**Key Highlights for Hispanics & Latinos in the Military**

**The Path from Service to Veteran Entrepreneurship**

* 48 % of Hispanic and Latino/a/x veteran entrepreneurs consider themselves as a social entrepreneur
* *Top motivations for Hispanic and Latino/a/x veteran entrepreneurs*
  + - 44% opportunity to be financially independent/increase personal income
    - 37% maintain personal freedom
    - 34% improving quality of life
    - 33% chance to implement own ideas/creating something
    - 29% make my own decisions
* *Top Barriers in Pursuing or Achieving Business Goals*
  + - 46% Lack of access to capital
    - 32% Lack of financing
    - 26% Irregular income
    - 24% Current economic situation
    - 24% Lack of mentors for my business
* *Navigation*
  + - 41% have difficulty navigating the resources in their local community
    - 48% can’t afford the latest technology
    - 43% can’t afford the cost of using subcontractors, suppliers, and consultants
    - 51% believe the certification process is difficult
* *Lending*
  + - 50% indicated that the capital they need is not readily available
    - 68% applied for credit/financing with a lender or creditor
      * Of those that applied, 27% of those that applied for funding were turned down (compared to 14% of white peers)
      * 48% that were turned down did not apply again
    - 33% had an interest rate of 15% or higher on loan/credit card with the largest balance
    - 34% were able to financially sustain themselves/family with income of their business
    - 67% state that their business’ financial condition causes them stress
* *Military, Transition, and Entrepreneurship* 
  + - 61% needed time to figure out what to do with their life during their transition
    - 96% indicate that skills learned in military have helped them with their business
    - 41% indicate that entrepreneurship helped them find a purpose after military
    - 44% indicate that entrepreneurship made their transition into civilian life easier
* *Health and Well Being*
  + - 72% of Hispanic and Latino/a/x veteran entrepreneurs indicate that their general health was good, very good, or excellent
    - 43% of Hispanic and Latino/a/x veteran entrepreneurs indicated that their disability creates obstacles in business ownership
    - 4% of Hispanic and Latino/a/x veteran entrepreneurs had seriously consider attempting suicide this past year, of those 1 in 3 did NOT seek professional help.

Hispanics & Latinos in the Military: The Path from Service to Veteran Entrepreneurship

Data Brief | September 2022

This brief provides highlights from the 2021 National Survey of Military-Affiliated Entrepreneurs (NSMAE) focusing on Hispanic, Latino/a/x, or Spanish origin (for example Mexican or Mexican American, Salvadoran, Puerto Rican, Dominican, Cuban, Colombian, etc.) 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 <http://ivmf.syracuse.edu/nsmae-series>.

The findings in this brief are based on the data collected from 172 Hispanic, Latino/a/x, or Spanish origin veteran entrepreneurs, which represents 9.7% of the respondents in the 2021 survey.

# By the Numbers: Hispanic and Latino/a/x Veteran Business Owners

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

* There are over 1.9 million veteran owned businesses (both employer and nonemployer businesses), with an estimated $1.2 trillion in revenue, approximately 5.2 million employees, and about $232.6 billion in annual payroll.
* Of those businesses, 7% are Hispanic and Latino/a/x veteran owned businesses, with an estimated $28.2 billion in revenue, over 144,000 employees, and about $6 billion 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 Hispanic and Latino/a/x veteran entrepreneurs.

# ENTREPRENEURSHIP CHARACTERISTICS

* 48 % of Hispanic and Latino/a/x veteran entrepreneurs consider themselves as a social entrepreneur
* Yet only 2% of Hispanic and Latino/a/x veteran entrepreneurs have a nonprofit 501(c)(3)

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

|  |  |  |  |
| --- | --- | --- | --- |
| Do you consider yourself a social entrepreneur? | Hispanic | Other Minorities[[1]](#footnote-1) | White Non-Hispanic |
| Yes | 48% | 57% | 37% |
| No | 52% | 44% | 63% |

## Motivations to Entrepreneurship

### Top motivations for Hispanic and Latino/a/x veteran entrepreneurs

* 44% opportunity to be financially independent/increase personal income
* 37% maintain personal freedom
* 34% improving quality of life
* 33% chance to implement own ideas/creating something
* 29% make my own decisions

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| --- | --- | --- | --- |
| Top Motivations to Entrepreneurship | Hispanic | Other Minorities | White  Non-Hispanic |
| Opportunity to be financially independent/ increase personal income | 44% | 40% | 34% |
| Maintain personal freedom | 37% | 36% | 37% |
| Improving quality of life | 34% | 26% | 26% |
| Chance to implement own ideas/ creating something | 33% | 33% | 37% |
| Make own decisions | 29% | 28% | 44% |
| Having more free time/ flexible hours | 27% | 25% | 25% |
| Helping society/ supporting community | 22% | 30% | 24% |
| Secure future for my family | 22% | 22% | 16% |
| Building personal wealth | 20% | 20% | 18% |
| Opportunities to innovate | 16% | 19% | 12% |
| Personal belief/ faith | 14% | 23% | 9% |
| Acquire a comfortable living | 14% | 15% | 18% |

### Hispanic and Latino/a/x veteran entrepreneurs are

* 1.52 times more likely to indicate “personal belief/ faith” as a top motivation for starting their business compared to white peers
* 1.39 times more likely to indicate “opportunities to innovate” as a top motivation for starting their business compared to white peers
* 1.34 times more likely to indicate “secure future for my family” as a top motivation for starting their business compared to white peers
* 1.34 times more likely to indicate “improving quality of life” as a top motivation for starting their business compared to white peers

## Attitudes and Perspectives

* 97% when doing something it gets done excellently
* 95% don’t give up easily, even in the face of difficulties
* 92% glad to share experiences with other entrepreneurs and aspiring entrepreneurs to assist them with their venture

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| --- | --- | --- | --- |
| *Attitudes toward business growth* | Hispanic | Other Minorities | White  Non-Hispanic |
| I am committed to achieving growth, even if it means lower profits. | 63% | 58% | 50% |
| I am willing to take on new loans in order to grow the business. | 63% | 55% | 45% |
| I am willing to bring in new owners in order to grow the business. | 55% | 46% | 41% |
| I strongly prefer stability over growth for my business(es) | 41% | 49% | 45% |

*Hispanic and Latino/a/x veteran entrepreneurs are*

* 1.40 times more likely to indicate “willing to take on new loans in order to grow the business” compared to white peers

# BUSINESS CHARACTERISTICS

## Nature of Business

* 82% are sole owners of their business
* 50% indicate that this is their first business/venture
* 33% indicate that the nature of their primary business is online e-commerce; 18% are equal blend of online/brick & mortar (51% combined)

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| --- | --- | --- | --- |
| Businesses/ventures were: | Hispanic | Other Minorities | White  Non-Hispanic |
| Product-based business | 7% | 9% | 13% |
| Service-based business | 51% | 57% | 58% |
| Both product and service-based business | 42% | 34% | 29% |

## Top Barriers in Pursuing or Achieving Business Goals

1. 46% Lack of access to capital
2. 32% Lack of financing
3. 26% Irregular income
4. 24% Current economic situation
5. 24% Lack of mentors for my business

## Difficulties

* 52% find it difficult to do sales (being a salesperson for their products or services)
* 49% have difficulty marketing their business

## Finance

* 34% were able to financially sustain themselves/family with income of their business
* 87% consider themselves to be successful
* Yet 23% of Hispanic and Latino/a/x veteran entrepreneurs would close their business if they lost their top five customers

The average gross sales in 2020 were $1,981,033

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| --- | --- | --- | --- |
| In 2020, their businesses/ ventures were: | Hispanic | Other Minorities | White  Non-Hispanic |
| Profitable | 57% | 39% | 57% |
| Breaking even | 14% | 16% | 12% |
| Reporting a financial loss | 30% | 45% | 32% |

*Hispanic and Latino/a/x veteran entrepreneurs are*

* 1.44 times less likely to report a financial loss in 2020 compared to other veteran minority peers
* 1.13 times more likely to break even in 2020 compared to white peers

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| Business sales will double in next 5 years | Hispanic | Other Minorities | White  Non-Hispanic |
| Likely | 80% | 80% | 66% |
| Neither likely nor unlikely | 11% | 14% | 16% |
| Unlikely | 9% | 7% | 18% |

# LENDING

## Credit/Financing

* 50% indicated that the capital they need is not readily available
* 58% feel that there is NOT sufficient equity funding (i.e., investors) available for their business (compared to 42% of white peers)
* 46% feel that there is NOT sufficient debt funding (i.e., loans, credit) available for their business (compared to 32% of white peers)
* 29% indicate that Federal Funding Resources (PPP, EIDL, etc.) have been helpful for their business (compared to 43% of white peers)
* 68% applied for credit/financing with a lender or creditor
  + Of those that applied, 27% of those that applied for funding were turned down (compared to 14% of white peers)
  + 48% that were turned down did not apply again

67% state that their business’ financial condition causes them stress

### Capital Needed for Start Up

* 95% needed funding to start or acquire their business
* 63% needed less than $25,000 to start or acquire their business
* 30% needed less than $5,000 to start or acquire their business

### Capital Needed for Growth

* 97% needed funding to expand or grow your business in 2020
* 42% needed less than $50,000 to expand or grow your business in 2020
* 29% were not able to secure any funding needed to expand or grow your business in 2020

## Debt

* The average business debt of Hispanic and Latino/a/x veteran entrepreneurs respondents was $139,682.
* 33% had an interest rate of 15% or higher on loan/credit card with the largest balance (compared to 17% of white peers)
* 29% reported no debt

# ENTREPRENEURIAL ECOSYSTEM

## Government Policy, Support, and Programs

### Regulations

* 42% have difficulty coping with government bureaucracy, regulations & licensing requirements
* 49% agree that support for their business is NOT a high priority for policy at federal level
* 34% indicate that the process of obtaining licenses and permits for their business is NOT easy

### Programs and Support

* 52% feels that government programs aimed at supporting new and growing businesses are NOT effective
* 44% indicate there are not an adequate number of government programs that support their business

## Business Environment

### Technology

* 63% feel that technological changes provide big opportunities in their market
* 48% can’t afford the latest technology
* 40% can’t easily access technological system, processes, and equipment (compared to 28% of white peers)

### Human Capital

* 58% find it very difficult to find employees with the necessary skills
* 43% can’t afford the cost of using subcontractors, suppliers and consultants
* 38% indicated the labor needed is not readily available (compared to 20% of white peers)

### Market

* 47% believe that their business can easily enter new markets
* 30% believe they can afford the cost of new market entry

## Entrepreneurial Education

* 36% feel that The Small Business Administration (SBA) services provide good & adequate support for their business
* 22% feel that colleges/universities provide good & adequate support for their business
* 37% feel that The VA services provide good &adequate support for their business
* 35% feel that The Small Business Administration (SBA) services do NOT provide good & adequate support for their business
* 44% feel that colleges/universities do NOT provide good & adequate support for their business
* 36% feel that The VA services do NOT provide good & adequate support for their business

## Community and Networks

### Belonging

* 72% feel responsibility for their local community
* 68% find people in their local community to relate to
* 62% feel a sense of belonging in their local community

### Navigation

* 39% have difficulty asking for assistance
* 41% have difficulty navigating the resources in their local community

# CERTIFICATIONS

* 77% formally or informally certified by a national, state, local or database/self-certification body
* 51% believe the certification process is difficult
* 34% find applying for non-government certifications to be difficult
* 31% find it easy to maintain the certification(s)

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| Certifications held | Hispanic | Other Minorities | White  Non-Hispanic |
| SBA (Small Business Administration) | 54% | 51% | 40% |
| CVE (Center for Verification and Evaluation) | 45% | 49% | 48% |
| NaVOBA (National Veteran-Owned Business Association) | 15% | 9% | 11% |
| NVBDC (National Veteran Business Development Council) | 12% | 4% | 4% |
| NMSDC (National Minority Supplier Development Council) | 12% | 7% | 0% |
| Disability:IN (formerly USBLN) | 3% | 2% | 0% |
| WBENC (Women's Business Enterprise National Council) | 2% | 3% | 2% |
| NGLCC (National LGBT Chamber of Commerce) | 2% | 0% | 0% |

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| --- | --- | --- | --- |
| Percentage of revenue from clients that require certification | Hispanic | Other Minorities | White  Non-Hispanic |
| 0% of revenue are from certification | 21% | 15% | 14% |
| 1-49% of revenue are from certification | 36% | 35% | 32% |
| 50-100% of revenue are from certification | 42% | 51% | 54% |

## Resources Available

* 61% believe that the government does NOT provide adequate assistance with the government contracting
* 47% believe that the government does NOT provide adequate assistance with the certification process
* 34% believe there are enough resources to assist through the certification process

## Corporate Contracts

* 61% indicate that finding corporate contracts that require certification(s) is not easy

## Government Contracts

* 63% find it difficult to do government contracting
* 52% find applying for the government certifications to be difficult

# DISABILITY, ENTREPRENEURSHIP, AND WELLNESS

## Disability Related Experiences

* 86% have a service-connected disability
* 32% indicate that their disability creates obstacles in business ownership
* 43% indicate that entrepreneurship helped them with overcoming disability related challenges and barriers
* 40% indicate that entrepreneurship helped them with the recovery process
* 40% indicate that entrepreneurship played a significant role in their recovery process

## Health and Wellbeing

* 4% of Hispanic and Latino/a/x veteran entrepreneurs had seriously consider attempting suicide this past year, of those 1 in 3 did NOT seek professional help.

|  |  |  |  |
| --- | --- | --- | --- |
| Overall perception of general health | Hispanic | Other Minorities | White  Non-Hispanic |
| Poor or fair | 28% | 24% | 20% |
| Good | 34% | 42% | 35% |
| Very good or excellent | 38% | 34% | 45% |

|  |  |  |  |
| --- | --- | --- | --- |
| During the PAST YEAR, did you ever seriously consider attempting suicide? | Hispanic | Other Minorities | White  Non-Hispanic |
| Yes | 4% | 6% | 3% |
| No | 96% | 94% | 97% |

# MILITARY, TRANSITION, AND ENTREPRENEURSHIP

* 96% indicate that skills learned in military have helped them with their business
* 76% were not interested in entrepreneurship prior to military service
* 61% needed time to figure out what to do with their life during their transition
* 58% felt the transition from military to civilian life was difficult (compared to 41% of white peers)
* 49% did not have a sense of purpose after the military

### Motivations for Pursuing Entrepreneurship

* 41% indicate that entrepreneurship helped them find a purpose after military
* 44% indicate that entrepreneurship made their transition into civilian life easier
* 34% indicate that entrepreneurship was critical for an easy transition from military into civilian life

# COVID-19 PANDEMIC

### Preparedness for Entrepreneurship

* 42% had difficulty with applying for COVID-19 Business Relief grants and loans (PPP, EIDL, etc.)

### Impacts on Business Attitudes

* 19% indicate that COVID-19 crisis had negative impact on their decision to expand or grow your business
* 21% indicate that COVID-19 crisis had negative impact on their interest in entrepreneurship/business ownership
* 13% indicate that COVID-19 crisis had negative impact on their attitude toward entrepreneurship/business ownership
* 31% indicate that COVID-19 crisis had positive impact on their decision to expand or grow your business
* 36% indicate that COVID-19 crisis had positive impact on their interest in entrepreneurship/business ownership
* 34% indicate that COVID-19 crisis had positive impact on their attitude toward entrepreneurship/business ownership

# References

By the Numbers for Hispanic and Latino/a/x 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, l. (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.

# ABOUT

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 Whitman School of Management

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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1. For the purposes of this analysis, anyone identifying as Hispanic ethnicity regardless of race is classified as Hispanic. White Non-Hispanic identifying with no other racial heritage are classified as “White Non-Hispanic.” All other racial/ethnic groups, as well as those identifying with multiple racial groups (excluding Hispanic), are classified as “Other Minorities.” [↑](#footnote-ref-1)