

James F. Minge  
President and CEO of the National Economic Opportunity Fund  
On behalf of The Veterans Corporation

Mr. Chairman, my name is James Minge, I am the President and CEO of the National Economic Opportunity Fund, and I am here today on behalf of The National Veterans Business Development Corporation, commonly known as The Veterans Corporation. TVC has a simple mission, to help Veterans, Service Disabled Veterans, members of the Guard and Reserves and their family members who wish to start or grow their own business. We are here today to request \$3.7 million for TVC programs and services in FY '08. Time is short, the need is great, and we have thousands of Veterans who want to start or grow their own business, with many more returning right now from Iraq and Afghanistan.

None of us could have envisioned the world as we know it today. Members of the National Guard and Reserves are now on second and third deployments, and many are small business owners who have left their companies behind. Over 300,000 members of the armed forces will exit this year; and unfortunately, there will be many new Service Disabled Veterans before the end of conflict in Iraq and Afghanistan. The need for a complete set of entrepreneurial programs from TVC is needed now, more than ever. TVC can help them. We hope you and your Committee agree that the government must be a permanent partner with TVC, where the best minds are brought together in partnership, public and private, to leverage federal dollars to assist all veterans, especially those returning from Iraq and Afghanistan, who want to start or grow a business. TVC's mission is even more important today than it was eight years ago.

As your staff may have told you, TVC has made serious advances on a number of fronts in the past fiscal year. TVC has instituted public/private programs beyond the funding capability of the Small Business Administration (SBA) addressing two of the most important issues facing Veteran Entrepreneurs yesterday, today and tomorrow.

In partnership with the Surety and Fidelity Association of America (SFAA), TVC has a fifty state program where Veterans can participate in a bonding education curriculum and a three step fully mentored process to secure the bonding they need on government contracts. Bonding is especially critical to those Service-Disabled Veteran Entrepreneurs who wish to contract with the federal government, and, if the 3% goal mandated by the President's Executive Order is to be achieved, this program must support as many eligible Veterans as possible.

The program that I am involved with, and particularly proud of, is the Access to Capital program for Veterans who are starting up businesses or need an infusion of funding. TVC contacted me after they concluded that one of their member's most important needs was financing. To address the issue, TVC and NEOF have created a public/private partnership that provides access to capital for Veterans and Service Disabled Veterans.

NEOF is a private company whose mission is to redevelop communities by generating and supporting businesses to produce economic development in depressed areas. Our model is to build a partnership with a community organization, and then link that organization to local entities in government, business, philanthropy, and education. Using

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**The National Veterans Business Development Corporation**

the combined leverage of these partnerships, we raise seed capital for potential new businesses. Because of our unique structure, the companies that we attract create both employment opportunities and revenue streams for the community itself. Also, to ensure sustainability, we offer a wide variety of business incubation and community development consulting services. NEOF is a Community Development Entity which has developed multiple affordable housing and social venture capital investment initiatives.

Additionally, NEOF has found that Veteran and Service-Disabled Veterans are uniquely suited to drive our business model. As a Service-Disabled Vietnam Veteran, I have always appreciated the unique skills I acquired while serving my country, and I have always made sure to consider those advantages when evaluating entrepreneurs. Before my relationship with TVC, however, my appreciation for Veterans was an informal component of my decision making process. I actually encountered TVC through a personal wish to improve my business. Since I am classified as Service Disabled, I was investigating the various federal programs available for Service-Disabled business owners. I found TVC, and I was impressed by their appreciation for the distinctive skills of an entrepreneur. As my relationship with TVC developed, I realized that a link between Veterans and communities could be a win-win situation for all involved. I could use my company's existing business incubation framework to assist Veteran entrepreneurs, while at the same time; I could direct strong businesses towards emerging communities. Now, we have developed a specialized program that promotes entrepreneurial activities among Veterans and combines the efforts of Veteran-Owned Businesses with the larger goals of community development. The basic premise is simple: the best way to redevelop a local economy is to bring in businesses, the best people to do it are entrepreneurs, and some of the best entrepreneurs are Veterans. In collaboration with Veterans and local non-profit community partners, NEOF has incubated over 500 permanent living wage jobs since 2001.

The core of TVC's Access to Capital program is building and maintaining a set of relationships with lenders such as ACCION USA that are creating specialized loan programs for veterans. The spirit of the program is borrowed from the military: NEOF has pledged to "leave no man behind." The theory is simple, when someone asks for help, you help them, whether its reviewing their business plan, talking to a bank for them, or just giving them friendly advice and encouragement. The most important thing, though, is not to give up on anyone.

Let me give you an example: David Barker is a Veteran currently living in San Diego, CA, while he recovers from injuries sustained while fighting in Iraq. His original goal, when he left the military, was to return to his hometown and run his family's auto body shop. El Paso, Illinois is not exactly a bustling metropolis. Twenty miles from Normal, and two hours from Chicago, it's the quintessential American small town. It's also Mr. Barker's home, and the place he wants to settle down and run his own business. However, after a few conversations with David it was clear he needed capital so I headed out to El Paso to help. Rather than provide the kind of sterile, impersonal service which has become too common in this world of automated responses, I wanted to meet Mr. Barker first hand so I could provide the best service possible. As it turns out, he was so interested in the work we were doing for Veterans that he wants to learn how to help other Veterans like himself.



Mr. Barker is just one example of the type of Veteran we work with: we're also working with a Service-Disabled Veteran owned lodging business in California; a Service-Disabled Veteran owned small trucking business in Alabama; we're even working with Service-Disabled Veterans in New Jersey who are trying to grow a sausage casing factory. Some of these businesses meet the parameters of existing SBA programs, but some of them need more specialized attention. For example, Celebration in a Box, a Veteran owned novelty cake company, had a very unconventional financing structure that wasn't a good fit for SBA programs. Fortunately, it qualified for our Accion program, and we were able to get him his loan.

In Chattanooga, TN, construction has recently begun on a 20,000 square foot real estate project that will house a Veteran Small Business Opportunity Center. This will be a privately funded help desk that provides business development assistance for Veteran and Service Disabled Veteran entrepreneurs. It will include a state of the art Service-Disabled Veteran owned call center, along with space for emerging Veteran owned businesses. TVC has provided invaluable assistance in the development of this center, and with continued support from Congress; we could replicate these centers all across the country. NEOF already operates a mobile help desk for TVC, but I know that NEOF could help many more Veterans if we had enough capacity. Strong support from you and TVC would allow us to do just that. Also, TVC has helped NEOF in their ongoing efforts to direct more federal dollars towards Veterans. TVC has assisted in NEOF's campaign to create a special allocation under the CDFI Fund's New Markets Tax Credit program for Service Disabled Veterans.

In addition to providing better access to capital, NEOF and TVC are working on developing other opportunities for Veteran and Service Disabled Veteran entrepreneurs, including a training program for mortgage bankers and a mentoring program for personnel placement specialists. These and other public and private programs will give Veterans excellent options to choose from, but their success is ultimately dependant on people knowing they exist. NEOF and TVC are making sure that Veterans and Service Disabled Veterans will have that knowledge.

With \$3.7 million in FY'08, TVC can serve as the catalyst, facilitator and clearinghouse for a national set of programs and services, serving Veterans in all fifty states, especially new Veterans returning from Iraq and Afghanistan. This will be achieved through partnerships with the National Economic Opportunity Fund, Veteran Service Organizations, The Surety and Fidelity Association of America, Small Business Development Centers, Procurement Technical Assistance Centers, Department of Labor One Stop Centers, Service Corps of Retired Executives, Small Business Administration, Department of Veterans Affairs, Department of Defense, Congress and the White House.

Legislation is currently being drafted that would provide for a five year authorization of The Veterans Corporation that would include direct program services while acting as an entrepreneurial catalyst/ clearinghouse/ facilitator/ broker for Veterans, Service-Disabled Veterans, and members of the Armed Forces transitioning from military service into the business community.



In addition, members of Congress and their staff would like TVC to provide the Reservists, National Guard members and their families with pre/post-deployment assistance to preserve family-owned businesses. TVC would like to establish a grant-making organization to assist agencies at the national, state and local levels in these important efforts. Also, they are working to form an Alliance for Veteran Entrepreneurship comprised of public and private sector organizations and agencies that will coordinate and maximize efforts to support America's Veteran entrepreneurs.

TVC's website is constantly being updated with new and relevant information and resources. Since October 1, 2006, TVC's website has received 1,447,279 hits with an average stay of 3:27 minutes; TVC's business directory site had 145,518 hits during this same period, with an average stay of 4:28 minutes (an eternity in web time.) The newly launched Veteran Business Peer Forum and Veteran Virtual Business Resource Center, both on line resources, had an additional 86,000 hits in March alone.

TVC has six Advisory Councils including one with the leading Veteran Service Organizations (VSO) that represent more than eight million Veterans nationwide. The VSO Advisory Council meets with TVC regularly and is providing invaluable guidance and assistance to TVC's Board and staff.

Congressional Staff and Members envision TVC providing the following services:

- Institute and coordinate programs and services including education, mentoring, counseling, access to capital, and surety bonding, for Veterans, Service-Disabled Veterans, members of the Guard and Reserves, and transitioning members of the Armed Forces
- Provide pre/post-deployment assistance to members of the Guard and Reserves and their families to preserve Guard/Reserve owned businesses
- Provide entrepreneurial opportunities and training for a new generation of Veterans and Service Disabled Veterans, specifically those returning home from Iraq and Afghanistan
- Increase awareness of TVC's programs and services through targeted outreach to key stakeholders
- Create VetEntrepreneur.org, an online platform to match Veterans with entrepreneurial, education and career opportunities
- Partner with military hospitals to provide entrepreneurship and workforce training and internship programs to recovering service members and Veterans
- Serve as a liaison between organizations, agencies and other Veteran Service Providers to coordinate and facilitate Veteran entrepreneurship programs offered nationwide in the interest of maximizing available resources and encouraging collaboration

TVC would remain under the House and Senate Small Business Committees vis-à-vis Authorization and under the House and Senate Commerce, Justice and Science Appropriations Subcommittee for funding. Funding levels are proposed as follows:



TVC Budget

Year	Programs	Grants	Outreach to Stakeholders	G and A	Totals
'08	0.8M	1M	1.5M	0.4M	\$3.7M
'09	1M	1.M	1.5M	0.5M	\$4M
'10	1M	2M	1.5M	0.5M	\$5M
'11	1M	2.5M	1.5M	0.5M	\$5.5M
'12	1M	3M	1.5M	0.5M	\$6M

TVC’s leadership has made extraordinary progress in support of the broad scope of issues facing Veteran Entrepreneurs. While embracing the already existing community network, TVC is providing critical support in dealing with the real obstacles facing Veteran Entrepreneur growth, i.e. access to capital and, for those who wish to business with the federal and state government, bonding. It is critical to address all aspects and impediments faced by Veterans Entrepreneurs, today and in the future. TVC’s knowledge and experience gained over these few years cannot and should not be ignored. Now more than ever, TVC knows what will work and certainly, what will not.

As a Veteran returning to the United States after the Vietnam War, I sat down and took stock of my life. I had an independent spirit and a passion for business, so I decided that I would embark on a lifelong career as an entrepreneur. Through hard work and some careful research, I figured out that the government offered a number of opportunities for a Veteran like himself. Thirty years later, I want to make sure that Veteran and Service Disabled Veteran entrepreneurs have access to these same opportunities. That’s why I’ve partnered with TVC – because I know what it’s like, and, with these young men and women returning after such brave service to our country, I want to make sure they have the same opportunities to succeed.

We hope you would agree that when Veterans succeed, America succeeds.

Thank you Mr. Chairman. I will be happy to answer any questions you might have.

