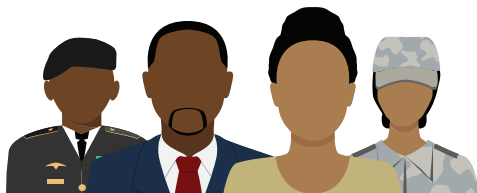


DATA BRIEF:

Black & African American Veteran Entrepreneurs



This brief provides highlights from the 2020 National Survey of Military-Affiliated Entrepreneurs study focusing on Black and African American veteran entrepreneurs. These findings are based on the data collected from 333 Black and African American veteran entrepreneurs, which represents 21% of the respondents that answered the race/ethnicity question of the 2020 survey. This study 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 the study and other briefs, publications, and presentations visit ivmf.syracuse.edu/nsmae-series.



Motivations

of Black & African American Veteran Entrepreneurs

MILITARY SKILLS & ATTRIBUTES THAT APPLY TO ENTREPRENEURSHIP

- ▶ Sense & purpose after military (55%)
- ▶ Work ethic/self-discipline (51%)
- ▶ Teamwork (46%)
- ▶ Leadership & management skills (36%)
- ▶ Mental toughness (28%)
- ▶ Training & teaching others (28%)

INTEREST IN ENTREPRENEURSHIP PRIOR TO MILITARY

- 36%** WERE MODERATELY/EXTREMELY interested prior to the military
- 25%** WERE SLIGHTLY/SOMEWHAT interested prior to the military
- 39%** WERE NOT interested prior to the military

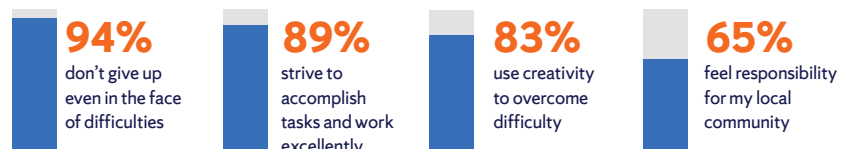
Entrepreneurship Characteristics

TOP MOTIVATIONS TO ENTREPRENEURSHIP

51%	58%	41%	The opportunity to be a financially independent/increase personal income
43%	45%	38%	Maintain personal freedom
43%	48%	32%	Helping society/supporting community
40%	55%	48%	The chance to implement own ideas creating something
37%	50%	47%	Make own decisions
33%	46%	31%	Improving quality of life
31%	36%	27%	Having more free time/flexible hours
27%	25%	18%	Secure future for family
21%	19%	16%	Building personal wealth
16%	13%	9%	Personal security

■ Black & African American
■ All Other Minorities*
■ White/Anglo/Caucasian

Black & African American Veteran Entrepreneurs ATTITUDES AND PERSPECTIVES



Barriers to Entrepreneurship

Black & African American Veteran Entrepreneurs

TOP PROBLEMS OR BARRIERS IN PURSUING OR ACHIEVING BUSINESS GOALS

41%

Lacked formal help to start a business

38%

Attitude of banks toward start-up companies

37%

Lack of funding



34%

Lack of experience or exposure to other business owners

35%

Lack of institutional/organizational support

30%

Life related challenges

30%

Lack of thorough business idea analysis



TRANSITION DIFFICULTY AND KEY CHALLENGES

of Black & African American Veteran Entrepreneurs



INDICATED THAT THEY NEEDED TIME TO FIGURE OUT WHAT TO DO IN THEIR CIVILIAN LIFE

- ▶ 47% indicated that adjusting to civilian life was difficult
- ▶ 44% had difficulty with the transition from military to civilian life



TOP TRANSITIONAL CHALLENGES FOR BLACK & AFRICAN AMERICAN VETERAN ENTREPRENEURS

- ▶ Finding employment (26%)
- ▶ Getting socialized to civilian culture (26%)
- ▶ Financial struggles (24%)
- ▶ Loss of connection with military community (21%)
- ▶ Loss of sense of purpose (19%)

Black & African American Veteran Entrepreneurs

MAJOR FACTORS THAT IMPACT STARTING A BUSINESS



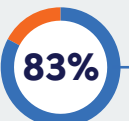
ECONOMIC CAPITAL

- 52% lacked initial capital
- 30% could not afford the start-up costs
- 24% current economic situation is a major barrier

SOCIAL AND HUMAN CAPITAL

- 34% lack of mentors
- 27% did not know legalities of starting a business
- 26% did not know how to make a business plan

DISABILITY RELATED BARRIERS

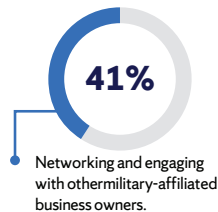
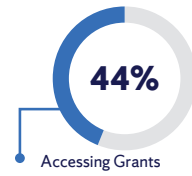
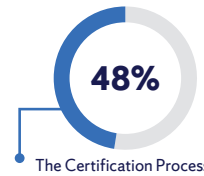
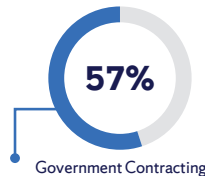


HAVE A SERVICE-CONNECTED DISABILITY

- OF THOSE WITH A SERVICE-CONNECTED DISABILITY
- ▶ 51% DO NOT FEEL SUPPORTED BY MEDICAL & DISABILITY SERVICE PROVIDERS
 - ▶ 29% INDICATE THAT SERVICE-CONNECTED DISABILITY CREATES OBSTACLES IN BUSINESS OWNERSHIP

BUSINESS RELATED BARRIERS AND CHALLENGES OF BLACK & AFRICAN AMERICAN VETERAN ENTREPRENEURS

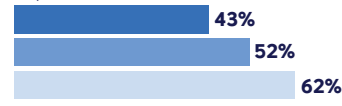
Participants reported difficulty with:



DENIAL OF CREDIT

HAS A PARTICULAR LENDER OR CREDITOR TURNED DOWN ANY REQUEST YOU MADE FOR CREDIT, OR NOT GIVEN AS MUCH CREDIT AS YOU APPLIED FOR?

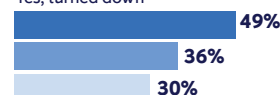
No, not turned down



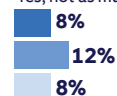
■ Black & African American
■ All Other Minorities*
■ White/Anglo/Caucasian



Yes, turned down



Yes, not as much credit



49% BLACK & AFRICAN AMERICAN VETERAN ENTREPRENEURS HAVE BEEN DENIED CREDIT

- ▶ OF THOSE BLACK & AFRICAN AMERICAN VETERAN ENTREPRENEURS THAT WERE TURNED DOWN:
- 66% did not reapply anywhere
 - 28% did reapply and were turned down again
 - 7% did reapply and got funding later

Black & African American Veteran Entrepreneurs CAPITAL FOR DIFFERENT STAGES

STARTUP

- ▶ **59% NEEDED LESS THAN \$25,000** to start or acquire their business
- ▶ **67% WERE ABLE TO SECURE THE INITIAL FUNDING** for starting or acquiring the business in 2019 while 34% were not able to secure any funding at all
- ▶ **49% DO NOT FEEL PREPARED** for the traditional lending process

GROWTH

- ▶ **55% NEEDED LESS THAN \$25,000** to grow their business.
- ▶ **33% WERE ABLE TO SECURE THE FUNDING** needed to grow the business in 2019 while 38% were not able to secure any funding at all
- ▶ **40% DO NOT FEEL PREPARED** for the traditional lending process



SOURCES OF CAPITAL

Black & African American veteran entrepreneurs

82%

needed capital to start/
grow their business

18%

did not need capital to
start/grow their business

Compared to 69% of White/Anglo/Caucasian veteran entrepreneurs needed capital to start/grow their business while 31% did not.



Top three sources of capital used in 2019 are:

Personal/family savings of owner(s)

58% **77%** **42%**

Personal credit card(s)

36% **44%** **23%**

Business credit card(s)

29% **39%** **28%**

■ Black & African American ■ All Other Minorities* ■ White/Anglo/Caucasian

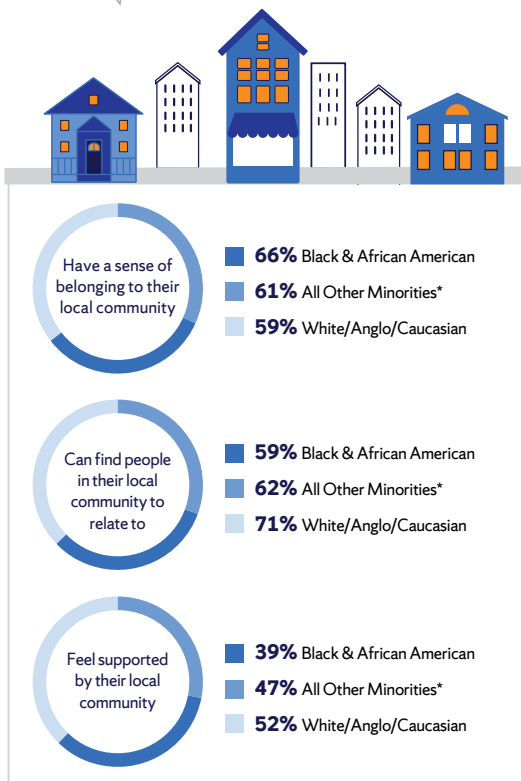
Black & African American veteran entrepreneurs



CREDIT CARD

- ▶ 44% of business debt is on credit cards
- ▶ 58% pay an interest rate that is higher than 10%
- ▶ 21% pay an interest rate between 20-29.99%

Support and Resources for Entrepreneurship



ENTREPRENEURSHIP RESOURCE NEEDS OF BLACK & AFRICAN AMERICAN VETERAN ENTREPRENEURS IN LOCAL COMMUNITIES

48% did not know about local incubators and accelerators in their local area

OF THOSE THAT KNEW:

28% indicate the resource need improvement, 37% indicate this resource is sufficient, and 35% indicate this resource is outstanding

62% know about college/university academic programs in their local area

OF THOSE THAT KNEW:

25% indicate the resource need improvement, 49% indicate this resource is sufficient, and 27% indicate this resource is outstanding

81% know about SBA resources (SBDC, WBDC, VBOC, etc.) in their local area

OF THOSE THAT KNEW:

29% indicate the resource need improvement, 44% indicate this resource is sufficient, and 27% indicate this resource is outstanding

81% know about networking and engaging with other military-affiliated business owners

OF THOSE THAT KNEW:

41% indicate the resource need improvement, 40% indicate this resource is sufficient, and 19% indicate this resource is outstanding

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, 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 postservice lives of those who have served in America's armed forces and their families. For more information, visit ivmf.syracuse.edu.

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PREPAREDNESS FOR ENTREPRENEURSHIP

Military did not prepare

- 14% Black & African American
- 15% All Other Minorities*
- 15% White/Anglo/Caucasian

Military somewhat prepared

- 29% Black & African American
- 21% All Other Minorities*
- 17% White/Anglo/Caucasian

Military did prepare

- 57% Black & African American
- 64% All Other Minorities*
- 68% White/Anglo/Caucasian



90% OF BLACK & AFRICAN AMERICAN VETERAN ENTREPRENEURS WERE ABLE TO ADAPT THEIR BUSINESS DURING THE PANDEMIC

- ▶ 83% were able to accommodate (themselves or employees) to work from home
- ▶ 78% believe their business/venture will be able to survive the pandemic
- ▶ 76% indicate they lost business due to the pandemic



Closure during COVID-19:

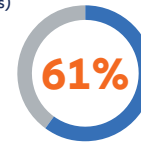
68% of Black & African American veteran entrepreneurs indicate that they do not anticipate closing their business (68% all other minorities*, 68% whites)

OF THOSE BLACK & AFRICAN AMERICAN VETERAN ENTREPRENEURS THAT ANTICIPATE CLOSING:

- ▶ 14% CAN OPERATE FOR LESS THAN 3 MONTHS
- ▶ 48% CAN OPERATE BETWEEN 3-12 MONTHS
- ▶ 38% CAN OPERATE MORE THAN A YEAR

TOP RESOURCE NEEDS DURING COVID-19 FOR BLACK & AFRICAN AMERICAN VETERAN ENTREPRENEURS:

- ▶ 42% General funding (financing, loans, grants)
- ▶ 29% Government contracting assistance
- ▶ 24% Day-to-day operations
- ▶ 19% Emergency funding
- ▶ 17% Social media/website assistance



ARE AWARE OF THE RESOURCES AVAILABLE TO THEM/THEIR BUSINESS DURING THE PANDEMIC

CARES ACT'S PAYROLL PROTECTION PROGRAM (PPP):

Black & African American Veteran Entrepreneurs:

- ▶ 40% Were approved and received funding
- ▶ 3% Approved, waiting for funding
- ▶ 11% Applied, pending approval
- ▶ 15% Eligible, have not applied yet
- ▶ 10% Turned down

CARES ACT'S ECONOMIC INJURY DISASTER LOAN (EIDL):

Black & African American Veteran Entrepreneurs:

- ▶ 29% Were approved and received funding
- ▶ 9% Approved, waiting for funding
- ▶ 6% Eligible, have not applied yet
- ▶ 8% Turned down
- ▶ 31% Not sure about eligibility

SUPPORT DURING THE PANDEMIC FOR BLACK & AFRICAN AMERICAN VETERAN ENTREPRENEURS:

54%

Black & African American veteran entrepreneurs

believe that their business **HAS NOT BEEN SUPPORTED** by the local government during the pandemic

56% Believe that their business has NOT been supported by state government

49% Believe that their business has NOT been supported by local community

45% Believe that their business HAS BEEN supported by the federal government



What does entrepreneurship success look like to you?

"Being able to implement my vision for products and services as well as employing other veterans and disadvantaged individuals to help improve their quality of life."

- Army Black Veteran Entrepreneur & CEO, Professional, Scientific, & Technical Services Industry

*For this brief, "All Other Minorities" category was created of anyone who selected American Indian or Alaska Native; Asian; Hispanic, Latino, or Spanish Origin; Native Hawaiian or Pacific Islander; Other race/ethnicity; A combination of two or more