**National Survey of Military Affiliated Entrepreneurs (NSMAE):**

**Key Highlights of Veteran Entrepreneurs**

This infographic provides recent highlights from the inaugural 2020 IVMF National Survey of Military Affiliated Entrepreneurs. This study monitors trends in the activity, needs, and economic, social, and policy barriers of military-affiliated entrepreneurs in the United States. As the first year of this survey, data are drawn from an initial cross-sectional sample of over 2,500 veteran entrepreneurs. Future surveys will also track trends and pressing issues, such as this year’s focus on COVID-19. This annual survey and forthcoming public dataset will be an enduring source of current insights for public and private sector leaders, policymakers, and community-based organization on systemic barriers to and drivers of entrepreneurial success among veterans and their family members.

# Motivations

## Military Skills & Attributes that Apply to Entrepreneurship

* Work ethic/self-discipline (55%)
* Teamwork (46%)

93% indicated these skills helped them in their business/venture

* Leadership and management skills (40%)
* Mental toughness (37%)
* Perseverance (33%)
* Ability to get things done (26%)
* Training & teaching others (24%)

## Interest in Entrepreneurship

* 39% were not interested in entrepreneurship prior to serving in the military
* 61% interested in entrepreneurship prior to military

## Top Motivations to Entrepreneurship

* Make own decisions (44%)
* The chance to implement own ideas/creating something (43%)
* The opportunity to be financially independent/increase personal income (43%)
* Maintain personal freedom (39%)
* Helping society/supporting community (34%)
* Improving quality of life (32%)
* Having more free time/flexible hours (29%)
* Secure future for my family (21%)
* Dissatisfaction in a professional occupation (19%)
* Building personal wealth (18%)

## Entrepreneurship Characteristics: Attitudes and Perspectives

* 94% do not give up easily even in the face of difficulties
* 83% use creativity to overcome difficulty
* 79% work consistently on a goal when met with obstacles
* 70% feel responsible for their local community
* 63% feel sense of belonging to their local community

What does entrepreneurship success look like to you?

“Success is being in a position of mentorship to other new business owners or entrepreneurs” – Marine Corps Veteran Entrepreneur, CEO, and Business Owner

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# Barriers to Entrepreneurship

## Top Problems or Barriers in Pursuing or Achieving Business Goals

* Lack of initial capital (42%)
* Problems finding good employees/contracted personnel (29%)
* Irregular income (24%)
* Current economic situation (23%)
* Lack of mentors for my business (22%)
* Taxes and legal fees (21%)
* Lack of experience in entrepreneurship or business ownership (20%)
* Healthcare expenses for employees (16%)
* Federal regulations and policies (16%)
* Startup paperwork and bureaucracy (14%)

## Transition Difficulty and Key Challenges for Veteran Entrepreneurs

* 44% had difficulty with the transition from military to civilian life
* Top transitional challenges for Veteran Entrepreneurs
* Getting socialized to civilian culture (35%)
* Loss of connection with military community (31%)
* Loss of sense of purpose/camaraderie (30%)
* Finding employment for myself (30%)
* Financial struggles (27%)
* Mental health challenges (19%)
* Civilian day-to-day life (17%)
* 52% indicated that they needed time to figure out what to do in their civilian life
* 41% indicated that adjusting to civilian life was difficult.

## Financial Related Barriers

* 66% reported difficulty with applying for grants from nonprofit organizations
* 53% reported difficulty with applying for loans
* 49% reported difficulty with identifying sources of funding to start the business

### Denial of Credit

* Of those that applied for credit, 34% were turned down by lender or creditor when applying for financing
* Of those that were turned down:
  + 59% did not reapply anywhere
  + 28% did reapply and were turned down again
  + 14% did reapply and got funding later

## People and Social Capital Barriers

* 27% do not know anyone that they can rely on for help for their business
* 47% reported difficulty finding local business incubator/ nonprofit that helps business owners

## Regulation Barriers

* 55% reported that the certification process is difficult
* 28% reported difficulty obtaining the necessary licenses to operate business
* 19% reported difficulty registering your company with e-verify

## Disability Related Barriers

* Of those with a service-connected disability, 28% indicated that it creates obstacle in business ownership
* 56% do not feel supported by the medical and disability service providers

## Major Factors that Impact Starting a Business

1. *People and Social Capital*

* Lacked formal help to start business (40%)
* Lacked experience or exposure to someone who has run a business (32%)

1. *Capital*

* Couldn't afford long-term capital (33%)
* Couldn't afford start-up costs (27%)

1. *Experience/Knowledge*

* Didn't know practical details to start a firm (27%).
* Didn't know the legalities of starting business (23%)

# Capital

## Sources of Capital

* 72% needed capital to start/grow their business
* 28% did not need capital to start/grow their business
* Top three sources of capital used in 2019 are:
  + Personal/family savings of the owner (63%)
  + Business credit card (38%)
  + Personal credit cards (35%)

## Credit Card

* 43% of business debt is on credit cards
  + 66% pay an interest rate that is higher than 10%
  + 19% pay an interest rate between 20-29.99%

## Capital for Different Stages: Startup

* 59% needed less than $25,000 to start or acquire their business
* 60% were able to secure the initial funding for starting or acquiring the business in 2019 while 25% were not able to secure any funding at all.
* 36% does not feel prepared for the traditional lending process

## Capital for Different Stages: Growth

* 54% needed more than $25,000 to grow their business
* 41% were able to secure the funding needed to grow the business in 2019 while 31% were not able to secure any funding at all
* 27% does not feel prepared for the traditional lending process

What does entrepreneurship success look like to you?

“Entrepreneurial success allows an individual to enjoy the fruits of their labor. You decide what the top-down message is, what the corporate culture will be, you decide what the expectations should be for your business and employees, and you get the ability to implement the skills and lessons learned from former bosses that were good leaders. It means you no longer have to deal with bad bosses or unmotivated employees, and you get to set the tone and lead by example. Success validates the entrepreneur's vision and leadership. Simply put, success is freedom” – Air Force Veteran

Vetrepreneur, Business Owner, and Consultant & Team Leader

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# Support and Resources for Entrepreneurship

* 70 % of veteran entrepreneurs had support from friends and family to start their business
* 45% of veteran entrepreneurs indicated that navigating the resources in their local community was not easy

## 20% of veteran entrepreneurs do not feel supported by their local community

## Entrepreneurship Resource Needs in Local Communities

### Financial Resources

* + 44% did not know about resources for grants in their local area
    - Of those that know: 59% indicate the resource need improvement, 32% indicate this resource is sufficient, and 19% indicate this resource is outstanding
  + 52% did not know about Community Development Financial Institution (CDFI) in their local area
    - Of those that knew: 43% indicate the resource need improvement, 44% indicate this resource is sufficient, and 14% indicate this resource is outstanding

### Educational Resources

* + 36% did not know about local incubators and accelerators in their local area
    - Of those that know: 34% indicate the resource need improvement, 41% indicate this resource is sufficient, and 25% indicate this resource is outstanding
  + 76% know about college/university academic program in their local area
    - Of those that know: 16% indicate the resource need improvement, 47% indicate this resource is sufficient, and 37% indicate this resource is outstanding
  + 79% know about SBA resources (SBDC, WBDC, VBOC, etc.) in their local area
    - Of those that know: 24% indicate the resource need improvement, 45% indicate this resource is sufficient, and 31% indicate this resource is outstanding

### Networks and Membership Organizations

* + 79% know about networking and engaging with other military-affiliated business owners in their local area
    - Of those that know: 37% indicate the resource need improvement, 40% indicate this resource is sufficient, and 23% indicate this resource is outstanding
  + 80% know about Veteran Serving Organizations in their local area
    - Of those that know: 32% indicate the resource need improvement, 42% indicate this resource is sufficient, and 26% indicate this resource is outstanding

# COVID-19 Pandemic

## Preparedness for Entrepreneurship

* 65% of veteran entrepreneurs indicate that their military experience has moderately or extremely prepared them for their business challenges associated with Covid-19 pandemic
* 76% of veteran entrepreneurs indicate that they lost business due to the pandemic

## Closure during Covid-19:

* + 68% indicate that they do not anticipate closing their business
  + 31% anticipate closing their business
  + 1% already closed their business
* Of those that anticipate closing:
  + 13% can operate for less than 3 months
  + 47% can operate between 6-12 months
  + 40% can operate more than a year

## Top resource needs during COVID-19:

* + General funding (financing, loans, grants) (37%)
  + Government contracting assistance (28%)
  + Day-to-day operations (25%)
  + Emergency funding (20%)
  + Assistance with adjusting marketing efforts (16%)

## CARES Act's Payroll Protection Program (PPP):

* + 53% were approved and received funding
  + 4% approved, waiting for funding
  + 6% applied, pending approval
  + 12% eligible, have not applied yet
  + 5% turned down

## CARES Act's Economic Injury Disaster Loan (EIDL):

* + 24% were approved and received funding
  + 8% approved, waiting for funding
  + 12% eligible, have not applied yet
  + 5% turned down
  + 31% not sure about eligibility

## Support

* 56% believe that their business has been supported by the federal government during the pandemic
* 60% believe that their business has NOT been supported by local government
* 60% believe that their business has NOT been supported by state government
* 45% believe that their business has NOT been supported by local community
* 22% were NOT aware of the resources available to them and/or business during the pandemic

What does entrepreneurship success look like to you?

“For me, entrepreneurial success is having a business, with a global footprint, that provides employment opportunities for those who are qualified and passionate, but unable to acquire meaningful employment” – Army Veteran Entrepreneur, Consultant, and Chief Executive Officer (CEO)

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About Institute for Veterans and Military Families (IVMF)

Syracuse University’s Institute for Veterans and Military Families (IVMF) is the first national institute in higher education singularly focused on advancing the lives of the nation’s military, veterans, and their families. Through its professional staff and experts, and with the support of founding partner JPMorgan Chase Co., the IVMF delivers leading programs in career and entrepreneurship education and training, while also conducting actionable research, policy analysis, and program evaluations. The IVMF also supports veterans and their families, once they transition back into civilian life, as they navigate the maze of social services in their communities, enhancing access to this care working side-by-side with local providers across the country. The Institute is committed to advancing the post-service lives of those who have served in America’s armed forces and their families.

About National Survey of Military-Affiliated Entrepreneurs (NSMAE)

The NSMAE is a multi-year, annual and longitudinal, study of veteran and military spouse entrepreneurs. This effort is one of the first national initiatives to develop data-driven research focused on military-affiliated entrepreneurship that seeks to gain better insights and understanding of military affiliated entrepreneurs and identify economic, political, and socio-cultural factors that serve as barriers to entrepreneurship for military affiliated individuals. The goal of the survey and consequently public dataset is to inform public, private, and nonprofit practitioners (SBA, VOBS, Financial Institutions, PTACs, corporations interested in collaborating with veteran owned businesses, etc.), policy makers, and the academic community about the unique characteristics and needs of military-affiliated entrepreneurs. The NSMAE is made possible through the support from the Ewing Marion Kauffman Foundation.

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