATEMENT OF SERGEANT FIRST CLASS GRANT QUEZADA

Sergeant QUEZADA. Thank you, Mr. Chairman and ladies and gentlemen. My name is Grant Quezada. I am here today to represent several businesses under the parent company of Founding Fathers Collective.

I stand before you as a proud United States Army veteran, having served our country over 17 years now. I am a service-connected disabled special operations veteran; have six deployments to Iraq and Afghanistan. I left Active Duty after 8 years, and the last 9 years I have stayed in the Arizona National Guard.

In addition to my military service, I have ventured into the business world. Upon returning to Arizona in 2014 with my wife and children, I opened John Hancock Barbershop. I grew that from one location to two and nine shares in 14 months and doubled revenue for roughly 4 years, until I partnered with an Air Force veteran friend of mine from childhood in 2018.

We purchased a 12,000-square-foot piece of property downtown, and, amidst the challenging times of COVID, we opened October of 2020. We proudly opened Founding Fathers Collective. And within that single location, we have seven businesses under-roof that we own and operate.

I am honored to share that our entrepreneurial efforts have been recognized by Salon Today; it is a prestigious industry publication. John Hancock Barbershop was featured in Salon Today as a Top 10 Salon and Barbershop in the United States, a testament to our commitment to excellence and customer satisfaction.

Furthermore, in 2018, John Hancock Barbershop was voted the number-one veteran business of the year for the State of Arizona through NACOG, or Northern Arizona Council of Governments.

In 2022, Founding Fathers Collective was humbly chosen out of 300 other participants at a national level to receive the W.O. Lawton Business Leadership Award. This award honors businesses that have demonstrated exceptional growth and community impact. This recognition reinforces our dedication to not only building successful enterprises but also positively contributing to the communities we serve.

Myself and my business partner have spent the last 8 years of being back within the business—or, within our community of Prescott and have sat on multiple boards and committees throughout the community, to include the YMCA and several other nonprofits.

And we continue to instill that within our leadership within our organization. So we employ about 60 or so employees within our businesses, and, at the top level, many of our leaders and managers sit on other nonprofits within the community as a way to give back to Prescott and the surrounding areas.

However, amidst our accomplishments, it is important to address the challenges faced by veterans transitioning into entrepreneurship. While we appreciate the well-intentioned government programs such as Small Business Administration and the Office of Veteran Business Development, it has been a little disheartening to find that a lot of these programs often present barriers or red tape or some bureaucratic hurdles when seeking assistance through those means.

Fortunately, we have found a lot of support through fellow business leaders and entrepreneurs within our community and throughout the State. We have been able to navigate the pitfalls that often come with starting and growing a business. And it is the belief and guidance of these individuals that have helped us overcome obstacles and achieve our goals as of today.

I stand before this esteemed Committee—or, I guess I sit, really—to shed light on the experiences of veterans within the business world and urge you to consider streamlining government assistance programs that are out there to encourage veterans to step into business and leadership and entrepreneurship.

By reducing barriers and fostering collaboration with community-based organizations, we can create an environment that supports the entrepreneurial ambitions of veterans. This will not only benefit individual veterans but also contribute to the growth and prosperity of our community as a whole.

In conclusion, I am grateful for the opportunity to share my journey and the success of Founding Fathers Collective with you today. As veterans, we have demonstrated our commitment to serving our country, and now we seek to serve our communities through entrepreneurship. I kindly request your support in ensuring that our transition into the business world is met with necessary resources, streamlined processes, and partnerships that can help us thrive.

The last thing I would like to add, to set the record straight: Yes, I am an Army Ranger, and even though my friend over here, Eli Crane, or Congressman Crane, has luscious locks, normally they get lost out in the woods and a Ranger regiment has to come and save them. So here I am again making sure that effort succeeds.

Mr. CRANE. Good answer.

Chairman WILLIAMS. Thank you.

I now recognize Ms. Weaver for her 5-minute opening remarks.

STATEMENT OF E5 STAFF SERGEANT LIBERTY WEAVER

Staff Sergeant WEAVER. Chairman Williams, Congressman Bean, and distinguished Members of the Committee on Small Business, thank you for inviting me here today to discuss the success and challenges that entrepreneurs face.

My name is Liberty Weaver. I am the owner of Breakable Hearts, LLC. Breakable Hearts is a dessert catering company that provides beautiful, upscale desserts for weddings and events. We provide our services to southeast Georgia and northeast Florida.

We are based out of Fernandina Beach, Florida, in Nassau County, and we have been operating since February of 2021.

I joined the Air Force back in 2009 directly out of high school. I was assigned as a 4Y0X2, which is a dental laboratory technician. And, no, I did not clean teeth; I actually made them. In the 6-1/2 years that I served, I became a subject-matter expert in pediatric removable orthodontic appliances.

And, although I was set to go far, I did have to end my time in the military short, exiting as a staff sergeant. Transitioning out of the military was scary, but I was very optimistic. I was pregnant, writing a patent for an invention, and I thought that would—it would retire me. And I was going to school.

When exiting the military, I took the class Boots to Business. It was interesting, encouraging, and very, very informational. And it actually sparked a little fire in me that maybe one day I could start my own business.

Once I was out, everything that I had just learned seemed to get locked away while I proceeded to embark on this new journey of motherhood, education, and living in the middle-of-nowhere Germany, also known as Hohenfels, if any of you are familiar.

When we moved back to the States, I was excited. I had a new degree, I knew the language, and I had this thought that I was going to get this amazing job with all the information I had learned.

Wrong. The only experience I had was what I had learned in the military—so, my very niche job. And without the experience to work in the career choice that I desired, I used the experience from the military to land a job in dental. I was hired as a removable appliance manager in Richmond, Virginia. And it wasn't long after working there that I started to feel stuck. I started to feel like my dreams and my goals that I was qualified to do were slipping away.

In this day and age, a bachelor's degree, in my opinion, is equivalent to a high school diploma. And with the feeling of my life wasting away, I started a new career in marketing, where I had the human interaction and got to utilize things I had learned in school.

And then COVID happened, and everything got shut down. And I am sure all of you guys are aware that there was this looming sense of death and sickness over all of us. So I did what any normal person would do. I packed up my bags—was very used to doing that—and I moved closer to my family in Florida with my daughter and my husband, who was just recently medically retired from the Army.

Without the option to work, I decided to go back to school. I got accepted to Pepperdine University in the fall of 2020 and graduated with my master's degree in June of 2022. And, in the meantime, I had another baby and I started my business from home.

And you guys might ask, like, why the sudden career change? As I was nearing the end of my degree, I had a lot of discussions with all of my teachers, who all said the same thing. In pursuit of my dreams that I was going towards, I needed experience that I still did not have. I had the education, but I lacked the experience.

So I decided, I am just going to do something that keeps me home. I have two kids, and that is what makes sense. I was dis-

heartened, but I was tired of fighting the system. So, thus, Breakable Hearts was formed.

I opened Breakable Hearts with my mom, who is back there. We had no idea what we were doing or how we were going to do it, but we were determined. I drew on all the strengths that I had developed while in the military, such as leadership, management, and attention to detail.

We soared. We have only actively been in business for 2-1/2 years, and we have been awarded the Couple's Choice Award 2022, Best of Zola 2023, Best Rising Star Bakery of 2023, and we have been published in numerous magazines and articles.

So why am I here? We have hit a growth stopping point. We have maxed out the capacity of our time and space for the numbers of orders we are receiving. We reached out to our small SBA lender, who told us that, to move forward, we needed to complete a list of tasks to apply for a loan and that we should investigate grants, because our main setback is the capital.

We self-funded the business from the very beginning until the business started paying for itself. We spent hours researching grants and angel investors and even reached out to the Wounded Warrior Project for any resources that they might have in connection for grants for veterans, women veterans, or small-business veterans. And I found hundreds—but none that applied to me.

I tried to do my own research on funding a storefront, build-outs, employees, and I hit a brick wall. I don't have the capital to do it myself, I don't meet the criteria for a grant, and I can't get a loan without the capital for a downpayment. When I asked if there were any veteran-specific SBA loans for women veteran—women veteran programs, she let me know there was not.

And, at this point, I feel like I have maxed out my resources and contacts to move forward. I remember Boots to Business listing tons of resources for veterans, but I can't recall them from 7 years ago.

Why I am here today is to show you how a story like mine can go from a thriving small business to a hobby very quickly. Without the resources or connections to move forward, we are never going to be able to take a home business to a local business.

Thank you.

Chairman WILLIAMS. Thank you. I now recognize Mr. Hyacinthe for his 5-minute opening remarks.

STATEMENT OF PETTY OFFICER SECOND CLASS MICHAEL HYACINTHE

Petty Officer HYACINTHE. Thank you.

Hello, honorable and esteemed Committee Members. My name is Michael Hyacinthe. My twin brother and I are proud to have served in the military. I served 8 years as a U.S. Navy Seabee, and my twin served 20 years as a combat medic in the Army. I am originally from the Bronx, New York, but I currently reside in Grand Rapids, Michigan.

I am here today not solely because of my own abilities but because my faith has guided me here. I am here today because my parents have instilled good values like hard work and sacrifice for me to be here. I am here today because of my kids, whose hopes

and dreams for a better future have made it necessary for me to be here. And, finally, I am here today because the Navy has developed me as a leader and helped me to see my full potential, providing a path for me to be here.

I come to you feeling hopeful because we remain the country with the bravest heroes who are prepared to make the ultimate sacrifice so that many of us can become entrepreneurs.

I think about the families I have been honored to know while serving on the Casualty Assistance Team in the Bronx, New York. I remember Corporal Daane DeBoer, a Grand Rapids Marine killed in Afghanistan on his first deployment; he, along with the many heroes that have inspired me to keep striving. And because of their great sacrifice, I will never forget them. I will be forever in their debt, and they will forever be a part of my story.

I separated from the military in 2005 but struggled to reintegrate and feel accepted. I drove a New York City yellow cab for 2 years, looking for my next mission. Like many other veterans, we come out different than we joined. We are older. Physical disabilities or mental challenges may now be a part of our stories.

Mapping out my purpose proved challenging, but fortunately I found an opportunity to become an entrepreneur in Grand Rapids, Michigan. My first business venture involved helping wounded veterans find healing through art. As a result of this mission, I launched a nonprofit organization called HAS HEART to help veterans and the creative community use art for expression, connecting, and healing.

My work with HAS HEART indirectly opened the door to launching a multimedia children's company called Wimage, or "words to images." Wimage started as a tool to help veterans turn words into images so that they could become independent creatives, but during our testing, we saw an opportunity to help kids at an early age, so we pivoted and began using the app to help kids improve their literacy skills and help them to become visual storytellers.

But while developing the technology, we needed a kid-friendly character, so we created Wimee, the lovable robot that you see behind me. The success of the Wimee character took us into classrooms throughout Grand Rapids.

But, like everywhere in America, the pandemic disrupted our work, so we needed to find another opportunity to engage children at home. We created the Wimee show as an online tool. Our online show, called "Wimee's Words," started in our basement, moved to our attic, and quickly expanded to 20 national PBS markets, reaching millions of households.

The success of our show helped us land a three-book deal with Zonderkidz, an imprint of HarperCollins. We believe this opportunity will help Wimee to become a household name and continue to inspire the next generation of creators, storytellers, and innovators. Our first book, "Wimee Creates," which I am holding, launches July 18.

Like so many other veterans, my journey has been complex and full of challenges. While I am very fortunate to share my story, many other veterans still struggle with the lack of support, resources, and funding.

Over the last century, our vets have helped to rebuild towns and communities through entrepreneurship to help make America the most successful economy in the world. But many veterans are still left unsupported, or their ideas remain unheard.

To help these veterans, we would love to see organizations like AAFES, the Navy Exchange, the Commissary, and the VA Canteens create opportunities for veteran entrepreneurs to pilot lifestyle and consumer products through their retail systems, just like the other big retailers do for underrepresented creators. This could help veterans learn and develop a market for their prototypes by offering a place for them to pilot their ideas. I personally would love to introduce Wimee to kids and family members on military bases.

Overall, we salute this body for your efforts to help veterans expand their entrepreneurial spirit. We are grateful for the Boots to Business initiative.

However, more funding could go directly to veterans and seed their ideas, like we have done through the Michigan Veterans Entrepreneurship Lab in Grand Valley State University at Grand Rapids, Michigan. Since many veterans, especially minority and female veterans, struggle with getting financial funding, we award cash prizes to graduates through MVE.

The GI Bill could also be revamped and used as a financial tool to help veterans start or launch their businesses, rather than limiting the use of the funds strictly to educational programs.

Artist Vincent Van Gogh once said, "If you hear a voice within you that says you cannot paint, then by all means paint. Then that voice will be silenced."

Chairman WILLIAMS. Ten seconds.

Petty Officer HYACINTHE. Like Van Gogh, we need to empower our veterans to pursue their ideas and imaginations.

Thank you for your time and your consideration. I especially want to thank Congresswoman Hillary Scholten and Chairman Williams for this opportunity to be a voice for our heroes.

Finally, I want to thank all who have supported me throughout my journey in New York and Grand Rapids. I would not be here without your prayers, love, and support. I am blessed and grateful.

And hooyah. Go, Navy Seabees.

Chairman WILLIAMS. I thank the witnesses.

And now we will move to the Member questions under the 5-minute rule.

I will recognize myself for 5 minutes.

I mentioned this in my opening statement, but, back in March, I had the pleasure of sitting in on a Boots to Business seminar at Fort Cavazos with SBA Administrator Guzman. And while the Administrator and I have very different political perspectives on how the country should be run, we could both come together to see how this program is beneficial to the servicemen and -women transitioning out of their Active Duty status and into the private sector.

And we listened to many of these young servicemembers who were thinking about what they wanted to do once they no longer had the structure in place for the military. There were people that wanted to start industrial cleaning businesses, bakery shops, even

underwater welding operations. These individuals had the creativity and drive to be great entrepreneurs, and this training program was meant to help them get their feet under them.

So, Ms. Weaver, you participated in the Boots to Business program, as you said. What drove you to participate in the training course? And what message did you have for current military members that are considering participating in the program?

Staff Sergeant WEAVER. I did take the class when I was transitioning out through TAPS. And what inspired me to take it was, at the time, I was patenting an invention, and so I thought that I was going to be manufacturing, distributing this product, and so I wanted to learn at that time about business. I wanted to know, how do I transition? How do I go from boots to business? I mean, that is what drew me in, that is what made me take the class. I wanted to know, how do I, as a veteran, go back into the civilian world and go, literally, from boots to business?

And I would recommend that class to absolutely anyone transitioning out of the military. It had so much information, so many resources. The only thing I would say is just the continuity of it following after once you are out of the military.

Thank you.

Chairman WILLIAMS. Small-business owners are facing many economic headwinds. From stubbornly high inflation to rising interest rates, the margins of many businesses are being squeezed.

Another thing that can add to these hardships are overly burdensome regulations. And I started asking the agencies some simple questions whenever they propose a new rule: What is the number of small businesses impacted by this rule, we ask. And how much will these new requirements cost small businesses? And where can the affected entities find the information on how to comply?

So, Mr. Burks, do you think all agencies should be able to answer these simple questions? And can you discuss how your business deals with regulations coming out of Washington?

Commander BURKS. Yes. That is really the tragedy and the struggle with small-business owners, is that the number, the myriad of regulations that come out of not just Washington, D.C. State governments, local governments, zoning—commissions can be pretty, I don't know, tyrannical at the local level.

And a lot of small-business owners don't even know when we are running afoul of these regulations. You try to comply as best you can, and what these agencies do is, they show up to prove a violation, rather than to help a small-business owner deal and navigate their bureaucracy.

Chairman WILLIAMS. It would be better to have a partner than an adversary, wouldn't it?

Commander BURKS. Yes, sir. Absolutely.

Chairman WILLIAMS. Mr. Quezada, not only did you start your own barbershop that has been successful in its own right, but you also operate the space for other businesses to operate. And this is a great way to employ some people and give other people the opportunity to live out the American Dream.

So how would you suggest newly returned veteran entrepreneurs engage in their community?

Sergeant QUEZADA. Yes. Thank you for that question, Mr. Williams.

So, with us, after 4 years of the barbershop, and partnering with my buddy, Jesse Burke, our main focus was really due to service within the community at large. So, both of us being veterans and, kind of, within our blood, naturally being the service-minded individuals, like all of us up here, to our country, we really just had the humility to get out of our own way and seek individuals within the private sector that had already had it figured out or were further along the business channels than we were and ask for help and advice.

That really led to the ability for us to move forward and find the success that we are at right now, and, in doing so, opening up one business that, like I had mentioned before, now houses seven businesses that we own.

So, hope that suffices.

Chairman WILLIAMS. Hard work.

Sergeant QUEZADA. Yes, sir.

Chairman WILLIAMS. Open it up in the morning and close at night.

Sergeant QUEZADA. Yeah.

Chairman WILLIAMS. Yeah.

I would now like to recognize the Ranking Member for 5 minutes of questions.

Ms. VELAZQUEZ. Thank you, Mr. Chairman.

Mr. Hyacinthe, yesterday, this committee voted to codify the Boots to Business program. Can you please comment briefly on the value of the program based on the interactions you have with veterans that have utilized the program?

I am really excited to hear you, Ms. Weaver, and to see how valuable the program was for you. I would like for you to comment on anything that you feel should be added to the program or should be changed regarding Boots to Business.

Petty Officer HYACINTHE. Thank you for the question, Ranking Member.

Yes, many of the veterans that I have had an opportunity to connect with have had—find experiences in the Boots to Business initiative, with one ask: Many of them are looking for capital.

The main barrier—and I believe we all understand that—is access to capital. That remains the biggest barrier to any veteran, from ideation stage to launching an idea. It really requires resources, mentorship. But, at some point, there has to be funding behind it so that the education that the veterans have learned can actually go out and be tested.

And that is what we have done with the initiative at Grand Valley State University. And we teach the veterans, and then we award them cash prizes so that they can take their ideas and go out and seed them.

So, overall, Boots to Business is a great initiative. We would just love to see that there is actually some capital supported to the veterans.

Ms. VELÁZQUEZ. Thank you.

Yes, Ms. Weaver.

Staff Sergeant WEAVER. Thank you.

The only thing—the class is amazing. It provides so many resources. But when I got out of the Air Force, like I said in my testimony, all of that information got put somewhere else while I navigated my life as a civilian.

It would be nice if the information that we learned—we do get a book to take home with us, but things get lost when you move back to the United States from a different country or you are moving from State to State, you know, because my husband was still Active Duty military at the time. And the continuity of it, the program being available online or something like that, where—and the networking connections that you make while you are in Boots to Business, or the other people who facilitate the same ideas as you in the class, it would be nice to have that continue once you get out, once you move around.

Because, like most of us can say, we have lost so many connections throughout our military careers and as veterans, when people uproot their lives and move. They move, and you lose connections.

And so that would be my suggestion. Thank you.

Ms. VELÁZQUEZ. Thank you.

Mr. Quezada, your business is special because it focuses on workforce and professional development. Did your experience in the military and your transition help inspire this attitude toward business?

Sergeant QUEZADA. Yes, ma'am. So I learned really early on in my military career and then transitioning into my civilian life and within business the power of networking and the power of task delegating and allowing your team underneath you to fail or succeed, finding their own autonomy within the organization that really leverages their strengths and provides some level of joy or meaning within their job.

So I started working with our local organization, which is NACOG, Northern Arizona Council of Governments, which—there are several other locations like that within the State of Arizona, to include several other States, I believe all 50 States actually, within the United States.

I found the most amount of success with working with them, because they are a local grant organization that has funds dedicated from the federal government in order to come alongside and help support local businesses, whether that be through sending some of our team through further education or classes on job specifications or, as they move upward into the business or organization at different levels, the support that comes alongside, where they will join in and help us cover some of their salaries or pay for an extended period of time.

So that relationship has been extremely helpful for us on our end. And, you know, we took advantage of that and had an awesome partnership within our own community that really went out of their way to work with us and other businesses like ours.

Ms. VELÁZQUEZ. Thank you.

My time has expired. I yield back.

Chairman WILLIAMS. I now recognize Mr. Luetkemeyer from the great State of Missouri for 5 minutes.

Mr. LUETKEMEYER. Thank you, Mr. Chairman.

Mr. Taylor—or, Mr. Burks, you talk in your testimony about the GI Bill's Yellow Ribbon Program and you had some frustrations with that. Can you elaborate a little further on that, please?

Commander BURKS. Yes, sir. So the Yellow Ribbon Program was a blessing. I would not have been able to afford a private institution like Washington University without that.

Where the gulf was is bringing and translating my military skills for a, you know, at the time, new business school graduate to the job market in St. Louis. And so, when you leave Active Duty—excuse me—when you join the military, you leave behind your family support, and you build your new network in the military. Then you leave the military, and you go back home and have to rebuild your network again.

That was really the gulf that I saw through the Yellow Ribbon Program. The education was phenomenal, and blessed to have it. How do I take that and my experience and build an entirely new network after being away from home for 8-plus years, or 20 years if I was retiring? That is that frustration and difficulty and where I hope that we can provide better support to recently transitioning veterans.

Mr. LUETKEMEYER. You have been involved with and continue to be involved with multiple businesses. What are some of the common problems and concerns you have with running those businesses, especially with regulations, taxes, whatever the problem is?

Commander BURKS. Yeah. Uncertainty.

I think that, you know, we double our workforce in our industry—agriculture, landscaping, retail wholesale of green products—we double our workforce every year from March to November, and we bring in a lot of legal guestworkers to the United States to do that. Every year, it is a roll of the dice, how we are going to get those guestworkers, where do we land on number of visas, or if it goes through altogether. That uncertainty makes it difficult for us to plan beyond a 12-month timeframe for budget projections, revenue projections, future-year hiring, expansion plans.

That is a quick and easy answer that I can give you from my industry. I could tell you, with the entertainment side, the gulf industry, our outdoor sports complex, local regulations have bitten us time and time again. And you can have an architect and you can have the best team behind you, and then a bureaucrat from local government shows up and says, "You can't put a ball dispenser there. It has to be over there." Well, that costs you $20,000 to make a change like that.

So, without a doubt, uncertainty throws, I think, each of us for a curve, regardless of what your industry is, and being able to predict that. Beyond what our size is, we can't have consultants and staff to do everything for us. But that is where small business, regardless of your veteran status, struggles.

Mr. LUETKEMEYER. Very good.

You know, we are here—first, thank all of you for your service. It is interesting that we have this hearing 2 or 3 days here before Memorial Day. So, you know, it is a special day remembering those folks who have served our country and weren't able to come back home.

So I think it is very timely that we have all of you here to show our respect for you, for the work that you have done, the job you have done to be able to protect our country, serve our country. So I just thank you.

With that, Mr. Chairman, I yield back.

Chairman WILLIAMS. Thank you.

I now recognize Mr. Mfume from Maryland, the great State of Maryland, for 5 minutes.

Mr. MFUME. Thank you, sir. It is a great State. I want to thank you for holding this hearing, and I want to also thank Ms. Velázquez, as the Ranking Member, for joining you in that effort.

And, as was said earlier, this is a significant time, as Memorial Day approaches, and we have an opportunity to remember why we celebrate Memorial Day, why it is so very important to our nation, and why it is particularly important to those veterans who are still with us on this side of creation and the remembrance that is so very much a part of that.

I am happy to celebrate this coming Memorial Day, Mr. Chairman, recognizing that I have 120 veteran-owned businesses in my congressional district. They provide a service or a product. They are providing a great deal of assistance to the fabric, the economic fabric, of the greater Baltimore area. And we salute them on more occasions than one.

These businesses span several industries, including but not limited to construction companies, technology companies, government contractors, food wholesalers, and et cetera. They contribute in a way that we sometimes take for granted because there are so many small businesses. And I want to, if I might, kind of delineate what I see is a common thread in the fabric of opening and maintaining a small business in this country.

And I would like to start, if I might, in thanking all of you, obviously.

But, Mr. Hyacinthe, can you just kind of walk me down your own set of ideas? I know that a veteran-owned business is facing, in many instances, some of the same problems that a woman-owned business or a minority business faces. And it is not some of the obvious things, like bonding issues or cash flow or market flexibility. It tends to be the two giant impediments that have been with us for years—a lack of access to capital, lack of access to credit.

And I would like to get your thoughts. I heard you say in your testimony that you thought it might be a creative and expedient way to deal with startup capital by being able to use excess or unused GI funds particularly as startup capital or maintenance capital. Can you talk about why that is important to you?

Petty Officer HYACINTHE. Yes. Thank you so much.

We are living in a digital age, and the jobs of this century require veterans to have access to capital. Fifty, you know, years ago, when our World War II veterans came home, those jobs were primarily technical, mechanical, and so that is where 50 percent of our veterans were able to create jobs. But now these jobs that have to be created require funding.

And so, while we are providing veterans the education—and in many communities where I am from, many veterans who look like me, the number-one thing that they tell you is that you need an

education to go get a—to start a business. However, when others come back home who perhaps have access to resources, that education is not the main element.

Mr. MFUME. Uh-huh.

Petty Officer HYACINTHE. Now, I am not eliminating the value of education, because I do believe education is extremely important, and it is what got me here. But the education without access to capital, I believe, puts our veterans back at square one, trying to figure out who they are, what they are doing, and trying to navigate this very chaotic world of entrepreneurship.

Mr. MFUME. Yeah. We push back against lending institutions also, reminding them that on the other side from capital is the ability to access credit and the need to extend credit lines, particularly to veterans who are starting out.

I don't have a lot of time, but I would ask if any of you would share some thoughts on what you think might be done to better make the SBA hear you, work with you, and help you to become successful. Because I sense the thread in all of your testimonies that there are inherent issues there, whether it is paperwork or something else, that really causes you not to perform at your maximum level.

Anyone?

Sergeant QUEZADA. Yeah, I will add that—so I live in a rural community, about 45,000 people. The region as a whole is about 120,000 people. We have gone down the SBA route a couple different times with the 7(a) and the 504, and both times working with the local bankers.

The local regional bankers are not as adept at working within the construct of the SBA. And so, normally, the help that we had to find was being pushed down to Phoenix and some of the larger banks down there. Some of the larger, more national banks that are——

Chairman WILLIAMS. Time is up.

Sergeant QUEZADA. Time is up? Okay.

Chairman WILLIAMS. Thank you.

Mr. MFUME. Thank you.

Chairman WILLIAMS. I now recognize Mr. Meuser from Pennsylvania for 5 minutes.

Mr. MEUSER. Thank you, Mr. Chairman, very much.

And thank you to our nation's military veterans for being with us, and current entrepreneurs. Your testimonies are inspiring, truly, to all of us. Thank you, of course, for your service. And it is just very interesting to hear about your businesses and your plans and your trials and tribulations.

So, you know, let me start with Mr. Quezada.

May I call you "Sergeant"?

Sergeant QUEZADA. Yes, sir.

Mr. MEUSER. All right. Thank you, sir.

Sergeant QUEZADA. I haven't been called that in a while.

Mr. MEUSER. Yeah.

Sergeant QUEZADA. Yeah.

Mr. MEUSER. Well, I haven't had the mistake of calling a sergeant "sir" in a while, so I haven't gotten kicked in the butt. Yeah, so——

Sergeant QUEZADA. All right.

Mr. MEUSER.—I can appreciate it. Or calling a ma'am a sir, that gets you in trouble too.

So you are talking about your difficulties. You were mentioning that in your opening testimony, and red tape, bureaucratic hurdles. I mean, obviously, SBA, we are supposed to be here to make things easier for you in setting up your businesses.

Share a little bit more about some specific examples perhaps. And then maybe add what works, what has been provided to you by the SBA, maybe even a local chamber, veterans services, that has worked for you.

Sergeant QUEZADA. Sure.

So let me elaborate a little bit about what Founding Fathers is first, because I know I said it is a barbershop. So we have a nine-chair barbershop. We have the largest tap wall for beer in the State of Arizona. We have a members-only speakeasy. We have a cigar and whiskey lounge. We have a functional fitness gym. We——

Mr. MEUSER. Could you give us the address of that place?

Sergeant QUEZADA. Yeah. We have a jiu-jitsu academy, a coffee shop, and a retail shop all in one facility.

So, when we bought the building and we had the entire concept, our original pitch-deck was about 180 pages. We had to dwindle that down to something more manageable, about 40 pages. We shopped around our local market for about a month or two, and nobody would—everybody came back with, "Hey, awesome idea, but we are not going to provide funding for that."

I spent the next 10 months, on a weekly basis, going down to Phoenix in order to search for capital down there within the Scottsdale area. And it was through a really good friend of mine, who is a lieutenant colonel in the Army, who works within the financial sector, that was willing to sacrifice a lot of his time and put me in front of the right people, that we found the capital to tackle our project. So that was about $4.5 million, we are at now.

And from the get-go and how we structured the entire business and brand was very much focused on, how are we growing this thing to scale and bringing this into other neighborhoods, B-class markets, where we are offering, really, the hospitality focus? And as myself and Jesse, my business partner, are very community-minded and civic-driven, our core values are community, connection, and care. And so, how are we bringing people together through these consolidated businesses under one roof?

I will go back to, the continued support that we have seen and continually receive throughout our community has largely come from individuals, other business leaders, and veteran business owners who believe in what we are doing and have helped fund, you know, largely in loans or other——

Mr. MEUSER. That takes time, as you were saying——

Sergeant QUEZADA. Yes, sir.

Mr. MEUSER.—coming back from service, making those sort of contacts for the primary purpose of access to capital. Because the hard work was in you, the plan was there, but the access to capital——

And, Commander, let me ask you, on the SBA 7(a) or 504, other lending programs, none of that has been utilized or helpful to you?

Commander BURKS. No. Our success is with private equity. And I think that the SBA loan programs are a little bit of a mirage sometimes.

Especially if you have something that can be a meaningful business idea, like Sergeant Quezada's concept or what we do in Columbia—any business idea, you have to pitch the idea. And, as a veteran, you can sell yourself and your skills and what you bring to the table, but you have to sell the idea. And you are doing that with private equity. That is where we have seen success.

Mr. MEUSER. Yeah, absolutely.

Well, Sailor, I would like to just ask you, if you don't mind, you are talking about access to capital quite a bit. What are your means, and what has your success been, and what has been the lack thereof?

Petty Officer HYACINTHE. Awesome. Thank you so much for the question.

It is earned revenue. That is how we have been able to monetize, in addition with some friends and family as a startup venture.

But I join, you know, my fellow veterans here. While we commend the efforts of the SBA, many times there has been a lot of barriers, whether it is just the length in processing——

Sorry. We are running out of time. I am going to put in one last question, and maybe you can provide it to me afterwards.

If you were sitting in my seat—and you almost were, Commander—tell me what you would do if you were sitting in my seat. And maybe you could send that to us in writing. Thank you.

I yield back, Chairman.

Chairman WILLIAMS. Thank you.

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

Ms. SCHOLTEN. Thank you so much, Mr. Chair.

And thank you to all of our witnesses for coming today and for your brave service to our country.

Data indicates that veteran entrepreneurs often start businesses years after their separation from the military. Part of this is because many veterans face difficult transition times from military to civilian life.

Michael, Mr. Hyacinthe, you talked in your testimony about the great work happening in West Michigan in the Michigan Veterans Entrepreneurship Lab at Grand Valley State University. This program, like the SBA Boots to Business Program that I voted to codify yesterday, provides important support and resources to veteran entrepreneurs.

So my question for you is, if you could just briefly elaborate on GVSU's Veteran Entrepreneurship Lab, how it has prepared you and other veterans to start their small businesses. Specifically, if you could talk about what impact this program has had on minority and female veterans.

Petty Officer HYACINTHE. Great question. Thank you so much for the time and, of course, your service to our district.

Yeah, so the MVE Lab, which is the Michigan Veterans Entrepreneurship Lab, launched in 2018 as a result of meeting with fel-

low student veterans at Grand Valley State University who wanted to develop ideas to start businesses.

And so myself, in addition to our director, Shorouq Almallah, we said let's connect and let's see if we can create a template that would create education, which is a 10-week cohort that allows the veterans to come into our classroom, learn the fundamentals of ideation, business planning, and then business pitching. And the majority of our cohort members happen to be minority veterans as well as women veterans.

And as we were doing some testing, we got some input from them stating that this education is great, but the biggest thing that we still will face is access to capital. And so we then decided to create an opportunity where these veterans, once they have completed the 10-week cohort, and we did a business pitch competition, we would award $20,000 to the cohort.

And I am happy to say that, since 2018, we have graduated 200 veterans, and we have given away close to $250,000, nondiluted capital, so that these veterans can go out and test their ideas after they have been educated.

And I truly believe in the Boots to Business initiative. As we have seen, a lot of the ideas that come to the MVE Lab started from Boots to Business, but then these veterans needed another place to continue their process with hopes of potentially getting capital. And the data has shown us that once the veteran has been educated and they have got access to capital, that is where the entrepreneurs truly are lasting.

Ms. SCHOLTEN. Thank you so much. That is really insightful.

My last question. As Ranking Member of the Small Business Committee on Contracting and Infrastructure, I am committed to ensuring that veteran-owned small businesses have the resources that they need to succeed in the federal procurement process. So many of the small businesses who engage in federal contracting is in the defense space. No better small business owner than our veterans to do that.

My question is to all of our witnesses. What barriers are there in place that prevent veteran entrepreneurs from entering the federal contracting market, and how can this Committee work to remove those barriers?

Commander BURKS. Congresswoman, if I could speak on that.

Ms. SCHOLTEN. Sure.

Commander BURKS. As a supply corps officer, I dealt with contracting in my military career as well as at the university at State of Missouri.

The complication of the contracting procurement process restricts new people from entering it. You have to have a degree in that just to try to navigate it. And my company has tried a couple of times. It is on my strategic to-do list for Rost, Incorporated. But by and large, there is a whole cadre, tens of thousands of federal contracting officers, and as a small business owner, you can't navigate that.

Ms. SCHOLTEN. We would love to follow up.

And for our other witnesses, if you have thoughts, would like to share any, please feel free to submit those in writing, as I know we are running out of time.

And with that, I will yield back. Thank you.

Chairman WILLIAMS. Thank you.

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

Mr. ALFORD. Thank you, Mr. Chairman.

Thanks to our witnesses, once again, for being here today. Great to see you. I know it is a pain to get here to Washington on your own dime. It is an investment in what we are doing in this Committee. It is an investment in America. And I applaud you for doing that, and I also applaud you for your service.

This is a really meaningful hearing for our district. I am proud to sit on the House Armed Services Committee as well. Our district has Whiteman Air Force Base, Fort Leonard Wood, really powerhouse bases. We have a large veteran population as well because of those bases.

This district is also very rural, as you know, Commander. And it creates a lot of challenges, I think, having that mix of a large veteran population and also a rural area. And it really compounds the challenges faced by veterans trying to start a small business in our district.

While the Small Business Administration has programs, as we have talked about, helping veterans, they are not always utilized, as we have already heard. And we need to find out why that is, and how do we change them so they are utilized. Does the veteran community know about these programs? Do we need to do a better job advertising them? Or have veterans tried these and it just doesn't work out for whatever reason? What can the SBA do better? What are some changes that we need to help with?

I believe it is this Committee's job to create an environment for small business owners to succeed. That is the key.

So I would like to start with you, Commander Burks. And I want to follow up with Mr. Meuser's question. I think it was a very important question. If you would like to go and answer that.

Why are you and other veterans not able to take advantage of these programs?

Commander BURKS. Yes, sir. And I appreciate the question and the chance to maybe dig a little deeper into that. And I am sure my fellow veterans up here have ideas as well.

What we have seen at Rost, Inc., is that access to capital requires certain guarantees. And there is no real certainty from us—or excuse me—there is no real benefit to us to use the SBA loan program. Where we have been successful, again, is private equity investors in mid-Missouri who we go to, talk the idea, talk about our idea, and they understand that either they or us are going to guarantee that loan.

If Rost, Inc., was a new business, if we were starting up, not an established business, those expansion ideas wouldn't happen. You know, our 10 million investment in a new outdoor entertainment complex in mid-Missouri wouldn't happen if I had to go to the SBA for a loan guarantee. And that is the reality of it.

So I am happy to dig into Mr. Meuser's request because I think that we have some really good ideas up here on how those guarantees could occur and improve that access to capital. It doesn't have

to be grants. I mean, I am sure that is helpful. But that guarantee so we can make these ideas come to fruition is better.

Mr. ALFORD. Anyone else on the panel?

Yes, sir.

Petty Officer HYACINTHE. Yes. Thank you so much for that question.

Ultimately, I do believe that the SBA has become a systematic machine, and it has lost the ability to understand the humanity behind the ventures. That is where a person can go out to a private equity, because while private equity can be, at times, challenging, there still is a human behind it who is willing to hear the story of this entrepreneur, who is willing to meet this entrepreneur, who is willing to see the stories of how he has been able to struggle and get to where he or she is at right now, thus providing them an opportunity to make a decision where that funding can come from. Whereas, the SBA—we really don't know who is behind the SBA to make that connection.

And so if there is an opportunity to bring the connection local, to have that one-on-one opportunity to meet their veterans and hear our stories, perhaps there is an opportunity to make some changes that some funding can start rolling to those who have served our country.

Mr. ALFORD. To make it more relational between SBA and the borrower?

Petty Officer HYACINTHE. Absolutely.

Mr. ALFORD. Taylor, would you like to comment?

Commander BURKS. Yeah. I mean, our regional banks—we have phenomenal relationships with our regional banks in mid-Missouri, and they have relationship managers that we work with for our loans. And don't know who I would go to for the SBA for a veteran-specific loan program.

Mr. ALFORD. I think that is something we need to make better in the SBA, and I am so glad I am on this Committee to try to help along.

Mr. Chairman, I yield back.

Chairman WILLIAMS. Thank you.

I now recognize Mr. Thanedar from the great State of Michigan for 5 minutes.

Mr. THANEDAR. Thank you, Chair.

Firstly, thank you all for your service and commitment to our country. And as a fellow entrepreneur, I appreciate and love your stories.

According to the Census Bureau, veteran-owned businesses comprise about 5.6 percent of all businesses. Like our witnesses here today, veterans are reliable and resilient savers of small businesses nationwide.

In Michigan, some of the best-ran businesses are veteran-owned, including Detroit-based Wolverine Packing Company, which was founded in 1937. A true testament of veteran leadership and resolve. However, the rate of entrepreneurship has significantly decreased over time. The need to increase the number of veteran-owned businesses is long overdue.

Mr. Quezada, can you expand upon the ideas that went into your first venture at the John Hancock Barbershop? What inspired you

to start your first business, and do you think the success you gained there was aided by your experience in the military?

Sergeant QUEZADA. Yes. I am sure I am going to hear this from Senator [sic] Crane. But prior to my special operations experience, I was a hairdresser, and then went into the military and did that. And when I got out, I went to barber school. So for me, when I moved back to Prescott, it was very apparent that the niche was in the barbershops. There was a lack of barbershops within my community. There was about 11, and there was 160 salons. So that was the direction I went. And as soon as I started the business, I knew I needed to work myself out of that business as fast as possible, and it needed to have its own identity with the focus of growth and a proper direction moving forward within the community.

So from pretty much the genesis of that specific business, the intention was always to remove myself, empower others, provide solid careers for my team, and then continue to grow ongoing ventures within the community. That really did come from the support of other business leaders and owners within my community, largely starting with—as I am cutting several of these gentlemen's hair, of course, I was able to build a lot of rapport and relationships with them, and then through a couple years, very quickly continued to move and grow into what Founding Fathers is now.

So I just highly recommend for veterans, as they step outside, the power to really build relationships and rapport and have the humility to ask for help. It really does come from a handshake and looking somebody in the eye. I know that all of you up here, men and women, that believe in the organization of what the SBA is, but at some point too, it is a bureaucratic system. And I have seen capital move just more quickly through the private sector because a handshake goes a long way, so——

Mr. THANEDAR. Thank you. Thank you.

Also, it is commonly understood that hiring veterans is associated with great teamwork, a sense of duty, and accountability. Yet according to Pew Research Center, only one in four veterans have a job lined up after leaving the Armed Forces.

Ms. Weaver, you mentioned feeling stuck in your career after transitioning out of the military, despite having a bachelor's degree and a unique skill set. Can you elaborate on how this Committee may be able to better support veterans transitioning into the civilian workforce?

Staff Sergeant WEAVER. Thank you for your question. I think there—when I was doing my resume in TAPs when I was exiting the military, we go our whole career learning to write bullet format of all of our accomplishments, accolades, awards, everything like that, and most of us in TAPs did the exact same thing on our resume. You know, we have saved this much money, we have reduced this much error.

And we were—you know, while we were there, we were being taught how to change to speak in civilian language. And I think that goes a lot—and it could help a lot if we could learn how to translate our skill set into the civilian language, because we really only know how to communicate using military terms and acronyms and everything like that.

Thank you.

Mr. THANEDAR. Yeah. Thank you, Ms. Weaver.

I yield back.

Chairman WILLIAMS. I now recognize Mr. Crane from the great State of Arizona for 5 minutes.

Mr. CRANE. Thank you all for coming today. I really appreciate it. I know I speak for the panel when I say that.

I want to ask a quick question, real quick, starting with Mr. Burks.

Mr. Burks, would you say you are impressed with the efficiency of the federal government? Yes or no?

Commander BURKS. No.

Mr. CRANE. Mr. Quezada, would you say you are impressed with the efficiency?

Sergeant QUEZADA. No.

Mr. CRANE. Mrs. Weaver?

Staff Sergeant WEAVER. No.

Mr. CRANE. Mr. Hyacinthe? Did I say that right, sir?

Petty Officer HYACINTHE. Hyacinthe, yes.

Mr. CRANE. Are you impressed with the efficiency of the federal government?

Petty Officer HYACINTHE. I think it could be improved.

Mr. CRANE. Okay. Thank you. The reason I ask that question, guys, is because when we talk about SBA lending money to veterans, you guys realize where that money comes from, right? You guys. The taxpayer.

Now, I have been a champion for veteran entrepreneurs since I got out of the Navy, went on the show Shark Tank, and started my veteran small business. But, you know, I want to encourage you guys to keep at it, keep working hard. But I want to keep pushing back on this Committee, you know, that thinks that we are going to do a good job loaning money to veterans or to anybody else because, you know what? This town doesn't do a good job at loaning money to anybody.

And does anybody up on the panel know how much debt we have in this country?

Mr. Quezada, do you have any idea?

Sergeant QUEZADA. Trillions.

Mr. CRANE. Thirty-two trillion. Yeah. All right. Now, I am going to start with my questions real quick.

Mr. Burks mentioned the idea of veterans freshly out of military buying up established businesses from business owners looking to retire. I think that is a great thing. A friend of mine, Lynn Lowder, has something called the Veteran Business Project. If you guys want to check it out, it is veteranbusinessproject.org. That is what these guys do for any veterans out there looking to do something like that.

Next, I want to say, Mr. Hyacinthe, my brother from the Navy, a Seabee, you guys are awesome, man. I saw you guys do so much stuff. If you ever have a task that you need done, give it to a Seabee.

Something you said, sir, rung true with me and loud and clear with me. You said, sir, that you drove a cab for 2 years trying to find your next mission. I thought that was really cool. And I think,

you know, it is one of the things—when I talk to other veterans that I want to see successful, I want them to understand, because a lot of veterans don't understand how hard-wired we are for mission. And I know that it is important. I could hear it in your testimony. And I am glad, brother, that you found one. And I know you are going to help a lot of veterans, just because I see it in your heart and I see it in your product.

My friend, Mr. Quezada, I have seen you do the same thing. You have developed an amazing business. It is one of the coolest businesses I have ever been at, which is why I asked you here. It is not because I enjoy your company at all, for that matter.

But, Mr. Quezada, I know that we have tough economic times right now with record inflation, high interest rates, and labor shortages. How have you navigated this economy and continued to grow your business?

Sergeant QUEZADA. So first off, with the labor shortages, that has never actually been a problem of ours, largely because we sacrifice in the high end when it comes to pay in order to pay even our lowest wage earning employee a reasonable wage. I believe in our business, everybody averages about $24 an hour. So it is pretty—that is a pretty good wage for a hospitality job.

Our retention within the business sits at about 80 percent over 2.5 years. A lot of that goes into the backside support that we have created when it comes to our professional development plans and weekly and monthly, quarterly followups with each one of our team members. We know that nobody is going to be working with us or in hospitality the remainder of their life, and so the ability to step back and allow for the freedom and the latitude for them to move on and encourage them or even set them up for wins in their life as they move forward. So that is—in having that, we weathered COVID extremely well. We never had to break our hours or fire any of our team. So that has been a tremendous blessing.

Speaking of the upcoming kind of economic forecast that we are seeing over the next several quarters into probably Q2 of 2024, I think really what you will end up seeing largely within the small business community is probably an increase in price at some level to offset the cost of what we have seen when it comes to higher prices in gas or eggs on the shelf or any of the other areas where we are seeing or feeling the crunch on an economic level within our own pocketbooks.

Mr. CRANE. Are you guys having to raise your prices to keep up with the inflation?

Sergeant QUEZADA. For everybody I believe it will be $2, but for you I think it is 200. So yes.

Mr. CRANE. Real quick, Mr. Hyacinthe, what advice would you give to veterans getting out of the military that want to be successful?

Petty Officer HYACINTHE. I believe in mentorship. I believe that there is an opportunity for them to understand where their dreams may take them and find someone within that industry and pursue that. Hard work, hustle, like the Seabees do.

Mr. CRANE. I yield back my time.

Chairman WILLIAMS. Okay. I now recognize Ms. Chu from California—the great State of California for 5 minutes.

Ms. CHU. Ms. Weaver, I followed your story with interest. You served your country. You got a master's degree. You raised a family. And then you started to Breakable Hearts, this upscale dessert company. So—and also, you won awards for it.

So I was dismayed when I heard you say that there weren't veteran-specific SBA loans, because there are. You know, there is Community Advantage, which is a program that I want to get permanently authorized, but it is in existence now. And it is for people who might not qualify for any other SBA loan. It is for traditionally underserved business owners, veteran-owned business owners, minority and women-owned. And you qualify two ways, you know.

It has more flexible criteria for the loan, but you can get up to $350,000 for anything from real estate purchases, business expansion, equipment purchases, or working capital. And you don't need capital for a down payment.

So my question is, have you heard of this loan?

Staff Sergeant WEAVER. No, I have not. I did ask my SBA lender, a local to Nassau County, about any veteran-specific and, unfortunately, I was told there was none, and then halted from the down payment for the SBA loan that we were trying to work out all the numbers to see if it was something.

But when you own a bakery, it is not just a place you can lease with four walls and a door. You have to build out an entire commercial kitchen. And so it just wasn't something at this point in time that we were able to move forward with.

Thank you.

Ms. CHU. But this kind of loan could help.

Staff Sergeant WEAVER. Yes. I will definitely look into it. Thank you so much.

Ms. CHU. Okay. Please look into it. Okay. Absolutely.

Okay. I would like to ask Mr. Hyacinthe about this. I would like to know how veterans in your life might react to the following threats. House Republicans recently passed a partisan bill that will cut all nondefense discretionary spending across the federal government by 22 percent. The VA says that this would result in 30 million fewer veteran outpatient visits and 81,000 jobs lost across the Veterans Health Administration. It would worsen wait times for benefits by eliminating 6,000 staff, and increase the disability claims backlog by an estimated 134,000 claims.

Additionally, it would cut up to $565 million for upgrades to hospitals and clinics and cut housing vouchers for as many as 50,000 veterans. Finally, it would take food assistance away from veterans, deprive them of mental healthcare services, and eliminate job training for homeless veterans.

And then there would be the cut to SBA services for veterans. The SBA stated that these cuts would result in 295,000 fewer entrepreneurs and small businesses accessing free business counseling at SBA resource partner groups such as the Veterans Business Outreach Centers. Of course, that would negatively impact thousands of veterans. SBA also stated it would not have sufficient funding to fully support the Service-Disabled Veteran-Owned Small Business Certification Program, which currently supports about 35,000 veterans.

So how do you think veterans in your life might react to that?

Petty Officer HYACINTHE. I think veterans in my life and veterans all over would look at that and see that as a negative. I mean, it is really tough to truly understand and give veterans an opportunity to be entrepreneurs if at first we don't recognize the mental and physical ailments that veterans come back with.

And so before we can allow a veteran to share their American dream, we have to make sure that the veteran is able to heal, can be connected with the community, and can be heard.

So I challenge all those in this Committee to take another look at this bill, if this is actually something that is getting ready to be put forward, to truly consider the veterans' mental health because, but for our mental health, we—it is tough for us to start a business, create a family, run a family or run a job.

Ms. CHU. Thank you for that. And I know you run the Michigan Veterans Entrepreneurship Lab, which is right in your community, so easily accessible. We have Veteran Business Outreach Centers, but some of them are not located in easily accessible places. In fact, the one that is closest to my area of Los Angeles is 2 hours away.

So how important is it for it to be close by?

Petty Officer HYACINTHE. I think it has to be close by. And perhaps should there be opportunities where there are some connections with local entrepreneurship or incubators that houses this awesome opportunity. So we need to be innovative in communicating——

Chairman WILLIAMS. Time is up.

Petty Officer HYACINTHE.—and getting this to our veterans.

Ms. CHU. Thank you. I yield back.

Chairman WILLIAMS. Now I would like to recognize Mr. Bean from the great State of Florida for 5 minutes.

Mr. BEAN. Thank you very much, Mr. Chairman.

Let's go to Liberty Weaver. Liberty Weaver, you have come up with the genius plan of baking delectable goodies by putting something inside. Where did you come up with that idea? Where did that come from?

Staff Sergeant WEAVER. It is chocolate, by the way. It is not cake.

Mr. BEAN. Okay. Of course.

Staff Sergeant WEAVER. It is actually——

Mr. BEAN. Let's be clear for the record, Mr. Chairman.

Staff Sergeant WEAVER. It is chocolate.

Mr. BEAN. It is chocolate.

What are some of the things that your clients, people that—what do they put in your goodies that you make for them?

Staff Sergeant WEAVER. Well, specifically, the breakable heart——

Mr. BEAN. Yes.

Staff Sergeant WEAVER.—which is the name of the company. I mean, they can put anything from jewelry, a gender reveal if they are pregnant. They can put an ultrasound if they want to let a loved one know that they are pregnant. You can put gift cards. Anything under 7 inches will fit under a breakable heart.

Mr. BEAN. I gotcha. Is it true that if—is it true that if I wanted to order one, I could go to breakableheartsllc.com? Is that true, Ms. Weaver?

Staff Sergeant WEAVER. Yes. Yes, very true.

Mr. BEAN. Very good. And you are also—you are on Facebook. I have been looking at pictures of so many things that Breakable Hearts makes.

Your challenge, right now, we talked a little—first of all, who is with you, and what do they do? Your people that you brought with you in the audience.

Staff Sergeant WEAVER. My mom, Megan.

Mr. BEAN. All right.

Staff Sergeant WEAVER. She is my co-owner with Breakable Hearts, and my best friend, Chanel.

Mr. BEAN. Okay. Very good. They are excited to be with you.

What is the challenge right now? Breakable Hearts—is it space? I know space is a challenge. Tell us about some of the challenges you are facing right now.

Staff Sergeant WEAVER. So raising capital for Breakable Hearts. We have outgrown working from home. We have a lot of clients who want to utilize our services, but we don't have the employees.

And we have looked into getting loans into expanding and to growing into a new space, but when you have a bakery, you have to have employees. You have to have a commercial kitchen outfitted specifically for what you are baking. And you have to have the right square footage for your space because you do have to have a storefront. You have to have space for trucks to come drop off all your product. Everything like that.

And that is extremely—I mean, maybe not in the 10 million range, but for somebody like me who is just a small business trying to grow into a space, it is expensive. And the down payment alone is almost upwards of $100,000 to secure the loan. So it is not something financially feasible for me at this point, and I can't find the capital or the resources to get the capital to move forward.

Mr. BEAN. Very good. Is the Boots to Business, is that plan working? Did you enjoy that? Is it helpful?

Staff Sergeant WEAVER. I did enjoy it when I was in. I frankly, cannot remember 7 years ago the information that I learned, and I wish I had some way of retaining the information, because I am sure there is a resource in there I could look up that maybe would help me at this point.

Mr. BEAN. Gotcha.

Let me ask Commander Burks. Is it working? Boots to Business, is it working or not working?

Commander BURKS. So I transitioned out of Active Duty prior to Boots to Business being authorized. So I haven't experienced that program.

Mr. BEAN. But if there were a program that would help veterans transcend and capture entrepreneurship leaving, you think that would be a good thing?

Commander BURKS. Yeah. Certainly not opposed to the concept. It sounds like it was reauthorized. What I would suggest is that where we have all seen success is relationships. And if there is an opportunity for us to foster those relationships transitioning out with our local community, that is a better way for veterans to enter entrepreneurship.

Mr. BEAN. Gotcha.

Quezada, working?

Sergeant QUEZADA. Yes, sir. Actually—so I believe I am in the same boat with Mr. Burks. We never—I don't believe that program was around when I left Active Duty. It sounds like, from Ms. Weaver, that obviously she got some traction early on, but over the course of the last 7 years, 8 years, it has kind of waned a little bit.

I think one of the things that I believe all four of us would probably be in agreeance on is that, outside of this organization, the SBA and the support that you are all trying to offer not just veteran small businesses but small businesses in general, I think there is a disconnect within the language.

Most of us are entrepreneurial minded and, you know, are in pursuit of capital, but it tends to be most of the people that sit across the table from us proverbially, whether it is here in D.C. or a bank, don't speak the same language. And so there is a disconnect when it comes to what we are looking for and how to get it that way——

Mr. BEAN. So we have a little bit of work to do.

I have got just one brief moment. I want to give the last 20 seconds to Ms. Weaver.

Ms. Weaver, if you could go back and give advice to yourself just a few years ago getting out of the service, what would you tell yourself, in 10 seconds or less?

Staff Sergeant WEAVER. To network. To network with all the people in the class and to put those resources somewhere where I won't lose them 7 years from now.

Mr. BEAN. Thank you.

Thank you all for your service, and thanks for coming forward today. Well done.

I yield back.

Mr. ELLZEY. [Presiding.] Thank you, Mr. Bean.

I now recognize Ms. Davids from Kansas for 5 minutes.

Ms. DAVIDS. Thank you.

Thank you to my colleagues, the Chairman, and Ranking Member, for holding this hearing today. I am really glad that we are getting a chance to hear from some of our veteran entrepreneurs.

I am an Army brat. My mom was in the Army for 20 years. She was a drill sergeant, so I had to do push-ups. It is kind of a joke, but not really.

So, you know, I think that some of what we have heard today and some of what I think is so awesome about talking to veteran entrepreneurs is that, when you think about mission or service, sacrifice, dedication, I mean, the whole gamut, there are few people that are better situated to become entrepreneurs than people who are exiting service.

And so, you know, I have spent my time—I have only been—it feels like 10 years, but it has been about 4 in Congress on the Small Business Committee learning about programs like Boots to Business or the Veteran Business Outreach Centers and training programs and that sort of thing. I know that these are really valuable resources, but I think we have heard a bit about today how either folks don't know about them or they might be a bit too bureaucratic and that sort of thing.

I do have a bill that I introduced in the last Congress and the previous one before that called the SERV Act that actually—it is a bipartisan bill. It addresses exactly these types of needs to understand and make those resources better available.

I did learn something new today, that they are not avail—we need to get them on—we need to get some of these resources online, it sounds like. So that an alum of the Boots to Business Program could make use of those resources.

But, Mr. Quezada, I did want to—you mentioned in your written testimony and your verbal testimony that you experience some specific barriers. I was curious if you could kind of expand on those barriers.

And then just real quick, because I have to—when I come to Arizona next, I will have to come train, because I do jiu-jitsu and would love to come.

Sergeant QUEZADA. You are in, young lady.

Yeah. So some of the barriers we face with the SBA, specifically—I believe at one point we tried for the 7(a) and then the 504. We went through several months of the paperwork being pushed forward, only to find out at the end—what we had started with the conversation was to pretty much acquire about $4 million in capital. We got to the end about 3 months later, and we were told that the best they could do was $350,000. And so we had wasted quite a bit of time on that process talking with the bank, the bankers, several institutions down in Phoenix. So that was slightly disheartening.

And what they ended up finding, the reason was—was a pretty basic one, which was, hey, we weren't in business for 2 years yet, and they somehow had not asked us that, told us that, up until that point. And when we addressed that, that is kind of what we got back. So it was quite a bit of ongoing conversations and sitting down, taking time out of our day within the business to work with different levels of bankers in the back-and-forth, so——

Ms. DAVIDS. Yeah. And then one of the things that I have heard, and I just—because I am going to run out of time—is, in addition to finding out after you have already spent months going through the process, that it sounds like what seems to be a very simple piece of information was not made known to you. I also—it sounds as though there might be barriers in terms of the level of education.

And so sometimes we see this education versus experience. And I just would love to follow up with you all after this hearing, because I do think that, while it might not be sitting in a classroom—although sometimes it is—veterans, when they have exited service, certainly have a wealth of experience and knowledge that is probably much more useful than a 4-year degree in some instances.

So would love to do followup about that specifically with you all. And thank you for your time and your service.

Mr. ELLZEY. I now recognize Mr. Stauber from Minnesota for 5 minutes.

Mr. STAUBER. Thank you very much, Mr. Chair.

I just want to reiterate. As my colleagues stated, I want to thank you all for your service. We have members of the military and vet-

erans on both sides of the aisle, and we are very appreciative of their service. So when we say that, that comes from the heart.

And I want to be very parochial, and I don't want to upset any one of you or the veterans on either side of the aisle here. I get to spend the rest of my life with the greatest veteran alive, and that is my wife, who spent 25 years in the military, a retired command chief.

My colleague from California, in my mind, moments ago misled you all. And I want to be very clear on this. Partisan politics does not belong putting veteran against veteran or family against family. I want to clear the air.

The Limit, Save, Grow Act does not cut veterans' benefits. The Limit, Save, Grow Act keeps VA spending in line with fiscal year 2022 levels, like it was just 5 months ago, levels that this President and this administration applauded when originally passed. My colleagues on the other side of the aisle are distorting this fact around funding levels set by the House Republicans and are simply making this claim to undercut our ability to reasonably raise the debt ceiling and protect our financial security. We will protect our veterans and the care that you earned and were promised.

So with that being said, I am—your testimony is—I am happy and then I am frustrated. When you talk about the SBA not being friendly and when you say—I think, Sergeant, you said you can get better results in the private sector. That is just—it shouldn't be that way.

My wife retired in 2010, and called the SBA and the VA for small loans for a woman veteran. Zero results. So we went through this as a family some of the things you went through. You are the—you are the point people for veterans in this country and our small businesses. You are the big part of the engine and the innovators of our economy.

And so to hear you talk about the struggles when we have these programs available. You see, we sit here every week. We talk about the SBA and how good it can be, and we listen to the administrators of the SBA talk about this, but you are boots on the ground. You have told us, each and every one of you—when my colleague Mr. Crane asked, are we doing it right? Can we do it better? Every one of you said we are not doing it right. That is frustrating.

Lieutenant, in your comments, you talk about—you felt when you were coming out of service, you were maybe overqualified. Now as a businessowner, when you look for talent, has that been a benefit for you? You know, you talk about being mission-specific. Tell us about the benefits that you have——

Commander BURKS. Yeah, like—sir, like any veteran, I think that my experience—I have grown and continued to learn on how to translate that. I also believe that the younger veterans that I experience that come to Rost, Inc., or Midway, I just know and can speak their language and help them translate.

So my individual experience on that is that, for younger veterans, there is improvement. For older veterans—and I don't consider myself terribly old, but 16 years in the Navy, you start to be the older guy on deck. And that is, older generations of veterans, you know, 40 and above, may not have had the benefit of that. And

so how do they access that? Relationally, how do we loop them back in to the same opportunities that younger veterans are seeing too?

Mr. STAUBER. Right. What I heard you say is the skills that the veterans bring to the workplace are different than civilians. And I think one of you mentioned about a 4-year degree.

I think, ma'am, you mentioned a 4-year degree is like a high school diploma, what have you.

I just think that—I could talk—we could talk a long time, all of us on both sides of the aisle, in our support for all of you. But I think that we need to hear this.

And, Mr. Chair and Ranking Member, I appreciate you spending—number one, having this hearing, and then spending some time with us talking about the real boots on the ground, where the rubber meets the road, and being mission-specific to be able to be successful and entrepreneurs in our great country. And you all have made it greater because of your service.

And, ma'am, I want to particularly thank you for your service coming into a male-dominated field and being successful.

Thank you for your service. And we greatly appreciate all of you.

Mr. Chair, I yield back.

Mr. ELLZEY. Thank you, Mr. Stauber.

I now recognize Mr. Pappas from New Hampshire for 5 minutes.

Mr. PAPPAS. Thank you very much, Mr. Chairman.

And I want to echo those comments, and just thank all of the Members of our panel here today for your contributions to these proceedings. I think it is critically important that we hear your voices as part of our deliberations moving forward to understand how we can course-correct, make things better, make things streamlined, more accessible, especially when it comes to our veteran business owners.

And I know that I learn a lot from going around my district and meeting some great small business owners who are part of the veteran community. I think of one that I met a couple years ago who talked about his Boots to Business experience. He runs a letterpress and a framing shop in Laconia, New Hampshire.

And so, Ms. Weaver, I appreciate your comments about that being a window in time, right? And transition can be a very chaotic time. There is a lot of information coming at you. And so now that you are 7 years later, you know, you are finding it challenging to be able to continue to draw on that experience during that period.

And so I am just wondering pretty simply—you have addressed this already—but should we be considering ways to have a longer term look and connection, not just to Boots on Business, but to opportunities that have been given to veterans as they transition out of the military?

Staff Sergeant WEAVER. Thank you for your question. Absolutely. There just needs to be continuity between when you take the class and maybe 7 years down the road, maybe a year down the road. If there was anything available—networking, education—the Boots to Business was very basic in its approach to what veterans need to know when they are exiting and what they are going to need to start a business.

But when you are actually starting a business, there are a lot of things you have no idea what to do. So writing a business plan,

doing a profit/loss analysis. You don't learn any of that. They talk about it. This is what you may need to know.

But maybe after the Boots to Business class and TAPs—which is very constrained because of the time requirements—the follow-up classes are things that you can take, are online seminars, are teaching you profit/loss analysis, are teaching you how to write a business plan, how to do a cost analysis of your goods during inflation and stuff like that.

Thank you.

Mr. PAPPAS. Well, thanks for that. I come out of a family small business experience, and our business has been open 106 years. And when you have been around that long, there is some momentum to it, but there is so much risk and challenge in opening a new business. And I want to highlight some of the comments on entrepreneurship, which I really appreciate.

And, Mr. Quezada, you talked about the collective that you helped start, which is really incredible and terrific.

And I wanted to highlight one piece of legislation that I have introduced this Congress. It is a 3-year pilot program that would be overseen by SBA. It would enable hundreds of veterans to use their GI benefits to pursue entrepreneurial training and educational opportunities to help advance their careers.

And I am just wondering if you can reflect on that in the short description I have given you and talk about the need for SBA and other agencies to really focus on entrepreneurship.

Sergeant QUEZADA. Well, I want to thank you very much for pushing that forward. That sounds fantastic. I wish that was an opportunity when I stepped into business 8 years ago. Hopefully, that, I guess, moves forward. And outside of it passing, I hope you guys figure out a way to streamline that to veterans that are getting out in order for them to have access to that capital quickly and use it, you know, where need be within their business ventures, so——

Mr. PAPPAS. Yeah. Well, we appreciate all of your comments here today. And I think one thing that is clear to this Committee and to those of us who serve in Congress is that veterans have put themselves on the line for this country, and they often put others before themselves. That is part of their DNA.

And so when it comes to government agencies, whether it is SBA or the Department of Veterans Affairs, we have got to make sure that it is working for the end veteran, working for the end entrepreneur and business leader, to make sure that these programs are really geared and effective. And so your feedback is so valuable as part of that.

So thank you, and I yield back my time.

Mr. ELLZEY. Thank you, Mr. Pappas.

I now recognize Mr. LaLota from New York for 5 minutes.

Mr. LALOTA. Thank you, Mr. Chairman.

I represent New York's First Congressional District, the eastern end of Long Island. Proudly, we are the home to about 27,000 veterans, a very high population for New York State.

My stepfather was a Navy man. My brother served 20 years in the Marines. And the best job I ever had, including this one, was being a naval officer where I got to serve alongside some awesome,

selfless, brave Americans. And I want to join my colleagues in thanking you all for your service. Proudly, two of the four of you are my former shipmates, so appreciate you guys leading the way.

While he is not here with us in person today, I would like to take a moment to highlight somebody from my district, a veteran, a small business owner, Stephen Hayduk. He is a Vietnam veteran, a father, and a former Suffolk County Department of Public Works commissioner. For almost 40 years, Mr. Hayduk has been at the helm of Hayduk Engineering, a company renowned for delivering exceptional, affordable service to its clients, and has served countless entrepreneurs.

But from Long Island back to this room, I want to again say thanks so much for being here. Your testimony, like has been said before, is helping us craft legislation and budgets and whatnot to be able to help our veterans community. Our intention is to understand your experiences, explore avenues to make your jobs easier, to assist you, to uplift you and the entire veteran community. So we appreciate you being here.

I personally have heard stories from many veteran small business owners on difficulties they have encountered along the way, specifically with the SBA: onerous collateral requirements, Byzantine application processes, having to provide years of lengthy financial backgrounds. The SBA is supposed to be there to help, but sometimes they miss the mark, and this Committee is supposed to fill in that gap when the SBA misses the mark, and your testimony helps us do that.

Mr. Burks, sir, to you first. I appreciate your service in the nation's finest branch, the Navy, of course.

Commander BURKS. Yes, sir.

Mr. LALOTA. In your testimony, you talked about unique barriers to entrepreneurship for veterans. Can you share with the Committee some of those roadblocks? And if you can, advise us on how we can help clear some of those roadblocks.

Commander BURKS. Yes, sir. And we have talked a little bit—or certain Members of this Committee have talked a little bit about the length of small business connections in communities and how—I have talked about veterans coming back don't necessarily have that initial network. So that is, you know, first and foremost what that is.

I am proud of the United States Navy. I have heard in the past year or so the United States Navy has added financial literacy to incoming sailors so that they know from day one, one, the money they have and the, you know, exotic dancer they meet is not a good future financial investment. But two, the skills you are learning can be translated at the end of your service, rather than wait till the last 90 or 180 days to practice that when you are panicked and have no clue where you are going next.

And so I think that is what the Navy is aware of, and I think it seems like a good idea that should yield fruits for future veterans to do that.

Mr. LALOTA. I may or may not have some leadership experience with the issue you just pointed out.

Commander BURKS. I am sure you have with that pin.

Mr. LALOTA. Yeah.

Nevertheless, Sergeant Quezada, you in your testimony characterized the SBA as wholly ineffective—well-intentioned, but wholly ineffective. Can you share—help us out. Can you share with this Committee what we can specifically do to help the SBA in its veterans initiatives?

Sergeant QUEZADA. Yeah. I will just revisit, where I think the breakdown in communication lies is that, in the spirit of entrepreneurship, most individuals, if you are going to be in that type of role pursuing business, you are very apt to take on risk, weigh the cost of risk and reward, move forward, adapt, and overcome, and everything else that goes into business.

However, I think on the other side of the aisle, when it comes to individuals that are working within the SBA, in order to help support us and other small business owners within the United States, I think the breakdown comes where—I would assume most of them have college educations, and they move straight into a job in order to help support. And so that is where I was mentioning the lack of or breakdown of communication because we are not speaking the same language. And most of us are very used to adapting, overcoming, and moving very fluidly, or hitting the walls and finding how to get around or over the barriers, per se. And the person on the other side who might be trying to help, they just—they don't understand kind of the pitfalls of what we are facing or the urgency, per se. So I think that is——

Mr. LALOTA. One of my colleagues mentioned the GI Bill. Did I hear you say that you would like to see that the GI Bill be expanded for different uses rather than the traditional uses?

Sergeant QUEZADA. Yes. I think if veterans had the ability to tap into their GI Bill, whatever that funding might be—let's say 200 grand or $400,000—if they are able to tap into that and apply that to a business venture as they leave the military—obviously, there has to be certain parameters and guidelines, but I think that is a phenomenal way for us to set them up for success and a win.

And then I would assume, if that bill passes, there needs to be coaches involved or business individuals on that side that are going to walk kind of hand-in-hand or at least, hey, you are checking every 3 months or quarter, whatever it might be, 6 months, and then making sure that you are there to support as they continue to grow, and maybe the ability to release more funds as times become available.

Mr. LALOTA. Awesome. Thanks for your testimony. I appreciate your feedback. Thanks for your service.

I yield.

Mr. ELLZEY. Thank you, shipmate.

I now recognize Mr. McGarvey from Kentucky for 5 minutes.

Mr. MCGARVEY. Thank you, Mr. Chairman.

Thank all of you all for being here today. Thank you very much for your service.

I am from Kentucky, as the Chairman just said. It is the home of both Fort Campbell and Fort Knox, where tens of thousands of servicemembers are stationed, where many continue to live and start businesses upon leaving the service.

In 2021, more than 20,000 veterans, servicemembers, and military spouses participated in the Boots to Business Program. In

2022, participation declined to roughly 18,000. In 2023, participation is expected to decline another 5 percent. Take that statistic.

Now the next statistic. In 2018, the New York Federal Reserve reported that veteran-owned businesses submitted more applications for loans, lines of credit, and cash advances than their nonveteran counterparts. Yet 60 percent of veteran-owned businesses reported obtaining less financing than requested and experienced lower approval rates across the top three sources of credit: large banks, small banks, and online lenders.

So looking at this right now, obviously, we want to help as many veterans get back and, as you said, Mr. Hyacinthe, go on the next mission. So kind of just following up on a lot of the questions you have been asked today, starting with Mr. Meuser and others.

Given the decline in participation right now, the difficulty in access to capital that we are seeing for veterans—I just will start with you, Mr. Hyacinthe. What would you do if you were in our seats to help both of these things and get more veterans into becoming entrepreneurs?

Petty Officer HYACINTHE. Thank you for that question. First, I would ask you guys to keep doing what you are doing. This is what it requires. Coming together. For veterans to truly get the support that they need, we as a society, as a nation, as a body, as a Committee, need to come together. So that is first and foremost.

Secondly, I believe in the ability to give veterans access to capital. And if these certain entities are not providing access to capital or you see veterans declining, let's find other initiatives that are seeing a positive impact.

What we are doing in Michigan could be replicated in certain places with other universities where the veterans are taught how to start a business, ideate that, launch it, and then give them some money to go and seed that. So we have opportunities to show that educating and giving the veteran funding can work.

Mr. MCGARVEY. I appreciate that.

I will just go down the line, ask everybody the same question.

Staff Sergeant WEAVER. I don't know if there is anything else you can do other than what you are doing now, because this is exactly what needs to be done. But I will say that when we go to apply for loans and we go to apply for business credit, lines of credit and stuff like that, although you guys understand that being a veteran carries a lot of weight and comes with a lot of accolades and leadership qualities and things like that, it is dropped when you are applying for the loan. You know, now it is Breakable Hearts is applying for the loan, not veteran-owned Breakable Hearts is applying for the loan.

And so if there is any way to take the weight of, you know, the qualifications and stuff for being a veteran—and that holds its weight when you go to actually apply for these loans and things like that—that would be my suggestion. Some way to do that.

Mr. MCGARVEY. Thank you.

Sergeant QUEZADA. I will just mirror what they both said. I believe each one of you sitting here shows that you guys and gals obviously care about veterans and small businesses and the healthy synergy between our government and the private sector.

And so you continue to sit on this Committee and work together to collaborate and come up with answers and solutions, ideally. So thank you for doing that.

And I will pass it over to Mr. Burks.

Commander BURKS. Sir, thank you for the question. I think it is a relevant question. And I would maybe carry the ideas that my fellow veterans have shared.

So one—some notes I wrote down—I would advise strongly discourage us using the Post-9/11 GI Bill as a block grant to veterans not related to education. But it could be used for lenders to understand as a loan guarantee that veterans with service who have—would have access to this could utilize it in that way. You know, it is the whole give a man a fish or teach a man to fish mentality. And that is what the GI Bill is for.

The second part of that—and I really appreciate Staff Sergeant Weaver's idea—and that is your military service could be utilized as experience in industry for lending standards, especially for small- and medium-sized businesses that are related around trades for what you are doing or what you are trying to procure.

If you are lookin—and I am concerned about businesses because of the nature of my position. Businesses that are—the owners want to retire, they have this trade experience, but they don't have somebody that they can pass it on to in the family or that they could sell it to, and a young veteran who has this experience, if that could be counted for them, would be enormous.

Mr. MCGARVEY. Thank you very much.

I yield back.

Mr. ELLZEY. Thank you, Mr. McGarvey.

I now recognize Ms. Gluesenkamp Perez from Washington for 5 minutes, if she is ready.

Ms. GLUESENKAMP PEREZ. Yes, sir.

Mr. ELLZEY. All right.

Ms. GLUESENKAMP PEREZ. Thank you.

In the course of preparing for this hearing, my team spoke to Jake Dailey of Toledo, Washington. Jake served as a combat medic in Iraq, and carries that trauma that many veterans do.

As he describes it, when he came home, he found a unique therapy in the outdoors as he learned how to use goats to rake the forest. And eventually, the veteran-owned startup Rake Force was born.

Rake Force is a special purpose corporation that uses goats to eat through excess biomass on the forest floor and prevent wildfire, and return the forest to peak health. As the business grows, Jake aims to hire and empower more veterans in Lewis County. As Jake puts it, it is a win-win to manage forests in the West while also giving meaningful, healing work to veterans.

Jake's story reminds me of how veteran-owned small businesses can have a multiplier effect in their community. One veteran success empowers and heals an entire veteran community.

Mr. Hyacinthe, in your testimony, you mentioned how your first small business was committed to healing veterans through art. How can this Committee support veteran small business owners that have a similar focus on bettering society and responding to the unique issues that veterans face?

Petty Officer HYACINTHE. It is a great question. I think it is a question to our current times.

When we look at the current iteration of industry, when we look at, you know, the success of technology, automation, in addition to the newly introduced ChatGPT, we need to allow veterans to be creators. Feed them the opportunities where they are in positions where they can be expressive, use their imagination.

Regarding what we did was we saw an impact with Has Heart and how that impacted veterans through creativity and how that connected and collaborated with veterans. We said, could we do the same thing and apply it to children? So that is where we were able to create the Wimage app, which converts words to images, and now we have a show on PBS.

I think what makes veterans unique—similar to your colleague or your constituent—is that he put himself in the position where he was able to heal—A, healing, right? Veterans, can we heal through the ventures that we are creating, and can we provide an opportunity for other veterans to heal through this venture that we started? And with that, can we expand it and empower other veterans?

I am a strong believer in creativity and the arts, because I believe that giving veterans an opportunity to share their thoughts and ideas, that is where innovation flourishes and that is where community can find a place to come together.

Ms. GLUESENKAMP PEREZ. Thank you.

Mr. Burks, thank you for your service and for taking the time to speak with us today. I want to take a moment to emphasize something you said earlier in your opening remarks: That through your military career, you developed some of the skills that make you a great candidate for your current position.

I think it is incredibly important for us to recognize that our veterans coming out of service have acquired critical career skills, often beyond what could have been acquired in a 4-year college.

How can we better support veterans like yourself in identifying those skills and connecting them with careers where they would be valued?

Commander BURKS. Yeah. And I appreciate the question, Congresswoman.

I am not sure that I am equipped to give you a ideal answer beyond what we have already spoken about. At my postgraduate education, the veterans assistance program there was not connected to Boots to Business. It was not connected to a lot of the newer resources that are available.

But what I hope that this Committee hears from me consistently, and that is relationships are what makes entrepreneurship successful, and veterans need that assistance in connecting those relationships when we get back to our communities.

Ms. GLUESENKAMP PEREZ. Thank you.

Mr. Quezada, thank you for your service and for taking the time to speak with us today. I appreciate you raising the issues of barriers and red tape in seeking assistance with government processes.

My husband and I own a small auto repair and a machine shop, and we too have experienced these challenges of applying for some

of these programs where the dollars don't go where they would make the most sense, do the most value, but to the people who have the patience to navigate an opaque system.

So I would love to hear more about your experiences and any advice you have for how we can specifically improve the experiences of veterans applying for these programs.

Sergeant QUEZADA. Well, I will mirror what Mr. Burks said—or, Burks, sorry. But everything for me, personally, as I have grown my business, relies on relationships.

So I think, outside of the majority of veterans who are leaving the military, they already have the proper skill set to adapt, to overcome, to weather the storm, meet, you know, barriers head-on, and figure, you know, a way to problem-solve or solution-base.

But I am a huge proponent of people and working with people and relationships. So that is how I have gotten to the success we have gotten to as a business.

Ms. GLUSENKAMP PEREZ. Thank you.

Thank you, Mr. Chair.

Mr. ELLZEY. Thank you, Ms. Gluesenkamp Perez.

I now recognize Mr. Molinaro from New York for 5 minutes.

Mr. MOLINARO. Thank you, Mr. Chairman.

Mr. Quezada, I am actually going to get back to you, and I would like to follow up on that question. But, very specifically, I just want to offer some comments before I do. But I will give you some time to think about it.

Sergeant QUEZADA. Yeah.

Mr. MOLINARO. The challenges of accessing SBA assistance, in particular for veterans' business development, think about very specifically some of the steps that we might take to streamline access. And I recognize the value of building those relationships.

I just—I want to join my colleagues, certainly, in thanking all of you for not only your testimony but your service. And I, certainly, this weekend and every weekend, join my colleagues and every American in expressing our thanks to the men and women who have, continue, and will serve this country.

Veteran-owned businesses, as we recognize, are extremely important in our communities. According to JPMorgan, about 25 percent of transitioning servicemembers want to start a business, and yet very few have the network or resources necessary to make that happen.

I served the last 12 years as a county executive, where we identify the very specific barriers and challenges to veterans reentering the workforce and then building their own business opportunities. In particular, in order to access stable employment, we provided a great amount of support in housing, education, counseling, mental health services, and transportation. All those wraparound services, in particular, very, very critical to enhancing access.

And so, Mr. Quezada, I will get back to very specifically the question. Give us your thoughts on streamlining more opportunities and access to SBA assistance and how we might do that. And I appreciate the relationship-building, but what specifically might we do?

Sergeant QUEZADA. First off, I would like to know, I guess, out of all the lending capabilities out there within the United States,

what does the SBA account for, percentage-wise, compared to every other type of lending out there, for one.

And then, two, the assumption would be that every State is in lockstep with how to work and determine or circumnavigate—actually, sorry—provide a cohesive answer or solution to veterans or to small-business owners in order to access, you know, capital through the SBA.

I don't know if that is necessarily the case. I have talked to several different bankers who have some wherewithal with the SBA, whether it is a 7(a) or a 504 or some of the other capabilities out there, but nobody seems to fully understand or have all the answers. And I spent a couple different times just getting shuffled around to different banking institutions through the State.

So there probably needs to be some type of baseline that everybody understands clearly.

Mr. MOLINARO. State to State. So uniformity in State delivery, at least within States' delivery of access. Single point of contact, I assume. And the ability to share information so that you are not ping-ponging around from lender to lender and then through the bureaucracy. That——

Sergeant QUEZADA. Correct.

Mr. MOLINARO.—is fair?

So there are U.S. companies that are making significant investment in building up veteran employment and entrepreneurship opportunities. Walmart, as we likely know, invests heavily in veterans, hiring over half a million veterans as employees and spending now more than $10 billion with veteran-owned suppliers.

In my part of New York, Syracuse, New York, Syracuse University has spearheaded the creation of Coalition for Veteran-Owned Businesses, which helps support veteran-, servicemember-, and military-spouse-owned businesses by connecting them to education, training, and other service supports. With the help of companies like Walmart, Johnson & Johnson, and Lockheed Martin, the coalition has provided over 13,000 veteran-owned small businesses with opportunities.

In the last few seconds I have, it is important that companies continue to make these sort of strategic investments and partner to advance job opportunities with veteran-owned suppliers.

For any one of you, what are some of the ways that you think industry, larger employers and businesses, could collaborate in a similar way to help veteran-owned businesses like your own?

Petty Officer HYACINTHE. I can speak to that, and I think I addressed one specific issue in my opening statement.

I think AAFES, the Navy Exchange, the Commissary, the VA Canteens, I think they have an important role to play in fostering veterans in their venture and entrepreneurship pursuits.

We look at Liberty Weaver. Why can't the Commissary create a pilot program where individuals of her talents that have awesome baking skills get an opportunity to create a line of baking goods inside the Commissary and pilot that? Why——

Mr. MOLINARO. So leveraging—I apologize. Just to allow—in 3 seconds or less—leveraging the power of the federal government.

Petty Officer HYACINTHE. Absolutely.

Mr. MOLINARO. Anyone else on the private side?

I am out. Mr. Chairman, I yield back to you.

Mr. ELLZEY. If you want a couple more minutes to expound on that question, you may.

Mr. MOLINARO. I just wouldn't mind if someone else—and I appreciate what you had to say.

If one other witness——

Mr. ELLZEY. Go ahead. You have 2 more minutes.

Mr. MOLINARO. Well, I didn't need them.

Okay, Mr. Chairman, I yield back.

Mr. ELLZEY. Thank you, Mr. Molinaro.

Mr. MOLINARO. Thank you, sir.

Mr. ELLZEY. I now recognize myself for 5 minutes.

First of all, Petty Officer Hyacinthe, I feel like Wimee is staring at me. And I don't know if he is powered by AI or not, but he is making me a little bit nervous. He has been staring at me for, like, a half-hour. But I am glad you brought him with you.

None of you all were drafted. You all have a servant's heart, and you said, "Here am I. Send me." And I hope that you have seen from this panel today and the folks who have been up here, this Committee actually cares about your success.

I know that you were all trained for at least 1 year in the chosen profession that you had. I know supply school lasted a year, and an advanced degree. You went through training your entire career for spec ops. You did at least a year of training for dental training. And Seabees are always training, because they are always creating things.

The least we could do in our country is give you a hand-off from the DOD to the VA without any break in service.

So, if we are willing to train you for at least a year, minimum, regardless of your MOS or whatever training that you get for your profession in the military—you get none of that on the way out, absolutely zero. And what the DOD does, whether you have been in combat or not, is, they chew you up, spit you out, and say, "Good luck. Godspeed. Here is a 1-day TAP class. And there is the VA in the corner. Good luck. Hope you get you some disability."

Ultimately, I think it is the responsibility of a bipartisan attempt over the next few years of our Congress to ensure that the DOD—who doesn't, at this point, have to do anything for you once you are gone—that the DOD not release you from Active Duty until you have gotten a full work-up of your disability rating; a full psychological and mental evaluation, if you have seen combat, to get you the care that you need; and then any training and transfer of the skills that you currently have into the civilian world, be it a welder or anything else. Right now, they don't currently make sure that you have that on the way out. But, also, if you intend to be an entrepreneur, to link you up with an SBA caseworker that can help you on your way.

I am sure all four of you, as I have listened to your stories, probably didn't figure you would end up where you are today, but you have to at least have the opportunity to do so. Because that lost year after you get out—and I don't care if you are a lieutenant commander or if you are an E5. I had 20 years in the Navy as a Navy commander, and when I got out, I had no sense of where I belonged. I had lost all my peers, I had lost all my family, except

for, you know, my wife and children. Obviously I had those. But that sense of camaraderie that you have is completely gone, and you are cut off from it. That is not right.

So we need to have a link-up between the DOD and the VA so that you don't lose that year. Because if you lose that year—especially if you are a young sailor or airman or soldier with a young family, you have to get a job. If you don't have that disability rating, you are not going to get a hiring preference. If you don't have that disability rating, you are not getting any money coming in. So we need to do a better job of that.

So, at some point—I just want you to know I was a small-business owner, and the pit in my stomach evinced itself when I saw all the things that you have had to go through. And I wish you every success.

And someday I want to come to Midway Games and challenge you in axe-throwing.

Commander BURKS. Yes, sir.

Mr. ELLZEY. I will kick your tail.

Sergeant First Class Quezada, I want to come to Founding Fathers and get a haircut. I need one today.

I am going to buy some chocolate for my bride from Breakable Hearts. In fact, we were in Amelia Island just 2 weeks ago. I wish I had known about your business then. I would have come by, because I am sure at some point there in that time I was in the doghouse and needed to get out of it. So you are going to be my saving grace.

And, of course, I want to come see Wimee the robot and your AI training at some point and your cartoon at some point. I think it is fabulous. Who would have thought that a Seabee would be doing "Wimee's Words" and puppetry? But I am really happy that you guys are all doing that.

In the few minutes we have left, Commander Burks, if you were the guy that was now about to get out and you had one thing to go back and do over again to get you to here, what would it be? One thing you didn't do that you needed from the DOD or the VA or anything at all?

Commander BURKS. Yeah. I appreciate the thought on a better pipeline between DOD and VA. Because my transition was rocky for exactly the reasons you have talked about—mental health support, your loss of sense of identity when you leave Active Duty into Reserves or civilian life or career. I had no clue. And I think that I would have told myself getting into the Navy, it is going to be rough getting out of the Navy.

Mr. ELLZEY. Ms. Weaver?

Staff Sergeant WEAVER. It is rough. It is very rough.

Mr. ELLZEY. You can think about it.

Mr. Quezada?

Staff Sergeant WEAVER. Okay. Come back to me.

Sergeant QUEZADA. Yeah, the one thing I continually recommend to young men and women who are going into the military is, you know, be secure in your identity before you go in. Don't allow the military to dictate who you become. At some point, you are going to leave, whether it is 2 years or 20 years. So, as you leave, make sure you know who you are as an individual and

where you stand. And that helped me transition out when I did pretty rapidly, to where I didn't tie my identity to what I did in the military.

So that was one thing.

And then, two, probably set up some type of, you know, short-term and long-term goals, you know, 1-year to 5-years life map on where they came from, where they are currently, where they think they want to go, and don't lose sight of that mission. So——

Mr. ELLZEY. Okay. Thank you.

Ms. Weaver?

Staff Sergeant WEAVER. That did inspire me. Thank you.

I would set up some type of financial planning. I know—I heard earlier that the Navy is offering that now. That wasn't available for me when I was in the Air Force. But that would definitely set you up for success when you are transitioning, because there are so many unknowns. You don't know if you are going to get disability. You don't know what job you are going to get or how money is going to start coming in.

So that would be my advice.

Mr. ELLZEY. Close us out, Mr. Hyacinthe.

Petty Officer HYACINTHE. Hooyah.

Completely agree with my fellow veterans. I believe that transition is a very, very challenging transition, and that year—that year can feel like 10 years.

But one thing I would give advice to, for veterans who are getting out, is to find an organization to continue serving with. Habitat for Humanity, Team Rubicon, Mission Continues—those are opportunities where veterans, while they are still trying to find their mission, can perhaps continue to serve, to find that purpose.

And, at the same time, it just goes back to who we are: We are servants. That is what we have been trained on. And if we can find an opportunity to keep serving and, hopefully, throughout that mission, find our purpose.

That is my, you know, answer to your question.

Mr. ELLZEY. Well, that is all really good advice from all four of you.

So I think we need a pilot program for peer counseling. Because, as we get out, the peer counseling is what is missing, the family feeling of people who have been there before. All four of you have been there before. I would like to see more veterans who have gone into small business being able to mentor and be a peer counselor for those young men and women getting out and choosing to go down your path.

Well, I have gone over my time, but nobody was there to tell me I couldn't. So I think we are pretty much done.

I would like to thank our witnesses for their testimony and appearing before us today. We are all very proud of you and want to see you succeed.

So, without objection, Members have 5 legislative days to submit additional materials and written questions for the witnesses to the Chair, which will be forwarded to the witnesses. And I ask the witnesses to please respond promptly.

If there is no further business, without objection, the Committee is adjourned.

[Whereupon, at 4:17 p.m., the Committee was adjourned.]

APPENDIX

[Greeting]

I am Taylor Burks, I am the President of Rost, Inc, and the General Manager of Midway Golf Games & 44 Tavern in Columbia, Missouri. I am the former Director of Labor Standards for the State of Missouri under Governor Mike Parson, and have served for 16 years now in the United States Navy, both on Active Duty and now in the Reserves. I have served overseas a number of times for our country, and believe that the United States military remains the greatest career skills program this country can offer our young men and women.

After my career in public service, Tim and Toby Rost approached me to discuss stepping into the chief executive role at their family-owned company. Founded 38 years ago by Tim Rost while he was a college student at the University of Missouri, Rost Landscaping has grown into the premier landscape design/build firm in mid-Missouri, includes five phenomenal divisions within Rost Inc, and in 2018 added Midway Golf & Games to their portfolio. Our initial conversations centered around expanding the business with indoor golf bays, a restaurant, and event center at Midway, for which they needed an executive to spearhead. After that expansion, our company strategy focuses on the next generation of ownership and leadership for whenever the Rosts decide to step back from their daily roles at the company.

In having this conversation about how to continue their family business for the future, my experience as an accountant, logistician, and labor professional were high on their priority list for their chief executive—not least of which because automation, supply chain issues, and H2B visas are critical areas of need in our company. What sealed the deal, for them, was my service as an officer in the United States Navy, and the resiliency, character, and soft skills that I and veterans like me learn during our military careers. In short, the Navy opened the door to small business entrepreneurship for me, made possible through the Rost family's vision of future leadership in their company.

Like many service members leaving the military, my experience transitioning out of active duty service was challenging. I went through Transition GPS in 2014, as I was entering business school at Washington University in Saint Louis—which itself was paid for through the Post 9/11 GI Bill's Yellow Ribbon program. Transition GPS did give me opportunity to think how I could translate my military service into "civilian-speak"—an effort that was frustrating in that many of the 60+ jobs I initially applied to responded that I was overqualified for their roles. This is a common response I hear from many of my sailors even today, as they look to transition out of the US Navy: we are overqualified for jobs.

Where I found success was my own ability to connect with community leaders and business owners in my community. It was those connections, and sheer determination and hard work, that presented my first opportunity for entrepreneurship. I am blessed that the Rosts had a vision for their company, that they chose to include me in their strategic planning for the future ownership of Rost Inc., and that they continue to support my service in the US Navy Reserves when it takes me away from daily operations of the company.

This brings me to the second issue I hope we discuss today—what happens to the tens of thousands of SMBs with owners who approach retirement with no succession plan in place? Many have family

transitions identified, some have plans to transition to employee ownership, or liquidation with an SMB broker, whereas up to half (by some estimates) plan to close their doors altogether on retirement. Complicating this environment are tax policies that can be the difference between selling a business to new leadership, or simply closing up shop. Barriers to entry also include burdensome regulations that, despite best intentions at compliance, mean entering entrepreneurship for veterans is a bigger hassle than many are able to tackle.

In short, the military prepares us for success. Transition programs are invaluable to so many veterans moving to civilian life. But the barriers to entrepreneurship can be lowered further so that veterans of today can enjoy the same opportunities previous post-war generations saw for their veterans. I appreciate the chance to talk about that.

SFC Grant Quezada
U.S. Army
75th Ranger Regiment
AZ National Guard

Ladies and Gentlemen,

My name is Grant Quezada, and I am here today representing several businesses under the parent company of Founding Fathers Collective. I stand before you as a proud United States Army veteran, having served our country for 17 years. As a 100% service-connected disabled Special Operations Veteran, I have deployed six times to Iraq and Afghanistan, dedicating eight years to active duty and the past nine years serving in the Arizona National Guard.

In addition to my military service, I have ventured into the business world. Upon returning to Arizona in 2014 with my wife and children, I opened John Hancock Barbershop. The success of this venture led me to partner with a childhood friend, a fellow Air Force veteran. In 2018, we purchased a 12,000-square-foot property, and amidst the challenging times of October 2020, during the COVID-19 pandemic, we proudly opened the Founding Fathers Collective. This collective houses seven operating businesses under one roof, six of which we own.

I am honored to share that our entrepreneurial efforts have been recognized by Salon Today, a prestigious industry publication. John Hancock Barbershop was featured in Salon Today's list of Top 10 Salons in the United States in 2021, a testament to our commitment to excellence and customer satisfaction. Furthermore in 2022, Founding Fathers Collective was humbly chosen out of 300 other participants at a national level to receive the W.O. Lawton Business Leadership Award. This award honors businesses that have demonstrated exceptional growth and community impact. This recognition reinforces our dedication to not only building successful enterprises but also positively contributing to the communities we serve.

However, amidst our accomplishments, it is important to address the challenges faced by veterans transitioning into entrepreneurship. While we appreciate the well-intentioned government programs such as the Small Business Administration (SBA) and the Office of Veterans Business Development (OVBD), it is disheartening to find that these programs often present barriers, red tape, and bureaucratic hurdles when seeking assistance.

Fortunately, through the support of our fellow business leaders and entrepreneurs in the community, we have been able to navigate the pitfalls that often come with starting and growing a business. It is the belief and guidance of these individuals that have helped us overcome obstacles and achieve our goals.

I stand before this esteemed committee to shed light on the experiences of veterans in the business world and urge you to consider streamlining government assistance programs. By reducing barriers and fostering collaboration with community-based organizations, we can create an environment that supports the entrepreneurial ambitions of veterans. This will not only benefit individual veterans but also contribute to the growth and prosperity of our communities as a whole.

In conclusion, I am grateful for the opportunity to share my journey and the successes of Founding Fathers Collective with you today. As veterans, we have demonstrated our commitment to serving our country, and now we seek to serve our communities through entrepreneurship. I kindly request your support in ensuring that our transition into the business world is met with the necessary resources, streamlined processes, and partnerships that can help us thrive.

Thank you for your attention, and I am ready to address any inquiries you may have

Chairman Williams, Ranking Member Velazquez, and distinguished members of the Committee on Small Business, thank you for inviting me here today to discuss the success and challenges veteran entrepreneurs face. My name is Liberty Weaver, and I am the Owner of Breakable Hearts LLC. Breakable Hearts is a dessert catering company that provides beautiful up-scale desserts for weddings and events. We provide our services to Southeast Georgia and Northeast Florida. We are based out of Fernandina Beach Florida and have been operating since February 2021.

I joined the Air Force in 2009 directly out of high school. I was assigned as a 4Y0X2 or Dental Laboratory Technician. No, I did not clean teeth, I made teeth. In the 6.5 years that I served I became a subject matter expert in pediatric removable orthodontic appliances. Although I was set to go far, I had to cut my time in the military short. Transitioning out of the military was scary but I was optimistic. I was pregnant, writing a patent for an invention I thought would retire me and going to school. When exiting the military, I took a class called boots to business. This class was interesting, encouraging, and informational. It sparked a little fire in me that maybe I could start my own business.

Once I was out everything I had just been taught seemed to get locked away while I proceeded to embark on this new journey of motherhood, education and living in the middle of nowhere Germany. My husband was active-duty Army, so I spent the next few years following him around while I finished my bachelor's degree. When we moved back to the states, I was excited, I had a new degree, I knew the language and I was going to get this amazing job with all the information I had learned in school. Wrong! I had no experience. My only work history up to this point was the military in a very niche career field.

Without the experience to work in my career of choice I used my experience from the military to land a job at a dental lab. I was hired as the removable appliance manager in Richmond, Va. It wasn't long after working there I started to feel stuck. I struggled with my dreams and goals and what I was qualified to do. In this day and age an bachelor's degree is equivalent to a high school diploma. With fear of wasting my life away I started a new career in marketing. I had human interaction and got to utilize things I had learned. I really liked this job, and it gave me the experience I was looking for to pursue other careers in the psychology field. Then, covid happened and everything got shut down. So, with fear and

death looming over me every day I did what any normal person would do and I moved to Florida with my daughter and husband who had just medically retired from the Army. Without the option to work I decided to go back to school. I got accepted to Pepperdine University in the Fall of 2020 and graduated with my master's in June 2022. In the meantime, I had another baby and started a business from home. Why the sudden career change? As I was nearing the end of my degree, I had discussions with my professors on the next steps to accomplishing my goals and they all said the same thing. "You NEED experience". Disheartened, I stopped fighting the system and opened a small business. I had two kids, one was only a month old, and I figured I was just doing something that would allow me to stay home. Thus, Breakable Hearts LLC was formed in February of 2021.

I opened Breakable Hearts with my mom, we had no idea what we were doing or how to do it, but we were determined to figure it out. I drew on strengths and skills I had developed while in the military such as leadership, management, and attention to detail. We sored. We have only been actively in business for 2.5 years and have already been published in 5 magazines/news articles, appeared on national television and radio twice and have been awarded:

- Couple's Choice Award 2022
- Best of Zola 2023
- Best Rising Star Bakery 2023

So why am I here? We have hit a growth stopping point. We have maxed out the capacity of our time and space for the number of orders we are receiving. What did we do? We did what most small businesses do, we reached out to our local SBA lender to learn how to move forward. She provided us with a list of tasks that we needed to complete before we could apply for a loan and told us to investigate grants. Our main setback is capital. We self-funded the business from day one until the business started paying for itself. We spent hours researching grants, angel investors, I even reached out to the wounded warrior project for any resources they might have in connection to grants for veterans, women veterans, or small business veterans. I found hundreds, but none that applied to me and my situation.

I tried to do my own research on funding a store-front, buildouts, employees. I hit a brick wall. I don't have the capital to do it myself, I don't meet the criteria for a grant, and I can't get a loan without the capital for the downpayment. When I asked if there was any veteran specific SBA loans or women veteran programs, she let me know there was not. At this point I feel like I have maxed out my resources and contacts to move forward. I remember boots to business listing tons of resources for veterans, but I can't recall them from 7 years ago.

What I am here today to do is show how a story like mine can go from a thriving small business to a hobby very quickly. Without the resources or connections to move forward we are never going to be able to take a home business to a local business. Thank you for inviting me today. I look forward to answering any of your questions.

2023 - CONGRESS TESTIMONY SPEECH
Michael Hyacinthe
U.S. Navy Seabee, Veteran
Wimage and [Has Heart], CEO/FOUNDER

Hello, honorable and esteemed committee members! My name is Michael Hyacinthe. My twin brother and I are proud to have served in the military. I served eight years as a US Navy Seabee, and my twin served 20 years as a Combat Medic in the Army. I am originally from the Bronx NY but I currently reside in Grand Rapids, Michigan. I am here today not solely because of my own abilities but because my faith has guided me here. I am here today because my parents have instilled good values, like hard work and sacrifice, for me to be here. I am here today because of my kids whose hopes and dreams for a better future have made it necessary for me to be here. And finally, I am here today because the Navy has developed me as a leader and helped me to see my full potential, providing a path for me to be here.

I come to you feeling hopeful because we remain the country with the bravest heroes who are prepared to make the ultimate sacrifice so that many of us can become entrepreneurs. I think about the families I have been honored to know while serving on the Casualty assistance team in New York. I remember Corporal Daane Deboer, a Grand Rapids Marine killed in Afghanistan on his first deployment. He is one of the many heroes that has inspired me to keep striving because of their great sacrifice and I will forever be in debt to them, and they will forever be a part of my story.

I separated from the military in 2005 but struggled to reintegrate and feel accepted. I drove a New York City yellow cab for two years, looking for my next mission. Like many other veterans, we come out different than when we joined. We are older. Physical disabilities or mental challenges may now be a part of our stories. Mapping out my purpose proved challenging. But fortunately, I found an opportunity to become an entrepreneur in Grand Rapids, Michigan.

My first business venture involved helping wounded veterans find healing through art. As a result of this mission, I launched a nonprofit organization called [Has Heart] to help veterans and the creative community use art for expression, connection, and healing.

My work with [Has Heart] indirectly opened the door to launching a multi-media children's company called Wimage, or words to images. Wimage started as a tool to help veterans turn words into images so they could become independent creatives. But during our testing, we saw an opportunity to help kids at an early age. So, we pivoted and began using the app to help kids improve their literacy skills and help them to become visual storytellers. But while developing the technology, we needed a kid-friendly character, so we created Wimee the loveable robot. The success of the Wimee character took us into classrooms throughout Grand Rapids. But like everywhere in America, the pandemic disrupted our work. So, we needed to find another opportunity to engage children at home. We created an online show featuring Wimee the robot

and our Wimage app. Our online show called Wimee's Words started in our basement, moved to our attic, and quickly expanded to twenty national PBS markets reaching millions of households. The success of our show helped us land a three-book deal with ZonderKids, an imprint of Harper Collins. We believe this opportunity will help Wimee to become a household name and continue to inspire the next generation of creator's, storytellers and innovators. Our first book Wimee Creates launches July 18

Like so many other veterans, my journey has been very complex and full of challenges. While I'm very fortunate to share my story, many other veterans still struggle with a lack of support, resources, and funding. Over the last century, our vets have helped to rebuild towns and communities through entrepreneurship to help make America the most successful economy in the world. But many veterans are still left unsupported or their ideas remain unheard.

To help these veterans, we would love to see organizations like AAFES, Navy Exchange, the commissary and the VA Canteens create opportunities for veteran entrepreneurs to pilot lifestyle and consumer products through their retail systems, just like other big retailers do for underserved creators. This could help veterans learn and develop a market for their products by offering a place for them to pilot their ideas. I personally would love to introduce Wimee to kids and families on military bases, so if anyone can make an introduction, I would greatly appreciate it.

Overall, we salute this body for your efforts to help veterans expand their entrepreneurial spirit. We are grateful for the Boots to Business initiative. However, more funding could go directly to veterans to seed their ideas like we have done through the Michigan Veterans Entrepreneurship Lab at Grand Valley State University in Grand Rapids, Michigan. Since many veterans especially minority and female veterans, struggle with getting financial funding, we award cash prizes to our graduates through MVE. The GI BILL could also be revamped and used as a financial tool to help veterans start or launch their businesses rather than limiting the use of the fund strictly to educational programs.

Artist Vincent Van Gough once said, "If you hear a voice within you that says 'you cannot paint,' then by all means paint, and that voice will be silenced." Like Van Gogh, we need to empower our veterans to pursue their ideas and imaginations through entrepreneurship, so that they can **paint their dreams, improve their lives, and help strengthen communities all around our country. We have seen and witnessed the veteran's limitless potential and bravery. But now it's time to unleash that innovative American spirit to help our veterans.**

Thank you all for your time and your consideration. I especially want to thank Congresswoman Hillary Scholten and chairman Williams, for the opportunity to be a voice for our heroes. Finally, I want to thank all who have supported me throughout my journey in New York and Grand Rapids. I would not be here without your prayers, love, and support. I am blessed and grateful. Hoorah, Seabee!!

STATEMENT FOR THE RECORD
U.S. HOUSE COMMITTEE ON SMALL BUISNESS
"SALUTING SERVICE: SUPPORTING VETERAN OWNED SMALL BUSINESSES"

Wednesday, May 24, 2023
Mr. Cheston Syma
Marine Corps Veteran and Small Business Owner

Dear Chairman Roger Williams, and Honorable Members of the Committee,

My name is Cheston Syma. I am a proud Marine Corps Veteran, an owner of 43 Sport Clips franchises across three states (Texas, Oklahoma, and Illinois), and a Texan. After learning of the House Committee on Small Business hearing, "Saluting Service: Supporting Veteran Owned Small Businesses," I felt compelled to share my story and ask for your continued support.

Personal Military Background
As a U.S. Marine, I rose to become the Platoon Sergeant of my infantry platoon and served as a primary marksmanship instructor for my unit. After my time in the infantry, I was accepted into the Marine Security Guard program where I served as a Marine Guard at various U.S. Embassies, including London and Port-au-Prince where I held Top Secret clearance. I later became a security contractor during the peak of the Iraqi conflict and proudly served my country once again by providing close protection to U.S. Diplomats, Senators and Congressmen in Iraq and Afghanistan.

Becoming a Business Owner
While still overseas, with the money I saved while serving, I worked with Sport Clips corporate headquarters to buy my first two locations in Katy, Texas. I feel every aspect of my military past has helped me in achieving success in my business life. Learning leadership traits and leading by example were truly the best transferable skills that helped me grow my business. Franchising has helped me serve again – allowing me to serve my community by providing employment opportunities to my fellow Americans. My company and locations currently employ three hundred extraordinary people – all of whom have family and loved ones they support in one way or another. It is truly a wonderful feeling when I hire a young hair stylist and see them grow with the company, start a family, buy their first house and see their dreams come true.

Policy Solutions to Support Military Veteran Owned Small Businesses
As this hearing has outlined and discussed, military veterans welcome support to achieve business ownership. The conversation during the hearing included the lack of access to capital, and barriers to funding. It is so important I bring to your attention today a tax inequity hurting my business. This tax unfairness can be solved by utilizing an existing tax credit Congress passed thirty years ago. I appreciate the opportunity to provide the following history and proposed solution.

STATEMENT FOR THE RECORD
U.S. HOUSE COMMITTEE ON SMALL BUISNESS
"SALUTING SERVICE: SUPPORTING VETERAN OWNED SMALL BUSINESSES"

History

•A tip is a monetary transaction between a client and their service provider. A tip is taxable income. The business owner who employs the service provider does not receive any profit from the tips, yet business owners are responsible for paying the employer portion of FICA taxes (Social Security and Medicare at 7.65%) on the tips.

•In 1993 Congress passed the 45b FICA Tax Credit on Tips for the restaurant industry. Restaurant owners receive a dollar-for-dollar tax credit on the restaurant employer's share of FICA taxes paid on employee tips. Access to this tax credit is limited to tips received for providing, serving, or delivering food or beverages in the restaurant industry.

Problem

- For three decades, professional beauty industry employers have been unfairly denied access to this existing dollar for dollar tax credit on tips which has created an issue of tax unfairness, inequity, and an unlevel playing field which denies the opportunity for my business to grow while navigating uncertain circumstances.

Solution

- I respectfully ask Chairman Williams and the Honorable Members of this Committee to support the passage of H.R.45 | S.45 to address this inequity and provide parity to beauty, and barber industry employers by granting access to the existing 45b tax credit on tips.

Benefits

- Employers will utilize the credit to reinvest in their business by providing additional employee benefits, expanding job opportunities, and conducting additional training
- Boost employee retirement security
- Business owners will be relieved of financial uncertainty caused by the need to set aside thousands of dollars each year to anticipate taxes on tips

A Small Business Industry

Not only will the 45b FICA Tax Credit on Tips help veteran business owners like me, I would like to share who else will benefit from this tax fairness.

•Beauty industry establishments are predominantly women and minority-owned small businesses, including both men and women who have proudly served in our United States military.

STATEMENT FOR THE RECORD
U.S. HOUSE COMMITTEE ON SMALL BUISNESS
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•These small businesses, owned 60% by women and 34% by minorities, provide entry-level jobs and employ a workforce of 1.2 million professionals.

•Of the 1,179,000 professional beauty industry employees in the United States, 85% are women, 12% are African American, 20% are Asian, and 18% are Latino.

* Source: U.S. Census Bureau, and Bureau of Labor Statistics.

Conclusion

I am an example of the individual the Committee hearing is highlighting today, veterans like me can become a small business owner. As my fellow small business owners and I work our way out of a post COVID economy we face uncertainty with staffing, inflation, low margins, and increased rules and requirements, which is why I am seeking ways to reinvest in our small businesses and communities. I need additional options, outside of applying for more loans, to keep capital in our company. Utilizing what is already available, the 45b FICA Tax Credit would provide a lifeline for our small businesses allowing me to give back to my country again.

H.R.45|S.45, sponsored by Congressman Darin LaHood, Congresswoman Suzan DelBene, Senator Tim Scott, and Senator Ben Cardin, will allow professional beauty industry small business employers, like me, access to the existing 45b tax credit which is currently only available to restaurants. I passionately believe to help our economy, and to encourage small business growth we need access to this existing credit. I ask you to treat our industry fairly, allow our small businesses access to the 45b FICA Tax Credit for Tips. Please support the passage of H.R.45 | S.45 which will create a small business environment for veteran owners like me to succeed.

About Mr. Cheston Syma:
Cheston C. Syma is a U.S. Marine veteran, a former security contractor for the U.S. State Department and the Central Intelligence Agency, a Cum Laude graduate of the University of Houston with a degree in Business Finance, and now an entrepreneur with the foresight to see opportunities and monetize them for financial return and equity value. Mr. Syma is now a multi-franchise and multi-unit franchisee of Sport Clips with locations throughout Houston, Denver and Chicago. Cheston is also a franchisee of Signarama with three strategically positioned locations throughout the Houston area.

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