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%)
- Leadership and management skills (40%)
- Mental toughness (37%)
- Perseverance (33%)

**93%**

INDICATED THESE SKILLS HELPED THEM in their business/venture

**Interest in Entrepreneurship**

- 61% interested in entrepreneurship prior to military
- 21% were not interested in entrepreneurship prior to serving in the military

**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 Professional, Scientific, and Technical Services Industry

**Entrepreneurship Characteristics**

**Top Motivations to Entrepreneurship**

- Make own decisions (44%)
- Chance to implement own ideas/creating something (43%)
- Opportunity to be financially independent/increase personal income (43%)
- Maintain personal freedom (39%)
- Helping society/supporting community (34%)

**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

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Barriers to Entrepreneurship

Top Problems or Barriers in Pursuing or Achieving Business Goals

- **42%** Lack of initial capital
- **29%** Problems finding good employees/contracted personnel
- **24%** Irregular income
- **23%** Current economic situation
- **22%** Lack of mentors for my business
- **21%** Taxes & legal fees
- **20%** Lack of experience in entrepreneurship or business ownership

**Transitional Difficulty and Key Challenges**

- **44%** Had difficulty with the transition from military to civilian life
  - 53% indicated that they needed time to figure out what to do in their civilian life
  - 41% indicated that adjusting to civilian life was difficult

**Major Factors that Impact Starting a Business**

- **People & Social Capital**
  - Lacked the following:
    - Formal help to start business: 40%
    - Experience or exposure to someone who has run a business: 32%

- **Capital**
  - 33% Couldn't afford long-term capital
  - 27% Couldn’t afford start-up costs

- **Experience/Knowledge**
  - Didn’t know the following:
    - Practical details to start a firm: 27%
    - Legalities of starting business: 23%

**Financial Related Barriers**

- Participants reported difficulty with:
  - Applying for grants from nonprofit organizations: 66%
  - Identifying sources of funding to start the business: 53%
  - Applying for loans: 49%

**Denial of 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 & 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**

- 56% do not feel supported by the medical and disability service providers
  - 28% indicated that it creates obstacle in business ownership
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:
1. Personal/family savings of the owner (63%)
2. Business credit card (38%)
3. 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%

Support and Resources for Entrepreneurship

Entrepreneurship Resource Needs in Local Communities

Financial Resources
44% did not know about resources for grants in their local area
52% did not know about Community Development Financial Institution (CDFI) in their local area

Educational Resources
36% did not know about local incubators and accelerators in their local area
76% know about college/university academic program in their local area
79% know about SBA resources (SBDC, WBDC, VBOC, etc.) in their local area

Networks and Membership Organizations
79% know about networking and engaging with other military-affiliated business owners in their local area
80% know about Veteran Serving Organizations in their local area

OF THOSE THAT KNEW:
59% indicate the resource need improvement, 32% indicate this resource is sufficient, and 19% indicate this resource is outstanding
43% indicate the resource need improvement, 44% indicate this resource is sufficient, and 14% indicate this resource is outstanding
34% indicate the resource need improvement, 41% indicate this resource is sufficient, and 25% indicate this resource is outstanding
16% indicate the resource need improvement, 47% indicate this resource is sufficient, and 37% indicate this resource is outstanding
24% indicate the resource need improvement, 45% indicate this resource is sufficient, and 31% indicate this resource is outstanding
37% indicate the resource need improvement, 40% indicate this resource is sufficient, and 23% indicate this resource is outstanding
32% indicate the resource need improvement, 42% indicate this resource is sufficient, and 26% indicate this resource is outstanding

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% DO NOT FEEL PREPARED for the traditional lending process

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% DO NOT FEEL PREPARED for the traditional lending process

70% of veteran entrepreneurs had support from friends and family to start their business
46% 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
COVID-19 Pandemic

Preparedness for Entrepreneurship

65% of veteran entrepreneurs indicate that their military experience has 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.

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?

“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), Professional, Scientific, and Technical Services Industry.