

DATA BRIEF | JULY 2022

Women Veteran Entrepreneurs



This brief provides highlights from the 2021 National Survey of Military-Affiliated Entrepreneurs (NSMAE) focusing on female veteran entrepreneurs. 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 veterans and their family members. To learn more about this study and other briefs, publications, and presentations visit ivmf.syracuse.edu/nsmae-series.

The findings in this brief are based on the data collected from 298 female veteran entrepreneurs, which represents 11.2% of the respondents in the 2021 survey.

BY THE NUMBERS: FEMALE VETERAN BUSINESS OWNERS



According to the Census Bureau's 2018 Annual Business Survey:

- There are over 1.9 million veteran owned businesses (employer and nonemployer firms), with an estimated \$1.2 trillion in revenue, approximately 5.2 million employees, and about \$232.6 billion in annual payroll.
- Of those businesses, 8% are female veteran owned businesses, with an estimated \$16.3 billion in total sales or revenue, just under 100,000 employees, and about \$402 million in annual payroll.

Current public data sources on veteran business owners are limited to a finite set of questions nested within broader population surveys, draw from small samples, or are conducted at lengthy time intervals. Consequently, our collective understanding of veteran entrepreneurial activity is also limited. The NSMAE is designed to enhance our understanding of veteran business owners. There is a clear need to assess veteran business ownership on a more consistent and frequent basis to provide in-depth insight into the various stages and progress of veteran business ownership. This research effort addresses critical knowledge gaps of veteran entrepreneurship and the supporting efforts needed to assist veterans throughout their entrepreneurial journey. In this data brief, we provide some of the latest insights on female veteran entrepreneurs.



1.9 MILLION+
NUMBER OF VETERAN OWNED
BUSINESSES IN THE UNITED STATES

**8% OF THESE ARE FEMALE
VETERAN OWNED BUSINESSES**

**FEMALE VETERAN OWNED BUSINESSES
GENERATE \$16.3 BILLION IN TOTAL SALES
OR REVENUE**



Entrepreneurial Characteristics

Do you consider yourself a social entrepreneur?

Social entrepreneur = an entrepreneur who develops products and/or services that create solutions to social, cultural, or environmental issues



	FEMALE	MALE
Yes	57%	43%
No	43%	57%

57% OF FEMALE VETERAN ENTREPRENEURS CONSIDER THEMSELVES SOCIAL ENTREPRENEURS

▶ Yet only 8% of female veteran entrepreneurs have a nonprofit 501(c)(3) compared to 2% of male veteran entrepreneurs

Top Motivations to Entrepreneurship

	FEMALE	MALE
Maintain personal freedom	36%	36%
The chance to implement own ideas	34%	31%
The opportunity to be financially independent	31%	36%
Helping society/supporting community	30%	19%
Having more free time/flexible hours	29%	24%
Improving my quality of life	28%	25%
Opportunities to innovate	26%	18%
Make my own decisions	25%	39%
Personal belief/faith	18%	19%
Secure future for my family	17%	20%

THE TOP MOTIVATION FOR FEMALE VETERAN ENTREPRENEURS WAS TO MAINTAIN PERSONAL FREEDOM (36%)

FEMALE VETERAN ENTREPRENEURS ARE:

- **1.58X MORE LIKELY** to indicate “helping society/supporting community” as a top motivation for starting their business compared to their male counterparts
- **1.21X MORE LIKELY** to indicate “more free time/flexible hours” compared to their male counterparts
- **1.16X MORE LIKELY** to indicate “opportunities to innovate” compared to their male counterparts

ATTITUDES & PERSPECTIVES

92% are motivated to figure out how to make existing products/services better

86% indicate that owning their own company energizes them

69% feel that being the founder of a business is an important part of who they are

85% indicate that inventing new solutions to problems is an important part of who they are



Growth Oriented

	FEMALE	MALE
I strongly prefer stability over growth for my business	47%	42%
I am willing to take on new loans in order to grow the business	43%	53%
I am committed to achieving growth, even if it means lower profits	54%	55%
I strongly prefer to keep the business at its present size	14%	15%

Business Characteristics, Growth, and Sales

The Nature of Business

- ▶ 76% are sole owners of their business (compared to 71% of males)
- ▶ 64% indicate that this is their first business/venture (compared to 56% of males)
- ▶ 51% indicate that the nature of their primary business is online e-commerce (compared to 32% of males)

Businesses/ ventures were:

	FEMALE	MALE
Service-based business	61%	57%
Both product and service-based business	30%	32%
Product-based business	9%	11%

Top Barriers in Pursuing or Achieving Business Goals

1. Lack of access to capital (37%)
2. Lack of financing (34%)
3. Lack of experience in entrepreneurship or business ownership (27%)
4. Irregular income (23%)
5. Lack of mentors for my business (22%)



TOP DIFFICULTIES



Finance

31%

were able to financially sustain themselves/family with income of their business (compared to 59% males)

Female Veteran Entrepreneurs in 2020

\$705,971

AVERAGE GROSS SALES

(compared to \$3,318,262 for males)



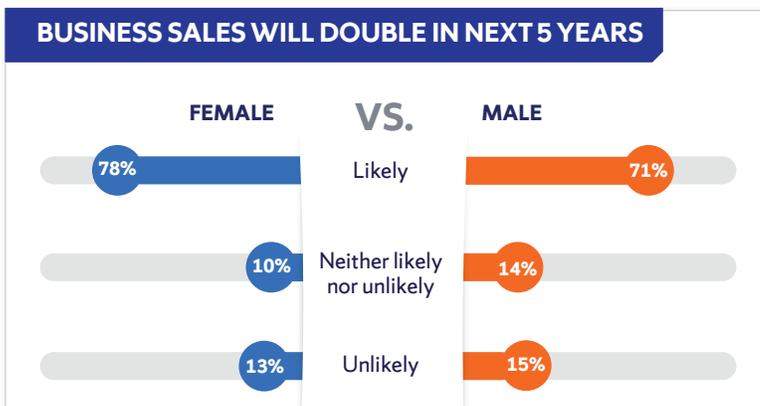
70% OF FEMALE VETERAN ENTREPRENEURS CONSIDER THEMSELVES TO BE SUCCESSFUL (compared to 79% of males)

- ▶ Yet 1 in 5 female veteran entrepreneurs would close their business if they lost their top five customers

In 2020, their businesses/ ventures were:

	FEMALE	MALE
Profitable	37%	52%
Breaking even	18%	14%
Reporting a financial loss	45%	34%

BUSINESS SALES WILL DOUBLE IN NEXT 5 YEARS



FEMALE VETERAN ENTREPRENEURS WERE:

- **1.32X MORE LIKELY** to report a financial loss in 2020 compared to their male counterparts
- **1.29X MORE LIKELY** to break even in 2020 compared to their male counterparts

Lending

CAPITAL FOR DIFFERENT STAGES

STARTUP

95% NEEDED FUNDING to start or acquire their business (compare to 96% of males)

64% NEEDED LESS THAN \$25,000 to start or acquire their business (compare to 56% of males)

40% NEEDED LESS THAN \$5,000 to start or acquire their business (compare to 32% of males)

GROWTH

93% NEEDED FUNDING to expand or grow your business in 2020 (compare to 94% of males)

59% NEEDED LESS THAN \$50,000 to expand or grow your business in 2020 (compare to 42% of males)

44% WERE NOT ABLE TO SECURE ANY FUNDING needed to expand or grow your business in 2020 (compare to 27% of males)



Credit/Financing



INDICATED THAT THE CAPITAL THEY NEED IS NOT READILY AVAILABLE (COMPARED TO 47% OF MALES)

- ▶ 48% feel that there is NOT sufficient debt funding available for their business (compare to 41% of males)
- ▶ 23% indicate that Federal Funding Resources (PPP, EIDL, etc.) have been helpful for their business (compare to 38% of males)

48%

Applied for credit/financing with a lender or creditor (compare to 57% males)



Of those that applied for funding

51% WERE DENIED CREDIT/FINANCE FROM LENDERS OR CREDITORS (compare to 36% of males)

- ▶ 70% that were turned down did not apply again (compare to 61% males)



67% state that the financial condition of their business caused them stress (compare to 63% males)

Debt

The average business debt of female respondents

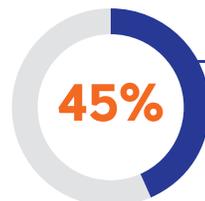


\$39,814

49% REPORTED NO DEBT



INTEREST PAID ON THE LARGEST DEBT AMOUNT ON LOAN/CREDIT CARD:



HAD AN INTEREST RATE OF 15% OR HIGHER ON LOAN/CREDIT CARD WITH THE LARGEST BALANCE (compare to 21% of males)



Entrepreneurial Ecosystem

Government Policy, Support, and Programs

Regulations

- ▶ 46% have difficulty coping with government bureaucracy, regulations & licensing requirements (compared to 56% of males)
- ▶ 49% indicate that support for their business is NOT high priority for policy at federal level (compared to 56% of males)
- ▶ 29% indicate that the process of obtaining licenses and permits for their business is NOT easy (compared to 36% of males)

Programs and Support

- ▶ 57% feels that government programs aimed at supporting new and growing businesses are NOT effective (compared to 58% of males)
- ▶ 44% indicate there are not enough adequate government programs that support their business (compared to 48% of males)

Business Environment

Technology

- ▶ 53% feel that technological changes provide big opportunities in their market (compared to 54% of males)
- ▶ 50% can't afford the latest technology (compared to 39% of males)
- ▶ 50% can't easily access technological system, processes, and equipment (compared to 32% of males)



Human Capital

- ▶ 52% find it very difficult to find employees with the necessary skills (compared to 61% of males)
- ▶ 53% can't afford the cost of using subcontractors, suppliers and consultants (compared to 37% of males)
- ▶ 43% don't have access to adequate employment support services for hiring qualified staff/employees (compared to 44% of males)

Entrepreneurial Education

- ▶ 31% feel that The Small Business Administration (SBA) services provide good and adequate support for their business (compared to 37% of males)
- ▶ 19% feel that colleges/universities provide good and adequate support for their business (compared to 24% of males)
- ▶ 25% feel that The VA services provide good and adequate support for their business (compared to 28% of males)



37% feel that The Small Business Administration (SBA)
(compared to 34% of males)

do NOT provide good and adequate support for their business

49% feel that colleges/universities
(compared to 46% of males)

do NOT provide good and adequate support for their business

47% feel that the VA services
(compared to 43% of males)

do NOT provide good and adequate support for their business



COMMUNITY AND NETWORKS

Navigation

39% HAVE DIFFICULTY ASKING FOR ASSISTANCE
(compared to 32% of males)



45% HAVE DIFFICULTY NAVIGATING THE RESOURCES IN THEIR LOCAL COMMUNITY
(compared to 39% of males)

Belonging

- ▶ 69% feel responsibility for their local community (compared to 70% of males)
- ▶ 58% find people in their local community to relate to (compared to 63% of males)
- ▶ 56% feel a sense of belonging to their local community (compared to 63% of males)

Market

- ▶ 47% believes that their business can easily enter new markets (compared to 40% of males)
- ▶ 22% believes they can afford the cost of new market entry (compared to 31% of males)

Certifications



57%

formally or informally certified by a national, state, local or database/self-certification body (compared to 72% of males)

62%

believe the certification process is **DIFFICULT** (compared to 63% of males)

43%

find applying for non-government certifications to be **DIFFICULT** (compared to 36% of males)

22%

find it **EASY** to maintain the certification(s) (compared to 29% of males)

Certifications held

	FEMALE	MALE
Small Business Administration	68%	56%
Center for Verification and Evaluation	46%	65%
Women's Business Enterprise National Council	21%	0%
National Women's Business Council	7%	0%
National Veteran-Owned Business Association	7%	16%
National Minority Supplier Development Council	4%	5%
Disability: IN (formerly USBLN)	2%	2%
National Veteran Business Development Council	0%	8%

PERCENTAGE of Revenue from Clients that Require Certification

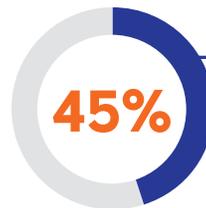
	FEMALE	MALE
0% of revenue are from certification	62%	47%
1-80% of revenue are from certification	22%	34%
81-100% of revenue are from certification	16%	19%



RESOURCES AVAILABLE

- ▶ **45%** believe that the government does NOT provide adequate assistance with the government contracting
- ▶ **42%** believe that the government does NOT provide adequate assistance with the certification process
- ▶ **31%** believe there are enough resources to assist through the certification process

Corporate Contracts



indicate that finding corporate contracts that require certification(s) is

NOT easy

(compared to 56% of males)



Government Contracts



43%

Find it **DIFFICULT** to do government contracting (compare to 62% of males)

59%

Find applying for the government certifications to be **DIFFICULT** (compared to 60% of males)

Disability, Entrepreneurship, and Wellness

HEALTH & WELLBEING

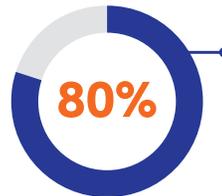
Overall perception of general health

	FEMALE	MALE
Poor or fair	27%	23%
Good, very good, or excellent	73%	77%

During the PAST YEAR, did you ever seriously consider attempting suicide?

	FEMALE	MALE
Yes	3%	6%
No	97%	94%

Disability Related Experiences



HAVE A SERVICE-CONNECTED DISABILITY

OF THOSE WITH A SERVICE-CONNECTED DISABILITY

- ▶ **36%** indicate that their disability creates obstacles in business ownership
- ▶ **35%** indicate that entrepreneurship helped them with overcoming disability related challenges and barriers
- ▶ **34%** indicate that entrepreneurship helped them with the recovery process
- ▶ **32%** indicate that entrepreneurship played a significant role in their recovery process



This past year **3%** of female veteran entrepreneurs had seriously considered attempting suicide

OF THOSE,

1 IN 4 DID NOT SEEK PROFESSIONAL HELP

Military Transition and Entrepreneurship

MOTIVATIONS FOR PURSUING ENTREPRENEURSHIP

60% indicate that entrepreneurship helped them find a purpose after military

46% indicate that entrepreneurship made their transition into civilian life easier

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



97%

Indicate that skills learned in military have helped them with their business

41%

were not interested in entrepreneurship prior to military service

- ▶ **65%** needed time to figure out what to do with their life during their transition
- ▶ **57%** felt the transition from military to civilian life was difficult
- ▶ **38%** did not have a sense of purpose after the military

Syracuse University's D'Aniello 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, and with the support of founding partner JPMorgan Chase Co. as well as U.S. Navy veteran, IVMF Advisory Board Co-Chair, University Life Trustee and Co-Founder & Chairman Emeritus of the Carlyle Group Daniel D'Aniello '68, H'20 and his wife, Gayle, 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 post-service lives of those who have served in America's armed forces and their families.

About Center of Excellence (CoE) for Veteran Entrepreneurship

The mission of the Center of Excellence (CoE) for Veteran Entrepreneurship is to create, collect, organize, and share knowledge, resources, and networks to advance entrepreneurial opportunities for transitioning service members, veterans, and their families. With support from founding partner Fiserv, this is accomplished through the development and delivery of innovative programs and educational resources; timely and relevant research and policy analysis; and by cultivating veteran-connected ecosystems across the United States.

In Collaboration with:

The Martin J. Whitman School of Management at Syracuse University

inspires students for a world of accelerating change. Offering B.S., MBA, M.S. and Ph.D. programs, all accredited by the Association to Advance Collegiate Schools of Business (AACSB), the Whitman School's faculty includes internationally known scholars and researchers, as well as successful entrepreneurs and business leaders. Whitman continues to be ranked among the nation's top business schools by U.S. News & World Report and Bloomberg Businessweek. To learn more about the Whitman School of Management, visit Whitman.syr.edu.

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COVID-19 Pandemic

Preparedness for Entrepreneurship



51%

OF FEMALE
VETERAN
ENTREPRENEURS

HAD DIFFICULTY WITH
APPLYING FOR COVID-19
BUSINESS RELIEF GRANTS
AND LOANS (PPP, EIDL, ETC.)
(compared to 44% of males)

- ▶ 23% indicate that COVID-19 crisis had **NEGATIVE IMPACT** on their decision to expand or grow your business
- ▶ 24% 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



- ▶ 33% indicate that COVID-19 crisis had **POSITIVE IMPACT** on their decision to expand or grow your business
- ▶ 32% indicate that COVID-19 crisis had **POSITIVE IMPACT** on their interest in entrepreneurship/business ownership
- ▶ 35% indicate that COVID-19 crisis had **POSITIVE IMPACT** on their attitude toward entrepreneurship/business ownership

REFERENCES

By the Numbers for Female Business Owners section is data analyzed using 2018 annual business survey

The majority of this data from this brief is data analyzed using Maury, R., Tihic, M., Pritchard, A., McKelvie, A., Euto, I. (2022). 2021 National Survey of Military-Affiliated Entrepreneurs. Syracuse, NY: Institute for Veterans and Military Families, Syracuse University

As with most survey research, this study is limited by voluntary self-selection into the sample and self-reporting by participants whose answer to each question item was voluntary. Although recruitment for this study was targeted to include various populations, the finding from this study should not be construed to be representative of the population of all veteran or military-affiliated business owners.

This brief is based on data from participants who self-identified as 'female' on the 2021 National Survey of Military-Affiliated Entrepreneurs. The word 'female' was used throughout to align with the data from this survey and from the U.S. Census Bureau's Annual Business Survey.