The National Survey of Military-Affiliated Entrepreneurs (NSMAE) is a multi-year, annual and longitudinal, study of veteran and military spouse entrepreneurs. This effort is one of the first national initiatives to develop data-driven research focused on military-affiliated entrepreneurship. The research seeks to gain better insights and understanding of military-affiliated entrepreneurs and identify economic, political, and socio-cultural factors that serve as barriers to entrepreneurship for military-affiliated individuals. This brief provides the latest insights from the 2021 NSMAE survey. The findings reported here are from both a longitudinal and cross-sectional sample of over 2,000 veteran entrepreneurs. Future briefs will include subsequent data analysis on focused topics and various populations within the military-affiliated community. 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.
The Nature of Business

Businesses/ventures were:
- 57% Service-based business
- 31% Both product & service-based business
- 12% Product-based business

IN 2020, THEIR BUSINESSES/VENTURES WERE:

52% Profitable
14% Breaking even
34% Reporting a financial loss

85% CONSIDER THEMSELVES SUCCESSFUL ENTREPRENEURS

YET 56% depend on their top five customers, and in case they lost those top five customers they would either get out of business or would reap significant negative consequences

What does entrepreneurship success look like to you?

“Entrepreneurial success is building a self-sufficient business with a diverse customer base and dedicated management team and employees. It is a business that offers its employees long term stability, work/life balance and provides innovative, high-quality solutions to its customers.”

- Navy Veteran, Maritime Software and Engineering Services Industry

Barriers to Entrepreneurship

Top Problems or Barriers in Pursuing or Achieving Business Goals

<table>
<thead>
<tr>
<th>Problem</th>
<th>2020</th>
<th>2021</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of initial capital</td>
<td>49.9%</td>
<td>49.9%</td>
<td>0%</td>
</tr>
<tr>
<td>Problems finding good employees/contracted personnel</td>
<td>43.9%</td>
<td>49.9%</td>
<td>increased by 9.0%</td>
</tr>
<tr>
<td>Lack of financing</td>
<td>41.8%</td>
<td>37.5%</td>
<td>decreased by 4.3%</td>
</tr>
<tr>
<td>Current economic situation</td>
<td>38.9%</td>
<td>31.8%</td>
<td>decreased by 7.1%</td>
</tr>
<tr>
<td>Irregular income</td>
<td>31.8%</td>
<td>37.5%</td>
<td>increased by 5.7%</td>
</tr>
<tr>
<td>Federal regulations and policies</td>
<td>29.9%</td>
<td>27.8%</td>
<td>decreased by 2.1%</td>
</tr>
<tr>
<td>Taxes and legal fees</td>
<td>28.9%</td>
<td>24.1%</td>
<td>decreased by 4.8%</td>
</tr>
</tbody>
</table>

Please describe the largest challenge(s) your business has faced in the last 12 months?

“[The largest challenge was the] “stress of worrying if your employees would be able to buy presents for their kids.”

- National Guard Veteran, Oil and Gas Industry

Longitudinal Study

The prevalence of certain problems and barriers faced by these veteran entrepreneurs changed dramatically between 2020 and 2021; when comparing the percentage of veteran entrepreneurs in our longitudinal study the biggest changes occurred in 2021 were:

<table>
<thead>
<tr>
<th>Problem</th>
<th>2020</th>
<th>2021</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Problems finding good employees</td>
<td>29.9%</td>
<td>39.0%</td>
<td>increased by 9.10%</td>
</tr>
<tr>
<td>Dealing with federal regulations &amp; policies</td>
<td>16.5%</td>
<td>27.8%</td>
<td>increased by 11.30%</td>
</tr>
<tr>
<td>Lack of financing</td>
<td>37.5%</td>
<td>24.1%</td>
<td>decreased by 13.40%</td>
</tr>
</tbody>
</table>
59% required less than $25,000 of funding
21% required between $25,000 and $99,999 of funding
20% required more than $100,000 of funding

51% required more than $50,000 of funding
37% required more than $100,000 of funding

60% were approved by the lender or creditor
8% obtaining partial funding
32% were declined (Of those, 61% did not reapply anywhere and 28% were turned down by the same or different institution)

What advice would you give other veteran entrepreneurs?

“Make sure goals are realistic and that you have all resources required to attain them; also, be flexible, and be prepared for both obstacles and opportunities. Know how to recognize both and how they can be beneficial to you.”

- Army Veteran, Professional, Scientific, and Technical Services Industry
Wellness

79% REPORTED GOOD TO EXCELLENT GENERAL HEALTH

While 21% reported poor or fair health

- 17% reported loss of energy either often or constantly
- 17% reported feeling burnout either often or constantly
- 19% reported difficulty concentrating either often or constantly

Disability Related Experiences

79% HAVE A SERVICE-CONNECTED DISABILITY

OF THOSE WITH A SERVICE-CONNECTED DISABILITY

- 31% indicate that service-related disability creates obstacles in their business
- 41% do not feel supported by Medical and Disability Service providers
- 36% entrepreneurship helped overcoming disability related challenges and barriers
- 36% entrepreneurship helped with the recovery process
- 34% entrepreneurship played a significant role in my recovery process

Suicide Ideation

4% CONSIDERED ATTEMPTING SUICIDE

OF THOSE

59% sought help
41% did not seek help

COVID-19 Pandemic

Preparedness for Entrepreneurship

87% OF VETERAN ENTREPRENEURS WERE ABLE TO SUCCESSFULLY ADAPT THEIR BUSINESS DURING THE PANDEMIC

64% OF VETERAN ENTREPRENEURS INDICATED THAT THEY LOST BUSINESS DUE TO THE PANDEMIC

- 56% identified additional opportunities for their business during the pandemic
- 79% were able to accommodate remote work

ABOUT THE SAMPLE
This research study was conducted through an online survey distributed and managed using the Qualtrics online survey system and was approved by the Syracuse University Institutional Review Board. The sampling strategy was purposive, seeking to recruit diverse groups of veteran entrepreneurs through a variety of known channels. The survey was disseminated from May 27, 2021 to August 3, 2021. A total of 3,580 respondents started the survey and 2,649 responses are included in the final sample (74% response rate). The survey was collected in two versions: the full survey for first-time participants, and a shorter version for longitudinal participants who had previously participated in 2020. The resulting 2,649 combined responses in the sample includes 645 longitudinal responses matched to 2020 data, and 2,004 responses for only the current year. For the purpose of this report, we focus on individuals that identify as veterans or retirees and that are currently in business, which we label as veteran entrepreneurs; hence, this report is based on sample of 1799 veteran entrepreneurs.

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