



Institute for Veterans  
& Military Families

JPMorgan Chase & Co., Founding Partner



Whitman School  
of Management

JPMorgan Chase & Co., Founding Partner

# The State of Veteran Entrepreneurship

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Mirza Tihic  
Rosalinda Maury  
Adam Prichard

# Famous Veteran Entrepreneurs

- ▶ Phil Knight – Nike – Army
- ▶ Frederick Smith – FedEx – Marines
- ▶ Bob Parsons – Go Daddy – Marines
- ▶ Richard Kinder – Kinder Morgan – Army
- ▶ Blake Hall – ID.me – Army
- ▶ Mark L. Rockefeller – StreetShares – Air Force
- ▶ Catheryne Nicholson – Block Cypher – Navy
- ▶ Matt Griffin – Combat Flip Flops – Army
- ▶ Jack Taylor – Enterprise – Navy
- ▶ Jay Van Andel – Amway – Air Force
- ▶ Paul Sperry – Sperry Shoes – Navy
- ▶ Gordan Logan – Sport Clips – Air Force
- ▶ Chuck Wallace – Esurance – Air Force
- ▶ Derek Sisson – Famous Brands – Marines

# Veteran Entrepreneurship

- ▶ Veteran entrepreneurs represent 9.1% of all business owners, compared to their smaller (7.6%) population size in the U.S (SBA, 2021)
- ▶ Combined, veteran-owned businesses generate about \$1 trillion in receipts and employ nearly six million Americans (SBA, 2021)
- ▶ 93% of veteran entrepreneurs indicate that military skills helped them with their business (Maury et al., 2021)
- ▶ Veterans have engaged in entrepreneurial activity at higher rates than nonveterans (i.e., civilians). However, overall rates of veteran entrepreneurship have been declining, i.e., 15 percent of veterans compared to 11 percent of nonveterans were entrepreneurs in 2005, and 12 percent of veterans compared to 10 percent of nonveterans in 2014. In 2018, 11 percent of veterans were entrepreneurs, which is comparable with the 10 percent of nonveterans who were entrepreneurs (Fairlie (2013), NAVSO (2019)).






# National Survey of Military-Affiliated Entrepreneurs

# The Need

- ▶ Several limitations and missed opportunities with existing data sources
- ▶ Increasing interest in research on veteran entrepreneurs:
  - Studies narrowly focus on a specific aspect of business ownership
  - Redundant
  - May lack cultural competency of the population
- ▶ Declining research participation (e.g., “survey fatigue”) in the absence of a coordinated approach
- ▶ Consequently, our collective understanding of veteran entrepreneurial activity is limited—this limitation will only worsen with time
- ▶ There is a clear need and demand to assess military-affiliated business ownership on a more frequent, systematic basis.

## DATA GAPS

**Critical gaps and missed data opportunities in our understanding of veteran and military spouse entrepreneurs:**

-  Limited to a finite set of questions nested within broader population surveys
-  Draw from small samples
-  Conducted at lengthy time intervals



# National Initiative

- ▶ With support from the Kauffman Foundation, we launched a multi-year study of **veteran and military spouse** entrepreneurs.
- ▶ The first national initiatives to develop data-driven research focused on military-affiliated entrepreneurship.
- ▶ Initiative is designed to address knowledge gaps in understanding of veteran and military spouse entrepreneurs and the supports and resources needed to assist throughout their entrepreneurial journey.

## Aim 1

Fill persistent knowledge gaps in public data on military-connected entrepreneurial behavior over time

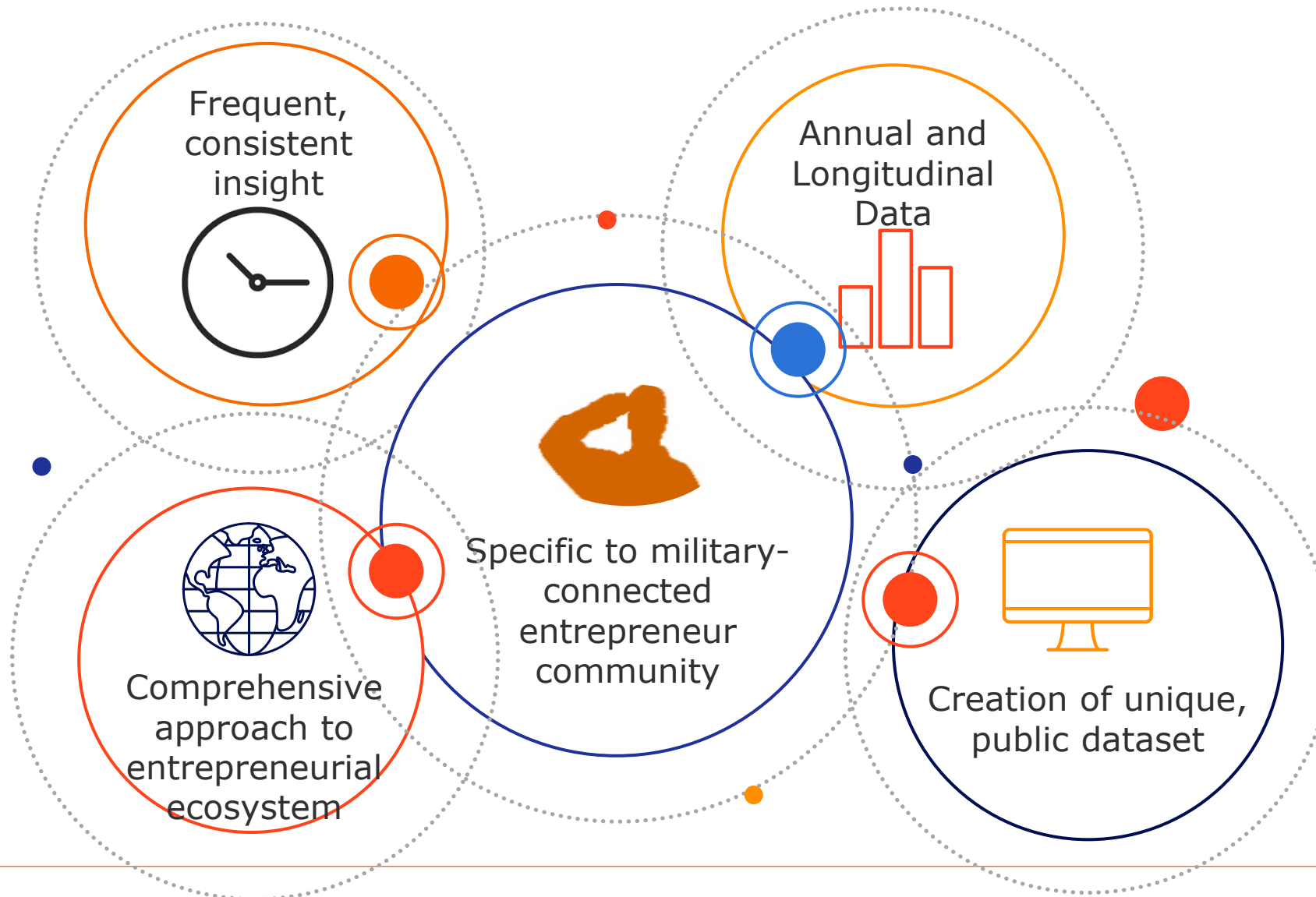
## Aim 2

Track veteran and military spouse entrepreneurial experiences and behaviors at different points in the business life cycle

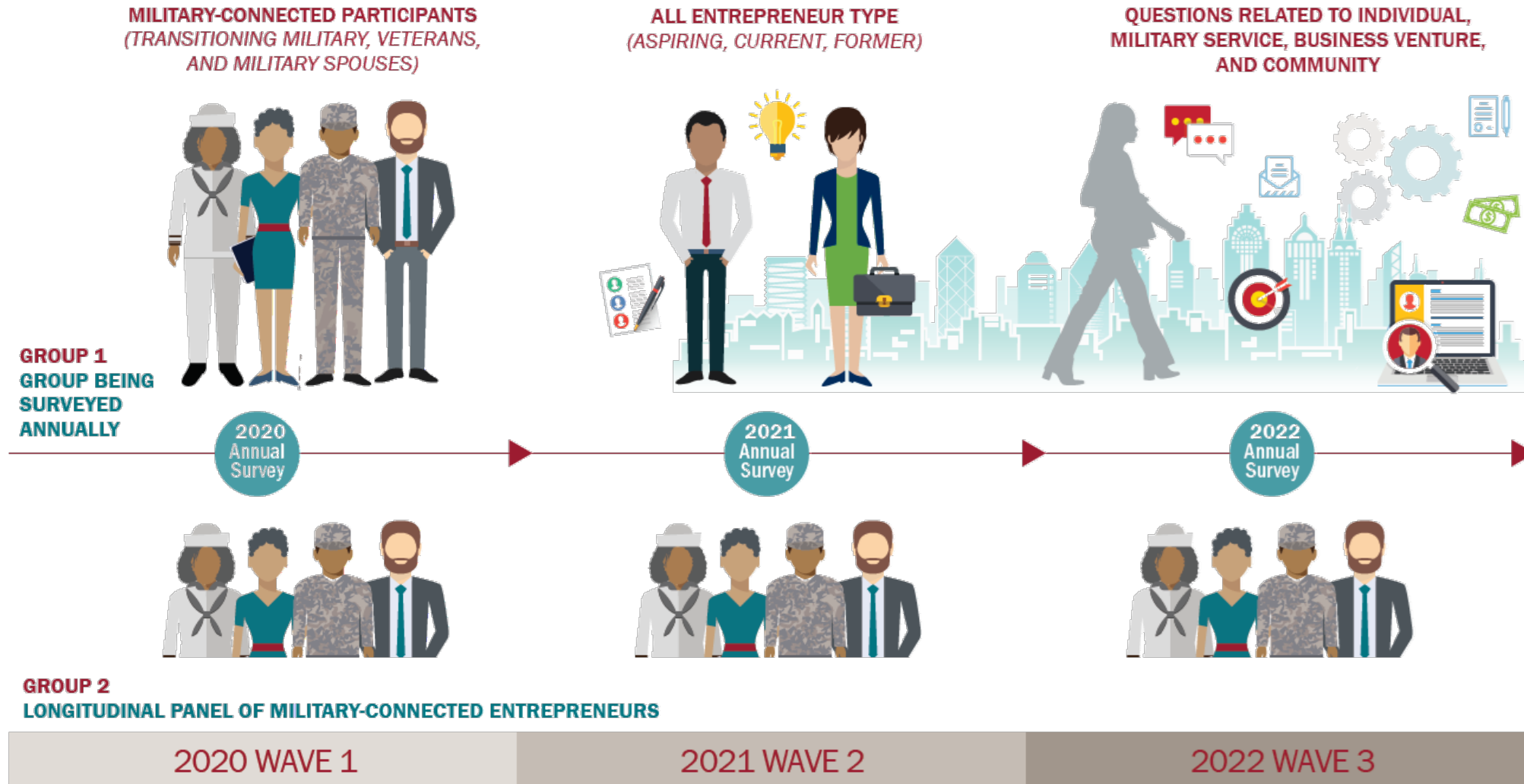
## Aim 3

Gather more timely perspectives on the impact of contemporary issues and policies on veteran and military spouse business ownership and entrepreneurship

# Key Differentiators



# Three-Year Initiative



SAME GROUP SURVEYED ANNUALLY OVER THREE YEARS





# Survey

# Sample 2020

Have you ever (or ever wanted to): started a business, grew a business, worked for yourself, done freelance or contract work, or become self-employed?	Frequency	Percent
Yes, I do something like that now.	2,534	86.57%
Yes, I used to do something like that, but not anymore.	141	4.82%
Yes, I have wanted to or thought about it, but I have not actually done it.	252	8.61%
Total	2,927	

Which of the following best describes your current military status and/or affiliation?	Frequency	Percent
Veteran/Retiree	2,554	88.19%
Spouse/Partner/Family	177	6.11%
Active Duty/NGR	165	5.70%
Total	2,896	

# Sample 2021

Have you ever (or ever wanted to): started a business, grew a business, worked for yourself, done freelance or contract work, or become self-employed?	Frequency	Percent
Yes, I do something like that now.	1,952	78.27%
Yes, I used to do something like that, but not anymore.	209	8.38%
Yes, I have wanted to or thought about it, but I have not actually done it.	333	13.35%
Total	2,494	

Which of the following best describes your current military status and/or affiliation?	Frequency	Percent
Veteran/Retiree	2,074	84.76%
Spouse/Partner/Family	226	9.24%
Active Duty/NGR	147	6.01%
Total	2,447	

# Why Entrepreneurship for Veterans?

# Transition

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**48% had difficulty with the transition from military to civilian life**

## Challenges

- 55% needed time to figure out what to do with life
- 50% had a sense of purpose at the time of separation
- 45% adjusting to civilian life was difficult



## Entrepreneurship & Transition

- **52% entrepreneurship** helped me find a **purpose** after military
- 43% entrepreneurship helped me transition into civilian life
- 42% entrepreneurship made my transition into civilian life easier
- 33% entrepreneurship was critical for an easy transition from military into civilian life

# Disability

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78% reported a service-connected disability

## Challenges



46% did not feel supported by Medical & Disability Service Providers

# Current Challenges

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- 61% finding good/qualified salesperson for your business
- 53% finding a local business incubator or nonprofit that helps business owners
- 49% exporting your businesses' products or services to a national market
- 48% marketing your business
- 42% applying for COVID-19 Business Relief grants and loans (PPP, EIDL, etc.)
- 41% doing sales (being a salesperson for your products or services)
- 40% applying for loans
- 35% adapting your business during COVID-19 pandemic
- 34% developing a website or social media presence for your business
- 33% asking others for assistance
- 28% setting up pay and benefits for your employees
- 26% insuring your business
- 24% obtaining the necessary licenses to operate your business
- 23% setting up taxes and withholdings
- 23% paying your business taxes
- 22% registering your company with e-Verify





# Business Incubators & Accelerators

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7% have been using business incubators and accelerators as a primary resources

## Experiences







# Recommendations

# Incubators & Accelerators



- ✓ Engage Veteran Service Organizations
- ✓ Provide assistance and educational opportunities related to market research and analysis, establishing marketing strategy, goals, and objectives, and implementation of the marketing plan.
- ✓ Provide assistance to veteran entrepreneurs to pivot during the current business climate and adjust their marketing goals and efforts, e.g., build an online store, develop an online brand, etc.
- ✓ Educate yourself and your organization about (other) veteran entrepreneurship resources. Connect with them, collaborate, and educate the veteran entrepreneurs you serve about these resources, too.
- ✓ Provide resources to assist in the development of a BAIL (Banker, Accountant, Insurance, and Lawyer) team relevant to their business and industry.
- ✓ Familiarize yourself and your team/schools with the various certification options and resources both nationally and within your state to provide assistance and guidance to veteran entrepreneurs and educate aspiring veteran entrepreneurs about certification needs, so they can incorporate it within their business planning process .

# Incubators, Accelerators, & Institutions of Higher Ed



- ✓ Encourage faculty and research centers to research military-connected entrepreneurs
- ✓ Raise awareness of the NSMAE data base that can be used by faculty to conduct research
- ✓ Host and participate in Veteran Entrepreneurship symposiums, colloquiums, seminars/webinars, and other research and education related efforts that are related to military-affiliated entrepreneurs.
- ✓ Create Veteran-specific programs, resources, and events (i.e., Business Plan Competition, Veterans Accelerator, etc.)
- ✓ Connect veterans to financial literacy training and/or create incentives within your programs and services to encourage financial literacy training.
- ✓ Encourage awareness of CDFIs, where to find them, how to work with them, and how to leverage them to grow their business and their network.
- ✓ Increase awareness of crowdfunding opportunities and assist with planning and execution.
- ✓ Promote available small business grants, as well as business plan competitions and other sources of nontraditional capital.

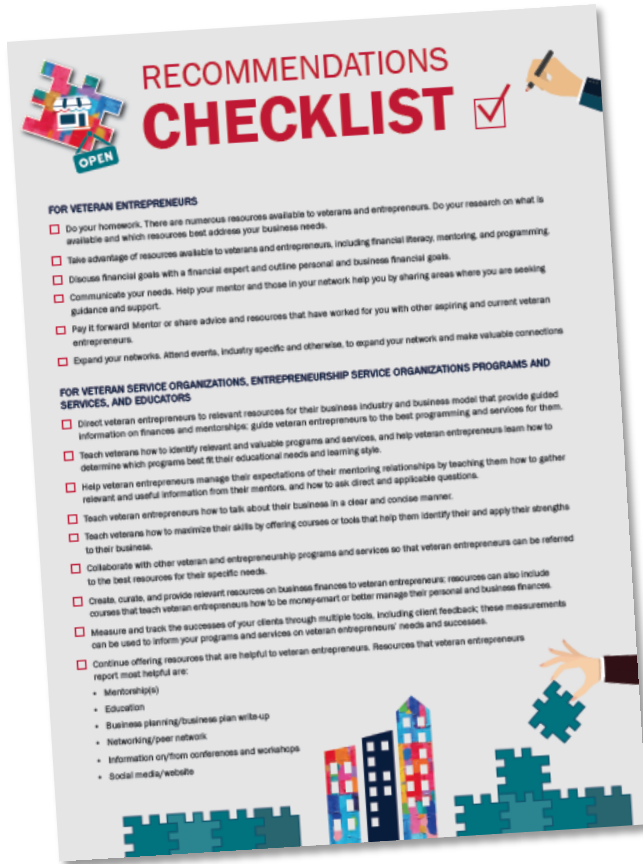
# Incubators, Accelerators, & Institutions of Higher Ed



- ✓ Entrepreneurship and small business services and programs should self-evaluate. This study's findings indicate programs need improvements.
- ✓ This study shows there is a need for greater collaboration between resource and service providers. Veteran entrepreneurs seek assistance with various organizations that have no access to each other's databases and often fail to understand what resources and services veterans are eligible for or have already accessed. Assist small business service providers in more collaborative effort to track the progress.
- ✓ Overall, veterans are not familiar with business incubators as a resource, and those utilizing such a resource believed the services needed improvements. If you have an incubator, encourage more veteran friendly practices. If you don't have one, consider starting one or collaborating with one in your region.

# Veterans

## Resources & Tools



- ✓ Veterans and Institutions of Higher Education should familiarize themselves with following resources, these resources provide assistance, tools, guidance, and everything else that support veteran entrepreneurs:
  - ✓ SBDC: <https://americassbdc.org/find-your-sbdc/>
  - ✓ VBOC: <https://www.vbocix.org/about1>
  - ✓ SCORE: <https://www.score.org/find-location>
  - ✓ WBDC: <https://www.wbdc.org/about-us/wbdc-offices/>
  - ✓ IVMF Arsenal:  
<https://ivmf.syracuse.edu/programs/entrepreneurship/>
  - ✓ Center of Excellence for Veteran Entrepreneurship:  
<https://veteranentrepreneurship.org/>
  - ✓ PTAC: <https://www.aptac-us.org/find-a-ptac/>
  - ✓ CDFI: <https://www.cdfifund.gov/Pages/FAQ.aspx>
  - ✓ Bunker Labs: <https://bunkerlabs.org/>
  - ✓ VR&E Self-Employment: <https://www.va.gov/careers-employment/vocational-rehabilitation/programs/self-employment/>
  - ✓ NSMAE: <https://ivmf.syracuse.edu/nsmae-series/>
  - ✓ VetFran: <https://www.vetfran.org/>





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# THANK YOU



**Mirza Tihic**  
Entrepreneurship Research Fellow  
Whitman School of Management  
IVMF, Syracuse University  
Email: [mtihic@syr.edu](mailto:mtihic@syr.edu)



**Rosalinda Vasquez Maury**  
Director of Applied Research and Analytics  
IVMF, Syracuse University  
Email: [rvmaury@syr.edu](mailto:rvmaury@syr.edu)



**Adam Pritchard**  
Research Associate  
IVMF, Syracuse University  
Email: [ajpritch@syr.edu](mailto:ajpritch@syr.edu)