

The Antecedents of Military on Entrepreneurial Outcomes of Veterans

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ENTREPRENEURSHIP & VETERANS

- ▶ Veteran entrepreneurs represent 9.1% of all business owners, compared to their smaller (7.6%) population size in the U.S (SBA, 2021)
- ▶ Combined, veteran-owned businesses generate about \$1 trillion in receipts and employ nearly six million Americans (SBA, 2021)
- ▶ 93% of veteran entrepreneurs indicate that military skills helped them with their business (Maury et al., 2021)
- ▶ Veterans have engaged in entrepreneurial activity at higher rates than nonveterans (i.e., civilians). However, overall rates of veteran entrepreneurship have been declining, i.e., 15 percent of veterans compared to 11 percent of nonveterans were entrepreneurs in 2005, and 12 percent of veterans compared to 10 percent of nonveterans in 2014. In 2018, 11 percent of veterans were entrepreneurs, which is comparable with the 10 percent of nonveterans who were entrepreneurs (Fairlie (2013), NAVSO (2019))

THEORETICAL DEVELOPMENT

- ▶ Recent research indicates that veterans face unique challenges and barriers in their pursuit of entrepreneurship, i.e., accessing capital, building credit, unfamiliarity with the financial and regulatory landscape of establishing and operating a business, and a lack of professional networks or mentors who could provide advice on navigating entrepreneurship-related barriers (Maury et al., 2021; Sankaran & Battisto, 2018)
- ▶ Emerging research suggest that military experiences could hinder entrepreneurial intentions and pursuits (Chukwu, 2021; Kramm and Heinecken, 2015) especially if there is stigma or discrimination based on military involvement (Fajardo et al., 2019).
- ▶ Veterans face unique challenges and barriers related to transition from military to civilian life (Haynie and Shepherd, 2011; Manuel, 2018; Maury et al., 2021; Tihic, 2019)
- ▶ Research Question: How do military-related experiences affect veteran entrepreneurs' self-efficacy?

METHODOLOGY

- ▶ **Data Source:** National Survey of Military-Affiliated Entrepreneurs (NSMAE), a proprietary database of military-affiliated entrepreneurs (e.g., military veterans, active duty, National Guard & Reserve members, and military dependents) in the U.S. collected in 2020. The database is comprised of 2,927 current, former, and aspiring military-affiliated entrepreneurs.
- ▶ **Sample for this study:** military veterans that are current business owner
- ▶ **Sample size:** 357 individuals.
- ▶ **Statistics:** 75% males; 63% are white, 19% are black, and 7% are Hispanic; Average age 52.5; 70% are married; 45% have graduate or a professional degree; 64% live in a large or mid-size urban locations; 31% have lived in their current community for 5 years or less.
- ▶ **Analysis:** Ordinary Least Square (OLS) regression
 - ▶ Dependent variable = self-efficacy
 - ▶ Self-efficacy instrument by Chen, Greene, & Crick (1998)

RESULTS

	Self Efficacy										
Networking Resources	0.039**										0.02
	(3.254)										(1.566)
Transition Difficulty		-0.071**									-0.024
		(-3.611)									(-1.069)
Post-Military Purpose			0.071**								0.042
			(3.473)								(1.914)
Transition Duration				-0.068**							-0.038
				(-3.579)							(-1.780)
Time in Current community					0.053						0.08
					(0.546)						(0.856)
Community belongingness						0.014					-0.013
						(1.679)					(-1.333)
Network Size							0.069**				0.056**
							(4.902)				(3.672)
Overall Support								0.153**			0.067
								(3.196)			(1.287)
Number of deployments									-0.021		-0.028
									(-1.275)		(-1.625)
Number of relocations										0.015	0.022
										(1.057)	(1.485)
Controls	Yes										
Constant	2.184**	3.031**	2.414**	3.058**	2.360**	2.200**	2.083**	1.971**	2.423**	2.381**	2.538**
	(6.488)	(8.144)	(7.333)	(8.120)	(6.884)	(6.207)	(6.309)	(5.531)	(7.243)	(7.110)	(5.937)
Observations	357	357	357	357	357	357	357	357	357	357	357
Adj-R-Squared	0.117	0.123	0.12	0.122	0.09	0.097	0.149	0.116	0.094	0.093	0.195
F-Test	5.7	5.978	5.867	5.952	4.538	4.823	7.22	5.659	4.688	4.63	5.53
R-squared	0.125	0.129	0.122	0.122	0.099	0.112	0.15	0.119	0.119	0.118	0.238
Change in R-squared	0.0328	0.0368	0.0298	0.0298	0.0068	0.0198	0.0578	0.0268	0.0268	0.0258	0.1458

DISCUSSION

- ▶ Confirm that veteran entrepreneurs face unique challenges and barriers related to the transition from military to civilian life (e.g., Haynie and Shepherd, 2011; Manuel, 2018; Maury et al., 2021; Resnik et al., 2012; Tihic, 2019)
 - Provide evidence that transitional challenges and barriers are unique to veterans and affect their entrepreneurial self-efficacy
 - Veterans that have or find a purpose after military and expand their heterogeneous resources report higher self-efficacy
- ▶ Unique military experiences such as the number of deployments, reassignments, and time spent in the military do not affect self-efficacy.
- ▶ Veterans who have difficulty transitioning and expanding from military networks into civilian networks have less social capital and lack entrepreneurial social capital



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THANK YOU