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### 2022 National Survey of Military-Affiliated Entrepreneurs: Military Spouse Entrepreneurs

Institute for Veterans and Military Families at Syracuse University

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DATA BRIEF | MAY 2024

2022 National Survey of Military-Affiliated Entrepreneurs:

# Military Spouse Entrepreneurs

The 2022 National Survey of Military-Affiliated Entrepreneurs provides detailed insights into the experiences and challenges of military spouse entrepreneurs. **For the purposes of this brief, we are using a broader terminology for military spouses to include a wider military-affiliated population. We are including spouses/partners of active duty, National Guard, and Reserve servicemembers, as well as spouses/partners of veterans and retirees. However, we acknowledge that the differences between all of these groups are great, and their unique circumstances vary greatly.** Overall, the findings reveal a strong entrepreneurial spirit among military spouses, with 89% viewing themselves as entrepreneurs and 48% as social entrepreneurs focused on solving social, cultural, or environmental issues. Most military spouse entrepreneurs indicate that achieving financial independence through their businesses is a challenge. Only 28% of respondents can fully support themselves or their families through their businesses. The major hurdles they face include limited access to capital and the unpredictability of their income, which are significant barriers to growing and sustaining their businesses. Despite these financial challenges, 59% of these businesses are certified, which is crucial for accessing broader markets and securing government contracts. The support system for military spouse entrepreneurs needs strengthening, especially in terms of financial guidance and access to resources. There is a notable gap in the support available to help them navigate the unique challenges they face. Overall, the findings highlight robust entrepreneurial activity among military spouses, while also pointing to the critical support needed to ensure their success in the business landscape.

These findings are based on the data collected from 243 current business owners who identify as a military spouse (Spouse/partner of an Active Duty servicemember, servicemember in the National Guard, servicemember in the Reserves, Spouse/partner of a Veteran, or Spouse/partner of a Retiree). Of the 243 self-identified military spouse business owners surveyed, 40% considered military spouse to be their primary military affiliation, and 60% considered spouse to be a secondary identity - in other words, their primary affiliation to the military was something else. Most often, those with a secondary affiliation as military spouse were themselves Veterans (93%); active duty, Guard, or Reserve members (5%); or child, parent, relative, or Gold Star relative (3%). Among the 40% of military spouses whose only military affiliation was as a spouse, slightly more than one-third (36%) were spouses of active duty, Guard, or Reserve members who were currently serving.

Because military spouses can have multiple military affiliation identities we have broadly categorized into these two groups: people who consider their **primary** military affiliation to be as a military spouse, or those for whom military spouse is a **secondary** military affiliation (e.g., most often they are a servicemember who is also married or related to another servicemember). Where there are significant differences, the characteristics of military spouse entrepreneurs are broken out by those with a primary or secondary military spouse identity. Note that participants were asked to complete the survey from the perspective of the primary military affiliation they reported.



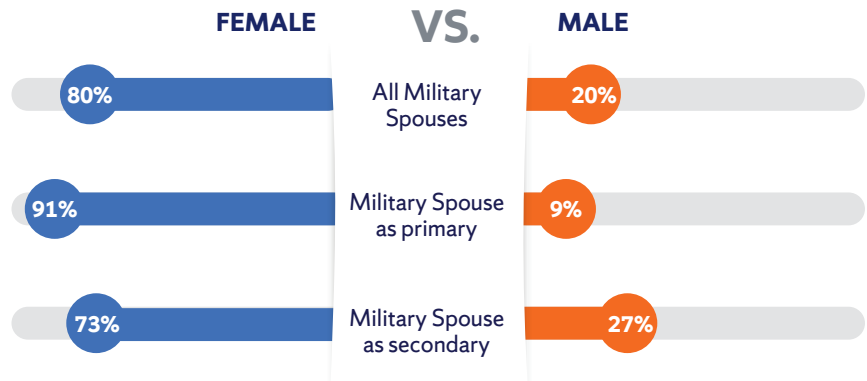
## About this Research Effort

**The National Survey of Military-Affiliated Entrepreneurs (NSMAE)** is a multi-year 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. To learn more about this study and other briefs, publications, and presentations visit [ivmf.syracuse.edu/nsmae-series](http://ivmf.syracuse.edu/nsmae-series).

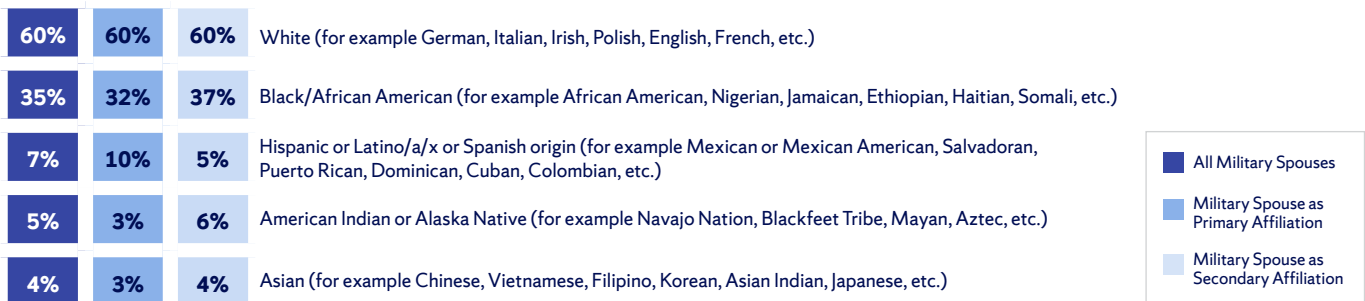


*As with most survey research, this study is limited by voluntary self-selection into the sample and self-reporting by participants whose answer to each question item was voluntary. Although recruitment for this study was targeted to include various populations, the finding from this study should not be construed to be representative of the population of all veteran or military-affiliated business owners. Percentages in tables may not sum to 100% due to rounding or omission of low-response items.*

# Who Are Military Spouse Entrepreneurs?



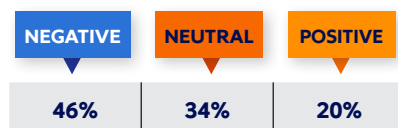
How do you describe your race/ethnicity? Please select all that apply.



## CAREER EXPERIENCES

Our findings reveal that a substantial 46% of military spouses perceive their affiliation as negatively affecting their career prospects, with nearly half reporting discrimination in job opportunities due to their status. Notably, 74% of respondents recognize entrepreneurship as a positive force in their professional lives. There are challenges and awareness related to Status of Forces Agreements (SOFA). Among those military spouses stationed overseas at any time, 35% are fully aware of SOFA, yet over half have experienced direct impacts on their work or entrepreneurial activities due to these agreements. This highlights the need for enhanced support systems and better dissemination of information to aid military spouses in their professional journey.

What impact has being a military spouse had on your ability to pursue a career?



## Status of Forces Agreements (SOFA)

**75%** reported their military spouse had been stationed overseas, of these:

- ▶ **35%** are completely aware of SOFA; **20%** are somewhat or a little aware; **45%** are not at all aware
- ▶ **29%** found it difficult to gather information on SOFA
- ▶ **52%** reported that SOFA impacted their work or entrepreneurship when stationed overseas

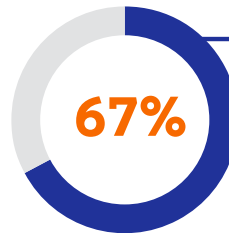
# Entrepreneurship Characteristics

The survey captures key entrepreneurial traits among military spouses. A significant 89% identify themselves as entrepreneurs, with 48% focusing on social entrepreneurship, which involves creating solutions for social, cultural, or environmental issues. About 81% consider themselves successful in their ventures. The majority are launching their first business and often as the sole owner. Despite a strong drive for entrepreneurship, only 28% can fully support themselves or their families through their businesses. Commitment to their businesses varies greatly, with 21% spending over 50 hours per week on their endeavors. Notably, 77% started their businesses more from the desire to capitalize on opportunities rather than from necessity. These findings highlight the robust entrepreneurial spirit and the challenging financial circumstances of military spouses.

## 48% CONSIDER THEMSELVES TO BE A SOCIAL ENTREPRENEUR

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

**81% consider themselves a successful entrepreneur**



INDICATE THIS BUSINESS IS THEIR FIRST BUSINESS

**77% started the business more to pursue an opportunity than out of necessity**

- ▶ 29% of Spouse as primary started entrepreneurship out of necessity (71% to pursue opportunity)
- ▶ 20% of Spouse as secondary started entrepreneurship out of necessity (80% to pursue opportunity)

28%

ARE ABLE TO FINANCIALLY SUSTAIN THEMSELVES OR THEIR FAMILY WITH INCOME FROM THEIR CURRENT BUSINESS

- ▶ 30% are able to partially sustain with this business
- ▶ 37% cannot financially sustain with this business
- ▶ 5% cannot and do not intend to do so

TIME SPENT ON THEIR BUSINESS (PER WEEK):



■ All Military Spouses
 ■ Military Spouse as Primary Affiliation
 ■ Military Spouse as Secondary Affiliation

## TOP MOTIVATIONS TO ENTREPRENEURSHIP

40%	47%	39%	Maintain personal freedom
35%	38%	35%	Helping society/supporting community
33%	41%	31%	Make my own decisions
32%	28%	33%	The opportunity to be financially independent/increase personal income

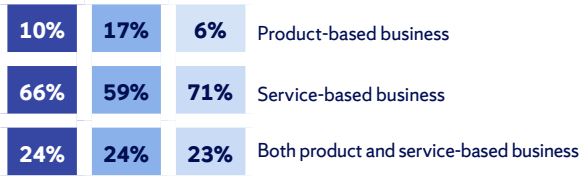
## REASONS FOR STARTING YOUR BUSINESS

67%	63%	70%	Identified a good business opportunity and decided to pursue it
50%	42%	55%	Wanted a challenge to pursue in my life
23%	25%	21%	Did not need to, but wanted to earn more income
17%	25%	12%	Needed to supplement my income beyond what I was earning
13%	19%	9%	Could not work a job due to child care/caregiver responsibilities
12%	23%	5%	Could not work a job due to spouse/partner's military service obligations
11%	16%	8%	Needed a main source of income and could not get a job

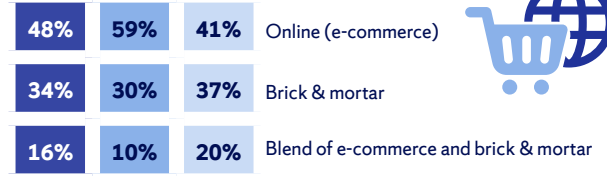
# Business Characteristics

The following section presents key characteristics of businesses owned by military spouses. The majority of these businesses are service-based (66%), with a smaller proportion engaged in product-based (10%) or combined product and service operations (24%). Regarding their operational models, 48% are online, 34% are brick-and-mortar, and 16% combine both. In terms of financial performance, 54% of military spouse-owned businesses were profitable in 2021. The average revenue was significantly skewed, with a median of \$30,000, highlighting the variability in business success. Certification plays a critical role, with 59% of these businesses holding some form of certification, and 33% planning to obtain one. The process of obtaining certifications and government contracts is considered challenging by a majority of military spouse business owners. Overall, 65% believe their business sales could double in the next five years, despite the challenges of high dependency on top customers and the complex landscape of certifications and contracts.

## THE NATURE OF BUSINESS



## TYPE OF BUSINESS



■ All Military Spouses
 ■ Military Spouse as Primary Affiliation
 ■ Military Spouse as Secondary Affiliation

## CERTIFICATIONS

**59%** of military spouse-owned businesses are certified formally or informally certified by a national, state, local or database/self-certification body.



**33% plan to get their business certified**

- ▶ 45% of Spouse as primary are certified (21% planning to be certified)
- ▶ 67% of Spouse as secondary (44% planning to be certified)

**48%**

of military spouse-owned businesses receive revenue from clients that require certification

OF THOSE, HOW MUCH REVENUE REQUIRING CERTIFICATION IS FROM GOVERNMENT?

- ▶ **62%** No revenue
- ▶ **14%** 1-50% revenue
- ▶ **13%** 51-100% revenue
- ▶ **10%** Not sure how much

Military Spouse entrepreneurs who AGREE/NEUTRAL/DISAGREE with the following statements about certifications:

	AGREE	NEUTRAL	DISAGREE
The process of obtaining certification(s) is difficult.	60%	31%	9%
Finding government contracts is easy.	12%	35%	53%
Finding corporate contracts that require certification(s) is easy.	10%	43%	47%
Applying for the government certifications is difficult.	67%	30%	13%
Applying for non-government certifications is difficult.	45%	48%	17%
I find it easy to maintain the certification(s).	23%	49%	28%
There are enough resources to assist me through the certification process.	20%	36%	34%

**42%**

OF MILITARY SPOUSE AS PRIMARY FIND THE PROCESS OF OBTAINING CERTIFICATIONS TO BE **DIFFICULT** (compared to 69% of Military Spouse as Secondary)

**48%**

OF MILITARY SPOUSE AS PRIMARY FIND APPLYING FOR THE GOVERNMENT CERTIFICATIONS TO BE **DIFFICULT** (compared to 61% of Military Spouse as Secondary)

Percentage of military spouse-owned businesses that find applying for non-government certifications is **DIFFICULT**:

- 29%** Military Spouse as Primary Affiliation
- 38%** Military Spouse as Secondary Affiliation

# REVENUE AND CUSTOMERS

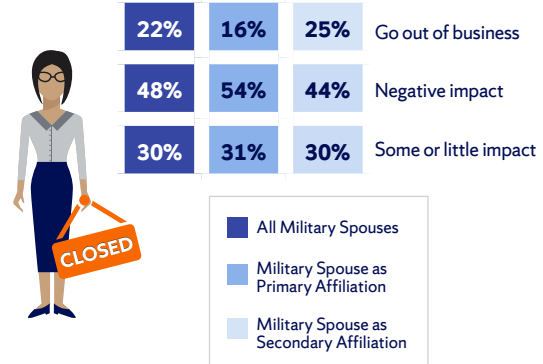
In 2021



## AVERAGE REVENUE OF MILITARY SPOUSE ENTREPRENEURS

- ▶ Average for Spouse as Primary: \$148,866
- ▶ Average for Spouse as Secondary: \$1,219,436

If you lost your top five customers what would happen to your business?



# BUSINESS CHALLENGES

This section outlines the predominant challenges faced by military spouse entrepreneurs, highlighting barriers to their business aspirations. Financial obstacles are significant, with 30% of spouses citing lack of access to capital and financing as major hurdles. The issue of irregular income also affects many. Beyond financial challenges, 23% have faced difficulties due to lack of experience in entrepreneurship, while legal fees and taxes are noted by 22% of respondents as additional impediments. Operational challenges vary widely, with a substantial 60% finding it difficult to apply for grants from nonprofits, and 50% struggling with loan applications. Marketing and sales also present substantial challenges; over half find social media management difficult, and similar numbers struggle with marketing and pricing strategies. Regulatory and policy barriers also impact military spouse entrepreneurs, with tasks such as setting up taxes and obtaining licenses cited as difficult by 36% of respondents. Social and human capital barriers, such as finding qualified personnel and networking, are equally challenging, reflecting the multifaceted difficulties faced by military spouse entrepreneurs in establishing and growing their businesses.

## Barriers

Top problems or barriers that hindered entrepreneurial goals.



Continued

# OPERATIONAL CHALLENGES

Please rate how difficult it was for you, personally, to do each of the following:  
(Percentage rating each item as DIFFICULT or VERY DIFFICULT)



		DIFFICULT	NEUTRAL	EASY
<b>FINANCIAL BARRIERS</b>	Applying for grants from nonprofits	60%	30%	10%
	Applying for loans	50%	24%	26%
	Applying for COVID-19 Business Relief grants and loans (PPP, EIDL, etc.)	48%	21%	31%
<b>MARKETING &amp; SALES BARRIERS</b>	Social media management	56%	24%	20%
	Exporting your businesses' products or services to a national market	55%	27%	18%
	Marketing your business	51%	24%	25%
	Pricing (setting the right price, developing a pricing strategy)	43%	27%	30%
	Developing a sales strategy	43%	24%	33%
	Implementing a sales strategy	42%	29%	29%
	Acquiring a new customer	41%	28%	31%
	Doing sales (being a salesperson for your products or services)	39%	22%	39%
	Managing sales operations	38%	29%	33%
	Developing a website or social media presence for your business	37%	23%	40%
Understanding who my target customers are	13%	15%	72%	
Customer relationship management (retaining an existing customer)	9%	24%	67%	
<b>REGULATION, BUSINESS CLIMATE, &amp; POLICY BARRIERS</b>	Setting up taxes and withholdings	36%	21%	43%
	Paying your business taxes	35%	16%	49%
	Registering your company with e-Verify	33%	28%	39%
	Setting up pay and benefits for your employees	31%	27%	42%
	Adapting your business during COVID-19 pandemic	27%	24%	49%
	Insuring your business	26%	19%	55%
	Product/service design and development	25%	35%	40%
	Obtaining the necessary licenses to operate your business	20%	25%	55%
	Product/service quality control	9%	28%	63%
	Opening a business bank account	6%	10%	84%
<b>SOCIAL &amp; HUMAN CAPITAL BARRIERS</b>	Finding good/qualified salesperson for your business	55%	31%	14%
	Accessing distribution channels (direct and indirect distribution)	50%	32%	18%
	Finding time to network	46%	29%	25%
	Navigating the resources in my local community	43%	31%	26%
	Finding a local business incubator or nonprofit that helps business owners	42%	27%	31%
	Asking others for assistance	30%	15%	55%



## FINANCES

The financial landscape for military spouse-owned businesses in 2021 varied widely in terms of capital requirements for expansion or growth. While 10% of businesses reported no need for additional capital, 40% needed less than \$25,000, and a notable 23% required more than \$100,000. Regarding business debt, 36% of military spouses reported having debt, with an average debt amounting to \$197,878. The interest rates on the largest balances varied, with 34% paying less than 4.99% interest and 20% facing rates between 10% and 14.99%. Loans were the most common form of high-interest debt, comprising 53% of such financial obligations. Additionally, within the past year, 13% of spouses faced rejections for credit applications, and the financial condition of their businesses caused significant stress for 23% of them, illustrating the pressure financial management can impose on entrepreneurs.

### TOTAL AMOUNT OF CAPITAL NEEDED

to expand or grow your business in 2021

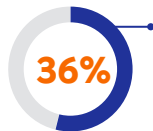
- 10% NONE NEEDED
- 40% LESS THAN \$25K
- 12% \$25K-\$49K
- 15% \$50K-\$100K
- 23% MORE THAN \$100K



## DEBT

The average business debt

**\$197,878**



**36% OF MILITARY SPOUSES HAVE BUSINESS DEBT**

- ▶ 27% of Spouse as Primary
- ▶ 41% of Spouse as Secondary

How much stress does your business's financial condition cause you?

20% No stress at all

57% Not very much or Some stress

23% A great deal of stress



What interest rate (%) do you pay on the loan/card for which you have the largest balance?



- 8% Zero interest
- 34% Less than 4.99% interest
- 18% 5-9.99% interest
- 20% 10-14.99% interest
- 10% 15-19.99% interest
- 10% More than 20% interest

Does that rate reflect a:

- ▶ Loan (53%)
- ▶ Credit Card (37%)
- ▶ Unknown (3%)
- ▶ Other (7%)

In the past year, has a particular lender or creditor turned down any request you made for credit, or not given as much credit as you applied for?

61% Not applicable; no credit application in the past 12 months

13% Yes, turned down

4% Yes, not as much credit

22% No, not turned down



## RESOURCES

Which of the following, if any, resources related to your business or idea did you primarily use?



	ALL MILITARY SPOUSES	MILITARY SPOUSE AS PRIMARY	MILITARY SPOUSE AS SECONDARY
Business Development (SBA, SBDA, VBOC, WBC, PTAC, etc.)	49%	47%	51%
VA and DOL resources/program (DoL, VA Vocational Rehabilitation, etc.)	14%	10%	16%
Chamber of Commerce (Hispanic Chamber of Commerce, National Black Chamber of Commerce, etc.)	25%	18%	30%
Education and Training (IVMF's Arsenal, college academic programs, 1 million cups, incubators, Bunker Labs, Patriot Boot Camp, VET-TECH, etc.)	43%	48%	39%
VSOs and MSO (WWP, VFW, SVA, American Legion, HoH, BSF)	5%	7%	5%
Other	7%	10%	6%
None	25%	24%	25%



**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:**

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# Health and Wellness

## GENERAL WELLBEING

**26%** REPORTED POOR TO FAIR GENERAL HEALTH



OTHERS REPORTED THEIR GENERAL HEALTH AS:

- ▶ 63% Good/Very Good
- ▶ 11% Excellent

## SUICIDE IDEATION

DURING PAST YEAR

**5%** CONSIDERED ATTEMPTING SUICIDE

(11% for Spouse as Primary, 1% for Spouse as Secondary)

WHILE

**95%** Did Not

## SUPPORT

Military Spouse entrepreneurs indicated that, within the past 12 months

	AGREE	NEUTRAL	DISAGREE
My friends and family have been supportive of my business or venture	85%	6%	9%
My community has been supportive of my business or venture	66%	22%	12%
Small Business Service Providers (i.e. SBA, SBDC, SCORE, VBOC, etc.) have been supportive and provided assistance to my business or venture	51%	24%	25%
Medical & Disability Service Providers (i.e. VA, Vocational Rehabilitation, DAV, etc.) have been supportive and provided assistance to my business or venture	19%	31%	50%
Navigating the resources in my local community was easy	30%	24%	46%