



September 2025

FINANCIAL LITERACY AND SMALL BUSINESS LENDING

Resources Available to Military-Affiliated People

A report to congressional requesters.

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What GAO Found

Military-affiliated people—including active-duty service members, reservists, transitioning service members, veterans, and military and veteran spouses—may face challenges building credit and accessing capital to fund their small businesses. For example, veterans who relocate to a new area after military service can have difficulty establishing credit and developing business relationships. Officials told us military-affiliated people may also face limited access to mentors and professional networks that can help their businesses.

Military-affiliated people can access financial literacy programs and resources through federal agencies including the Department of Defense (DOD), the Department of Veterans Affairs (VA), and the Small Business Administration (SBA). These resources provide help with managing personal or business finances, and tips for avoiding fraud and scams.

Federal Financial Literacy Programs and Resources Targeted to Military-Affiliated People or Small Business Owners

Agency	Number of programs or resources	Topics
Consumer Financial Protection Bureau	● ● ●	💰 🛡️
U.S. Department of Agriculture	●	💰
Department of Defense	● ● ● ● ● ● ●	💰 🛡️
National Credit Union Administration	●	💰 🛡️
Securities and Exchange Commission	● ●	💰 🛡️
Small Business Administration	● ● ● ●	💰
Department of Veterans Affairs	● ● ● ●	💰 🛡️
Multiple agencies	● ●	💰 💰 🛡️

💰 Managing personal finances 💰 Managing business finances 🛡️ Avoiding fraud and scams

Source: GAO analysis of agency programs; GAO (icons). | GAO-25-107561

Military-affiliated people can access capital for small businesses through various private funding sources and federal lending programs. Private sources include self-funding, investors, and business loans. However, according to self-reported responses in the 2024 Small Business Credit Survey, veteran business owners reported facing challenges obtaining financing from large banks, such as high interest rates and difficult application processes. Federal lending options include SBA's 7(a) program and Department of Agriculture loans for agricultural businesses. SBA lending to veteran-owned businesses generally increased from fiscal year 2019 through fiscal year 2024.

Federal agencies raise awareness of financial literacy and lending programs for military-affiliated people through in-person and virtual presentations, networking events, and the use of social media and websites. For example, SBA's Office of Veterans Business Development conducted more than 100 presentations annually in fiscal years 2023 and 2024. Agencies such as SBA and DOD have online tools, including program-specific webpages, to improve access to financial education and loan information.

Why GAO Did This Study

Military-affiliated people play a vital role in the nation's economy, including through veteran-owned businesses. According to the Census Bureau's 2023 Annual Business Survey, veteran-owned businesses had an estimated \$884.5 billion in receipts, 3.2 million employees, and \$179.7 billion in annual payroll in 2022.

GAO was asked to review financial literacy and lending resources for military-affiliated people. This report examines (1) challenges military-affiliated people may face in building credit or accessing capital to fund their small businesses, (2) federal financial literacy resources available to them, (3) sources of capital available to them, and (4) agency efforts to raise awareness among this population about financial literacy and lending programs.

GAO interviewed or received written comments from nine agencies, including SBA, VA, and DOD, selected based on prior work, or because they serve the military community. GAO analyzed participation and usage data for financial literacy programs for fiscal years 2019–2023. GAO reviewed national small business survey data from the Census Bureau for 2023 and the Federal Reserve Banks for 2024, the most recent available. GAO also reviewed small business lending data from SBA and Department of Agriculture for 2019–2024, the most recent available. In addition, GAO interviewed or received written comments from representatives of four nonprofit organizations and five financial services firms, selected for their work with military-affiliated people and their businesses.

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Abbreviations

CFPB	Consumer Financial Protection Bureau
DOD	Department of Defense
SBA	Small Business Administration
USDA	U.S. Department of Agriculture
VA	Department of Veterans Affairs

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September 10, 2025

The Honorable Joni K. Ernst
Chair
Committee on Small Business and Entrepreneurship
United States Senate

The Honorable Jeanne Shaheen
United States Senate

Small businesses owned by active-duty service members, reservists, those transitioning from service, veterans, and military and veteran spouses—collectively referred to as military-affiliated people—are an important part of the nation's economy. In 2022, veteran-owned businesses generated an estimated \$884.5 billion in receipts and employed roughly 3.2 million people, according to a Census Bureau survey.¹ However, military-affiliated people may face challenges in building credit and accessing capital, which can negatively affect their ability to start a small business. Research suggests that veterans have a harder time establishing credit and developing business relationships, particularly after relocating to a new area after military service.²

The federal government supports military-affiliated people in building credit and starting, growing, or expanding businesses through a variety of resources, including financial literacy and lending programs. Agencies including the Department of Defense (DOD), Department of Veterans

¹This estimate is from the 2023 Annual Business Survey, conducted jointly by the Census Bureau and the National Center for Science and Engineering Statistics within the National Science Foundation. The survey covers only employer firms and defines veteran-owned businesses as those at least 51 percent owned and controlled by veterans or their dependents. According to the survey, veteran-owned businesses had an estimated \$179.7 billion in annual payroll. About 4.6 percent of nonemployer businesses were veteran-owned, according to data from the Census Bureau's 2022 Nonemployer Statistics by Demographics series. According to estimates from the survey and the series data, there were about 1.4 million nonemployer veteran businesses in 2022.

²See Nyasha Y. Boldon and Rosalinda V. Maury, *Bridging the Gap: Motivations, Challenges, and Successes of Veteran Entrepreneurs* (Syracuse, N.Y.: Syracuse University Institute for Veterans and Military Families, Nov. 2017); Federal Reserve Bank of New York and Small Business Administration, *Financing Their Future: Veteran Entrepreneurs and Capital Access* (Nov. 2018); and Rosalinda Maury, Brice Stone, and Kicia Sears, *Veteran Entrepreneurship: Access to Capital Challenges and Opportunities* (Syracuse, N.Y.: Syracuse University Institute for Veterans and Military Families, 2019).

Affairs (VA), and Small Business Administration (SBA) offer counseling to help military-affiliated people make informed financial decisions.

You asked us to review federal efforts to assist military-affiliated people in accessing capital and provide them with financial literacy education. This report examines (1) any challenges that military-affiliated people may face in building credit or accessing capital for their small businesses, (2) federal financial literacy resources available to military-affiliated people, (3) sources of capital available to military-affiliated people, and (4) agency efforts to raise their awareness about financial literacy and lending programs.

For this report, we focused on federal financial literacy resources and lending programs available to, or specifically designed for, military-affiliated people at nine agencies: SBA, DOD, VA, Consumer Financial Protection Bureau (CFPB), U.S. Department of Agriculture (USDA), Federal Deposit Insurance Corporation, Federal Trade Commission, National Credit Union Administration, and Securities and Exchange Commission. We selected SBA based on our prior work on veteran lending.³ We selected the other agencies based on our prior work on financial literacy programs, based on interviews with other agencies in our scope, or because their mission includes services for military-affiliated people.⁴

For the first objective, we interviewed or received written comments from representatives of four nonprofit organizations that support military-affiliated small business owners, as well as five financial services firms or associations with initiatives targeting this population. We identified these organizations from our prior work, our interviews, or because they serve the military community. The views expressed by those we interviewed cannot be generalized to all such entities. For more information on our scope and methodology, see appendix I.

³GAO, *Small Business Administration: Procedures for Reporting on Veteran-Owned Businesses Need Improvement*, [GAO-24-106071](#) (Washington, D.C.: Dec. 21, 2023).

⁴GAO, *Financial Literacy: Overlap of Programs Suggests There May Be Opportunities for Consolidation*, [GAO-12-588](#) (Washington, D.C.: July 23, 2012); and *Financial Literacy: Better Outcome Reporting Could Facilitate Oversight of Programs for Older Adults and People with Disabilities*, [GAO-24-106381](#) (Washington, D.C.: Apr. 24, 2024).

For the second objective, we reviewed our prior relevant work on federal financial literacy programs.⁵ We also conducted interviews or received written responses from representatives of the nine agencies we selected for information on their financial literacy programs, including participant data from 2019 through 2023. Appendix II provides more information about federal financial literacy programs.

For the third objective, we reviewed SBA's website and the Federal Reserve Banks' Small Business Credit Survey questionnaire and conducted interviews to identify private sources of capital. We analyzed data from the Federal Reserve's 2022 Survey of Consumer Finances to examine how small business owners fund their businesses. We also used the Small Business Credit Survey to assess veteran-owned business' challenges with obtaining financing and the proportion of financing that veterans and non-veterans received.

We analyzed SBA data on loans made to veteran-owned small businesses through four SBA lending programs (7(a), 504, Microloan, and Military Reservist Economic Injury Disaster Loan) for fiscal years 2019 through 2024.⁶ We also analyzed USDA data on five Farm Service Agency programs and five Rural Development programs for fiscal years 2019 through 2024. We reviewed documentation related to these data and found the data to be sufficiently reliable for describing trends in program lending to such businesses in this period. We also interviewed SBA and USDA officials about the data. Appendixes III and IV provide more information about SBA and USDA lending programs.

For the fourth objective, we interviewed or received written comments from representatives of the nine agencies in our scope and reviewed program websites to determine how they target military-affiliated people.

We conducted this performance audit from May 2024 to September 2025 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that

⁵[GAO-12-588](#) and [GAO-24-106381](#).

⁶The Military Reservist Economic Injury Disaster Loan is one of four types of SBA disaster loans. In this report, we focus on this particular loan because of its relevance to small business owners with essential employees who are reservists.

the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

The term financial literacy generally refers to the ability to make informed decisions and take effective actions regarding money. The federal government supports financial literacy through dozens of programs and resources. These efforts are coordinated by the multiagency Financial Literacy and Education Commission, which includes a working group focused specifically on financial literacy resources for members of the U.S. military.⁷ DOD is the lead agency for this working group.⁸

In addition to financial education, the federal government also provides access to capital through targeted small business lending programs. SBA helps small business owners and entrepreneurs start, build, and grow businesses through several programs, including 7(a), 504, and Microloan (see table 1).⁹ The SBA Express loan—a 7(a) subprogram—offers a fee waiver to applicants who are veterans or veteran spouses.¹⁰ In addition, SBA offers Military Reservist Economic Injury Disaster Loans which help sustain businesses adversely that are adversely affected when an employee is called up for active duty. These programs help provide financing to small businesses—including those owned by military-affiliated people—that may not otherwise qualify for loans on reasonable terms and conditions.

⁷The Commission comprises the heads of 23 federal agencies and the White House Domestic Policy Council. It is chaired by the Secretary of the Treasury and vice-chaired by the Director of CFPB.

⁸The working group is chaired by the Deputy Assistant Secretary of Defense for Military Personnel Policy.

⁹Several 7(a) subprograms offer streamlined and expedited loan procedures for particular types of 7(a) loans. The terms of these loans, including the maximum SBA guarantee, vary by program. The data we present in this report on 7(a) loans include all 7(a) subprograms.

¹⁰SBA is statutorily prohibited from collecting a guaranty fee on 7(a) SBA Express Loans made to a veteran or spouse of a veteran. 15 U.S.C. § 636(a)(31)(G).

Table 1: SBA Lending Programs Available to Small Businesses

Program	Maximum amount	Loan type	Use of funds	Example requirements
7(a)	\$5 million	Loan guarantee	Provides loans for working capital and other sound business purposes, including acquiring, refinancing, or improving real estate and purchasing and installing machinery and equipment.	A business must be an operating, for-profit small firm (according to SBA's size standards) located in the U.S. that can demonstrate a need for the desired credit. It must also be unable to obtain the desired credit at reasonable terms from nongovernment sources without SBA assistance.
SBA Express	\$500,000	Same as 7(a)	Same as 7(a) ^a	Same as 7(a)
504	\$5 million ^b	Loan guarantee	Provides long-term, fixed-rate financing to new or growing small businesses for fixed assets such as land, buildings, or machinery.	Small businesses may apply for 504 financing through a Certified Development Company serving the project area in which the project is located. Applicants must be unable to obtain the desired credit on reasonable terms from nongovernment sources without SBA assistance.
Microloan	\$50,000	Loan guarantee or direct	Provides loans to use as working capital and to acquire materials, supplies, furniture, fixtures, and equipment.	Participating lenders must be private nonprofit entities or quasi-governmental economic development entities with at least one year of experience making microloans to small businesses and one year providing technical assistance to its borrowers.
Military Reservist Economic Injury Disaster Loan	\$2 million	Direct	Provides working capital assistance to small businesses that experience, or will experience, financial difficulties as a result of an essential employee being called up for active duty.	The business must have an essential employee who is a military reservist or member of the National Guard called to active duty.

Source: GAO analysis of Small Business Administration (SBA) documentation. | GAO-25-107561

^aSBA Express—a 7(a) subprogram—loan borrowers may also use loan proceeds as revolving lines of credit but cannot use working capital to refinance existing debt.

^bThere is a limit of \$5.5 million for certain projects. See 13 CFR 120.931(c).

SBA is statutorily required to give special consideration to veterans in carrying out its lending programs.¹¹ In a December 2023 report, we recommended that SBA develop and implement policies and procedures to ensure SBA gives special consideration to veterans in its lending programs.¹² SBA described such policies and procedures in a revised standard operating procedure for its Lender and Development Company Loan program, effective June 1, 2025. Specifically, the revised standard operating procedure states that SBA will (1) waive the upfront fee for SBA Express Loans to businesses owned and controlled by veterans; (2) prioritize processing applications from businesses owned by veterans for loans processed by SBA under nondelegated procedures; and (3) encourage participating lenders to give special consideration to veterans during application processing for loans processed under delegated procedures. SBA stated that, since implementing the procedures, the agency has processed applications under nondelegated procedures faster for veteran-owned businesses than for non-veteran-owned businesses.

USDA also provides loans to small business owners in agriculture and agribusiness, including military-affiliated people, through its Farm Service Agency and Rural Development programs.¹³ These programs help expand access to credit and capital in rural areas where capital options may be limited (see tables 2 and 3).

¹¹The Small Business Act states: “In carrying out the programs administered by the Small Business Administration including its lending and guaranteeing functions, the Administrator shall not discriminate on the basis of sex or marital status against any person or small business concern applying for or receiving assistance from the Small Business Administration, and the Small Business Administration shall give special consideration to veterans of the Armed Forces of the United States and their survivors or dependents.” 15 U.S.C. § 633(b)(1).

¹²[GAO-24-106071](#).

¹³According to USDA officials, the Farm Service Agency’s Farm Loan Program provides certain provisions for veteran farmers, including funding prioritization, expanded number of years of potential eligibility for a direct loan, and access to alternative rates and terms through the Farm Ownership Down Payment Program.

Table 2: USDA’s Farm Service Agency Lending Programs Available to Small Businesses

Program	Maximum loan amount	Loan type	Use of funds	Example requirements
Direct Farm Ownership	\$600,000	Direct	Provides loans to purchase a farm, grow an existing farm, construct new farm buildings or improve structures, pay closing costs, or promote soil and water conservation and protection.	The operation must be a family farm that is unable to obtain commercial credit for the farm or project. To be eligible, applicants must have 3 years of farming experience, or other relevant training and education. Funds must be used for agricultural operations that commercially produce food or fiber agricultural commodities.
Direct Farm Operating	\$400,000	Direct	Provide loans for normal operating expenses, machinery and equipment, minor real estate repairs or improvements, and refinancing certain debt.	The operation must be a family farm that is unable to obtain commercial credit for the farm or project. To be eligible, applicants must have 1 year of farming experience, or other relevant training and education. Funds must be used for agricultural operations that commercially produce food or fiber agricultural commodities.
Direct Emergency Farm	\$500,000	Direct	Provides loans to restore or replace essential property; pay all or part of production costs associated with the disaster year; pay essential family living expenses; reorganize the farming operation; or refinance certain debts.	In addition to requirements for Farm Ownership and Operating Loans, the county or counties where the farm is located must be declared a disaster area by the President or designated by the Secretary of Agriculture.
Guaranteed Farm Ownership	\$2,251,000 ^a The maximum loan amount is adjusted annually for inflation	Loan guarantee	Provides loans to purchase a farm, enlarge an existing farm, construct new farm buildings and/or improve structures, pay closing costs, and promote soil and water conservation and protection.	The operation must be a family farm that is unable to obtain commercial credit for the farm or project without a guarantee. Funds must be used for agricultural operations that commercially produce food or fiber agricultural commodities
Guaranteed Farm Operating	\$2,251,000 ^a The maximum loan amount is adjusted annually for inflation	Loan guarantee	Provides loans for normal operating expenses, machinery and equipment, minor real estate repairs or improvements, and refinancing debt.	The operation must be a family farm that is unable to obtain commercial credit for the farm or project without a guarantee. Funds must be used for agricultural operations that commercially produce food or fiber agricultural commodities.

Source: GAO analysis of U.S. Department of Agriculture (USDA) documentation. | GAO-25-107561

^aMaximum loan amount for fiscal year 2025.

Table 3: USDA’s Rural Development Lending Programs Available to Small Businesses

Program	Maximum loan amount	Loan type	Use of funds	Example requirements
Business & Industry Loan Guarantee	Generally, \$25 million Up to \$40 million for certain rural cooperatives with approval from the Secretary of Agriculture	Loan guarantee	Provides loans for business development, growth, modernization, conversion, or repair; buying and developing land, buildings, or associated infrastructure for commercial or industrial use; buying and installing machinery, equipment, supplies, or inventory; refinancing debt to improve cash flow and create jobs; acquiring businesses when the loan will create or save jobs.	Businesses with facilities located in rural areas that save or create jobs. Eligible entities include partnerships, individuals, cooperatives, for-profit and nonprofit entities, corporations, including publicly traded companies, tribal groups, or local governments.
Rural Energy for America Program Renewable Energy Systems & Energy Efficiency Improvement Guaranteed Loans	\$25 million maximum total amount	Loan guarantee	Provides loans for purchasing and installing renewable energy systems, such as small and large wind generation, small and large solar generation, and hydropower below 30 megawatts.	Projects must be for purchasing a new, exiting, or refurbished renewable energy system, or retrofitting an existing renewable energy system. The system must use commercially available technology.
Intermediary Relending Program	The lesser of \$400,000 or 50 percent of the originally approved loan amount to an intermediary ^a	Direct	Provides loans for purposes that include business and industrial acquisitions when the loan will keep the business from closing, prevent the loss of employment opportunities, or provide expanded job opportunities; purchase and development of land; and debt refinancing.	Applicants must not owe any delinquent debt to the federal government, must be unable to obtain affordable commercial financing for the project elsewhere, and must hold no legal or financial interest or influence in the work of the intermediary lender. ^b
Rural Economic Development Loan and Grant Programs	\$1 million ^c	Direct	Provides loans for business incubators; community development assistance to nonprofits and public bodies (especially for job creation); education and training facilities for rural economic development; medical care facilities and equipment; startup costs including real estate, equipment, or working capital; business expansion; and technical assistance.	Projects must be in rural areas or towns with a population of 50,000 or fewer residents.
Rural Microentrepreneur Assistance Program	\$50,000	Direct	Provides loans for qualified business activities and expenses including working capital, debt refinancing, equipment and supply purchases, and real estate improvements.	Projects must be in rural areas outside a city or town with a population of 50,000 or fewer residents.

Source: GAO analysis of U.S. Department of Agriculture (USDA) data. | GAO-25-107561

^aSee 7 C.F.R. §4274.331.

^bIntermediary lenders are local lenders that re-lend to businesses to improve economic conditions and create jobs in rural communities. They include nonprofits and cooperatives, federally recognized tribes, and public agencies.

^cThis is the 2025 maximum. The maximum loan amount is published yearly. See 7 CFR 4280.38.

Certain features of military life may affect entrepreneurship after service. For example, a military deployment involves relocating a service member from their home station to a location outside the continental U.S. and its territories. Deployments are not limited to combat and may support missions such as humanitarian aid, evacuation of U.S. citizens, restoration of peace, or increased security. They can last from 90 days to 15 months. In addition, service members may make a permanent change of station, which involves longer-term relocations—generally 2 to 4 years—either within or outside the continental U.S.

Frequent Moves, Limited Networks, and Other Factors Can Hinder Military-Affiliated People's Access to Credit and Capital

Several factors affect military-affiliated people in building credit or accessing capital to fund their small businesses, according to representatives of two nonprofit organizations and officials from a financial services firm we interviewed, as well as reports we reviewed.

Active-Duty Service Members

Active-duty service members may face financial challenges that affect their ability to pursue entrepreneurship after leaving the military. A 2022 DOD survey estimated that 40 percent of active-duty service members reported some financial difficulty or described their financial condition as not comfortable. The survey also estimated that 13 percent reported borrowing money from family or friends to pay bills, and 9 percent reported failing to make monthly or minimum credit card payments.¹⁴ A representative of a nonprofit organization noted that service members' lack of knowledge of the business world could be a barrier to successful business ownership. In addition, a financial services firm we interviewed

¹⁴Department of Defense, *Report to the Committee on Armed Services of the Senate and the House of Representatives, Annual Report on the Financial Literacy and Preparedness of Members of the Armed Forces, Results from the 2022 Status of Forces Survey* (Dec. 2023). The report cited findings from DOD's Status of Forces Survey, which found that 60 percent of active-duty respondents described their financial condition as comfortable, 25 percent reported some financial difficulty, and 15 percent described their condition as not comfortable. All estimates from the survey have a margin of error of +5 percent or less.

said that frequent moves due to deployment can hinder the development of networks with lenders or investors.

Transitioning Service Members

A representative of a nonprofit organization we interviewed noted that transitioning from active duty can be a challenging time that affects service members' employment, financial stability, and family and social relationships. A 2020 CFPB report found that selected active-duty service members experienced declining credit scores and increased delinquencies and defaults following their separation from service.¹⁵ In addition, we reported in 2022 that transitioning service members may experience challenges transferring their military skills and credentials—such as certifications and licenses—to civilian jobs.¹⁶

DOD makes efforts to assist service members with their transition to civilian life, including assistance with planning to start a business. Prior to separating from service, transitioning service members participate in the mandatory Transition Assistance Program, which provides career readiness services and information on veterans' benefits.¹⁷ The program is designed to help participants access veterans' benefits and develop post-transition plans and goals, including starting a business.¹⁸

Veterans

As we have reported previously, research suggests that veterans have a harder time than nonveterans in establishing credit and developing business relationships, particularly those who relocate to a new area after

¹⁵James V. Marrone and Susan P. Carter, *Debt and Delinquency After Military Service*, Consumer Financial Protection Bureau (Nov. 2020). The study analyzed data for a nongeneralizable sample of 10,872 service members who entered full-time active duty by age 21 between 2007 and 2018 and had a credit record at the time of separation. All individuals left active duty at least 1 year prior to the end of the observation window. The study used data from CFPB's Consumer Credit Panel, credit files from a nationwide consumer reporting agency, and data from the Servicemembers Civil Relief Act website. Findings are not generalizable to service members outside the study's sample.

¹⁶GAO, *Military and Veteran Support: DOD Has Taken Steps to Help Servicemembers Transfer Skills to Civilian Employment but Has Limited Evidence to Determine Program Effectiveness*, [GAO-22-105261](#) (Washington, D.C.: Feb. 17, 2022).

¹⁷Under 10 U.S.C. § 1144, the Secretary of Defense and the Secretary of Homeland Security must require the participation of service members who are being separated from active duty, with limited exceptions.

¹⁸GAO, *Servicemembers Transitioning to Civilian Life: DOD Can Better Leverage Performance Information to Improve Participation in Counseling Pathways*, [GAO-23-104538](#) (Washington, D.C.: Dec. 12, 2022). The program also supports other goals, such as choosing a career path, finding employment, and selecting a college or vocational school.

military service.¹⁹ An official from a financial services firm we interviewed noted that, due to their military background, veterans often lack access to business networks.

Veterans may also face unique challenges in accessing capital for their businesses. For example, lenders may be unfamiliar with the skill and experience gained during military service or the specific business type for which they seek financing.²⁰ Veterans may also lack personal startup funds, capital, or demonstrable business income, as we have previously reported.²¹

Reservists

Reservists who own small businesses may experience challenges resulting from deployment. For example, reservists whose businesses depend on their specialized skills—such as doctors and dentists—can experience disruptions when called to active duty, according to representatives of a financial services firm and a nonprofit organization we interviewed. In addition, frequent relocations may require adapting to new regulations, certifications, and tax requirements with each move into a different state or local jurisdiction, according to the nonprofit representative. The same nonprofit representative also noted that these disruptions can make it difficult for reservists to establish stable local networks, limiting social and human capital needed for business success.

Reservists may also face additional challenges that are not well understood due to gaps in data collection. For example, while DOD includes information about reservists in its annual Status of Forces survey, SBA and USDA loan data do not report information on applicants who are reservists. Further, national surveys of business owners, such as Census Bureau's Annual Business Survey and the Federal Reserve Banks' Small Business Credit Survey, do not collect information on whether a respondent is a reservist.

Military Spouses

As with other military-affiliated people, deployment or a permanent change of station can present challenges for military spouses. These challenges include irregular income, finding mentorship opportunities, and finding quality childcare, according to one nonprofit organization that we interviewed. Additionally, we reported in 2021 that varying occupational

¹⁹[GAO-24-106071](#).

²⁰[GAO-24-106071](#).

²¹[GAO-24-106071](#).

licensing requirements across state lines—in fields such as cosmetology and medicine—can hinder military spouses’ ability to find and maintain employment with each move.²²

A representative of a nonprofit organization noted that while SBA’s lending programs are well-known in the military community, some military spouses may hesitate to apply due to uncertainty about their eligibility. This hesitancy may stem from frequent relocations, limited income or credit history, or lack of collateral.

DOD reports information about military spouses in its Active-Duty Spouse survey. SBA collects information on loan applications about their status as a spouse of a veteran but does not report on this information separately. As with reservists, USDA does not report information from loan applications about a person’s status as a military spouse. Further, national surveys of business owners, such as Census Bureau’s Annual Business Survey and the Federal Reserve Banks’ Small Business Credit Survey, do not collect information on whether a respondent is a military spouse.

Federal Agencies Offer Resources to Help Military-Affiliated People with Financial Decision-Making

Among the nine federal agencies in our review, we identified 24 programs or resources aimed at helping military-affiliated people or small business owners with their financial decision-making (see fig. 1). These programs and resources provide help with managing personal or businesses finances, as well as tips for avoiding fraud and scams. DOD and SBA financial literacy education programs reached an estimated 2.7 million people in 2023.²³ See appendix II for more information about these programs.

²²GAO, *Military Spouse Employment: DOD Should Continue Assessing State Licensing Practices and Increase Awareness of Resources*, [GAO-21-193](#) (Washington, D.C.: Jan. 27, 2021).

²³This estimate is based on participation in DOD and SBA programs, as reported by these agencies.

Figure 1: Federal Financial Literacy Programs and Resources Targeted to Military-Affiliated People or Small Business Owners

Agency	Program or resource	Topics	Intended military audience ^a					General public ^b
			All	Service members			Veterans	
				Active-duty	Reservists	Transitioning		
Consumer Financial Protection Bureau (CFPB)	Financial resources for serving servicemembers, veterans, and military families							
	Navigating the military financial lifecycle							
	Printed publications for military installations							
U.S. Department of Agriculture	Financial training for loan applicants							
Department of Defense (DOD)	Office of Financial Readiness							
	Personal Financial Counseling							
	Financial Well Being Assessment							
	MilSpouse Money Mission							
	Transition Assistance Program							
	Capstone							
	Financial Planning for Transition							
	Individual Self-Assessment							
	Military Community and Family Policy							
	Spouse Education and Career Opportunities Program							
National Credit Union Administration	MyCreditUnion.gov							
Securities and Exchange Commission	Saving and Investing for Military Personnel							
	Resources on Investor.gov							
Small Business Administration (SBA)	Boots to Business							
	Boots to Business: Reboot							
	Boots to Business: Revenue Readiness							
	Military Spouse Pathway to Business							
Department of Veterans Affairs	Veteran Benefits Fraud Prevention							
	Wellness Wednesdays							
	VetCents							
	Veteran Saves							
FTC, DOD, CFPB	Military Consumer							
SBA, Federal Deposit Insurance Corporation	Money Smart for Small Business							

Managing personal finances
 Managing business finances
 Avoiding fraud and scams
 FTC: Federal Trade Commission

Source: GAO analysis of agency programs; GAO (icons). | GAO-25-107561

^aThe intended audience is the individual or group whose financial literacy the program or resource intends to improve. For example, if a resource is designed for a financial literacy educator to improve the financial literacy of veterans, we would consider the intended audience to be veterans.

^bSome programs or resources are intended for the general public or other groups but also have information that is specific to the needs of military-affiliated people.

DOD is required to provide financial literacy training to members of the armed forces.²⁴ Specifically, DOD must provide training to service members at different points in their career, including upon entry into service, upon arrival at their first duty station, and at major life events such as a marriage, divorce, or the birth of a first child. DOD and the military services (such as the Coast Guard) have several programs intended to address this requirement, including the following:

- **The Personal Financial Counseling Program** provides in-person, virtual, and telephone counseling, information and referral, as well as briefings and financial literacy training and education. The program serves active-duty service members, reservists, spouses, and other eligible beneficiaries. According to DOD, the Office of Financial Readiness provided counseling to over 2 million participants in 2023.
- **MilSpouse Money Mission** is a financial education website designed for military spouses to help them enhance their financial knowledge and skills. According to DOD, over 100,000 users accessed this website in 2023.
- **The Transition Assistance Program** includes a financial planning component to help ensure that departing service members have a viable plan for transitioning to civilian life, including a post-separation financial plan.

Additionally, SBA maintains a nationwide network of resource partners that provide counseling, training, mentoring, and funding guidance to small business owners, including those who are military-affiliated. This network includes Veterans Business Outreach Centers, which offer resources to veterans and other eligible parties interested in starting or growing a small business.²⁵ These centers are operated by eligible organizations that include institutions of higher education, nonprofits, and local and state government agencies.²⁶ They offer entrepreneurial training through three programs that provide participants with an introductory

²⁴10 U.S.C. § 992. In 2016, DOD established the Office of Financial Readiness to spearhead the implementation of the department's statutory financial literacy requirements.

²⁵SBA's resource partners also include Small Business Development Centers, which provide counseling and training at about 900 locations; SCORE Business Mentoring, which supports about 10,000 volunteer business mentors; and Women's Business Centers, which offer long-term advising and training at over 150 locations on finance, management, marketing, and procurement.

²⁶SBA is authorized to enter into cooperative agreements with these eligible organizations to operate Veterans Business Outreach Centers.

understanding of business ownership and guidance on accessing financing:

- **Boots to Business** courses are hosted by military installations worldwide and targeted to transitioning service members and military spouses.
- **Boots to Business Reboot** courses are offered in local communities or virtually for participants who cannot access military installations. The program targets veterans of all eras, National Guard and reserve members, and military spouses.
- **Military Spouse Pathway to Business** is a course delivered in person or virtually through Veterans Business Outreach Centers to military spouse entrepreneurs.

Military-Affiliated
Business Owners
Rely on Self-Funding,
Investors, and
Business Loans for
Capital

A Range of Private
Sources Provide Capital,
but Survey Data Suggest
Challenges

Military-affiliated small business owners and entrepreneurs can access the same sources of private capital as any business owner, including self-funding, business loans, and investors (see fig. 2).

Figure 2: Examples of Private Capital Sources for Small Business Owners



Source: GAO analysis and icons. | GAO-25-107561

- **Self-funding.** Military-affiliated and other small business owners can leverage their own financial resources to start or grow their

businesses. These can include personal savings, borrowing from family or friends, or withdrawing funds from a retirement account. For example, the 2022 Survey of Consumer Finances showed that 86 percent of veteran and 87 percent of nonveteran respondents reported using personal savings and assets to start or acquire their small business.²⁷ In the same survey, 82 percent of veteran and 68 percent of nonveteran respondents reported using personal savings and assets to finance ongoing operations and improvements of their small business.²⁸

- **Business loans.** Military-affiliated and other small business owners can seek loans from banks, credit unions, and other nonbank financial companies to start or grow their businesses. CFPB estimated the market for small business financing products totaled \$1.2 trillion in outstanding balances in 2019.²⁹ Some banks have initiatives targeted to veterans—for example, one bank we identified provides discounts on origination fees for veteran small business loans. In addition, the American Bankers Association supports access to capital through its Basic Bank Training for Veterans courses, which help veterans, transitioning service members, and military spouses better understand financial services.
- **Investors.** Military-affiliated and other small business owners may pursue external funding sources, such as venture capital or crowdfunding, to start or grow their businesses. Venture capital provides funding in exchange for an ownership share and often

²⁷Board of Governors of the Federal Reserve System, *2022 Survey of Consumer Finances* (2023), accessed June 2025. The response regarded the use of personal savings and assets and other sources of funding relative to using only the other sources of funding. Sources of financing, in addition to personal savings and assets, were personal or business credit card; personal or business loan from a financial institution, such as a bank or savings institution, credit union, or other type of institution or investor; other equity investor; or inherited funds. The relative standard errors were 5 percent and 2 percent, respectively, for veteran and nonveteran respondents. The study also showed that 54 percent of veterans and 68 percent of nonveterans used only personal savings and assets to start or acquire their small business rather than combining personal savings and assets with other sources. The relative standard errors were 9 percent and 3 percent, respectively. Small businesses were defined as privately held, not publicly traded businesses with less than 500 employees.

²⁸The relative standard errors were 7 percent and 4 percent, respectively, for veteran and nonveteran respondents. The study also showed that 61 percent of veterans and 55 percent of nonveterans used only personal savings and assets to finance ongoing operations and improvements of a small business, rather than combining personal savings and assets with other sources. The relative standard errors were 11 percent and 5 percent, respectively.

²⁹88 Fed. Reg. 35150, 35155 (May 31, 2023).

involves investors taking an active role in the company. In contrast, crowdfunding involves raising funds from a large number of individuals, often through an online platform. Crowdfunders do not generally receive an ownership stake or expect a financial return. We spoke with officials from a financial services firm who said they have provided funding to veteran-founded venture capital firms.

Survey data suggest veteran-owned businesses may face challenges accessing capital from large banks. In the 2024 Small Business Credit Survey, majority-veteran-owned businesses (i.e., those at least 51 percent veteran-owned) most frequently cited high interest rates (25 percent), long wait for credit decisions or funding (21 percent), difficult application processes (20 percent), unfavorable repayment terms (7 percent), and lack of transparency (6 percent) (see table 4). Non-majority-veteran-owned businesses (i.e., 0–50 percent veteran-owned) reported these challenges with similar frequency.

Table 4: Reported Challenges Obtaining Financing from Large Banks, by Veteran Ownership Status, 2024

Challenge	Majority-veteran-owned businesses	Non-majority-veteran-owned businesses
High interest rate	25%	30%
Long wait for credit decision or funding	21%	21%
Difficult application process	20%	22%
Unfavorable repayment terms	7%	10%
Lack of transparency	6%	12%
Other	0%	3%

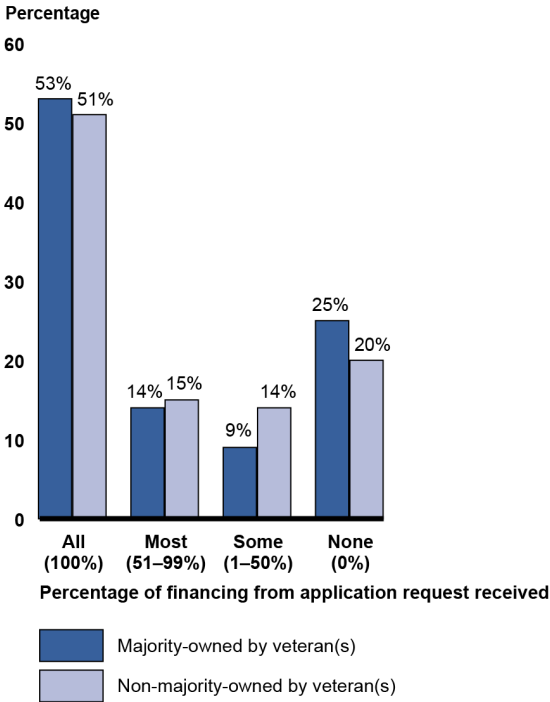
Source: GAO analysis of Small Business Credit Survey data. | GAO-25-107561

Note: Majority-veteran-owned businesses are those at least 51 percent owned by veterans, and non-majority-veteran-owned businesses are 0–50 percent veteran-owned. Estimates in this table have relative standard errors of less than 40 percent except for “unfavorable repayment terms” and “lack of transparency” for majority-veteran-owned businesses.

Some majority-veteran-owned small businesses also reported receiving less financing than they applied for through loans, lines of credit, and merchant cash advance applications. In 2024, 25 percent of these businesses reported receiving none of the financing they applied for, 9 percent received some, and 14 percent received most (see fig. 3). Non-majority-veteran-owned small businesses generally reported similar challenges. Federal Reserve Bank of Cleveland officials noted that since the COVID-19 pandemic, a growing share of applications has been approved for less than full amount requested. They attributed this trend in part to an increased use of online lenders, which are more likely than other lenders to approve partial amounts. The officials also noted that

while the challenges at large banks are similar for majority-veteran and non-majority-veteran-owned businesses, their survey data show that majority-veteran businesses generally have more challenges at small banks than at large banks, and non-majority-veteran businesses generally have fewer challenges at small banks than at large banks.

Figure 3: Proportion of Financing Received by Veteran- and Non-Veteran-Owned Businesses, 2024



Source: GAO analysis of Small Business Credit Survey data. | GAO-25-107561

Note: Majority-veteran-owned businesses are at least 51 percent veteran-owned. Non-majority-veteran-owned businesses are 0-50 percent veteran-owned. Estimates in this figure have relative standard errors of 36 percent or less.

SBA Lending to Veterans Increased in 2019-2024, While USDA Lending Decreased

According to our analysis of fiscal year 2019-2024 SBA data, veterans received approximately 3.9 percent to 4.4 percent of all loans in the 7(a),

504, and Microloan programs (see table 5).³⁰ The total number of loans provided to veterans generally increased by the end of 2024. SBA did not approve any Military Reservist Economic Injury Disaster loans for veteran-owned businesses during this period. For additional analysis, see appendix III.

Table 5: Number and Percentage of Loans Provided to Veterans for Three SBA Loan Programs, Fiscal Years 2019–2024

Number of loans to veterans (percentage of total)	2019	2020	2021	2022	2023	2024	Percentage change, 2019–2024
7(a) program	2,491	1,934	2,175	2,242	2,706	2,999	20.4%
(percentage of total)	(4.8%)	(4.6%)	(4.2%)	(4.7%)	(4.7%)	(4.3%)	
SBA Express program ^a	1,070	921	774	901	1,112	1,031	-3.6%
(percentage of total)	(4.7)	(5.1)	(4.3)	(4.5)	(4.4)	(3.9)	
504 program	129	197	242	250	135	163	26.4%
(percentage of total)	(2.1)	(2.8)	(2.5)	(2.7)	(2.3)	(2.7)	
Microloan program	183	221	181	173	196	200	9.3%
(percentage of total)	(3.3)	(3.7)	(4.0)	(3.4)	(3.5)	(3.8)	
Total for all programs	2,803	2352	2598	2665	3037	3362	19.9%
(percentage of total)	(4.4)	(4.2)	(3.9)	(4.3)	(4.4)	(4.1)	

Source: GAO analysis of Small Business Administration (SBA) data. | GAO-25-107561

^aSBA Express is a 7(a) subprogram.

The proportion of 7(a) loans—SBA’s primary lending program—provided to veterans ranged from 4.2 percent to 4.8 percent during fiscal years 2019–2024, closely reflecting the share of U.S. employer firms that were veteran-owned.³¹ According to SBA officials, several agency efforts likely contributed to increased lending to veterans during this period. These efforts include outreach by SBA offices—particularly the Office of Veterans Business Development— and its partners. In addition, officials said that expanded communications about SBA’s COVID-era products and services may have increased awareness of its core offerings. The total number of SBA Express loans provided to veterans fluctuated during fiscal years 2019–2024 but ended on a downward trend. SBA said it

³⁰These data represent loans made to veterans and do not include loans made specifically to active duty or transitioning service members, reservists, or military/veteran spouses.

³¹According to the 2023 Annual Business Survey, which covers reference year 2022, 4.7 percent of U.S. employer firms were veteran-owned.

could not explain the downward trend in SBA Express lending to veterans during this period.

Average loan amounts for veterans generally were lower than for nonveterans in the 7(a) and 504 loan programs in fiscal years 2019–2024. However, for the SBA Express and Microloan programs, veterans averaged higher loan amounts than nonveterans (see table 6).

Table 6: Average SBA Loan Amounts Approved by Veteran Status, Fiscal Years 2019–2024		
Loan program	Average approved amount (dollars)	
	Veteran	Nonveteran
7(a)	\$401,752	\$522,969
SBA Express ^a	\$98,766	\$98,411
504	\$775,390	\$941,360
Microloan	\$21,820	\$16,043

Source: GAO analysis of Small Business Administration (SBA) data. | GAO-25-107561

^aSBA Express is a 7(a) subprogram.

Note: Averages were calculated by dividing the total value of the loans approved during the 6-year period by the total number of loans approved during the 6-year period.

USDA also offers loans through its Farm Service Agency and Rural Development programs for military-affiliated small businesses engaged in farming, ranching, and other agricultural activities in rural communities. In fiscal years 2019–2024, USDA approved between 2.9 and 3.5 percent of all Farm Service Agency loan applications for veterans, based on our analysis of agency data. The number of approved applications for veterans from the Direct Farm Operating, Guaranteed Farm Operating, and Guaranteed Farm Ownership programs generally declined over this period, while loans from the Direct Farm Ownership program increased by the end of 2024 (see table 7). According to USDA officials, these reductions are consistent with the reduction in the total number of approved applications. In particular, the proportion of all Farm Service Agency loans made to veterans was the same in both 2019 and 2024 (3.3 percent). For additional analysis, see appendix IV.

Table 7: Number and Percentage of Applications Approved for Veterans for Five Farm Service Agency Programs, Fiscal Years 2019–2024

Loan program	2019	2020	2021	2022	2023	2024	Percentage change, 2019–2024
Direct Emergency Farm	2	0	0	0	0	2	N/A ^a
(percentage of total)	(2.1%)	(0.0%)	(0.0%)	(0.0%)	(0.0%)	(4.3%)	
Direct Farm Operating	673	734	561	431	444	512	-23.9%
(percentage of total)	(3.8)	(4.1)	(4.0)	(3.7)	(3.6)	(3.9)	
Guaranteed Farm Operating	67	68	27	29	28	29	-56.7%
(percentage of total)	(1.9)	(1.8)	(1.1)	(1.3)	(1.6)	(1.5)	
Direct Farm Ownership	234	290	228	173	208	248	6.0%
(percentage of total)	(3.5)	(3.8)	(3.2)	(2.8)	(3.3)	(3.5)	
Guaranteed Farm Ownership	86	109	87	68	41	35	-59.3%
(percentage of total)	(2.2)	(2.1)	(1.9)	(1.8)	(1.7)	(1.3)	
Total for all programs	1,062	1,201	903	701	721	826	-22.2%
(percentage of total)	(3.3)	(3.5)	(3.2)	(2.9)	(3.2)	(3.3)	

Source: GAO analysis of U.S. Department of Agriculture data | GAO-25-107561

^aWe did not calculate a percentage change for Direct Emergency Farm loans because the number of loans to veteran-owned businesses during fiscal years 2019–2024 is not sufficient to draw any conclusions.

The number of applications approved for veterans ranged from zero to 734, depending on the program in fiscal years 2019 through 2024. Veterans averaged higher loan amounts than nonveterans under the Direct Emergency Farm, Direct Farm Operating, and Guaranteed Farm Operating loan programs during fiscal years 2019–2024. However, for Direct Farm Ownership and Guaranteed Farm Ownership programs the average approved loan amounts for veterans were lower than those for nonveterans (see table 8).

Table 8: Average Loan Amounts Approved by Veteran Status, USDA Farm Service Agency Loan Programs, Fiscal Years 2019–2024

Loan program	Average approved amount (dollars)	
	Veteran	Nonveteran
Direct Emergency Farm	\$149,148	\$147,559
Direct Farm Operating	\$81,973	\$55,053
Guaranteed Farm Operating	\$340,508	\$329,926
Direct Farm Ownership	\$232,446	\$278,461
Guaranteed Farm Ownership	\$550,428	\$563,678

Source: GAO analysis of U.S. Department of Agriculture (USDA) data. | GAO-25-107561

Note: Averages were calculated by dividing the total value of the loans approved during the 6-year period by the total number of loans approved during the 6-year period.

In fiscal years 2019–2024, USDA approved 25 loan applications for veterans under one of its Rural Development programs—the Business & Industry Guarantee Loan program.

Agency Outreach Includes Presentations, Networking, and Online Tools

- Federal agencies have taken steps to raise awareness of lending and financial literacy programs among military-affiliated individuals.
- **Presentations.** Agency officials told us they promoted awareness of lending and financial literacy programs both in-person and virtually during workshops, training events, and webinars. For example, SBA officials said staff from its Office of Veterans Business Development delivered over 100 presentations annually in fiscal years 2023 and 2024. These presentations included information on eligibility for SBA’s guarantee fee waiver and marketing of SBA loan programs. VA’s website promoted an online event, “SBA Hour with Veterans,” in which veterans working at SBA discussed resources available to military-affiliated people. USDA officials reported promoting lending programs during workshops, presentations, and webinars.
 - **Networking events and program referrals.** Agency officials also said they attended networking events where they meet directly with military-affiliated business owners and can connect them to a variety of resources. According to an SBA report, the Office of Veterans Business Development participated in 118 outreach and networking events nationwide in fiscal year 2023, including SBA’s Military Spouse Entrepreneur Summit and the American Legion Small Business

Conference.³² According to USDA officials, USDA staff attend conferences and other events to meet directly with veteran business owners and promote USDA programs.

- **Targeted social media and websites.** Agencies also used social media and websites to raise awareness about programs and resources available to military-affiliated people. For example, VA uses social media to raise awareness of small business resources offered by other agencies such as SBA. SBA's Office of Veterans Business Development officials noted that they promote SBA programs, initiatives, and resources several times a month via SBA's social media channels. In addition, SBA's website has dedicated pages on its main website focused on training programs, loan programs, and support for veteran and military spouse-owned businesses.³³ DOD's Office of Financial Readiness website offers help for service members seeking information on accessing personal financial counseling and other information about benefits, saving, and investment. In 2020, DOD launched the MilSpouse Money Mission website to help military spouses access financial education.

Agency Comments

We provided a draft of this report to SBA, DOD, VA, CFPB, USDA, the Board of Governors of the Federal Reserve System, the Department of the Treasury, the Federal Deposit Insurance Corporation, the Federal Trade Commission, the National Credit Union Administration, and the Securities and Exchange Commission for review and comment. The National Credit Union Administration provided written comments, reprinted in appendix V. VA also provided written comments, reprinted in appendix VI. VA's comments summarized various agency financial literacy resources available to military-affiliated people, such as a mandatory course provided to transitioning service members under the Transition Assistance Program that provides information on how service members can protect themselves from scams, fraudulent actions, and predatory lending practices. The other agencies and the National Credit Union Administration provided technical comments, which we incorporated as appropriate.

³²SBA, *Fiscal Year 2023 Advisory Committee on Veterans Business Affairs Annual Report* (Apr. 2024).

³³SBA, "Veteran-owned businesses" last updated July 23, 2025, <https://www.sba.gov/business-guide/grow-your-business/veteran-owned-businesses>; "Military spouse businesses," last updated June 3, 2025, <https://www.sba.gov/business-guide/grow-your-business/military-spouse-businesses>.

We are sending copies of this report to the appropriate congressional committees and the Acting Director of the Consumer Financial Protection Bureau, Secretary of Defense, Secretary of Agriculture, Secretary of the Treasury, Acting Chairman of the Federal Deposit Insurance Corporation, Chairman of the Federal Trade Commission, Chair of the Board of Governors of the Federal Reserve, Chairman of the National Credit Union Administration, and the Chairman of the Securities and Exchange Commission. In addition, the report is available at no charge on the GAO website at <https://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at lafountainc@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix VII.

//SIGNED//

Courtney LaFountain
Acting Director, Financial Markets and Community Investment

Appendix I: Objectives, Scope, and Methodology

This report examines (1) any challenges that military-affiliated people may face in building credit or accessing capital for their small businesses, (2) federal financial literacy resources available to military-affiliated people, (3) sources of capital available to military-affiliated people, and (4) agency efforts to raise their awareness about financial literacy and lending programs.

For this report, we focused on federal financial literacy resources and lending programs available to, or specifically designed for, military-affiliated people at nine agencies: Small Business Administration (SBA), Department of Defense, Department of Veterans Affairs, Consumer Financial Protection Bureau, U.S. Department of Agriculture (USDA), Federal Deposit Insurance Corporation, Federal Trade Commission, National Credit Union Administration, and Securities and Exchange Commission. We selected SBA based on our prior work on veteran lending.¹ We selected the other agencies based on our prior work on financial literacy programs, based on interviews with other agencies in our scope, or because their mission includes services for military-affiliated people.² In addition, we interviewed officials from the Department of the Treasury about the Financial Literacy and Education Commission and corresponded with officials from the Federal Reserve Bank of Cleveland regarding their Small Business Credit Survey data.

To examine the challenges that military-affiliated people may face when building credit or accessing capital for a small business, we interviewed or received written comments from representatives of four nonprofit organizations that support military-affiliated small business owners, as well as five financial services firms or associations with initiatives targeting this population.³ We identified these organizations from our prior work, our interviews, or because they serve the military community. We contacted two additional organizations that advocate for reservists that

¹GAO, *Small Business Administration: Procedures for Reporting on Veteran-Owned Businesses Need Improvement*, [GAO-24-106071](#) (Washington, D.C.: Dec. 21, 2023).

²GAO, *Financial Literacy: Overlap of Programs Suggests There May Be Opportunities for Consolidation*, [GAO-12-588](#) (Washington, D.C.: July 23, 2012) and GAO, *Financial Literacy: Better Outcome Reporting Could Facilitate Oversight of Programs for Older Adults and People with Disabilities*, [GAO-24-106381](#) (Washington, D.C.: Apr. 24, 2024).

³The nonprofit organizations were the D’Aniello Institute for Veterans and Military Families, National Veteran-Owned Business Association, National Veteran Small Business Coalition, and Rosie Network. The financial services firms and associations were the American Bankers Association, Association of Military Banks of America, Defense Credit Union Council, JP Morgan Chase, and People Fund.

did not respond to our request for an interview. We contacted two additional financial services firms but did not conduct interviews with them. In the interviews, we discussed how military-affiliated people access federal and private sources of capital and any challenges they face in building credit and accessing capital. We analyzed our interviews to determine the most frequently noted challenges for each of the populations we discussed. The views expressed by those we interviewed cannot be generalized to all such entities.

We also reviewed government reports, studies, and other literature to identify challenges faced by military-affiliated people. We identified these materials by conducting keyword searches—such as “veteran,” “military,” “small business,” and “entrepreneur”—in databases such as EBSCO, ProQuest, and Scopus. We focused on peer-reviewed literature, government reports, trade and industry articles, and publications from associations or nonprofits covering the period from January 2014 through June 2024. We then selected studies that discussed topics such as obstacles, combat exposure or deployment, and disruptions or gaps related to access to capital or financial literacy. We excluded materials that focused on procurements or contracting, COVID relief funding, federal grants, or state-level funding. We reviewed 47 relevant results.

To describe federal financial literacy efforts for military-affiliated people, we reviewed our prior relevant work on federal financial literacy programs.⁴ We also obtained updated information from the nine agencies in our scope through interviews or written responses. This included participant counts and webpage views for 2019 through 2023, where applicable.

To describe the characteristics of veteran- and nonveteran-owned small businesses, we reviewed data from the Census Bureau’s American Business Survey for 2023 and Nonemployer Statistics by Demographics for 2022, the most recent year available. The American Business Survey collects information on the economic and demographic information of approximately 300,000 employer businesses (i.e., those with paid employees) annually. Although these data cover businesses of all sizes, small businesses account for more than 99 percent of all businesses. The Nonemployer Statistics by Demographics provide similar information for

⁴[GAO-12-588](#) and [GAO-24-106381](#).

nonemployer businesses, using existing administrative records to assign demographic and economic characteristics.

To identify private sources of capital available to military-affiliated people, we reviewed SBA's website, the Federal Reserve Banks' Small Business Credit Survey questionnaire, and interviews with representatives of nonprofit organizations and financial services firms that assist military-affiliated small business owners. We analyzed data from the Federal Reserve's 2022 Survey of Consumer Finances to examine how small business owners fund their businesses. The Survey of Consumer Finances is a triennial, cross-sectional survey with data on U.S. families' balance sheets, pensions, income, and demographic characteristics. These were the most recent available data at the time of our study.

We also used the 2024 Small Business Credit Survey to assess veteran-owned business' challenges with obtaining financing and the proportion of financing that veterans and non-veterans received. This survey—conducted in collaboration with all 12 Federal Reserve Banks—collects information from a national sample of firms with fewer than 500 employees. It provides insights into small businesses' financial condition, credit risk, and financing experiences. These were the most recent available data at the time of our study.

We reviewed data reliability documentation for the sources of survey data (American Business Survey, Nonemployer Statistics by Demographics, Small Business Credit Survey, and Survey of Consumer Finances). We deemed the data to be sufficiently reliable for describing business characteristics of and challenges experienced by veteran-owned small businesses.

In addition, we analyzed SBA data on the number and dollar amount of loans made to veteran-owned small businesses through four SBA lending programs—7(a), 504, Microloan, and Military Reservist Economic Injury Disaster Loan—from fiscal year 2019 through 2024. We also analyzed data on five USDA Farm Service Agency programs and five USDA Rural Development programs from fiscal years 2019 through 2024. These were the most recent data at the time of our study. For 7(a), we reported information that includes all subprograms and only highlighted SBA Express loans because they provide fee relief to veteran-owned as well as veteran spouse-owned small businesses. We did not include other types of SBA disaster loans in our review but focused on Military Reservist Economic Injury Disaster Loans because of their relevance to small business owners with essential employees who are reservists. We

reviewed supporting documentation and found the data to be sufficiently reliable for describing trends in program lending to such businesses in this period. We also interviewed SBA and USDA officials about data reliability and their views on trends in the data.

To examine agency efforts to raise awareness about federal financial literacy and lending programs, we interviewed or received written comments from representatives of the nine agencies in our scope. We also reviewed program websites to determine how the selected agencies target military-affiliated people.

We conducted this performance audit from May 2024 to September 2025 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix II: Participation and Usage of Selected Federal Financial Literacy Programs and Resources

Consumer Financial Protection Bureau

The Consumer Financial Protection Bureau (CFPB) offers web-based resources for service members, veterans, and military families, which include information about credit, fraud, scams, and service members’ legal rights. One resource, Navigating the Military Financial Lifecycle, provides resources to help military families make financial decisions aligned with military career milestones. CFPB officials said they also distribute printed publications to Military Entrance Processing Stations on financial literacy topics. From 2018 through 2024, according to CFPB officials, there have been approximately 1.3 million users of *Ask CFPB* web pages related to military questions. They also noted that about 250,000 of the 1.3 million users accessed the Office of Servicemember Affairs’ military-specific pages and tools. CFPB officials also said they distributed more than 680,000 publications to Military Entrance Processing Stations.

Department of Agriculture

The U.S. Department of Agriculture’s (USDA) Farm Service Agency provides technical assistance to all loan applicants—such as support with developing financial information and navigating the loan process—through training delivered in partnership with third-party vendors, according to USDA officials. From 2019 through 2023, between 755 and 1,461 people participated in these classes (see table 9).

Table 9: Number of Participants in USDA Farm Service Agency Training Classes, Fiscal Years 2019–2023

Fiscal year	Number of participants
2019	1,461
2020	1,232
2021	1,124
2022	850
2023	755

Source: GAO analysis of U.S. Department of Agriculture (USDA) data. | GAO-25-107561

Department of Defense

The Department of Defense’s (DOD) Office of Financial Readiness and the military services’ Personal Financial Counseling Programs provide in-person, virtual, and telephone counseling to active-duty service members, reservists, military spouses, and eligible beneficiaries. Personal financial counselors are available during the week, as well as evenings and weekends, and are stationed at military installations worldwide, including armories and reserve centers. From fiscal year 2020 through fiscal year 2023, the program served between 1,925,116 and 3,268,226 participants annually (see table 10).

Table 10: Number of Participants in DOD Office of Financial Readiness Personal Financial Counseling Program, Fiscal Years 2020–2023

Fiscal year	Number of participants
2020	1,925,116
2021	3,042,596
2022	3,268,226
2023	2,340,786

Source: GAO analysis of Department of Defense (DOD) data. | GAO-25-107561

Note: According to DOD, data for fiscal year 2019 are not available.

In addition, beginning in 2022, Office of Financial Readiness officials said they began offering a Financial Well-Being Assessment, which uses 12 questions to identify areas for improvement and provides resources focused on improving financial well-being. The assessment is based on research from CFPB and reflects key elements of financial well-being, including present and future financial security and freedom of choice. It is accessible directly through a DOD website or may be integrated into training and counseling activities. From June 2022 through December 2023, the assessment website had over 9,000 visits.

The Office of Financial Readiness also offers MilSpouse Money Mission, a financial education website designed for military spouses to help them with financial decisions. From fiscal year 2021 through 2023, the site received between 41,966 and 106,710 users annually (see table 11).

Table 11: Number of Website Sessions and Users for MilSpouse Money Mission, 2021–2023

Fiscal year	Website sessions	Users
2021	58,875	48,364
2022	50,792	41,966
2023	128,108	106,710

Source: GAO analysis of Department of Defense (DOD) data. | GAO-25-107561

Note: According to DOD, data for fiscal year 2019 and 2020 are not available.

DOD’s Transition Assistance Program provides training for service members transitioning from active duty to civilian life. According to DOD officials, the program provides financial literacy information through a mandatory Financial Planning for Transition class that helps to ensure

departing service members have a viable plan for transitioning to civilian life.¹ It also includes a financial planning module and an individual self-assessment program that encourages service members to evaluate the financial aspects of their transition. From calendar year 2020 through calendar year 2023, annual participation ranged from 171,657 to 193,968 participants annually (see table 12).

Table 12: Number of Participants in the DOD Transition Assistance Program, Calendar Years 2020–2023

Calendar year	Participants
2020	193,968
2021	177,125
2022	186,756
2023	171,657

Source: GAO analysis of Department of Defense (DOD) data. | GAO-25-107561

DOD collects customer satisfaction data from service members participating in the Transition Assistance Program. From 2019 through 2022, more than 80 percent of respondents agreed or strongly agreed with questions related to their satisfaction with the program (see table 13).

Table 13: DOD Transition Assistance Program Customer Satisfaction Survey Results, Percentage of Respondents Who Agreed or Strongly Agreed with Each Question, Fiscal Year 2019–2022

Survey question	2019	2020	2021	2022
I know how to access resources (counselors, online resources) to get answers to transition questions I may have in the next several months.	93%	86.6%	90%	93%
Overall, the classroom facilities (or virtual environments) were adequate for the program.	91	83.9	87	90
Overall, this program was beneficial in helping me gain the information and skills I need to better plan my transition.	91	82.8	88	91
Overall, this program enhanced my confidence in transition planning.	90	83	87	90
Overall, I will use what I learned in this program in my transition planning.	91	84.3	88	91

¹The Department of Veterans Affairs’ written comments also noted that the Transition Assistance Program includes a VA Benefits and Services course that provides information and tools for navigating VA benefits and includes information on how transitioning service members can protect themselves from fraud, scams, and predatory lending practices.

Appendix II: Participation and Usage of
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Overall, the program has prepared me to meet my post-transition goals (employment, education, entrepreneurship goals).	90	82.5	86	89
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Source: GAO analysis of Department of Defense (DOD) data. | GAO-25-107561

DOD’s Office of Military Community and Family Policy also offers the Spouse Education and Career Opportunities Program, which connects military spouses with tools and resources such as education and training, career coaching and exploration, and employment opportunities. From fiscal year 2019 through fiscal year 2023, program officials said they conducted between 154,000 and 161,000 career coaching sessions annually (see table 14).

Table 14: Number of Coaching Sessions for the DOD Spouse Education and Career Opportunities Program, Fiscal Years 2019–2023

Year	Number of coaching sessions
2019	159,000
2020	161,000
2021	154,000
2022	155,000
2023	159,000

Source: GAO analysis of Department of Defense (DOD) data. | GAO-25-107561

National Credit Union
Administration

The National Credit Union Administration offers web-based resources on MyCreditUnion.gov for active-duty servicemembers and military families. According to National Credit Union Administration officials, these resources include information about the Military Lending Act, which protects active-duty servicemembers and their families from unscrupulous lenders by setting a limit on the amount of interest, fees, and other charges on certain loans, among other protections; the Servicemembers Civil Relief Act, which provides protections for military members including an interest rate cap, protection against foreclosure, provisions for lease termination, stay of court proceedings, and protection against repossession; and student loans, including access to special education benefits under the G.I. Bill.² Officials said the MyCreditUnion.gov website attracted more than 4.2 million views from 2019 through 2023.

²See 10 U.S.C. § 987, 50 U.S.C. §§ 3901-4043, and Servicemen’s Readjustment Act of 1944, Pub. L. No. 78-346, 58 Stat. 284.

Securities and Exchange Commission

The Securities and Exchange Commission's Office of Investor Education and Advocacy offers online resources for veterans and military families on its websites, [Investor.gov](https://www.investor.gov) and [SEC.gov](https://www.sec.gov). Officials provided written comments noting this content receives approximately 25,000 page views annually.

In addition, Securities and Exchange Commission officials noted that they conduct in-person outreach and distribute brochures at military installations. According to the officials, military briefings for junior enlisted and junior officers focus on smart use of credit and debt, establishing an emergency fund, building wealth through tax-advantaged accounts like the Thrift Savings Plan and retirement accounts, the benefits of diversification to reduce risk in investing, and how to spot and avoid investment scams. Briefings for more senior personnel include financial considerations when transitioning from military to civilian careers, the risk and return of investing, common investment products, diversification, how fees impact investing, and how to spot and avoid scams. According to agency officials, during fiscal years 2019–2023, staff participated in more than 300 events and distributed more than 100,000 print publications as part of their veterans and military outreach.

Small Business Administration

The Small Business Administration's (SBA) Veterans Business Outreach Centers offer entrepreneurial training through the Boots to Business and Boots to Business Reboot programs. These programs provide participants with an introductory understanding of business ownership. Boots to Business courses are hosted by military installations worldwide as part of DOD's Transition Assistance Program and is transitioning service members and military spouses. Boots to Business Reboot is offered virtually or in community settings for those participants who cannot access military installations. It targets veterans, reservists, and military spouses.

SBA also offers a Boots to Business Revenue Readiness course under a cooperative agreement with Mississippi State University. The course helps participants create a business model and plan in a compressed time frame. The 6-week course is offered in an online classroom format and targets veterans and military spouses.

Between fiscal year 2019 and fiscal year 2023, the Boots to Business program had between 9,515 and 18,125 attendees annually (see table 15). The Boots to Business Reboot program had between 1,623 and 3,290 attendees annually (see table 16).

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Table 15: Number of Events and Attendees, Boots to Business Program, Fiscal Years 2019–2023

Fiscal year	Number of training events	Number of attendees
2019	816	11,827
2020	733	9,515
2021	945	12,666
2022	1,014	17,076
2023	1,007	18,125

Source: GAO analysis of Small Business Administration (SBA) data. | GAO-25-107561

Table 16: Number of Events and Attendees, Boots to Business Reboot Program, Fiscal Years 2019–2023

Fiscal year	Number of training events	Number of attendees
2019	141	1,623
2020	160	2,489
2021	195	3,290
2022	184	2,790
2023	200	3,104

Source: GAO analysis of Small Business Administration (SBA) data. | GAO-25-107561

Additionally, the Boots to Business Revenue Readiness program had between 259 and 764 attendees annually between fiscal year 2019 and fiscal year 2023 (see table 17).

Table 17: Number of Events and Attendees, Boots to Business Revenue Readiness Program, Fiscal Years 2019–2023

Fiscal year	Number of training events	Number of attendees
2019	20	259
2020	32	686
2021	39	712
2022	36	674
2023	37	764

Source: GAO analysis of Small Business Administration (SBA) data. | GAO-25-107561

SBA also offers the Military Spouse Pathway to Business program, a course designed for military spouse entrepreneurs. The course is delivered in person or virtually through Veterans Business Outreach

Centers and covers topics such as market research, economics, and available support resources. The course is intended to help participants learn how to access startup capital, receive technical assistance, and pursue contract opportunities.

Department of Veterans Affairs

The Department of Veterans Affairs (VA) Office of Outreach, Transition, and Economic Development officials said they offer a Wellness Wednesday Financial Literacy Series, a weekly seminar on financial topics presented in partnership with a financial services company. In addition, officials said VA offers three web-based resources. Veteran Benefits Fraud Prevention provides information on fraud and scams that may target veterans. VetCents offers general financial literacy information. Finally, Veteran Saves provides information aimed at helping veterans grow their savings. From 2019 through 2023, the Wellness Wednesday Financial Literacy Series had a total of 1,713 participants, according to agency officials.

Multiple Agencies

Several agencies collaborate to offer financial literacy resources tailored to military-affiliated individuals and small business owners:

- The Federal Trade Commission developed and manages the Military Consumer webpage in collaboration with DOD and CFPB. The site provides financial education for military-affiliated people, including information related to specific military life events such as deployments, permanent changes of station, and promotions. It also covers general financial topics such as money management, buying or renting a home or car, and understanding credit and investments. In addition, Federal Trade Commission officials noted that their website provides information about enforcement actions, including those regarding servicemembers, their families, and veterans, and those that address unfair or deceptive practices in violation of the Federal Trade Commission Act and other illegal practices in violation of numerous statutes and regulations, including the Military Lending Act, enforced by the Commission. Between fiscal year 2019 and fiscal year 2023, the Military Consumer webpage was accessed by around 500,000 unique users, according to agency officials.
- The Federal Deposit Insurance Corporation and SBA jointly provide Money Smart for Small Business, a free, instructor-led financial literacy resource. According to the Federal Deposit Insurance Corporation website, the program includes learning modules on financial management, recordkeeping, and risk management. The curriculum is designed to be taught by staff from financial institutions, small business development centers, economic development offices,

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and other organizations. In addition, Federal Deposit Insurance Corporation officials said they offer financial literacy resources and webinars intended for military-affiliated individuals and small business owners as a part of its Consumer Resource Center website. According to Federal Deposit Insurance Corporation officials, approximately 630 member organizations use Money Smart for Small Business.

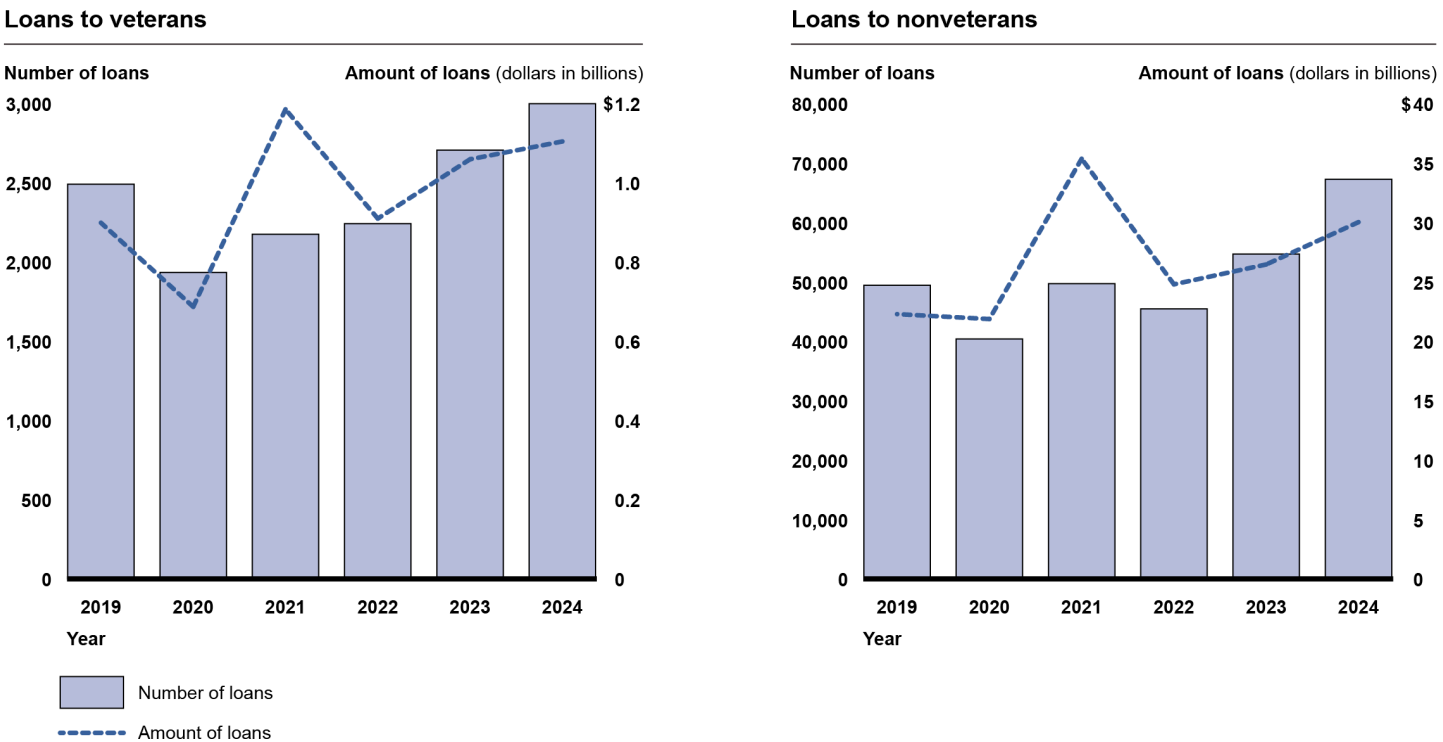
Appendix III: Data on 7(a), 504, and Microloan Programs, Fiscal Years 2019–2024

This appendix provides data on the number, total dollar amount, and average loan amount of loans approved under the 7(a), 504, and Microloan programs, disaggregated by veteran status, for fiscal years 2019 through 2024. All years cited below refer to fiscal years.

7(a) Program

The number and dollar amount of loans to veterans through the 7(a) program generally increased during fiscal years 2019 through 2024. The number and dollar amount of 7(a) loans to nonveterans fluctuated more during the same period but ended on an upward trend. (see fig. 4).

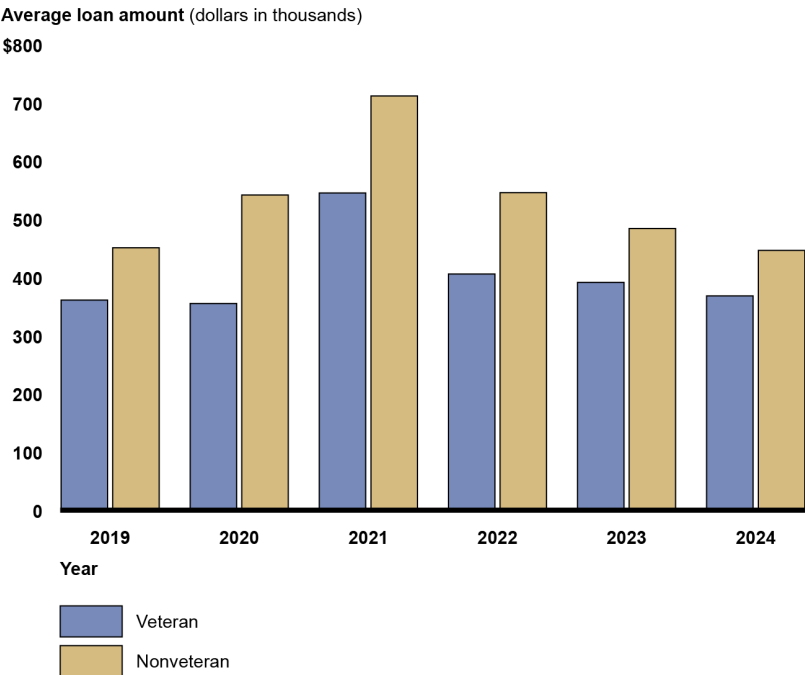
Figure 4: Number and Amount of 7(a) Loans to Veterans and Nonveterans, Fiscal Years 2019–2024



Source: GAO analysis of Small Business Administration data. | GAO-25-107561

The average 7(a) loan amount for veterans decreased from 2019 to 2020, then increased in 2021. In contrast, the average loan amount for nonveterans during fiscal years 2019 through 2021 increased. From fiscal years 2022 through 2024, the average loan amount for veterans and nonveterans decreased. In each year, the average loan amount for nonveterans was higher than that for veterans (see fig. 5).

Figure 5: Average Loan Amount of 7(a) Loans by Veteran Status, Fiscal Years 2019–2024



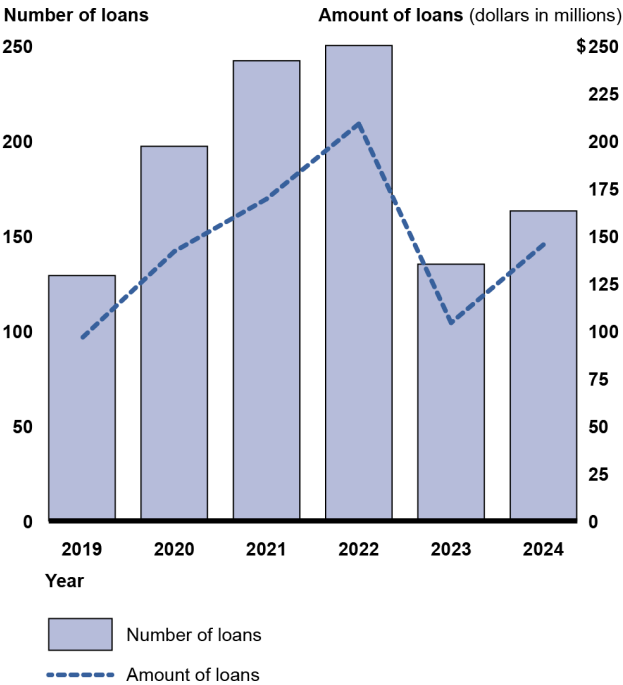
Source: GAO analysis of Small Business Administration data. | GAO-25-107561

504 Program

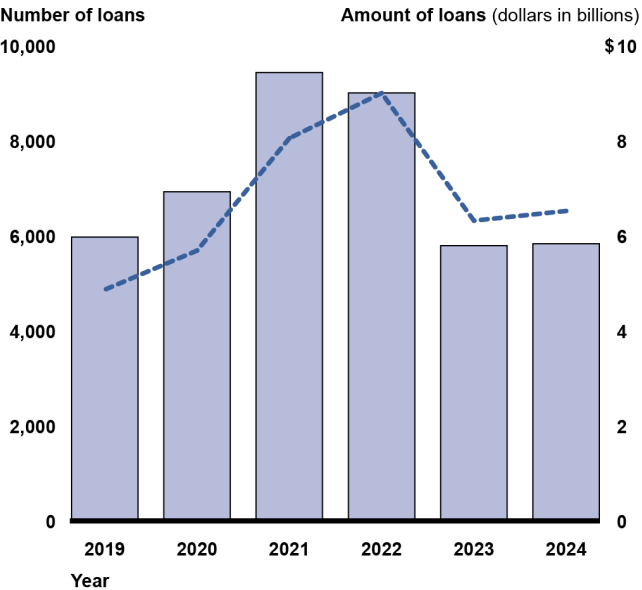
The number and dollar amount of 504 loans specifically to veterans increased each year from fiscal years 2019 through 2022, declined in 2023, then increased in 2024. The number and dollar amount of 504 loans to nonveterans increased from 2019 to 2020 and from 2020 to 2021. From 2021 to 2022, the number of loans to nonveterans decreased, while the dollar amount of these loans increased. In 2023 the number and dollar amount decreased, then increased slightly in 2024 (see fig. 6).

Figure 6: Number and Amount of 504 Loans to Veterans and Nonveterans, Fiscal Years 2019–2024

Loans to veterans



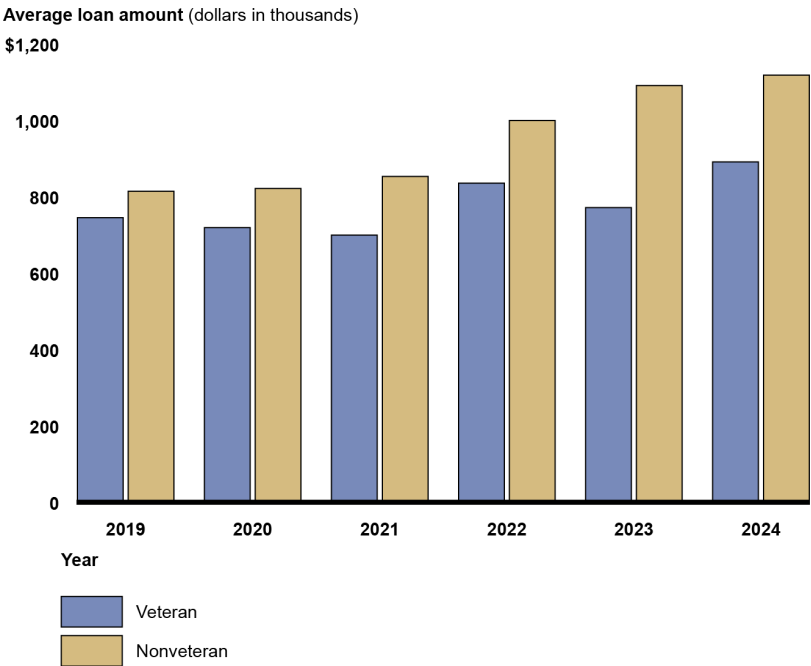
Loans to nonveterans



Source: GAO analysis of Small Business Administration data. | GAO-25-107561

The average 504 loan amount was higher for nonveterans than for veterans in each year for fiscal years 2019 through 2024. Average loan amounts to nonveterans increased during the period, while average loan amounts to veterans fluctuated (see fig. 7).

Figure 7: Average Loan Amount of 504 Loans by Veteran Status, Fiscal Years 2019–2024



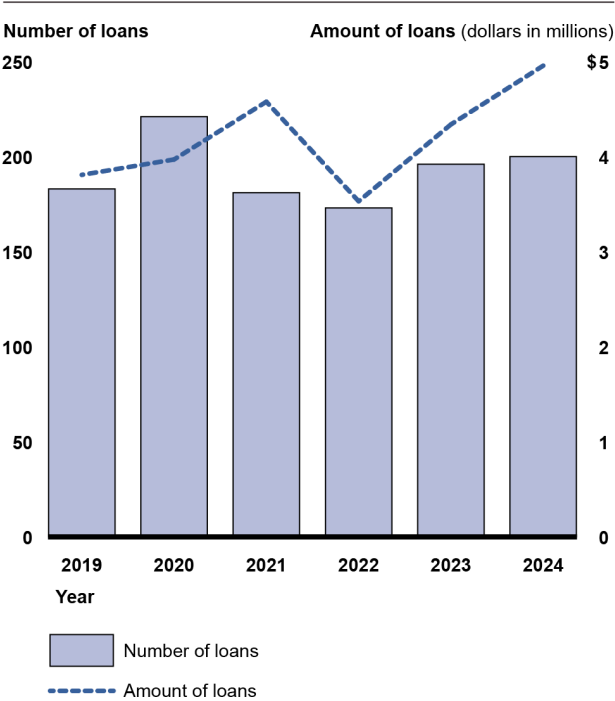
Source: GAO analysis of Small Business Administration data. | GAO-25-107561

Microloan Program

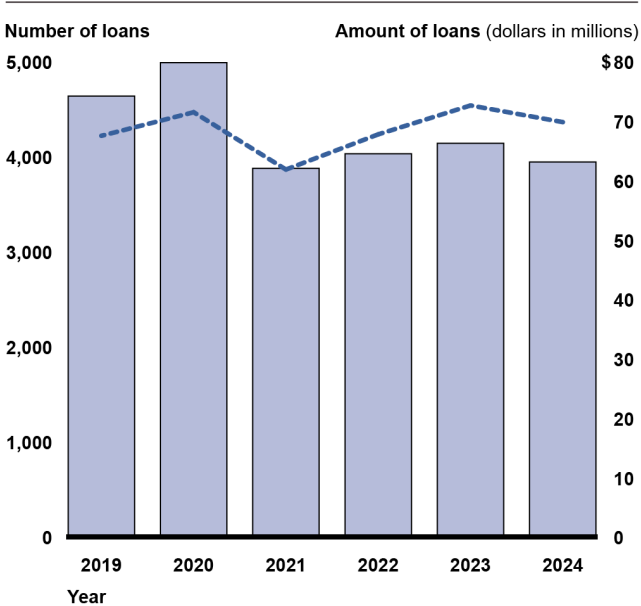
The number and dollar amount of microloans provided to veterans fluctuated during fiscal years 2019 through 2024. The number and dollar amount of loans provided to nonveterans through the Microloan program also fluctuated during this period (see fig. 8).

Figure 8: Number and Amount of Microloans to Veterans and Nonveterans, Fiscal Years 2019–2024

Loans to veterans



Loans to nonveterans

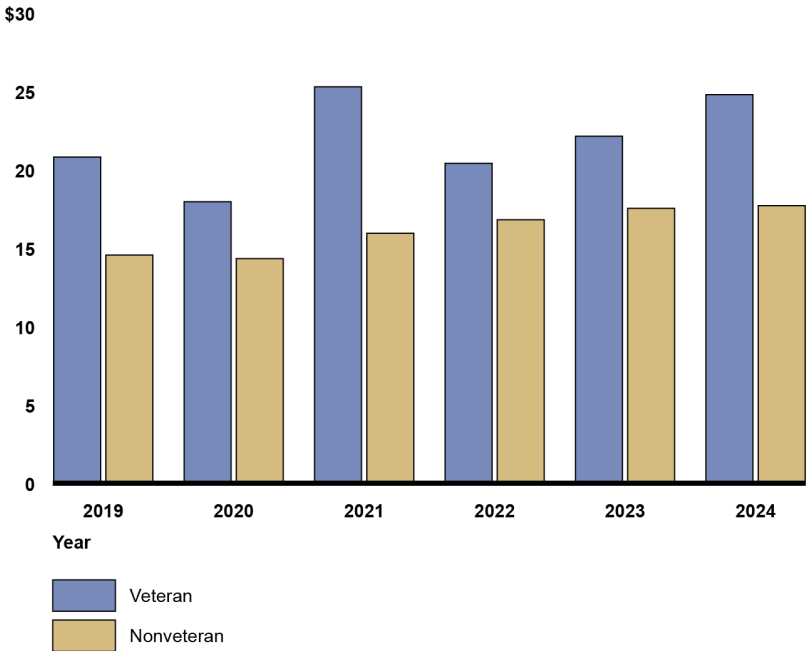


Source: GAO analysis of Small Business Administration data. | GAO-25-107561

In contrast to the 7(a) and 504 loan programs, the average Microloan amount was higher for veterans than for nonveterans in each fiscal year from 2019 through 2024 (see fig. 9).

Figure 9: Average Loan Amount of Microloans by Veteran Status, Fiscal Years 2019–2024

Average loan amount (dollars in thousands)



Source: GAO analysis of Small Business Administration data. | GAO-25-107561

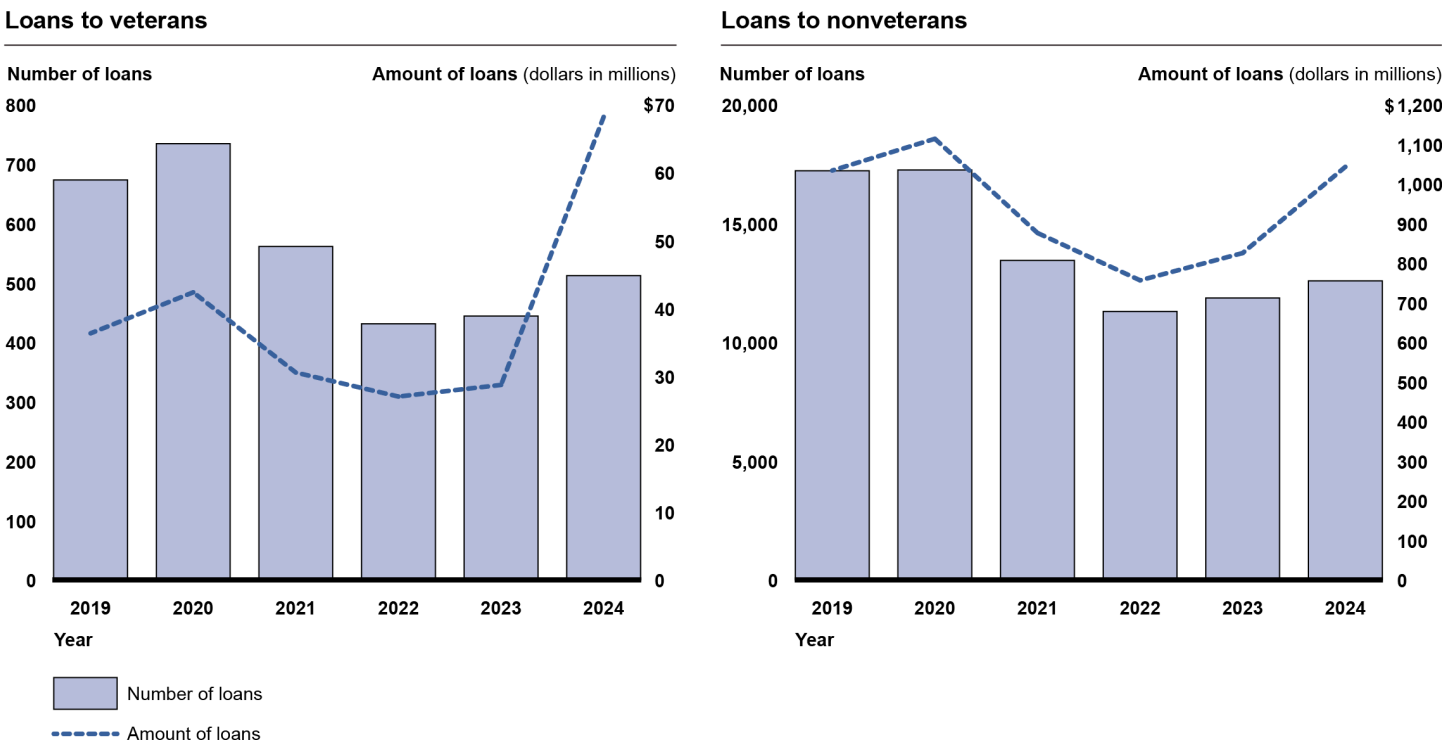
Appendix IV: Data on USDA Farm Service Agency Program Loans, Fiscal Years 2019–2024

This appendix provides data on the number and total dollar amount of loans approved under the Direct Farm Operating, Guaranteed Farm Operating, Direct Farm Ownership, and Guaranteed Farm Ownership programs, disaggregated by veteran status, for fiscal years 2019 through 2024. All years cited below refer to fiscal years.

Direct Farm Operating Loans

The number and dollar amount of Direct Farm Operating loans to veterans increased from 2019 to 2020, decreased in 2021 and 2022, rose slightly in 2023, and rose in 2024. Loans to nonveterans followed a similar trend (see fig. 10).

Figure 10: Number and Amount of Direct Farm Operating Loans to Veterans and Nonveterans, Fiscal Years 2019–2024



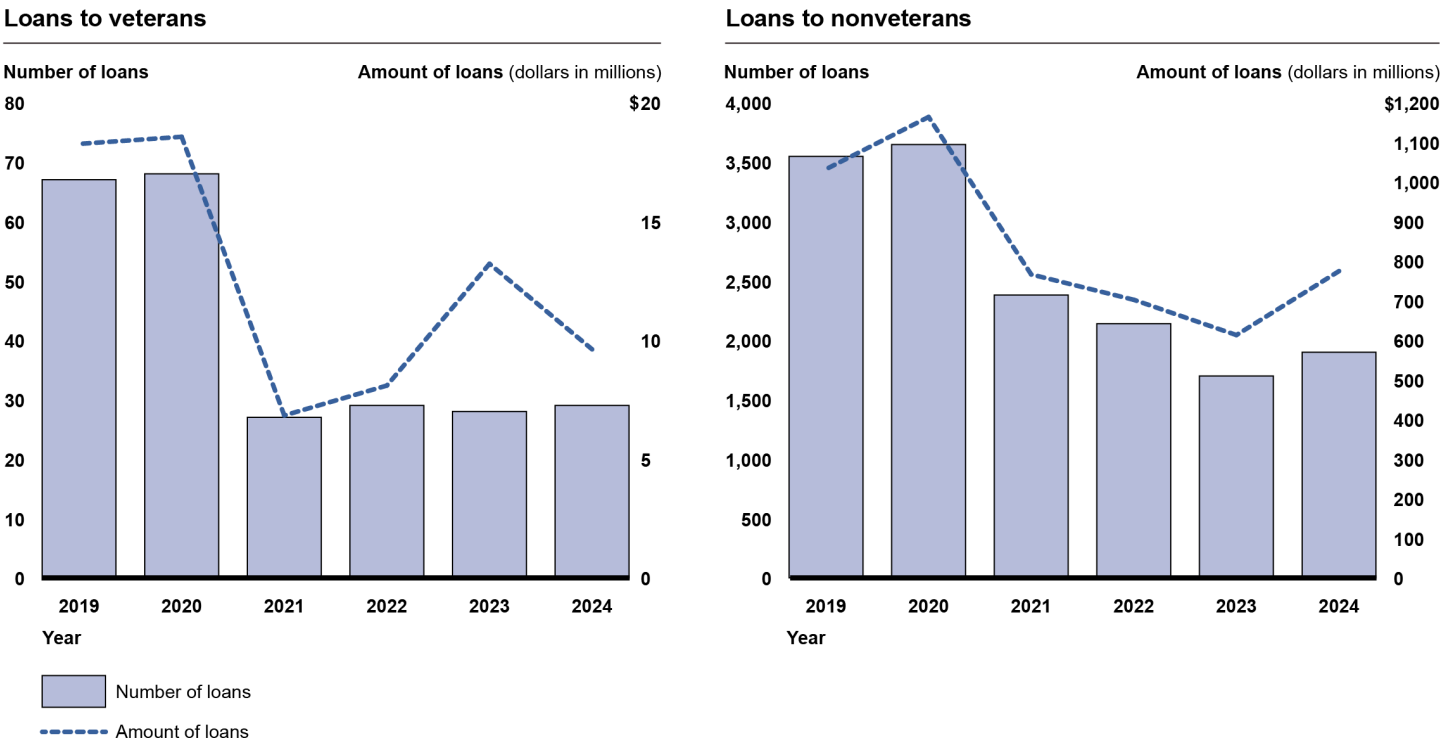
Source: GAO analysis of U.S. Department of Agriculture data. | GAO-25-107561

Guaranteed Farm Operating Loans

The number and dollar amount of Guaranteed Farm Operating loans to veterans increased slightly from 2019 to 2020, decreased from 2020 to 2021, and rose in 2022. In 2023, the number of loans went down, and the dollar amount went up. In 2024, the number of loans went up slightly while the dollar amount went down. The number of loans to nonveterans

generally decreased from 2019 through 2023, then increased in 2024 (see fig. 11).

Figure 11: Number and Amount of Guaranteed Farm Operating Loans to Veterans and Nonveterans, Fiscal Years 2019–2024

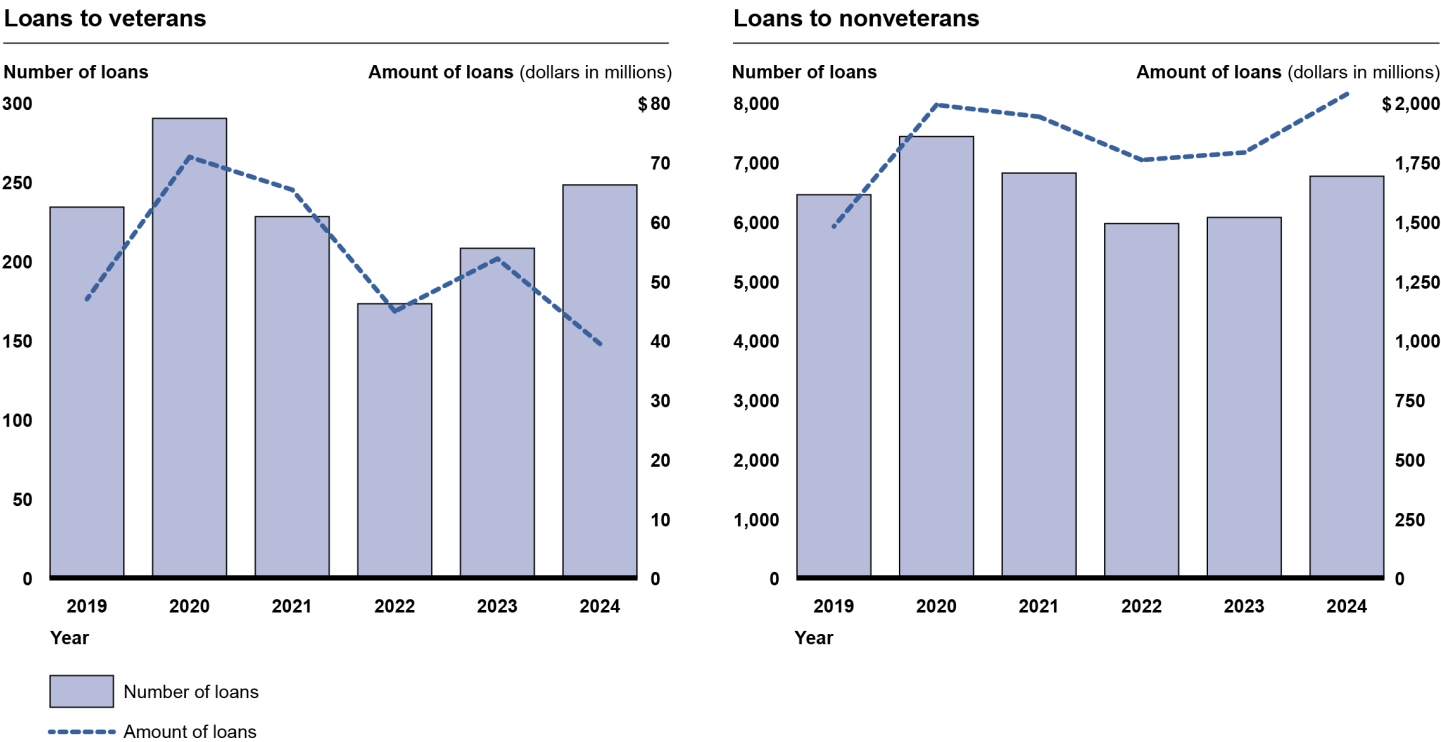


Source: GAO analysis of U.S. Department of Agriculture data. | GAO-25-107561

Direct Farm Ownership Loans

Lending to veterans through the Direct Farm Ownership program fluctuated somewhat during fiscal years 2019 through 2024. The number and dollar value of loans to nonveterans also fluctuated during the same period (see fig. 12).

Figure 12: Number and Amount of Direct Farm Ownership Loans to Veterans and Nonveterans, Fiscal Years 2019–2024



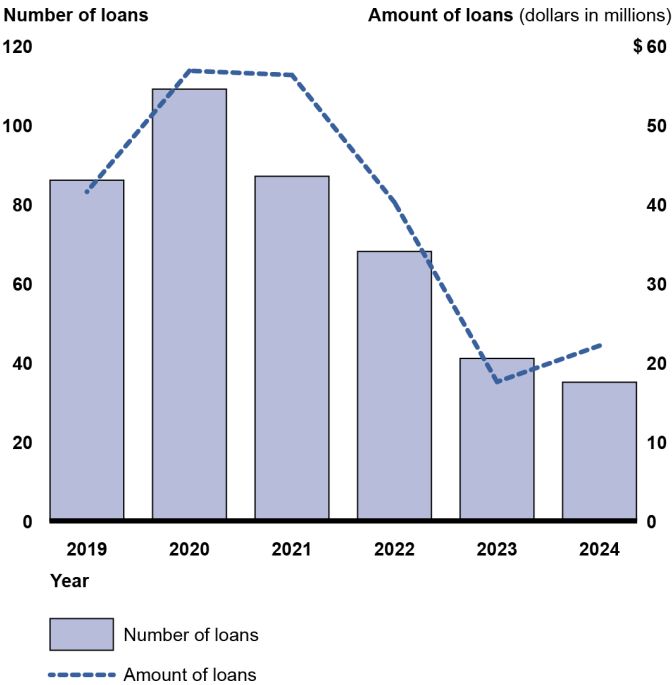
Source: GAO analysis of U.S. Department of Agriculture data. | GAO-25-107561

Guaranteed Farm Ownership Loans

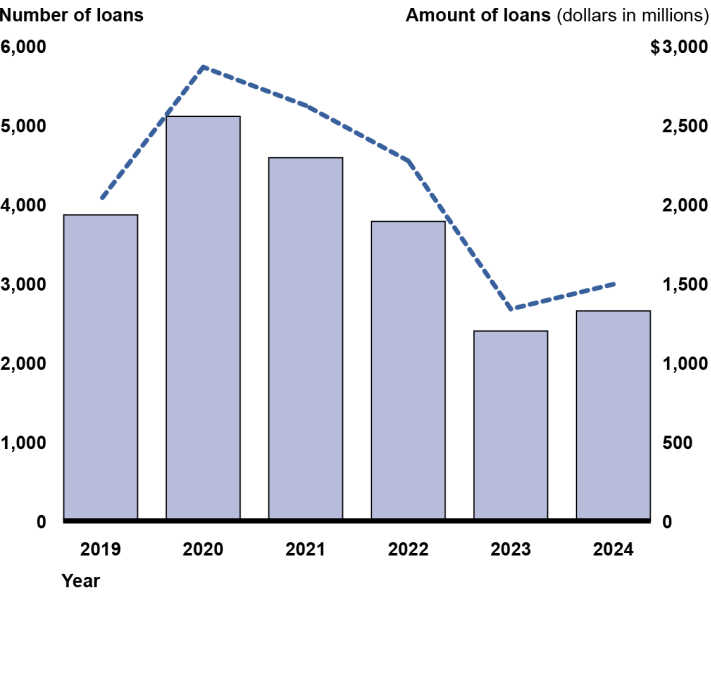
The number and dollar amount of Guaranteed Farm Ownership loans specifically to veterans increased from 2019 to 2020. From 2020 to 2021, the number of loans decreased while the dollar amount remained steady. In 2022 and 2023, both the number and dollar amount decreased. In 2024, the number of loans to veterans decreased while the dollar amount increased. The number and dollar amount of Guaranteed Farm Ownership loans to nonveterans increased from 2019 to 2020, decreased from 2021 to 2023, and then increased in 2024 (see fig. 13).

Figure 13: Number and Amount of Guaranteed Farm Ownership Loans to Veterans and Nonveterans, Fiscal Years 2019–2024

Loans to veterans



Loans to nonveterans



Source: GAO analysis of U.S. Department of Agriculture data. | GAO-25-107561

Appendix V: Comments from the National Credit Union Administration



National Credit Union Administration
Office of the Executive Director

August 8, 2025

Courtney LaFountain
Acting Director, Financial Markets and Community Investment
U.S. Government Accountability Office
441 G Street NW
Washington, DC 20548

Dear Ms.LaFountain,

We have reviewed the GAO's draft report entitled *Financial Literacy and Small Business Lending- Resources Available to Military-Affiliated People*.

The report indicates that military-affiliated people may face challenges building credit and accessing capital to fund their small businesses and identifies available federal financial literacy programs and resources to help them. These resources include information available on the NCUA's website, MyCreditUnion.gov.

The NCUA appreciates having the opportunity to review the report. The NCUA has no additional comments or recommendations for the report at this time.

Sincerely,

A handwritten signature in blue ink that reads "Larry Fazio".

Larry Fazio

Executive Director

1775 Duke Street – Alexandria, VA 22314-6113 – 703-518-6320

Appendix VI: Comments from the Department of Veterans Affairs



DEPARTMENT OF VETERANS AFFAIRS
WASHINGTON

August 20, 2025

Ms. Courtney LaFountain
Acting Director
Financial Markets and Community Investment
U.S. Government Accountability Office
441 G Street, NW
Washington, DC 20548

Dear Ms. LaFountain:

The Department of Veterans Affairs (VA) has reviewed the Government Accountability Office (GAO) draft report: ***Financial Literacy and Small Business Lending: Resources Available to Military-Affiliated People*** (GAO-25-107561).

The enclosure contains general comments on the draft report. VA appreciates the opportunity to comment on your draft report.

Sincerely,

A handwritten signature in blue ink, appearing to read "Chris Syrek".

Christopher D. Syrek
Chief of Staff

Enclosure

Enclosure

Department of Veterans Affairs (VA) Comments to the
Government Accountability Office (GAO) Draft Report
***Financial Literacy and Small Business Lending: Resources
Available to Military-Affiliated People***
(GAO-25-107561)

General Comments:

As part of the interagency Transition Assistance Program, the mandatory Department of Veterans Affairs (VA) Benefits and Services course provides information and tools for navigating VA benefits and services and includes information on how transitioning Service members can protect themselves from scams and fraudulent actions and to be aware of predatory lending practices. The course also reinforces the use of accredited Veterans Service Organizations (VSO), highlights how VSOs can serve as their advocate, and allows time at the end of the course to engage directly with VSOs. The Benefits and Services Participant Guide complements the mandatory VA Benefits and Services course by providing a comprehensive overview of VA's benefits, services, and resources for transitioning Service members (see Attachment A). The participant guide includes information and tips on avoiding Sergeant First Class Heath Robinson Honoring our Promise to Address Comprehensive Toxics (PACT) Act scams, information about the potential for predatory lending and fraudulent offers, as well as Consumer Financial Protection Bureau tools and reporting.

VA also includes fraud information in the Military Life Cycle (MLC) titled VA Home Loan Guaranty Program. This MLC is a voluntary micro-learning course designed to augment the mandatory Benefits and Services course. During the course, participants are cautioned that a small number of lending institutions may try to take advantage of VA borrowers by mailing misleading offers or calling with misleading or fraudulent claims, such as offers to refinance mortgages, skipping mortgage payments, promises of extremely low-interest rates, thousands of dollars in cash back, no out-of-pocket costs, no waiting period, and so forth.

VA advises transitioning Service members to thoroughly research any offers before accepting them or providing any potential lenders with any personal information to ensure they are legitimate and that the move is in their best financial interest. Benefits Advisors refer MLC participants to the link in the VA Home Loan Guaranty Program MLC Online Resource Guide to learn how VA can assist with home retention and home loss mitigation assistance (see Attachment B).

Appendix VII: GAO Contact and Staff Acknowledgments

GAO Contact

Courtney LaFountain, lafontainc@gao.gov

Staff Acknowledgments

In addition to the contact named above, Marshall Hamlett (Assistant Director), Leah DeWolf (Analyst in Charge), Caitlin Cusati, Garrett Hillyer, John Karikari, John Lewis, Alberto Lopez, Aku Pappoe, Marc Molino, and DaChanel Rutherford made key contributions to this report.

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