**INSTITUTE FOR VETERANS AND MILITARY FAMILY**

**Data Brief: Black and African American Veteran Entrepreneurs**

**February 2022**

This brief provides highlights from the 2021 National Survey of Military-Affiliated Entrepreneurs (NSMAE) focusing on Black and African American veteran entrepreneurs. These findings are based on the data collected from 327 Black and African American veteran entrepreneurs, which represents 21% of the respondents that answered the race/ethnicity question of the 2021 survey. NSMAE monitors trends in the activity, needs, and economic, social, and policy barriers of military-affiliated entrepreneurs in the United States. 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 Black and African American veterans and their family members. To learn more about this study and other briefs, publications, and presentations visit <https://ivmf.syracuse.edu/nsmae-series/>.

**ENTREPRENEURSHIP CHARACTERISTICS**

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| --- | --- | --- | --- |
| **Do you consider yourself a social entrepreneur** | **Black/African American** | **All Other Minorities\*** | **White/Anglo/Caucasian** |
| Yes | 58% | 54% | 41% |
| No | 42% | 46% | 59% |

**Top Motivations to Entrepreneurship**

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| --- | --- | --- | --- |
|  | **Black/African American** | **All Other Minorities\*** | **White/Anglo/**  **Caucasian** |
| The opportunity to be financially independent | 30% | 39 % | 30% |
| Maintain personal freedom | 29% | 34% | 34% |
| Personal belief / faith | 27% | 18% | 12% |
| The chance to implement my own ideas | 25% | 29% | 29% |
| Helping society/supporting community | 24% | 19% | 18% |
| Improving my quality of life | 24% | 27% | 23% |
| Having more free time/flexible hours | 22% | 21% | 23% |
| Make my own decisions | 22% | 26% | 34% |
| Secure future for my family | 21% | 17% | 15% |
| Opportunities to innovate | 21% | 19% | 16% |

**Attitudes and Perspectives**

92% indicate that owning their own company energizes them

91% are motivated to figure out how to make existing products/services better

84% indicate that inventing new solutions to problems is an important part of who they are

80% feel that being the founder of a business is an important part of who they are

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| --- | --- | --- | --- |
|  | Disagree | Neither | Agree |
| I strongly prefer stability over growth for my business | 23% | 25% | 52% |
| I am willing to bring in new owners in order to grow the business | 30% | 20% | 50% |
| I am willing to take on new loans in order to grow the business | 20% | 18% | 62% |
| I am committed to achieving growth, even if it means lower profits | 22% | 21% | 57% |
| I strongly prefer to keep the business at its present size | 75% | 10% | 15% |
| The general attitude of the business is to grow as big as possible | 49% | 22% | 29% |

**BUSINESS CHARACTERISTICS**

5% own one or more patents

56% indicate that this their first business/venture

78% consider themselves to be successful

80% are sole owners of their business (compared to 68% of whites)

83% are formally or informally certified by a national, state, local certification body

54% spend 35 or more hours per week in their venture

43% indicate that the nature of their primary business is online e-commerce (compared to 35% of whites)

37% were able to financially sustain themselves/family with income of their business (compared to 58% whites)

22% would get out of business if they lost their top five customers

10% identify their business as multi-level marketing (MLM) or network marketing business (compared to 5% whites)

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| **The nature of your business** | **Black/African American** | **All Other Minorities\*** | **White/Anglo/**  **Caucasian** |
| Service-based business | 4% | 11% | 13% |
| Both product and service-based business | 63% | 48% | 59% |
| Product-based business | 33% | 41% | 28% |

22% would close their business if you lost their top five customers

37% were able to financially sustain themselves with income from current business (compared to 58% of whites)

The average gross sales in 2020 were $633,085.54 (compared to $3,028,577.67 for whites, and $3,428,043.14 for all other minorities)

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| **Business profitability in 2021** | **Black/African American** | **All Other Minorities\*** | **White/Anglo/Caucasian** |
| Made profit | 34% | 51% | 53% |
| Break even (no profit nor loss) | 18% | 15% | 12% |
| Made loss | 49% | 34% | 34% |

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| **Business sales will double in next 5 years** | **Black/African American** | **All Other Minorities\*** | **White/Anglo/Caucasian** |
| Likely | 84% | 81% | 67% |
| Neither likely nor unlikely | 11% | 12% | 14% |
| Unlikely | 6% | 7% | 19% |

49% have difficulty marketing their business

43% find it difficult to do sales (being a salesperson for their products or services)

**CERTIFICATIONS**

83% formally or informally certified by a national, state, local or database/self-certification body

79% find it difficult to do government contracting (compare to 90% whites)

78% indicate that finding corporate contracts that require certification(s) is NOT easy

77% indicate that finding government contracts is NOT easy

76% find applying for the government certifications to be difficult

73% believe the certification process is difficult (compare to 86% whites)

71% believe that the government does NOT provide adequate assistance with government contracting

65% find applying for non-government certifications to be difficult

62% believe that the government does NOT provide adequate assistance with the certification process

57% find it easy to maintain the certification(s)

50% believe there are enough resources to assist through the certification process

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| **Certifications held** | **Black/African American** | **All Other Minorities\*** | **White/Anglo/Caucasian** |
| Small Business Administration | 44% | 37% | 39% |
| Center for Verification and Evaluation | 37% | 36% | 43% |
| National Veteran-Owned Business Association | 8% | 7% | 11% |
| National Minority Supplier Development Council | 3% | 8% | 0% |
| Women's Business Enterprise National Council | 3% | 1% | 2% |
| National Veteran Business Development Council | 2% | 8% | 4% |
| Disability:IN (formerly USBLN) | 2% | 2% | 1% |
| National Women's Business Council | 1% | 1% | 0% |

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| **Percentage of revenue that comes from clients that require certification** | **Black/African American** | **All Other Minorities\*** | **White/Anglo/ Caucasian** |
| 0% | 56% | 48% | 51% |
| 1-80% | 25% | 32% | 33% |
| 81-100% | 20% | 21% | 16% |

**MILITARY, TRANSITION, AND ENTREPRENEURSHIP**

31% were not interested in entrepreneurship prior to military service

98% indicate that skills learned in military have helped them with their business

52% needed time to figure out what to do with their life during their transition

45% felt the transition from military to civilian life was difficult

34% did not have a sense of purpose after the military (compared to 29% of whites)

58% indicate that entrepreneurship helped them find a purpose after military (compared for 51% of whites)

43% indicate that entrepreneurship made their transition into civilian life easier

40% indicate that entrepreneurship helped them transition into civilian life.

37% indicate that entrepreneurship was critical for an easy transition from military into civilian life

**DISABILITY, ENTREPRENEURSHIP, AND WELLNESS**

91% have a service-connected disability (compared to 78% whites)

31% indicate that their disability causes them challenges in their business

44% indicate that entrepreneurship helped them with overcoming disability related challenges and barriers

44% indicate that entrepreneurship helped them with the recovery process

39% indicate that entrepreneurship played a significant role in their recovery process

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| **Overall perception of general health** | **Black/African American** | **All Other Minorities\*** | **White/Anglo/ Caucasian** |
| Poor | 29% | 37% | 32.84% |
| Good | 71% | 63% | 38.76% |

10% almost always or constantly have difficulty concentrating (compared to 5% whites)

9% almost always or constantly feel burned out (compared to 6% whites)

7% almost always or constantly feel that they have no energy for starting to work in the morning (compared to 6% whites)

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| **During the PAST YEAR, did you ever seriously consider attempting suicide?** | | | |
|  | **Black/African American** | **All Other Minorities\*** | **White/Anglo/ Caucasian** |
| Yes | 8% | 6% | 4% |
| No | 92% | 94% | 96% |

75% of those that consider attempting suicide sought professional help (compared to 30% whites)

**ENTREPRENEURIAL ECOSYSTEM**

**Finances**

63% indicated that the capital they need is not readily available (compared to 44% whites)

58% feel that there is NOT sufficient debt funding available for their business (compared to 37% whites)

49% indicate that Federal Funding Resources (PPP, EIDL, etc.) have been helpful their business (compared to 41% whites)

98% needed funding to start or acquire their business (compare to 95% whites)

66% needed less than $25,000 to start or acquire their business (compare to 55% whites)

39% needed less than $5,000 to start or acquire their business (compare to 31% whites)

96% needed funding to expand or grow your business in 2020 (compared to 93% whites)

51% needed less than $50,000 to expand or grow your business in 2020 (compared to 43% whites)

50% were not able to secure any funding needed to expand or grow your business in 2020 (compared to 25% whites)

50% pay an interest rate of 15% or more on loan/credit card with the largest balance (compared to 32% whites)

42% have their largest debt balance on a credit card

69% applied for funding (compared to 52% whites)

57% of those that applied for funding were turned down (compared to 29% whites)

67% that were turned down did not apply again (compared to 66% whites)

69% state that their business’ financial condition cause them stress (compared to 62% whites)

**Government Policy, Support, and Programs**

45% have difficulty coping with government bureaucracy, regulations & licensing requirements (compared to 57% whites)

44% indicate that support for their business is NOT high priority for policy at federal level (compared to 60% whites)

26% indicate that the process of obtaining licenses and permits for their business is NOT easy (compared to 35% whites)

46% feels that government programs aimed at supporting new and growing businesses are NOT effective

41% indicate there are not enough adequate government programs that support their business (compared to 49% whites)

40% indicate that the people working for government agencies are NOT competent/effective in supporting their business (compared to 50% whites)

**Entrepreneurial Education**

40% feel that colleges/universities do NOT provide good & adequate support for their business (compared to 47% whites)

40% feel that The VA services do NOT provide good &adequate support for their business (compared to 44% whites)

29% feel that The Small Business Administration (SBA) services do NOT provide good & adequate support for their business (compared to 35% whites)

**Business Environment**

61% feel that technological changes provide big opportunities in their market (compared to 53% whites)

48% can’t afford the latest technology (compared to 40% whites)

42% can’t easily access technological system, processes, and equipment (compared to 33% whites)

47% find it very difficult to find employees with the necessary skills (compared to 64% whites)

46% can’t afford the cost of using subcontractors, suppliers and consultants (compared to 38% whites)

43% find that the labor they need is readily available (compared to 20% whites)

43% do not have adequate access to quality medical care (compared to 38% whites)

36% don’t have access to adequate employment support services for hiring qualified staff/employees (compared to 48% whites)

35% find it in generally very easy to get the resources they need (compared to 45% whites)

34% find it easy to get good subcontractors, suppliers and consultants (compared to 29% whites)

45% believes that their business can easily enter new markets (compared to 35% whites)

21% believes they can afford the cost of new market entry (compared to 32% whites)

**Community and Networks**

74% feel responsibility for their local community (compared to 68% whites)

67% find people in their local community to relate to

63% feel a sense of belonging to their local community

28% have difficulty asking for assistance (compared to 34% whites)

40% have difficulty navigating the resources in their local community

**COVID-19 PANDEMIC**

46% had difficulty with applying for COVID-19 Business Relief grants and loans (PPP, EIDL, etc.)

13% indicate that COVID-19 crisis had negative impact on their decision to expand or grow your business

14% indicate that COVID-19 crisis had negative impact on their interest in entrepreneurship/business ownership

17% indicate that COVID-19 crisis had negative impact on their attitude toward entrepreneurship/business ownership

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SUGGESTED CITATION

Maury, R.; Tihic, M., Feng., R. (2022). Data Brief: Black & African American Veteran Entrepreneurs. Syracuse, NY: Institute for Veterans and Military Families, Syracuse University.

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