

TESTIMONY OF STEPHANIE BROWN

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CEO and FOUNDER, THE ROSIE NETWORK and U.S. MILITARY SPOUSE CHAMBER OF COMMERCE

I am the daughter of a Vietnam Veteran turned small business owner, the widow of Rear Admiral Tom Brown who served 30 years in the SEAL teams and the mother of two boys raised in the military.

I founded The Rosie Network over 12 years ago and since then, we have provided our national award-winning, college-accredited Service2CEO program and mentoring to tens of thousands of transitioning service members, veterans, and military spouses seeking the American Dream of small business ownership. We represent more than 30,000 military affiliated small business owners around the globe.

While we serve active-duty, veterans and military spouses, today I would like to speak on behalf of the 48% of the American military spouses who have chosen small business ownership as a viable & portable career.

Why? Because despite our best efforts, military spouse unemployment and underemployment - *described by DoD leaders as a 'national security crisis'* - has remained statistically unchanged for more than a decade::

- At 20-24% the unemployment rate for military spouses is 4x higher than the national average.
- The cost to American taxpayers is between \$700M and 1.2B per year.
- More importantly, it causes financial insecurity and stress on our military families and impacts mission readiness, retention, and recruitment.
- When we are employed, we make an average of 25% less for the same job as our civilian counterparts.

Small Business Ownership is changing the Military Spouse employment landscape, but we need your help.

Based on the U.S. Military Spouse Chamber of Commerce's internal data from more than 4,000 of its members, we know that:

- 87% of our members are women
- 80% are married to spouses who are still serving
- Collectively, they employ over 120,000 people, more than 80% of those are fellow military spouses & veterans

Their TOP challenges are:

1. 92% - ACCESS TO CAPITAL

- a. 88% of our members are SELF-FUNDED
- b. Of the 12% that sought funding - 90% were turned down
- c. Financial institutions tend to view military spouses as 'less than favorable' due to their nomadic lifestyle and gaps in their resume.

2. 90% - LACK OF MENTORING / TRAINING

- a. Right now, The Rosie Network Service2CEO program has a six-month waitlist because we lack the resources to hire more qualified instructors.
- b. Rather than the government building a new training program that very few attend or would recommend, why not support the service organizations already doing the work on the ground. Hold them accountable, but
- c. .. PLEASE do not make these 'REIMBURSEABLE' grants often paid up to 90 days later. No forprofit company can or would be expected to operate on those terms.

3. 73% - WANT GOVERNMENT CONTRACTING OPPORTUNITIES

- a. Military spouses need to be designated as an ECONOMICALLY DISADVANTAGED CATEGORY to open up access to capital, contracting

opportunities and other resources. **I want to give a shout out to the Army's Office of Small Business who are actively doing business with military spouses and tracking their spend! We need more federal agencies to step up.**

- b. Three years ago, Military Spouse Chamber rolled out the first industry-standard Certification for Military Spouse-Owned Enterprises, which we offer for free. Today, we are in the top 2% of the fastest growing chambers nationwide and a number of Fortune 500 companies recognize and accept our certification.
- c. If the private sector will not accept SELF-CERTIFICATION, why should the government? There needs to be reciprocity with vetted third-party certifiers.

4. 43% - FACE LICENSING ISSUES

- a. Some progress has been made, but more needs to be done.

A military spouse-owned mobile veterinarian small business maintains active licenses in three states and has moved with her active-duty spouse 12 times in 20 years.

Military spouses have earned a seat at the table through our 'silent service' and sacrifice on behalf of our nation. In my many decades, not one service member or veteran has ever said 'don't help my spouse.'

In conclusion, investing in our military spouse small business owners is an investment in our military families, our economy and our country.

Thank you and I look forward to your questions.

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