

## Millennial Veteran Entrepreneurship: Research on the Next Generation of Veteran Entrepreneurs

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With 96% of millennial veterans having served in the post-9/11 era, understanding the millennial veteran population is useful to policymakers, non-profits, and the small business community in supporting the next generation of entrepreneurship. This study explores the outcomes of millennial veteran entrepreneurs, building upon previous research on veteran entrepreneurship conducted by the Office of Advocacy.<sup>1</sup>

1. Veteran-Owned Businesses and Their Owners: Data from the U.S. Census Bureau's Survey of Business Owners, <https://cdn.advocacy.sba.gov/wp-content/uploads/2017/04/12105955/435-veteran-owned-businesses-summary.pdf>

### Key Findings

Important differences exist in participating in entrepreneurship between millennial veterans and comparable groups. Historically, veterans have been more entrepreneurial than non-veterans. According to the analysis, however, this pattern has reversed for millennial veterans, who were found to be about 2 percentage points less likely to be entrepreneurs than millennial nonveterans. Additionally, when compared to older veteran entrepreneurs, millennial veteran entrepreneurs have different characteristics that are important to consider when crafting government policies on business assistance.

**Table 1: Descriptive Statistics for Demographic Groups**

	Millennial Entrepreneurs		Millennial Nonentrepreneurs		Older Generations of Vet. Entrepreneurs
	Veteran	Nonveteran	Veteran	Nonveteran	
Weighted sample size	53,064	2,759,647	1,505,678	54,775,219	1,269,927
Age (mean)	30.4	29.2	29.1	27.2	64.1
Male (%)	85.2	57.0	82.3	49.6	95.3
Female (%)	14.8	43.0	17.7	50.4	4.7
Non-Hispanic White (%)	70.8	61.7	65.0	56.9	85.4
Non-Hispanic Black (%)	9.6	7.8	12.9	12.9	6.7
Hispanic (%)	13.2	21.5	14.7	20.5	4.6
Other (%)	6.4	9.0	7.4	9.7	3.3
Presence of disability (%)	12.7	4.7	10.9	4.5	22.3

Source: 2014–2018 American Community Survey Public Use Microdata Area sample

*This document is a summary of the report identified above, developed under contract for the Small Business Administration, Office of Advocacy. As stated in the report, the final conclusions of the full report do not necessarily reflect the views of the Office of Advocacy. This summary may contain additional information, analysis, and policy recommendations from the Office of Advocacy.*

Overall, millennials tend to be more diverse than prior generations.<sup>2</sup> This trend holds true for millennial veteran entrepreneurs as well.<sup>3</sup> 9.6% of millennial veteran entrepreneurs are Black, compared to 6.7% of older veteran entrepreneurs. In addition, 13.2% of millennial veteran entrepreneurs are Hispanic, compared to 4.6% of older veteran entrepreneurs. White veterans represented 85.4% of older veteran entrepreneurs, while making up 70.8% of millennial veteran entrepreneurs. In addition, other racial minorities (American Indian or Alaska Native, Asian, Native Hawaiian or Other Pacific Islander, some other race, two or more races) make up a larger segment of the veteran entrepreneur population at 6.4% compared to older generations of veteran entrepreneurs at 3.3%.

Women represent a greater share of millennial veteran entrepreneurs compared with older generations of veteran entrepreneurs. Nearly 15% of millennial veteran entrepreneurs are women, compared to 5% of older generations. This finding is important to consider in the context of larger trends in the growth of women entrepreneurship.<sup>4</sup> In addition, when compared to their non-veteran peers, millennial veteran entrepreneurs are more likely to have a disability. Nearly 13% of millennial veteran entrepreneurs

report a disability versus under 5% of their non-veteran peers.

Millennial veteran entrepreneurs live in one place for shorter periods of time. Nearly 41% of millennial veteran entrepreneurs have been in their current house or apartment for 23 months or less, while only 34 percent of nonveteran millennial entrepreneurs report the same tenure length. Using length of stay as a proxy for geographic mobility, it appears that millennial veteran entrepreneurs move around more than their non-veteran peers.

There also exist differences in where millennial veteran entrepreneurs tend to live. For example, 21.3% of millennial veteran entrepreneurs live in non-metro areas, whereas only 18.6% of their non-veteran peers do so. However, when compared to older generations of veteran entrepreneurs, millennial veteran entrepreneurs are more likely to live in metro areas (78.7%) than older generations of veteran entrepreneurs (73.6%).

## Policy Implications

As the next crop of veteran entrepreneurs, the success of millennial veteran entrepreneurs is important. However, given this study's findings, it is worrisome that millennial veterans are less likely to be entrepreneurs than their nonveteran peers. Given general declines in entrepreneurship over the last few decades, it is important to focus on how likely different subgroups of people are to engage in entrepreneurship, and to target policies at encouraging entrepreneurship.

With more diversity among the next generation of veteran entrepreneurs, it will become increasingly

2. Millennials Outnumber Baby Boomers and Are Far More Diverse, Census Bureau Reports, <https://www.census.gov/newsroom/press-releases/2015/cb15-113.html>

3. Table 2. Descriptive Statistics of Sociodemographic, Economic, and Household Characteristics by Analysis Group.

4. Women's Business Ownership: Data from the 2012 Survey of Business Owners, <https://cdn.advocacy.sba.gov/wp-content/uploads/2017/05/22154543/Womens-Business-Ownership-in-the-US.pdf>

**Table 2: Descriptive Statistics by Location for Demographic Groups (percent)**

	Millennial Entrepreneurs		Millennial Nonentrepreneurs		Older Generations of Vet. Entrepreneurs
	Veteran	Nonveteran	Veteran	Nonveteran	
Time in current house/apartment					
23 months or less	40.9	33.5	46.1	36.2	10.9
2 to 4 years	29.3	28.6	27.0	25.0	12.1
5 to 9 years	14.7	17.7	11.9	14.5	13.9
10 years or more	15.1	20.2	15.0	24.3	63.1
Metro county	78.7	81.4	79.1	83.0	73.6
Nonmetro county	21.3	18.6	20.9	17.0	26.4

Source: 2014–2018 American Community Survey Public Use Microdata Area sample

important to understand if current methods of encouraging entrepreneurship are still relevant. Policymakers may need to reconsider their strategies for targeting potential millennial veteran entrepreneurs, and tailor support for specific groups, especially women, Black, and Hispanic millennial veterans.

Considering the higher presence of disability among millennial veteran entrepreneurs compared to millennial non-veteran entrepreneurs, policymakers will need to continue their support of disabled veteran entrepreneurs into the future. For example, the Service-Disabled Veteran-Owned Small Business Concern program (SDVOSBC) established veteran entrepreneurs with a service-connected disability as a recognized group of veteran entrepreneurs and facilitates directing procurement opportunities to businesses owned by veterans with a service-connected disability business designation. These types of programs will continue to be important going forward.

Service members may be required to move frequently during active duty, which may impact the mobility of veterans in general. As a more transient population, millennial veterans may require additional support targeted to their needs and disparate geographic connections. Such support could include programs that increase their social capital through rapid establishment of local social networks and resources on how to leverage geographically disperse networks for entrepreneurship, find and access mentorship in local communities, and locate support services.

## Scope/Methodology

This report uses data from the U.S. Census Bureau's 2014–2018 American Community Survey to examine the specific characteristics of millennial veteran entrepreneurs. The analysis examines entrepreneurship outcomes among millennial veterans and their nonveteran peers as well as older generations. Findings from the logistic regression models estimate average marginal effects, which present the change in the probability of the outcome.

While the ACS was selected for the strength of its large sample, its limitation is the lack of detailed information on veterans' military service. ACS does not collect any information about respondents' experiences during military service, their length of military service, or their year of exit from the military. Another limitation of the ACS data is that military

service and veteran status are self-reported. Respondents' claims of active-duty military service are not substantiated or compared with military administrative records.

In addition to the ACS data, the U.S. Department of Agriculture Economic Research Service's urban-rural continuum rating is used for each Public Use Microdata Area (PUMA). This continuum assigns county Federal Information Processing Standard (FIPS) codes to one of nine levels based on population and proximity to a metro area. The research team linked each ACS PUMA to a county FIPS code using a cross-walk created by the U.S. Census Bureau.

## Related Research

Previous research from the Office of Advocacy on veteran-owned businesses includes:

- "[Small Business Facts: Spotlight on Veteran-Owned Employer Businesses](#)," Nora Esposito, December 2018.
- "[Veteran-Owned Businesses and Their Owners: Data From the U.S. Census Bureau's Survey of Business Owners](#)," Joseph Sobota, April 2017.
- "[Income and Net Worth of Veteran Business Owners Over the Business Cycle](#)," George Haynes, November 2015.
- "[An Exploration of Veteran Business Creation and Management Using the Census Bureau's Survey of Income and Program Participation](#)," Compendium Federal Technology, February 2014.
- "[Profile of Veteran Business Owners](#)," Jules Lichtenstein, November 2013.

### READ THE FULL REPORT ONLINE

This report is available on the Office of Advocacy's webpage at <https://advocacy.sba.gov>. To stay informed of Advocacy's research, visit <https://advocacy.sba.gov/subscribe>. By selecting the Small Business Regulation & Research category, you can choose to receive email notices of Advocacy research, regulatory communications, or The Small Business Advocate newsletter.

