Women Veteran Entrepreneurs

This brief provides highlights from the 2020 National Survey of Military-Affiliated Entrepreneurs focusing on female veteran entrepreneurs. These findings are based on the data collected from 432 female veteran entrepreneurs, which represents 27% of the respondents that answered the gender 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 female veterans and their family members. To learn more about this study and other briefs, publications, and presentations visit lvmf.syracuse.edu/nsmae-series.

Entrepreneurship Characteristics

TOP MOTIVATIONS TO ENTREPRENEURSHIP

- Helping society/supporting community: 48% female, 31% male
- Maintain personal freedom: 48% female, 36% male
- The chance to implement own ideas/creating something: 46% female, 45% male
- The opportunity to be financially independent/increase personal income: 44% female, 44% male
- Make own decisions: 37% female, 45% male
- Having more free time/flexible hours: 36% female, 25% male
- Improving quality of life: 31% female, 33% male

EMPLOYMENT / SELF-EMPLOYMENT STATUS

- Working full-time for an organization other than own business: 21% female, 14% male
- Working part-time for an organization other than own business: 5% female, 3% male
- Working for own business full-time: 33% female, 54% male
- Working for own business part-time: 15% female, 11% male

ATTITUDES & PERSPECTIVES

- 61% would rather grow the firm than keep it at present size
  - 51% committed to achieving growth, even if it means lower profits
  - 40% willing to take on new loans in order to grow the firm
  - 36% willing to bring in new owners in order to grow the firm

- 59% of female veteran owned businesses are formally or informally certified by a national, state, local certifying body (78% male)

- 52% find the certification process difficult (56% male)
Barriers to Entrepreneurship

**TOP PROBLEMS OR BARRIERS IN PURSUING OR ACHIEVING BUSINESS GOALS**

- **39%** Lack of initial capital
- **29%** Lack of mentors for business
- **27%** Irregular income
- **24%** Lack of experience or exposure to other business owners
- **22%** Current economic situation

**Transition Difficulty & Key Challenges**

Female Veteran Entrepreneurs indicated that they needed time to figure out what to do in their civilian life (49% male).

49% had difficulty with the transition from military to civilian life (43% male)

47% indicated that adjusting to civilian life was difficult (39% male)

47% felt they had sense and purpose after military (54% male)

**BUSINESS RELATED BARRIERS & CHALLENGES**

Participants reported difficulty with:

- Navigating the resources in local community (47%)
- Don’t have anyone on whom they could rely on for help for the business (34%)
- Lack of support from community to start a business (33%)

**DENIAL OF CREDIT**

48% of female veteran entrepreneurs were turned down by lender or creditor when applying for financing.

- Of those that were turned down:
  - 64% did not reapply anywhere
  - 23% did reapply and were turned down again
  - 13% did reapply and got funding later

**MAJOR FACTORS of Female Veteran Entrepreneurs that Impact Starting a Business**

- **MARKETING & SALES**
  - Didn’t know how to do the following:
    - Market their business (51% male) (63%)
    - Sell their products or services to a national market (51% male) (59%)
    - Develop a website or social media presence for their business (39% male) (50%)

- **ECONOMIC**
  - Didn’t know the following:
    - How to apply for grants (67% male) (71%)
    - Where/how to apply for a business loan (52% male) (59%)
    - How to identify sources of funding to start their business (48% male) (54%)

- **SOCIAL & HUMAN CAPITAL**
  - Had difficulty finding a local business incubator or nonprofit that helps business owners (45% male) (53%)
  - Lacked formal help to start their business (36% male) (50%)
  - Lacked experience or exposure to someone who has run a business (29% male) (39%)

**DISABILITY RELATED BARRIERS OF FEMALE VETERAN ENTREPRENEURS**

- **80%** Have a service-connected disability

**Of those with a service-connected disability**

- **56%** Do not feel supported by medical & disability service providers
- **54%** Indicate that service-connected disability creates obstacles in business ownership
Support and Resources for Entrepreneurship

Entrepreneurship Resource Needs of Female Veteran Entrepreneurs in Local Communities

- **Have a sense of belonging to local community**
  - 58% Female
  - 66% Male

- **Can find people in local community to relate to**
  - 61% Female
  - 69% Male

- **Feel responsibility for local community**
  - 65% Female
  - 72% Male

- **Feel supported by local community**
  - 40% Female
  - 52% Male

**Top three sources of capital used in 2019 are:**

- Personal/family savings of owner(s) 36% Female 28% Male
- Personal credit card(s) 20% Female 15% Male
- Business credit card(s) 17% Female 19% Male

**Female Veteran Entrepreneurs**

- **-needed capital to start/grow their business**
  - 91%

- **DID NOT NEED CAPITAL**
  - 9%

**Credit Card**

- 55% of business debt is on credit cards (40% male)
- 61% pay an interest rate that is higher than 10% (36% male)
- 23% pay an interest rate between 20-29.99% (7% male)

**Female Veteran Entrepreneurs**

- **STARTUP**
  - 74% needed less than $25,000 to start or acquire their business (compared to 55% male)
  - 71% were able to secure the initial funding for starting or acquiring the business in 2019 while 29% were not able to secure any funding at all
  - 50% do not feel prepared for the traditional lending process

- **GROWTH**
  - 66% needed less than $25,000 to grow their business (compared to 41% male)
  - 62% were able to secure the funding needed to grow their business in 2019 while 38% were not able to secure any funding at all
  - 46% do not feel prepared for the traditional lending process
### COVID-19 Pandemic

**Female Veteran Entrepreneurs**

#### Preparedness for Entrepreneurship

**59%** feel that military has prepared them for their business challenges associated with COVID-19 pandemic (67% males)

- 89% were able to adapt their business during the pandemic
  - 80% were been to accommodate (themselves or their employees) to work from home
  - 79% indicate they lost business due to the pandemic
  - 78% believe their business/venture will be able to survive the pandemic

#### Closure during COVID-19:

**70%** indicate that they do not anticipate closing their business (67% males)

- OF those female veteran entrepreneurs that anticipate closing:
  - 13% can operate for less than 3 months
  - 53% can operate between 3-12 months
  - 34% can operate more than a year

#### Top resource needs during COVID-19 for female veteran entrepreneurs:

- 35% General funding (financing, loans, grants)
- 29% Government contracting assistance
- 25% Social media/website assistance
- 23% Emergency funding
- 21% Assistance with adjusting marketing efforts

#### CARES ACT’s Payroll Protection Program (PPP):

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<thead>
<tr>
<th>Resource</th>
<th>Female</th>
<th>Male</th>
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<tbody>
<tr>
<td>Were approved and received funding</td>
<td>27%</td>
<td>47%</td>
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<tr>
<td>Approved, waiting for funding</td>
<td>1%</td>
<td>4%</td>
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<tr>
<td>Applied, pending approval</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Eligible, have not applied yet</td>
<td>11%</td>
<td>10%</td>
</tr>
<tr>
<td>Turned down</td>
<td>6%</td>
<td>4%</td>
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#### CARES ACT’s Economic Injury Disaster Loan (EIDL):

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#### Support during the pandemic for female veteran entrepreneurs:

**49%** female veteran entrepreneurs believe that their business has not been supported by the federal government during the pandemic.

51% believe that their business has NOT been supported by the state government.

66% believe that their business has NOT been supported by the local community.

49% believe that their business has NOT been supported by the local community.

#### What does entrepreneurship success look like to you?

“Being able to make a difference in 1-100 or more people’s lives is success for me.”

- Army Female Veteran Entrepreneur & Business Owner

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**SUGGESTED CITATION**