

# Hibbs Newsletter

Hibbs Institute for Business & Economic Research

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## VETERANS DAY

HONORING ALL WHO SERVED



### Veterans as Emerging Entrepreneurs

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On this Veterans Day, while we thank those who have served our country, I am happy to present the results of the **2020 Veteran Entrepreneurship Survey**. Veterans and veteran-owned businesses are important factors in the economic development in our **23-county East Texas region**. This region has a veteran population of **96,232<sup>1</sup>**, which is **11.1%** of this region's population (age 18 and over).<sup>2</sup> The number of veteran-owned businesses in this region is **9,060**, which represents **10.5%** of the region's total firms (**86,673**).<sup>3</sup>

#### Military Experience Important for Entrepreneurship

Research shows that military veterans are entrepreneurial, which make them excellent candidates as managers.<sup>4</sup> Compared to non-veterans, U.S. veterans are nearly twice as likely to be self-employed. Their military experience is important in starting their businesses since it prepares them to be leaders, work as a team and adapt to changing and unpredictable circumstances.<sup>5</sup> Also, veterans may possess leadership skills, enabling them to build teams, communicate their vision and develop plans.<sup>6</sup>

Experiences	Skills
Adapt to change	Technical
Risk-taking	Team building
Cross-cultural	Leadership
Global	Communication

#### 2020 Veteran Entrepreneurship Survey

This research was conducted to understand veteran-owned businesses and those who plan to open a business. Also, major objectives were to determine challenges and sources of assistance. The 2020 Veterans Entrepreneurship Survey of 68 veterans from our East Texas region was conducted in 2019-20 by Drs. Jim Cater and Marilyn Young, professors of management in the Soules College of Business at The University of Texas at Tyler. On this special day, highlights are presented from one article, "U.S. Veterans as Emerging Entrepreneurs: Self-Efficacy, Intentions and Challenges." Journal of Developmental Entrepreneurship (JDE), 25(2).<sup>7</sup>

#### Research Method

The research consisted of a two-page confidential survey given to 68 veterans, including both startups (27 or 40%), and business owners (41 or 60%). Responses were obtained from those who had visited a veteran or small business agency in the East Texas counties. Also, veteran names were obtained from those attending an entrepreneurial bootcamp, class or seminar. After collecting the 68 confidential surveys, results were analyzed with the software, SPSS.

The survey results show that the average years served in the military was 6.9 and an average age of 44.6 years (ranging from under 30 to 60 and over). The average number of years living in the East Texas area was 9.4. The majority of respondents were male, white and held a bachelor's degree or higher (see **Table 1**).

**Table 1. Demographic Characteristics of Respondents  
(Gender, Ethnic/Race and Education Attainment)**

	Number	Percentage
<b>Gender</b>		
Male	57	84%
Female	11	16%
<b>Total</b>	<b>68</b>	<b>100%</b>
<b>Ethnic/Race</b>		
White	50	74%
Black	7	10%
Hispanic	8	12%
Asian	3	4%
<b>Total</b>	<b>68</b>	<b>100%</b>
<b>Educational Attainment</b>		
High school	5	8%
Some college or Associates'	20	31%
Bachelor's degree or higher	39	61%
<b>Total</b>	<b>64*</b>	<b>100%</b>

\*Note: Not all respondents answered.  
Source: 2020 Veteran Entrepreneurship Survey.

## Reasons for Going into Business

When asked why veterans wanted to go into business, the majority stated, (1) to be my own boss and be independent, and (2) financial gain. **Table 2** shows other reasons why veterans wanted to start a business, including variety, pursuing a dream, and pursuing a social cause.

**Table 2. Reasons Veterans Desired to Start a Business**

Reasons	Number	Percentage of 68
Be my own boss/independence	43	63%
Financial gain	35	51%
Variety/pursue something new or a dream	24	35%
Help a social cause/make a difference	16	24%
Other	9	13%

Source: 2020 Veteran Entrepreneurship Survey.

## Veteran-Owned Businesses

The majority of veteran businesses were small. Data shows 34% had only one employee, and only 24% had four or more employees. Of those established businesses, 55% had been in business for more than five years, and 15% reported they had been in business for less than one year. Veterans reported several types of businesses they owned as shown below.

Arts & Crafts	Consulting	Manufacturing	Real Estate
Automotive	Document Management	Medical Services	Restaurant
Carpet Cleaning	Food Truck	Online Retail	Retail
Construction	HVAC	Plumbing	Training

## Start-up Businesses Desired by Veterans

Some of the business veterans desired to start are:

Credit	Indoor Play Center	Pet Center
Lighting Fixtures	Laser Engraving	Retail
Consulting	Lawn & Agriculture	

## Social Entrepreneurship

The 24% of entrepreneurs mentioned they wanted to pursue a social cause and gave the following comments:

- Serve and support military families
- Make a difference in the world
- Honor my calling
- Assist those in need
- Follow my passion

Social Entrepreneurship (SE) is when individuals go into business to help others or solve social problems and has become increasingly important. Some of the veteran social entrepreneurship efforts in East Texas are:

- Equestrian Therapy
- Dog University—Training and Therapy
- Outdoor Adventures
- Physical Fitness Equipment Donations

## Core Values

When asked what the values of their businesses are, veteran entrepreneurs gave the following:

**Strong ethics/Honesty/Integrity**  
**Quality work and service**  
**Service to customers and community**

## Risk-Taking and Tolerance for Change and Ambiguity

When veterans were asked about their attitudes, 83% reported a high to medium propensity to take risks. Also, a large majority, 88%, believed they had a high to medium tolerance for ambiguity and change.

## Challenges in Starting and Growing a Business

Veterans mentioned several challenges in starting and growing a business (see **Table 3**). Financial and finding start-up capital and marketing were among the major challenges.

**Table 3. Challenges of Veterans in Starting and Growing a Business**

Challenges
Financial & obtaining start-up capital
Marketing (finding customers, branding & using social media)
Operations & administration
Legal, certifications & paperwork
Finding the right employees
Building a team
Growing the business/competing
Personal/finding time/work balance with family
Finding a location
Networking & finding vendors
Understanding new technology

Source: 2020 Veteran Entrepreneurship Survey.

## Types of Needed Information and Advice

Veteran entrepreneurs indicated they desired assistance and information in several areas. The major areas were marketing--finding customers and advertising (54%), help with a business plan (43%), raising start-up capital (40%), and bookkeeping/accounting (34%)(see **Table 4**).

**Table 4. Types of Needed Information and Advice in Starting a Business**

Needed Information	Number	Percentage of 68
Marketing/Advertising/Obtaining customers	37	54%
Business plan	29	43%
Raising start-up capital	27	40%
Bookkeeping/Accounting	23	34%
Webpage	16	24%
Social media	15	22%
Finding a location	12	18%
Obtaining grants/Other	11	16%

Source: 2020 Veteran Entrepreneurship Survey.

## Types of Resources Used

Veterans used several sources for advice and information (see **Table 5**). The top sources were (1) family and friends, (2) banks/financial institutions and accountants, (3) government agencies: Small Business Administration (SBA), Small Business Development Centers (SBDC) and Service Corps of Retired Executives (SCORE), (4) supplier and vendors, and (5) colleges and universities.

**Table 5. Sources of Assistance Used by Veterans in Starting a Business**

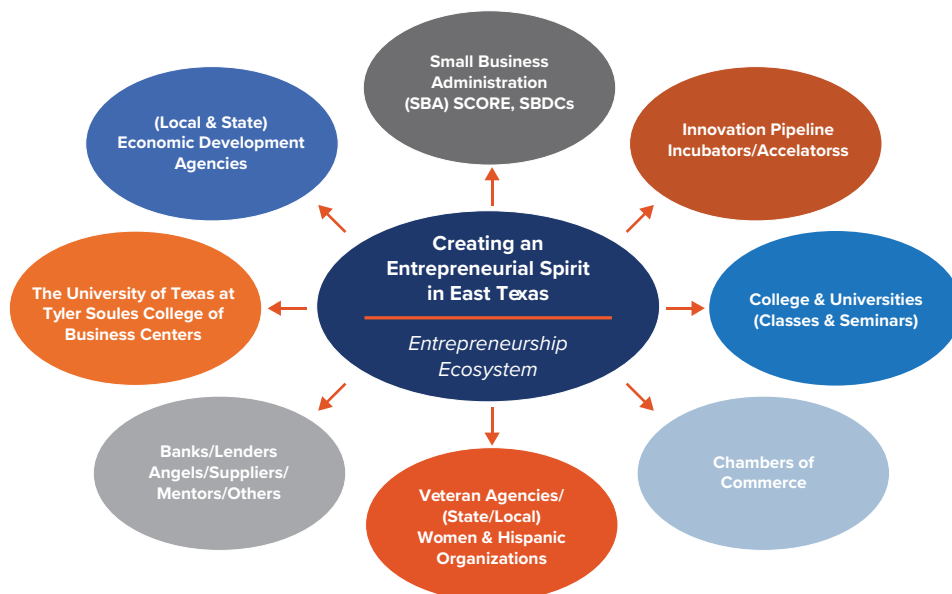
Sources of Assistance	Number	Percentage of 68
Family and friends	35	52%
Bank/financial institutions/accountants	28	41%
SBA/SBDC/SCORE	23	34%
Suppliers/vendors	21	31%
Colleges/universities	18	27%
Veterans' associations	16	24%
Consultants	16	24%
Chambers of commerce	8	12%
Online resources	10	15%

Source: 2020 Veteran Entrepreneurship Survey.

## East Texas Resources

In working with many agencies in East Texas, I found many resources and providers to assist entrepreneurs. For instance, the Soules College of Business offers entrepreneurial classes, as well as assistance from the Small Business Development Center–Longview (serving Gregg, Harrison, Marion, Rusk, Panola and Upshur counties), East Texas Entrepreneurship Center and Center for Family & Small Enterprises. Also, Tyler Junior College (SCORE and SBDC) and local, state, and federal agencies provide assistance and information (see **Figure 1**).

**Figure 1. Available Resources and Assistance for Veterans and Other Entrepreneurs**



## Conclusions

To increase the entrepreneurial spirit among veterans and others in East Texas, I suggest the following:

- Since veterans need assistance in marketing, startup funding, business planning, and other help, they should utilize the many resources in the East Texas area.
- Agencies should ensure that their services are known and consider effective methods to promote and increase awareness of their programs and services.
- Efforts should be made to increase coordination and communication among federal, state, and local agencies to ensure veterans receive assistance in starting and growing their businesses.

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<sup>1</sup> Texas Workforce Investment Council, 2016 Update Veterans in Texas: A Demographic Study, Veterans by County 2014, Texas Workforce, Table 24” LWDA 7 Northeast and Table 25: LWDA 8 East Texas, p. 31.

<sup>2</sup>The total population of the 23 counties (age 18 and over) = 867,129. Source: JobsEQ taken from U. S. Census.

<sup>3</sup>Computations from U. S. Census, QuickFacts.

<sup>4</sup>Hoppenfeld, J., Wyckoff, T, Henson, J, Mayotte, J & and Kirkwood, H. (2013). Librarians and the Entrepreneurship Bootcamp for Veterans: Helping disabled veterans with business research. *Journal of Business and Finance Librarianship*, 18, 293-308.

<sup>5</sup>Heinz, A. , Freeman, M., Harpaz-Rotem, I. & Pietrzak, R. (2017). American Military Veteran Entrepreneurs: A Comprehensive Profile of Demographic, Service History and Psychosocial Characteristics. *Military Psychology*, 29(6), 513-23.

<sup>6</sup>Boldon, N., Maury, R. Armstrong, & Van Slyke, R. (2016). The State of Veteran Entrepreneurship Research. *Institute for Veterans and Military Families*, (1), Nov. 2016.

<sup>7</sup>Cater. J.J. & Young M. (2020). U. S. Veterans as Emerging Entrepreneurs: Self-Efficacy, Intentions, and Challenges, *Journal of Developmental Entrepreneurship*, 25(2), Association for Business and Entrepreneurship Annual Conference (ASBE) Proceedings, (2020), San Antonio, and Social Entrepreneurship Summit 2020---Virtual, Vrije Universiteit Brussel and ESPOL (Escuela Superior Politécnica del Litora), Ecuador.

Many thanks to our supporters of the study!



Jim Snow, East Texas Veterans Resource Center



Small Business Development Center (SBDC), Tyler Junior College



Camp V, Tyler, Texas



Texas Veterans Commission



Service Score of Retired Executives (SCORE)



Tyler Economic Development Corp.



Blaine Pace, B.S. Information Technology

Military & Veterans Success Center

Jim Cater, Director, Center for Family & Small Enterprises

Office of Research and Scholarship

East Texas Entrepreneurship Center (ETEC)

Small Business Development (SBDC) Longview

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