



Institute for Veterans  
& Military Families

JPMorgan Chase & Co., Founding Partner



Whitman School  
of Management

JPMorgan Chase & Co., Founding Partner

# Advancing Veteran Entrepreneurship Through Education

SVA NatCon 2021



# 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

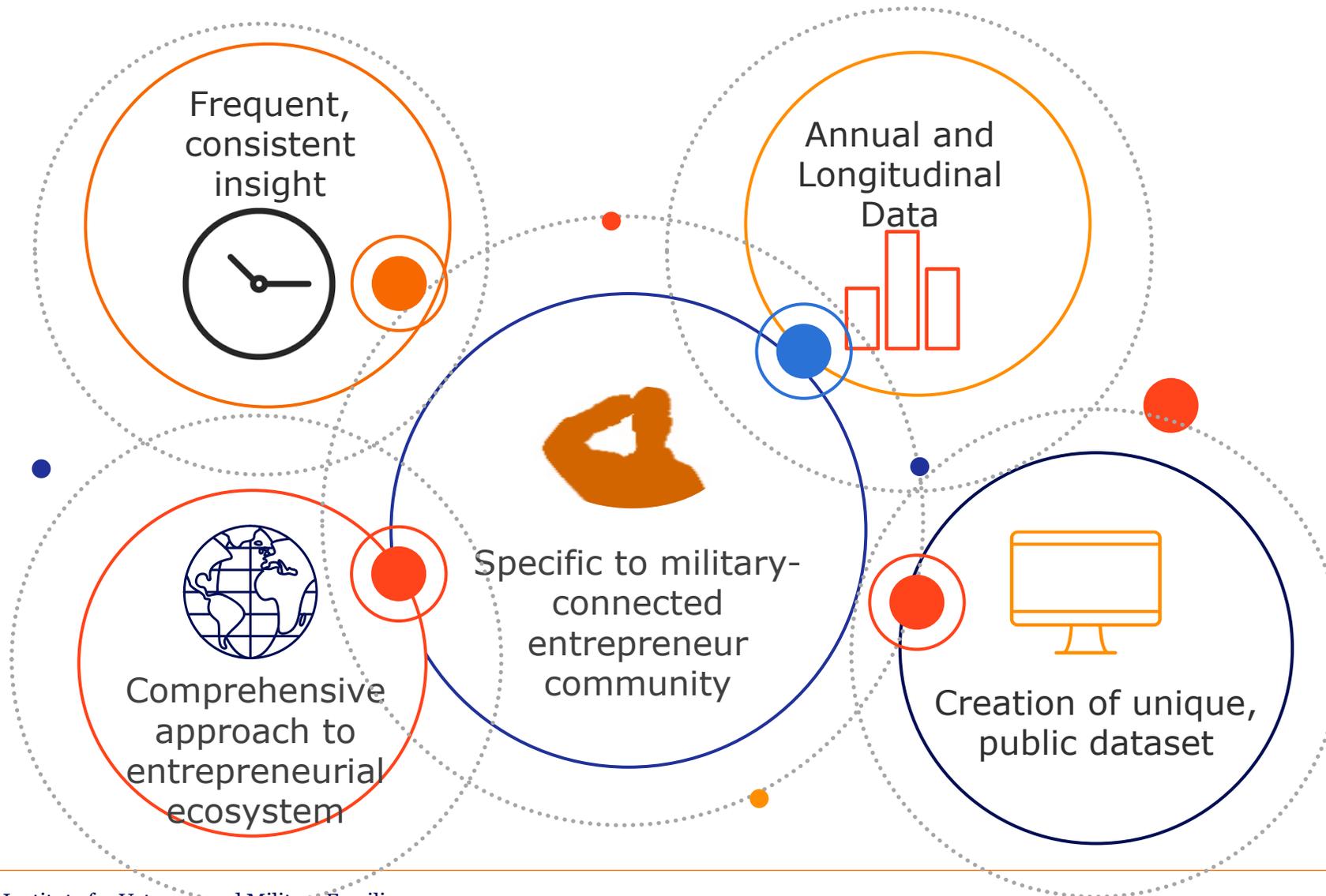
## Aim 2

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

**MILITARY-CONNECTED PARTICIPANTS**  
(TRANSITIONING MILITARY, VETERANS,  
AND MILITARY SPOUSES)



**GROUP 1**  
GROUP BEING  
SURVEYED  
ANNUALLY

2020  
Annual  
Survey

**ALL ENTREPRENEUR TYPE**  
(ASPIRING, CURRENT, FORMER)



2021  
Annual  
Survey

2022  
Annual  
Survey



**GROUP 2**  
LONGITUDINAL PANEL OF MILITARY-CONNECTED ENTREPRENEURS



2020 WAVE 1

2021 WAVE 2

2022 WAVE 3

SAME GROUP SURVEYED ANNUALLY OVER THREE YEARS



# 2020 Survey

Results, Key Highlights, and Insights

# Sample

<b>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?</b>	<b>Frequency</b>	<b>Percent</b>
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	

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

# Motivations

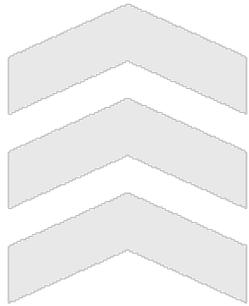


## Military Skills & Attributes that Apply to Entrepreneurship

- ▶ 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

# 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%

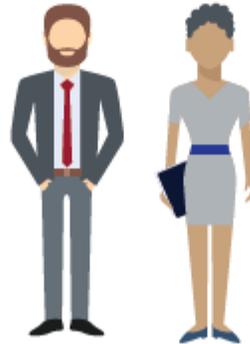
Lack of experience in entrepreneurship or business ownership



## Transition 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



## Top Transitional Challenges for Veteran Entrepreneurs

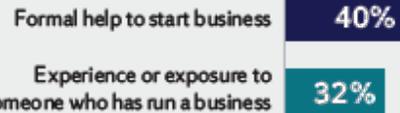


- ▶ Getting socialized to civilian culture (35%)
- ▶ Loss of connection with military community (31%)
- ▶ Loss of sense of purpose/camaraderie (30%)

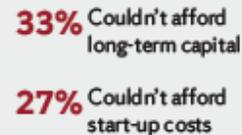
# MAJOR FACTORS that Impact Starting a Business

## PEOPLE & SOCIAL CAPITAL

### LACKED THE FOLLOWING:

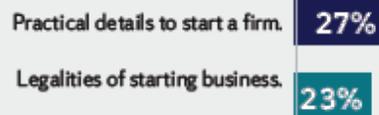


## CAPITAL



## EXPERIENCE/KNOWLEDGE

### DIDN'T KNOW THE FOLLOWING:



## Financial Related Barriers



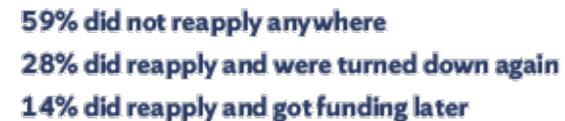
### Participants reported difficulty with:



## DENIAL OF CREDIT

**34%** were turned down by lender or creditor when applying for financing

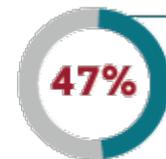
### OF THOSE THAT WERE TURNED DOWN:



## People & Social Capital Barriers



do not know anyone that they can rely on for help for their business



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

### OF THOSE WITH A SERVICE-CONNECTED DISABILITY

**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%

## 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



# 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

OF THOSE THAT KNEW:

59% indicate the resource need improvement, 32% indicate this resource is sufficient, and 19% indicate this resource is outstanding

52% did not know about Community Development Financial Institution (CDFI) in their local area

43% indicate the resource need improvement, 44% indicate this resource is sufficient, and 14% indicate this resource is outstanding

### Educational Resources

36% did not know about local incubators and accelerators in their local area

OF THOSE THAT KNEW:

34% indicate the resource need improvement, 41% indicate this resource is sufficient, and 25% indicate this resource is outstanding

76% know about college/university academic program in their local area

16% indicate the resource need improvement, 47% indicate this resource is sufficient, and 37% indicate this resource is outstanding

79% know about SBA resources (SBDC, WBDC, VBOC, etc.) in their local area

24% indicate the resource need improvement, 45% indicate this resource is sufficient, and 31% indicate this resource is outstanding

### Networks and Membership Organizations

79% know about networking and engaging with other military-affiliated business owners in their local area

OF THOSE THAT KNEW:

37% indicate the resource need improvement, 40% indicate this resource is sufficient, and 23% indicate this resource is outstanding

80% know about Veteran Serving Organizations in their local area

32% indicate the resource need improvement, 42% indicate this resource is sufficient, and 26% indicate this resource is outstanding



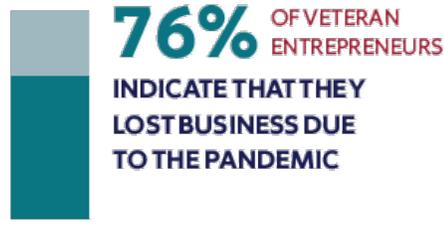
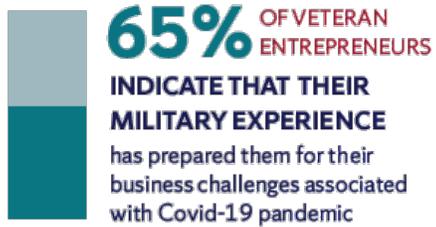
**70%** of veteran entrepreneurs had support from friends and family to start their business

**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



### CLOSURE DURING COVID-19:

- ▶ 68% indicate that they do not anticipate closing their business
- ▶ 31% anticipate closing their business
- ▶ 1% already closed their business

OF THOSE THAT ANTICIPATE CLOSING:

- 13% can operate for less than 3 months**
- 47% can operate between 6-12 months**
- 40% can operate more than a year**



### 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

Syracuse University

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**ARSENAL**  
FOR SUCCESS IN ENTREPRENEURS



# Recommendations

Veterans, Institutions of Higher Education, and Practitioners

# Veterans

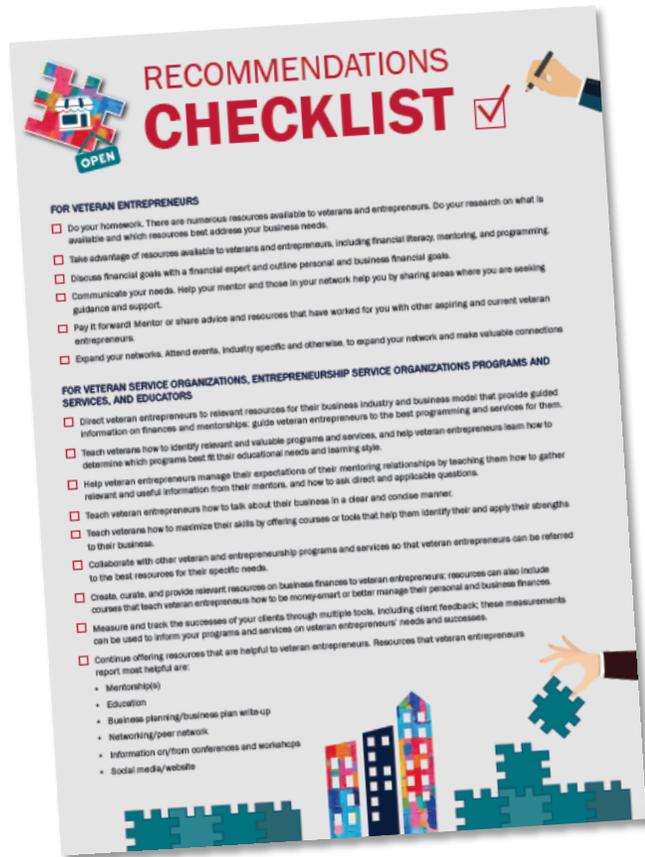
## EDUCATION & TRAINING



- ✓ Gather market intelligence: find out what resources are available to veterans and entrepreneurs locally and what assistance and support they offer. Start with your SBA resources, i.e., VBOC, SBDC, WBDC, SCORE, and PTAC. Make the connection today as these resources will not only provide business planning assistance but offer access to entrepreneurship networks, clubs, and mentors within your local community.
- ✓ Seek assistance with the certification process, i.e., PTAC offers training and mentoring. Leverage certifications within the private sector, work with corporations and their supplier diversity programs that provide technical assistance and seek diversity suppliers.
- ✓ Invest time in market research and analysis. Seek assistance from mentors, advisors, and service providers to help with market research, setting sales goals and objectives, and developing and implementing a marketing strategy, etc.
- ✓ Expand your network: find out what resources are available to veteran entrepreneurs nationally and what assistance and support they offer, i.e., IVMF's ARSENAL of programs. Center of Excellence (COE) for Veteran Entrepreneurship, Kauffman's Fastrack and 1 Million Cups, etc. There may also be resources available in your local community, but national organizations can be a good first step.

# Veterans

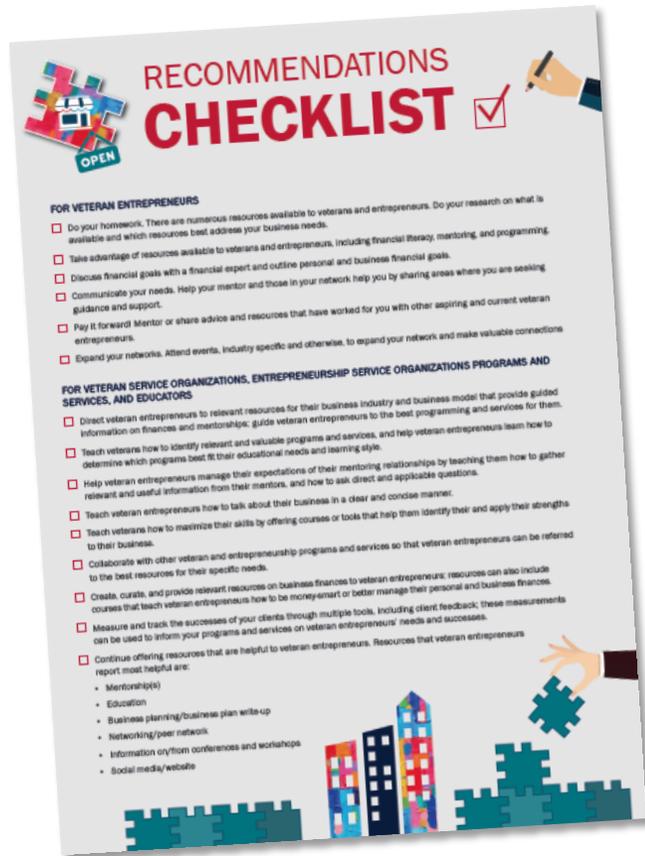
## CAPITAL



- ✓ Discuss financial literacy and financial education with your mentors, bankers, and small business advisor. Invest time in financial education, understand the various sources of capital, and when and how to access them.
- ✓ Locate your local Community Development Financial Institutions (CDFI), reach out, connect, and learn about their financing and educational programs. They offer financial literacy training and low-cost financing for startups and growth companies. There is a list of CDFIs at <https://www.cdfifund.gov/Pages/FAQ.aspx>
- ✓ Leverage crowdfunding platforms to test your products and get your business funded. Ninety percent of a successful crowdfunding campaign is done before the campaign is launched; therefore, it is about having a plan, network, and community, so don't do it alone: seek assistance from mentors, local community members, family, friends, BAIL team members, veteran and military community members, and others.

# Veterans

## NETWORK & Resources – It is OK to ask for assistance!



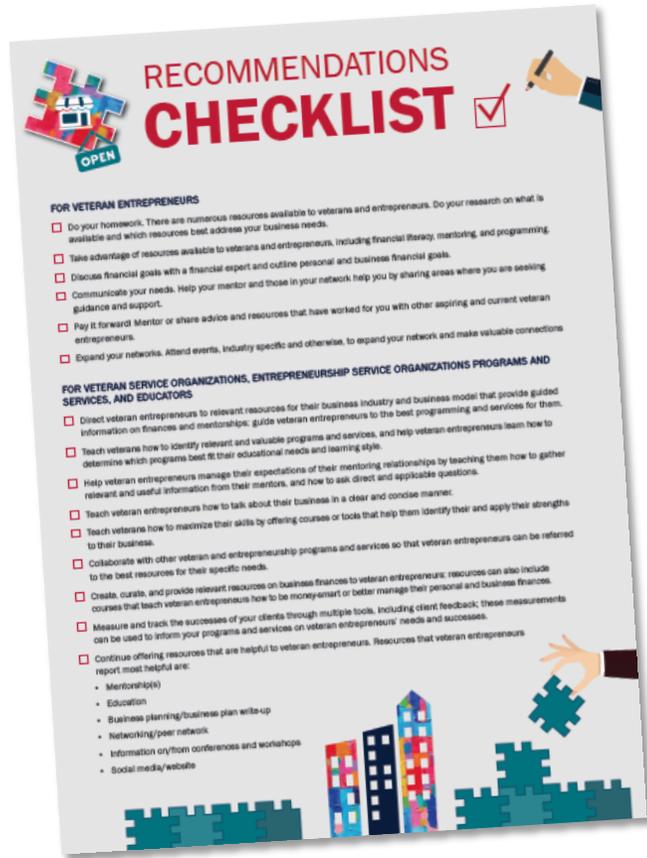
- ✓ Start vetrepreneurship: join veteran entrepreneurship networking groups and programs, attend their events and conference, i.e., IVMF Arsenal, Center of Excellence (CoE) for Veteran Entrepreneurship, etc.
- ✓ Join industry-specific associations, clubs, and groups. Attend networking events and conferences to expand your network within your industry.
- ✓ Give back: network, mentor, and share access to resources with other veteran entrepreneurs and aspiring entrepreneurs.
- ✓ Conduct customer discovery and/or customer follow-ups. Seek assistance from mentors and advisors with these critical tasks.
- ✓ Explore local, regional, and virtual business incubators and accelerators.
- ✓ Build your BAIL team as part of your startup and growth strategy.
- ✓ Connect with local universities and colleges, i.e., the business school, understand what programs and resources they offer to assist you with your business. For example, student consulting clubs, student entrepreneurship clubs, student veterans' organizations, internship programs, and other similar resources can help you with your business needs and expand your network.

# Institutions of Higher Education



- ✓ 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 .

# Institutions of Higher Education



- ✓ 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.
- ✓ 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.

# Institutions of Higher Education



- ✓ 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/>
  - ✓ INBIA: <https://inbia.org/>
  - ✓ 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/>



# Discussion

2021 NSMAE, Experiences, and Feedback

# Questions & Discussion

- How can you assist us with the NSMAE 2021 data collection?





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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)