

presented by



THE MEGAPHONE OF MAIN STREET:

Unsung Entrepreneurs:

Immigrants, Veterans and Encore (55+)

SPRING 2021



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Funded [in part] through a Cooperative Agreement with the U.S. Small Business Administration.

All opinions, conclusions, and/or recommendations expressed herein are those of author(s) and do not necessarily reflect the views of the SBA.

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Why Focus on Unsung Entrepreneurs?

Three groups of entrepreneurs consistently outperform others as engines for the small business economy. They start businesses at higher rates and operate more small businesses than others, yet they are consistently overlooked and often climb steeper hills to achieve their goals.

These distinct “unsung entrepreneurs” are: first generation or immigrant entrepreneurs, veteran entrepreneurs and encore entrepreneurs (those age 55 and older). During the past 25 years, these three groups contributed to overall entrepreneurship at much greater rates than the general population, despite their significant and unique challenges. Their contributions as new business creators have steadily risen.

In this installment of SCORE’s Megaphone of Main Street, we pay special attention to “unsung entrepreneurs” as critical representatives of the current U.S. small business landscape.

While only 13.2% of the U.S. population are first generation immigrants, they represent 20.6% of all U.S. business ownersⁱ. To a lesser extreme but still notable, veteran business owners play a larger role in the business community, representing 9.1% of all business owners, compared to their smaller (7.6%) population size in the U.S.^{ii, iii}. To a greater extreme, while 21% of the U.S. population is over age 55, encore entrepreneurs represent more than half (50.9%) of all U.S. business owners^{iv, v}.

	Percent of U.S. Population	Percent of U.S. Business Owners
Immigrants	13.2	20.6
Veterans	7.6	9.1
Encore Entrepreneurs (55+ years of age)	21	50.9

To learn more about what motivates and supports these entrepreneurs, SCORE conducted a detailed online survey in February 2021 (as a follow-up to a similar study conducted in February 2020). This original research asks several important questions to explore a business owner’s stage of business, their reasons for starting their business, their skills, the obstacles they face and their access to financing. Some results explore how the COVID-19 pandemic has impacted their business operations. For this report, only current small business owners were included. Findings are analyzed according to each distinctive group.

Part 1: Immigrant Entrepreneurs:

Entrepreneurs who are U.S. citizens but were born outside of the U.S.

Part 2: Veteran Entrepreneurs:

Entrepreneurs who are active military/reserves or veterans of the armed services (including the Coast Guard)

Part 3: Encore Entrepreneurs:

Entrepreneurs who are age 55 or older

The data presented in Parts 1, 2 and 3 compares members of each target group to business owners that are not part of that group. For example, data is compared for business owners over the age of 55 (encore entrepreneurs) versus those under the age of 55, for veterans versus non-veterans and for immigrants versus native-born.

Of the diverse pool of more than 3,270 survey respondents, SCORE analyzed responses from 2,918 current business owners. The businesses surveyed represent many industries and geographic locations throughout the United States. All survey respondents agreed to provide an honest reflection of their experiences and outlook.

About SCORE

SCORE is the nation's largest network of volunteer, expert business mentors, with approximately 10,000 volunteers in more than 240 chapters and 1,500 communities nationwide. Since its founding in 1964 as a resource partner for the U.S. Small Business Administration, SCORE has helped more than 11 million current and aspiring entrepreneurs to start, grow or troubleshoot a business through mentoring, workshops and educational services. In 2020 alone, SCORE volunteers helped to create 45,027 new small businesses and add 74,535 non-owner jobs to the American economy. In response to COVID-19, SCORE launched the Small Business Resilience Hub to provide free and relevant resources to help small business owners survive and thrive during the pandemic and beyond^{vi}.

Key Findings

Part 1: Immigrant Entrepreneurs

- Even amidst COVID-19 turbulence, immigrants are 40.2% more likely to start a business and are more optimistic about hiring new employees than others.
- Unlike other groups, immigrant entrepreneurs cite job discrimination 52.6% more often as a motivating factor to start their own business.
- Forty-three percent of immigrant business owners are concerned about finding financing: a rate that is 36.1% higher than non-immigrant business owners.
- Immigrant business owners report their top strengths are their work ethic/discipline and confidence. With more frequent language and cultural barriers, immigrant entrepreneurs are 16.9% less likely to consider their communication skills as a core strength. Likewise, they are 19.1% more likely to cite education and 18.1% more likely to cite personal coaching as helpful to their businesses.
- Because they often have little access to credit or lenders, immigrant business owners tap into personal finances and credit cards and are 45.1% more likely to utilize loans from friends and family to support their business.
- Immigrant business owners are generally much more likely to seek all forms of financial support and much less likely to receive it. They were rejected 72-83.5% more often when seeking expanded lines of credit, crowdfunding, new investors, support from online lenders and veteran loans.
- Immigrant business owners are much more likely than non-immigrant business owners to apply for all forms of government support. Yet, they are significantly less likely to receive the full amount they request from any source. Half to three quarters of immigrant business owners surveyed feel no support from their federal, state or local government.

Part 2: Veteran Entrepreneurs

- Veterans are 35.4% more likely to start their business as a supplement to their primary income.
- Nearly 42% of the veteran business owners surveyed have a service-related disability. Many note the obstacles they face due to disability or bias.
- Veteran business owners have significantly more concerns than non-veterans. They are twice as concerned about business regulations, 25.9% more concerned about their lack of connections, 23.3% more concerned about financing, and 14.9% more concerned about getting customers than non-veterans.
- Many veterans feel the military prepared them well for small business leadership. They report their greatest strengths are their hard work (75.6%) and leadership skills (57.7%).

- Strikingly, veterans tap into personal savings at a rate that is 11.1% greater than non-veteran business owners and were more likely to apply for business credit cards at a rate that is 26.3% greater than non-veterans.
- Veteran entrepreneurs feel less supported by every level of government (federal, state, local) at a rate that is 10-21% higher than non-veterans.
- Veteran business owners asked for Small Business Administration (SBA), federal and state COVID-relief funds at about the same rate as other groups. When they did ask, their requests were denied 20-100% more frequently than non-veteran business owners.
- Online lenders approved veteran requests for funding twice as often than non-veterans.

Part 3: Encore Entrepreneurs

- Compared to younger business owners, encore entrepreneurs are 29.8% more likely to use their businesses for supplemental income and are 25.3% less likely to cite financial independence as a motivator.
- Dealing with new technology is a much higher concern (22% higher) for older (versus younger) business owners. On the other hand, they worry less about customers, cash flow or connections.
- Age and experience pay off, as encore entrepreneurs are 25.1% more likely to cite their skills in effective business planning as a strength compared to younger business owners.
- Nearly 71.8% of encore entrepreneurs feel they have not been supported by their local government, while 65.5% feel no support from their state. Less than half (48.9%) reported feeling local community support or support from the federal government (47.8%).
- Encore entrepreneurs finance their business with retirement savings 52.3% more often than younger groups. With this self-sufficiency, they less often use personal savings, personal credit cards or loans from friends/family.
- Encore entrepreneurs are less likely to seek financial help or accrue debt from any source. Yet, when they ask, they are up to 62% more likely to receive non-government aid and 20-46% more likely to be approved for government aid, including PPP loans, unemployment insurance and other sources of federal/state financial assistance.

Immigrant Entrepreneurs

Highlights

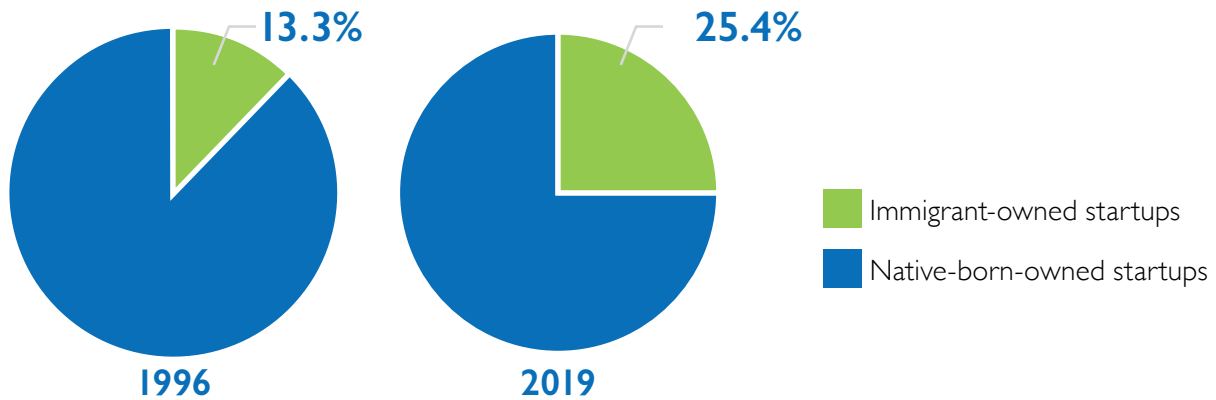
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- Because they often have little access to credit or lenders, immigrant business owners tap into personal finances and credit cards more often and are 45.1% more likely to utilize loans from friends and family to support their business.
- Immigrant business owners are generally much more likely to seek all forms of financial support and much less likely to receive it. They are rejected 72-83.5% more often when seeking expanded lines of credit, crowdfunding, new investors, support from online lenders and veteran loans.
- Immigrant business owners are much more likely than non-immigrant business owners to apply for all forms of government support. Yet, they are significantly less likely to receive the full amount they request from any source. Half to three quarters of immigrant business owners surveyed feel no support from their federal, state or local government.

Even amidst COVID-19 turbulence, immigrants are 40.2% more likely to start a business and are more optimistic about hiring employees.

Immigrant-owned startups have grown significantly during the past 25 years, consistently outpacing native-born businesses. In 2019, immigrant-owned startups accounted for nearly one third (25.4%) of all new businesses created in the U.S., up from 13.3% in 1996. The share of startups led by native-born business owners during the same period declined by 12.1%^{vii}.

The latest studies cite 3.2 million immigrant-owned businesses in the U.S. generating about \$1.3 trillion in total sales and employing eight million Americans^{viii}.

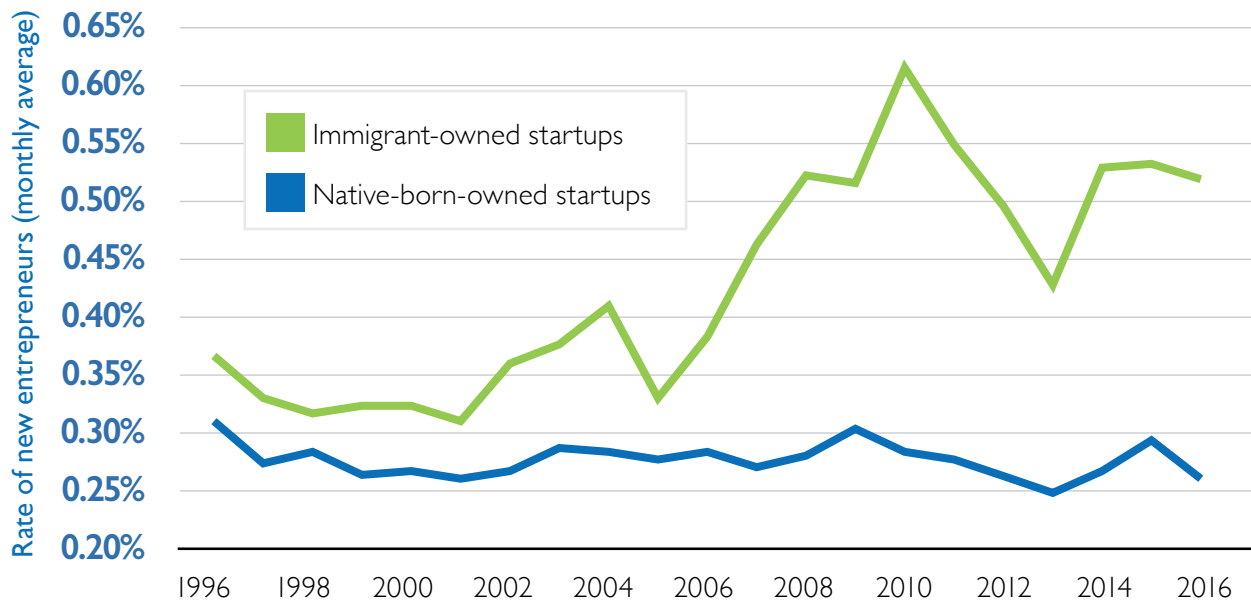
Share of new entrepreneurs by nativity



Source: Kauffman Foundation^{ix}

The rising trend of immigrant entrepreneurship in the U.S. is partially due to the increased proportion of foreign-born workers in the labor force and partially due to fewer native-born people becoming entrepreneurs. As a result, trends show immigrants starting businesses at double the rate of native-born individuals, a pattern that has been on the rise for the past 25 years.

Rate of new entrepreneurship by nativity, 1996-2016



Source: Kauffman Foundation calculations from CPS. www.kauffmanindex.org

On the other hand, immigrant entrepreneurs have also seen the steepest increases in unemployment since the pandemic began, similar to the sharp declines of the 2008 financial crisis^x.

“It’s been scary bad... I had no idea of how much the business environment would change or that my plans would go down the drain...”

Yet, the future holds tremendous promise for immigrant entrepreneurs. More than half of the “unicorn companies” (privately held firms valued at \$1 billion or more) in the U.S. have at least one co-founder who is an immigrant,^{xi} with high-profile examples including PayPal and Uber. About one quarter of all engineering and technology companies started in the U.S. between 2006-2012 had at least one key founder who was an immigrant^{xii}.

According to the America’s Society/Council of the Americas report, *Bringing Vitality to Main Street: How Immigrant Small Businesses Help Economies Grow*, immigrant business owners make up 61% of gas station owners, 58% of dry-cleaning owners and 53% of the owners of privately held grocery stores^{xiii}.

Within SCORE’s sample size of 393 non-native business owners responding to this survey, 31% operate startups (or they are in their first year of operation). Compared to native-born business owners, immigrants were 40.2% more likely to start a business, even during the pandemic.

Please select the option that best describes your business:

	Immigrant	Non-immigrant
Supplemental work: The business is not the owner's primary source of income and the owner has no plans to hire employees in the next 12 months.	20.2%	28.4%
Contract work: The business is the owner's primary source of income, the owner works as an independent contractor or 1099 worker and the owner has no plans to hire employees in the next 12 months.	22.2%	22.6%
Stable non-employer: The business is the owner's primary source of income, the owner does not work as an independent contractor or 1099 worker and the owner has no plans to hire employees in the next 12 months.	23.1%	24.4%
Early-stage potential employer: The firm has been in business for one year or less and the owner has plans to hire employees in the next 12 months.	34.5%	24.6%

About one-third (34.5%) of immigrant entrepreneurs have plans to hire employees within the next 12 months, a rate that is 40.2% more frequent than non-immigrant business owners.

Entrepreneurs responding to SCORE's survey who identified as an immigrant are much more optimistic about hiring employees in the future, with 34.5% sharing their plans to hire within the next 12 months. This is compared to 24.6% of non-immigrant businesses in the same category.

A Harvard Business School study comparing immigrant-founded businesses to those with native founders also showed that immigrant-founded companies perform better in terms of employment growth over three- and six-year time horizons. The authors of the study, William R. Kerr and Sari Pekkala Kerr, conclude that immigrant-led companies grow at a faster rate and are more likely to survive long term than native-led companies^{xiv}.

Immigrant entrepreneurs are 52.6% more likely to cite job discrimination as a reason to start their own business.

What were the reasons you decided to start your own business? (check all that apply)

	Immigrant	Non-immigrant
Following a passion	62.6%	66.8%
Be my own boss	45.5%	55.3%
Wanted to be financially independent	41%	39.8%
Saw an opportunity in the marketplace	40.2%	45.9%
Desire for work-life balance/flexibility	38.4%	41.5%
Wanted to contribute to my community/society	37.4%	39.7%
Unemployment or underemployment at my previous job	23.7%	22.6%
Could not showcase my skills with regular employers	19.3%	18.8%
Needed to supplement my income	18.6%	18.1%
Job discrimination	14.8%	9.7%
More financially stable to be able to start a business	8.7%	13.5%
Had more available time	6.9%	10.2%

Like most entrepreneurs, immigrants start their business to follow their passion (62.6%) and be their own boss (45.5%). Immigrant entrepreneurs are also 52.6% more likely to cite job discrimination as a reason to start their own business.

“With ‘regular’ employment, I was underpaid compared to others with four-year degrees, even though I was held to the same work performance standards. I could not secure promotions. ... No employers valued me, but I value myself, so I started a business. The harder I work in my business, the more money I make. The harder I worked at my previous employer only landed me more work for less pay than my peers.”

Forty-three percent of immigrant business owners are concerned about finding financing, a rate that’s 36.1% higher than non-immigrant business owners.

Like most entrepreneurs, immigrant business owners worry about finding customers (73.8%) and cash flow (50.6%). However, immigrant business owners demonstrate far greater worries than their non-immigrant counterparts when it comes to financing.

Which of the following are or were of significant concern to you as a business owner? (check all that apply)

	Immigrant	Non-immigrant
Getting customers	73.8%	69%
Cash flow	50.6%	50%
Finding financing	43%	31.6%
Not having the right connections in my community	30.8%	27.9%
Hiring qualified people	29.5%	26%
Lack of experience in entrepreneurship or business ownership	28.2%	29%
Business regulations	23.7%	20.8%
Dealing with new technology	19.1%	22.7%

When SCORE asked about significant concerns for business owners, “finding financing” was cited 36.1% more often for immigrant business owners than their native counterparts. In survey comments, immigrant business owners shared their worries, primarily when it comes to understanding the basic legal and financial requirements for business management including trade restrictions, tariffs and needed certifications. Instability throughout the pandemic has offered additional layers of concern and challenge.

“As an immigrant, it is not easy to start a business and get all the support [I need]. Although I have been blessed to interact with many amazing people, the challenges of working with government contracts, getting new customers and getting access to funding/cash is a serious concern for people like us. We have other challenges in terms of immigration issues like visas, citizenship status and long queues to receive our Green Cards.”

With more frequent language and cultural barriers, immigrant entrepreneurs are 16.9% less likely to consider their communication skills as a core strength.

*What skills/strengths have most contributed to your success as a business owner?
(check all that apply)*

	Immigrant	Non-immigrant
Work ethic/discipline	72.1%	77.5%
Confidence	54.2%	53.8%
Leadership and management skills	53.7%	53.2%
Prior experience or education in the field	50.9%	49.7%
Communication skills	47.8%	57.5%
Moral code and social responsibility	46%	49.1%
Working with others different from myself	36.6%	33.5%
Managing risk/uncertainty	30.9%	32.3%
Effective business planning	24.6%	25.5%

With a true entrepreneurial spirit, the vast majority (72%) of immigrant business owners credit their work ethic as their greatest strength; slightly fewer credit their confidence (54.2%) and leadership/management skills (53.7%). These findings parallel findings from native-born business owners. Immigrant business owners are also highly likely to cite their ability to work with others as essential to their success.

“For me, I just want to make a difference. I want to show Latina women (of all age groups) that you can do this or anything else you set your mind to. It might take you longer to succeed... but you will be successful and you will get there. You just have to put in the work.”

With more frequent language and cultural barriers, immigrant entrepreneurs are 16.9% less likely to consider their communication skills to be a strength, compared to non-immigrant business owners.

I have great skills. My problem is networking as an immigrant and an older adult. Venturing into my kind of business was hard because it requires a great network and trust among peers. Cultural difference is a great challenge in cultivating new clients.

Significantly, immigrant business owners are 19.1% more likely to cite education and 18.1% more likely to cite personal coaching as helpful to their business.

What resources are most helpful to you as a business owner since March 15, 2020? (check all that apply)

	Immigrant	Non-immigrant
Support of family/friends	44.6%	47.6%
Business mentor	43.8%	42.7%
Education	35.5%	29.8%
Personal coaching/counseling	34.5%	29.2%
Business networking groups	30.6%	31.8%
Access to financing	23.6%	25.5%
Trade associations	8.5%	11.5%

The COVID-19 pandemic forced small businesses to quickly pivot everything from their operations to staffing to marketing plans. As with most other business owners, immigrant entrepreneurs felt the support they gained from family/friends and business mentors was most helpful during this time. Significantly, immigrant business owners were also 19.1% more likely than non-immigrant owners to cite education and 18.1% more likely to cite personal coaching as helpful to their businesses.

Half to three quarters of immigrant business owners report feeling unsupported by government. With much less access to credit or lenders, they are 45.1% more likely to utilize loans from friends and family.

*During COVID-19, how much support for your business did you see from:
(check all that apply)*

	Not at all supported (Immigrant)	Not at all supported (Native-born)	Somewhat supported (Immigrant)	Somewhat supported (Native-born)	Very supported (Immigrant)	Very supported (Native-born)
Federal government	52.9%	49.7%	31.4%	34.5%	15.7%	15.8%
State government	69.5%	66.7%	22.8%	26.2%	7.7%	7.1%
Local government	74.7%	72.3%	17.1%	20%	8.3%	7.7%
Local community	53.9%	47%	29.2%	33.5%	16.9%	19.5%

Between half and three quarters of immigrant business owners reported they did not feel supported by the government at the federal, state or local level. About one third of immigrant business owners felt “somewhat supported” by the federal government and their local community during this pandemic. Local governments, however, were cited as offering no support far more often (72-74%).

A majority of immigrant business owners report tapping into their friends and family, their personal savings (81.9%) and credit cards (42%) to finance their business.

What personal sources have you used to finance your business since March 15, 2020? (check all that apply)

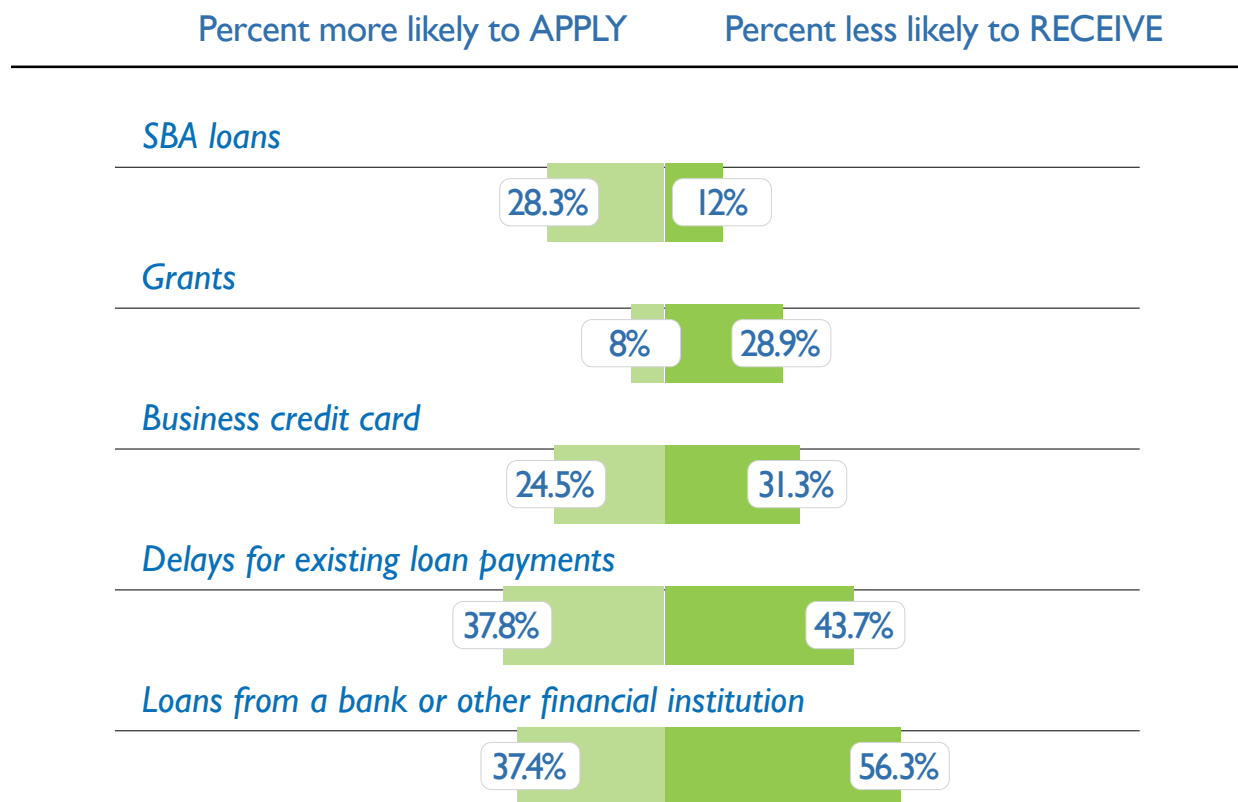
	Immigrant	Non-immigrant
Personal savings	81.9%	75.9%
Personal credit cards	42%	39.2%
Friends/family loan	25.4%	17.5%
Retirement savings	14.2%	20.4%
Home equity loan	5.6%	5.6 %

Foreign-born residents of the United States, in general, are much less likely than their native-born counterparts to gain access to lines of credit and banking services. They use financial services like savings and checking accounts, business loans and mortgages much less often^{XV}.

Because of their weaker relationships with government resources, banks and formal lenders, immigrant entrepreneurs are 45.1% more likely than non-immigrants to utilize loans from friends and family. They also share that they are 30.4% less likely to tap into retirement savings.

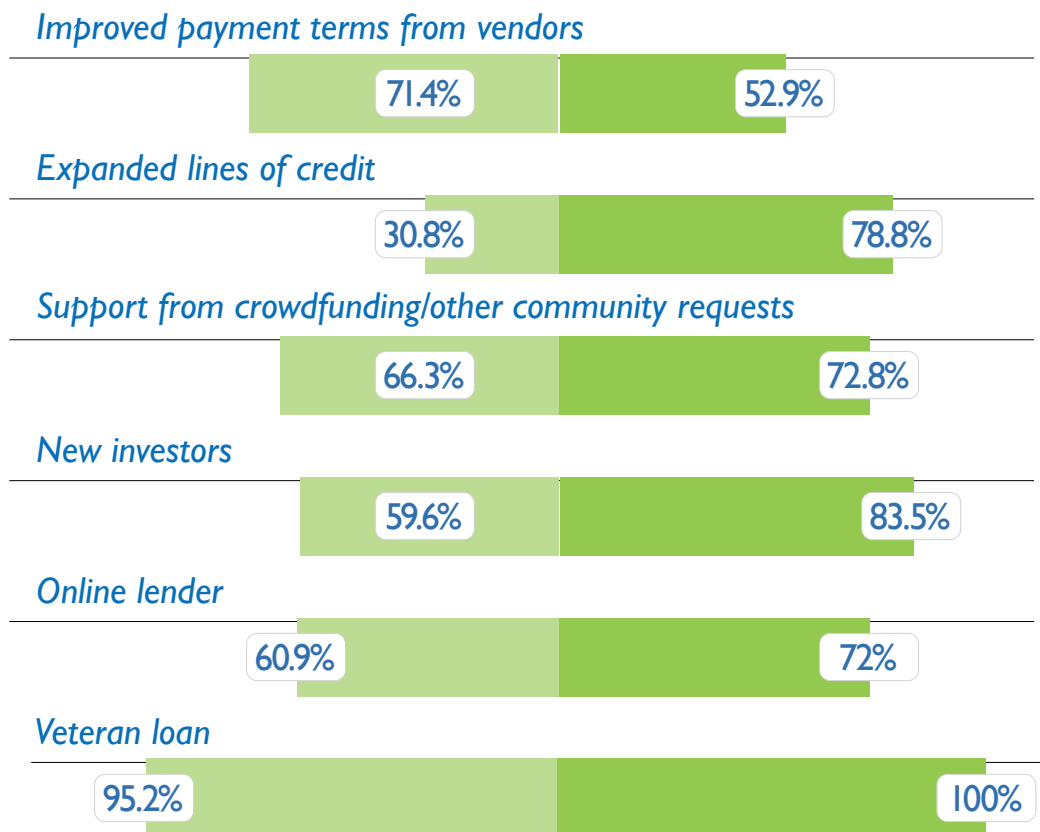
Immigrant business owners are rejected 72-83.5% more often when seeking expanded lines of credit, crowdfunding, new investors or support from online lenders. They are generally more likely to seek all types of financial assistance, but much less likely to receive it.

Since March 15, 2020 have you sought and/or received any of the following financial resources: (check all that apply)



Percent more likely to APPLY

Percent less likely to RECEIVE



Many business owners sought support from their banks or lenders such as delays in repaying existing loans, improved payment terms or expanded lines of credit, among other requests. Immigrant business owners, however, stand out as being more likely (24.5%-60.9%) than non-immigrant business owners to apply for loans and extensions but far less likely (31.1%-78.8%) to receive those benefits. Vendors are 52.9% less likely to offer improved payment terms to immigrant business owners compared to native-born clients.

Significantly, immigrant business owners are rejected 72-83.5% more often when seeking expanded lines of credit, crowdfunding services, new investors or support from online lenders compared to native-born business owners, though they asked for funding through these sources more frequently.

For the most popular COVID relief programs (PPP, EIDL, unemployment-insurance benefits for self-employed workers) immigrant business owners are 20.5-51.1% less likely to receive the full amount requested.

Which of the following government-related COVID-19 relief resources have you sought and/or received since March 15, 2020? (check all that apply)

Non-immigrant business owners	Sought		Denied		Received partial amount		Received full amount	
First draw PPP (Paycheck Protection Program) loans	48.1%	37.5%	30.2%	23.8%	14.3%	13.1%	41.3%	54.8%
Second draw PPP (Paycheck Protection Program) loans	31.8%	22.3%	27.2%	26%	3.2%	4.6%	13.6%	27.8%
EIDL (Economic Impact Disaster Loan)	45.5%	34.8%	24.6%	22.8%	27.4%	23.6%	33%	41.5%
SBA Express Bridge Loan	14%	6%	30.9%	46.7%	12.7%	7.9%	9.1%	11.2%
Unemployment-insurance benefits for self-employed workers	26.5%	19.8%	18.3%	16.6%	21.2%	28.5%	32.7%	43.5%
Small Business Debt Relief program (on current or potential non-disaster SBA loans)	14.2%	7%	33.9%	36.7%	12.5%	11.9%	8.9%	16.9%
50% refundable payroll tax credit on worker wages employers only)	19.8%	10.6%	14.7%	24%	8.8%	8.3%	2.9%	15.6%
Delay in employer-side payroll taxes (employers only)	15.7%	7.2%	22.2%	29.2%	3.7%	4.6%	3.7%	16.9%
Immigrant business owners	Sought		Denied		Received partial amount		Received full amount	

Immigrant business owners were much less likely to receive the government resources or loan programs they requested from the federal Payroll Protection Program (PPP), the Economic Impact Disaster Loan (EIDL), unemployment insurance, debt relief, tax credits and delays.

This population clearly applied more often and across all types of government program offerings, but were much less likely to be beneficiaries, regardless of the program.

“A lot of talk and promises but everything gets denied.”

Compared to native-born business owners, immigrant business owners were (for the full amount requested):

- 24.6% less likely to receive the first PPP loan.
- 51.1% less likely to receive the second PPP loan.
- 20.5% less likely to receive an EIDL.
- 24.8% less likely to receive unemployment-insurance benefits for self-employed workers.

These findings are consistent with those highlighted in SCORE's fall 2020 Megaphone of Main Street: The Impact of COVID-19, which revealed that Black and Hispanic business owners faced significantly higher levels of financial and health hardships throughout the pandemic compared to their White counterparts. Sixty-one percent (61%) of the immigrant entrepreneurs responding to this survey were people of color.

“We try to avoid a full-scale exploitation of government-funded relief. As an immigrant with a solid appreciation for the consequences of excessive federal funding or assistance, it is my responsibility to consider federal, state or local government funding as a last resort to avoid worst case scenarios. Not only as a matter of principle, but as a duty to my fellow entrepreneurs who may be in situations far more serious.”

This data suggests that immigrant business owners face greater challenges than native-born business owners when it comes to accessing financial resources.

Veteran Entrepreneurs

Highlights

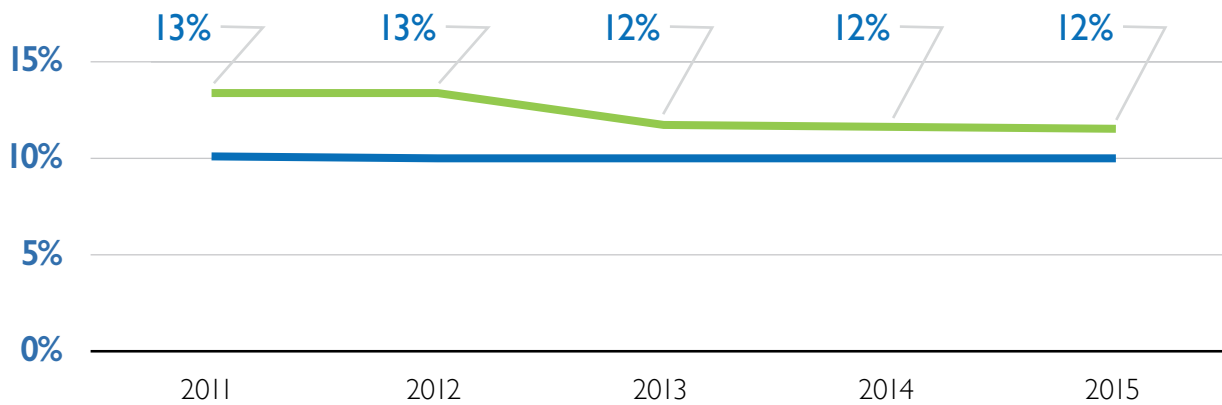
- Veterans are 35.4% more likely to start their business to supplement their primary income.
- Nearly 42% of the veteran business owners surveyed have a service-related disability. Many note the obstacles they face due to disability or bias.
- Veteran business owners have significantly more concerns than non-veterans. They are twice as concerned about business regulations, 25.9% more concerned about their lack of connections, 23.3% more concerned about financing and 14.9% more concerned about getting customers than non-veterans.
- Many veterans feel the military prepared them well for small business leadership. They report their greatest strengths are their hard work (75.6%) and leadership skills (57.7%).
- Strikingly, veterans were more likely to tap into personal savings at a rate that is 11.1% greater than non-veteran owners and business credit cards at a rate that is 26.3% greater than non-veterans.
- Veteran entrepreneurs feel less supported by every level of government (federal, state, local) at a rate that is 10-21% higher than non-veterans.
- Veteran business owners asked for SBA, federal and state COVID-relief funds at about the same rate as other groups. When they did ask, their requests were denied 20-100% more frequently than non-veteran business owners.
- Online lenders approved veterans' request for funding twice as often than non-veterans.

Veterans have consistently contributed to startup business growth at a higher rate than non-veterans, but that upward trend has been declining since 2008.

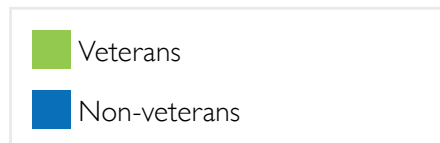
Recent studies estimate there are more than 2.5 million veteran-owned businesses, representing 9.1% of all U.S. businesses. Combined, veteran-owned businesses generate about \$1 trillion in receipts and employ nearly six million Americans^{xvi}.

Veterans have consistently contributed to startup business growth at a higher rate than non-veterans. After 2008, their upward trend in business growth declined, with their rate of growth falling from 12.5% of new entrepreneurs in 1996 to just 4.2% of new entrepreneurs in 2016.

Self-employment rates for Veterans and non-veterans (2011-2015)



Source: [Kauffman Foundation: Startup Activity, National Trends](#).



Most of the decline during the past two decades, according to the Kauffman Index, can be attributed to the aging-out of older veteran business owners.

Nearly 42% of the veteran business owners surveyed by SCORE have a service-related disability. Many note the obstacles they face due to disability or bias.

At a similar proportion to the national average, 8.5% (n=248) of SCORE survey respondents identified themselves as either active military/reserves or a veteran of the armed services (including the Coast Guard). An astounding 41.9% of these veteran entrepreneurs have a service-related disability. This illustrates the disproportionate impact service-related disability has on this specific population of business owners.

Even when facing steep challenges, veteran entrepreneurs demonstrate grit, determination and optimism. One respondent calls for better support services for disabled veterans as they consider entrepreneurship.

“I don’t think there are enough resources/assistance for veteran business owners. I once told my therapist that there isn’t enough help for those of us with disabilities. We weren’t ‘designed’ to be owners and as a result, we are disregarded and struggle harder. Unfortunately, many of us face defeat without support.”

What is your stage as a small business owner?



Veterans are 26.1% more likely to create a business for supplemental income.

Please select the option that best describes your business:

	Veterans	Non-veterans
Supplemental work: The business is not the owner's primary source of income and the owner has no plans to hire employees in the next 12 months.	33.3%	26.4%
Contract work: The business is the owner's primary source of income, the owner works as an independent contractor or 1099 worker and the owner has no plans to hire employees in the next 12 months.	19.8%	22.8%
Stable non-employer: The business is the owner's primary source of income, the owner does not work as an independent contractor or 1099 worker and the owner has no plans to hire employees in the next 12 months.	18%	24.8%
Early-stage potential employer: The firm has been in business for one year or less and the owner has plans to hire employees in the next 12 months.	28.8%	26%

The majority (68.1%) of veterans surveyed have been in business for more than a year. They frequently cite using their business for supplemental income more often than non-veterans (26.1% more often) with no plans to hire. They may be active reservists or have other responsibilities that makes part-time entrepreneurialism more feasible at this time.

“I could schedule my construction business around my Air Force Reserve service for two years and I wanted to work for myself.”

What were the reasons you decided to start your own business? (check all that apply)

	Veterans	Non-veterans
Following a passion	65.7%	65.8%
Be my own boss	48.4%	53.5%
Saw an opportunity in the marketplace	46.4%	44.3%
Wanted to be financially independent	40.7%	39.9%
Wanted to contribute to my community/society	39.9%	39.2%
Desire for work-life balance/flexibility	36.3%	41.2%
Needed to supplement my income	18.5%	17.8%
Unemployment or underemployment at my previous job	17.3%	22.8%
Could not showcase my skills with regular employers	17.3%	19%
More financially stable to be able to start a business	16.9%	12.2%
Had more available time	11.3%	9.4%
Job discrimination	8.1%	10.8%

When veterans are asked why they decided to start a business, they most often cite their passion (65.7%), the desire to be their own boss (48.4%) and opportunity in the marketplace (46.4%) as the biggest factors. This pattern is almost identical to the general population of business owners. Interestingly, non-veterans cite “being my own boss” as a motivating factor slightly more often than veterans.

The desire for work-life balance and flexibility are also drivers cited by the general population of business owners more often than for veterans. Unemployment or underemployment is another motivator that is cited less often (24.1% less) for this group, perhaps because of their long-term military experience.

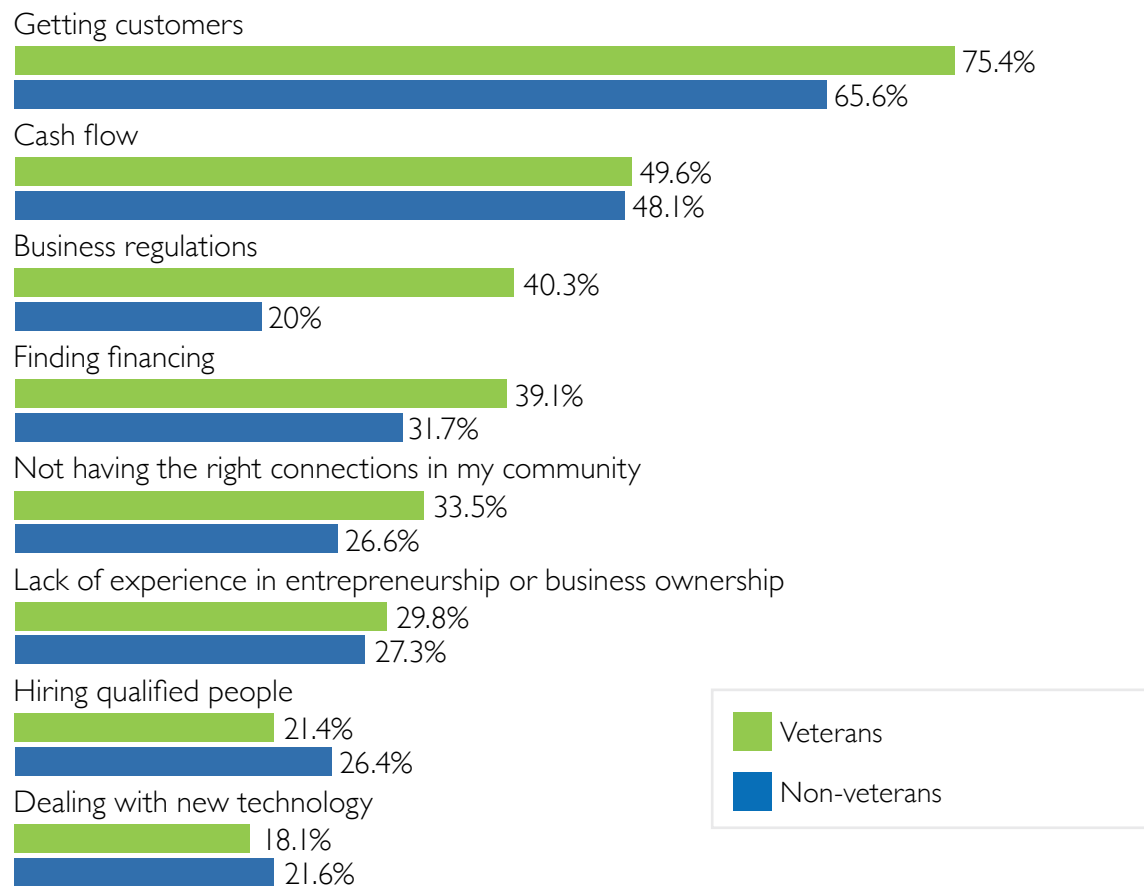
SCORE’s findings are consistent with other studies of veteran entrepreneurs which cited the top motivations for entrepreneurship were to “make own decisions,” “the chance to implement own ideas/creating something” and “the opportunity to be financially independent/increase personal income.”^{xvii}

Many veterans note the obstacles they face due to disability or bias. Often, they express a strong desire to thrive independently.

“I want self-control over my profession and I want to make decisions that I couldn’t make as an employee. I want to help people and build my own business without roadblocks through my own research, trial and error, investments and planning. I want to be challenged at a level that I haven’t been since my military deployment.”

Distinctively, veteran business owners are twice as concerned about business regulations, 25.9% more concerned about community connections, 23.3% more concerned about financing and 14.9% more concerned about getting customers.

Which of the following are or were of significant concern to you as a business owner? (check all that apply)



As is common for all entrepreneurs, the top two concerns for veterans are getting customers (75.4%) and cash flow (49.6%). Distinctively, veteran business owners have more concerns than non-veteran owners about their business success. They are twice as concerned with business regulations, 25.9% more concerned about their connections in their community, 23.3% more concerned about finding financing and 14.9% more concerned about getting customers compared to non-veteran owners.

“Why can’t small businesses get the same if not better access to easy, low interest financing like buying a home or financing a vehicle?”

Many veterans feel the military prepared them well for small business leadership.

*What skills/strengths have most contributed to your success as a business owner?
(check all that apply)*

	Veterans	Non-veterans
Work ethic/discipline	75.6%	76.5%
Leadership and management skills	57.7%	53.3%
Confidence	56.9%	53.7%
Communication skills	50.4%	56.6%
Prior experience or education in the field	50.4%	49%
Moral code and social responsibility	47.6%	48.6%
Managing risk/uncertainty	35.8%	31.5%
Working with others different from myself	32.9%	34.3%
Effective business planning	27.6%	25.9%

Veterans report their greatest strengths are hard work (75.6%), leadership (57.7%) and confidence (56.9%). Many feel that the military prepared them well for small business leadership. This is consistent with other studies in which veteran entrepreneurs state that skills such as work ethic, teamwork and leadership have helped them in their business^{xviii}.

Veteran entrepreneurs see the support of family/friends and business mentors as being of most help during this time.

*What resources are most helpful to you as a business owner?
(check all that apply)*

	Veterans	Non-veterans
Support of family/friends	42.6%	47.5%
Business mentor	40.5%	43.3%
Education	33.5%	30.4%
Personal coaching/counseling	31.4%	30.2%
Business networking groups	28.9%	31.8%
Access to financing	20.2%	26%
Trade associations	12.4%	10.8 %

Like others, veteran entrepreneurs saw the support of family/friends and business mentors as most helpful throughout the pandemic. Veterans who access a business mentor, coach or business network say they truly value the support they gain.

“The EDC, SBDC and local Angel Group have been instrumental in my success. Building a network of people you can trust, that trust you, is essential.”

Veteran entrepreneurs feel unsupported by every level of government (federal, state, local) at a rate that is 10-21% higher than non-veterans.

During this time of COVID-19, how much support for your business did you see from:

	Not at all supported (Veterans)	Not at all supported (Non-veterans)	Somewhat supported (Veterans)	Somewhat supported (Non-veterans)	Very supported (Veterans)	Very supported (Non-veterans)
Federal government	59.4%	49.2%	31.1%	34.2%	9.4%	16.6%
State government	76.9%	65.9%	21.5%	26.1%	1.7%	8%
Local government	78.5%	71.7%	14.5%	20.5%	7%	7.8%
Local community	52.3%	47.8%	30.5%	32.9%	17.2%	19.2%

Across the board, veterans felt less supported by every level of government. More than non-veteran business owners, veterans were 20.7% more likely to say the federal government does not support them; 16.7% more likely to say their state government does not support them; and 9.5% more likely to say their local government does not support them.

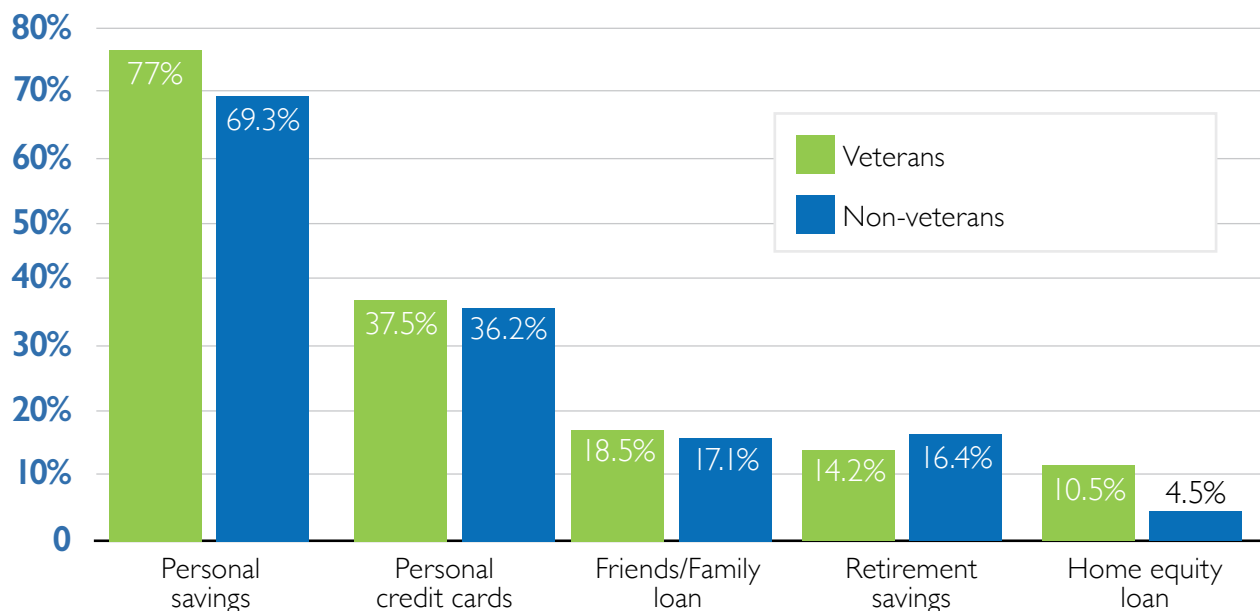
“My business has been crippled by the government-imposed lockdown. Right before the lockdown I was permanently disabled from a service-connected deployment. I was unable to receive military benefits as a called-up reservist to orders. All programs like Wounded Warrior or Safe Harbor are provided to active-duty service men and women and not for reservists. If not for my savings and other funds I had before the military permanently disabled me, I would not be in business.”

While more than half of the veteran business owners surveyed by SCORE have not felt support from their local communities during the COVID-19 pandemic, some have reported experiencing community support.

“My community supports us by showing up and helping us find needed equipment and other resources. It’s been awe-inspiring!”

Veteran business owners have had to rely on their personal savings to finance their business at a rate that is 11.1% greater than non-veteran owners.

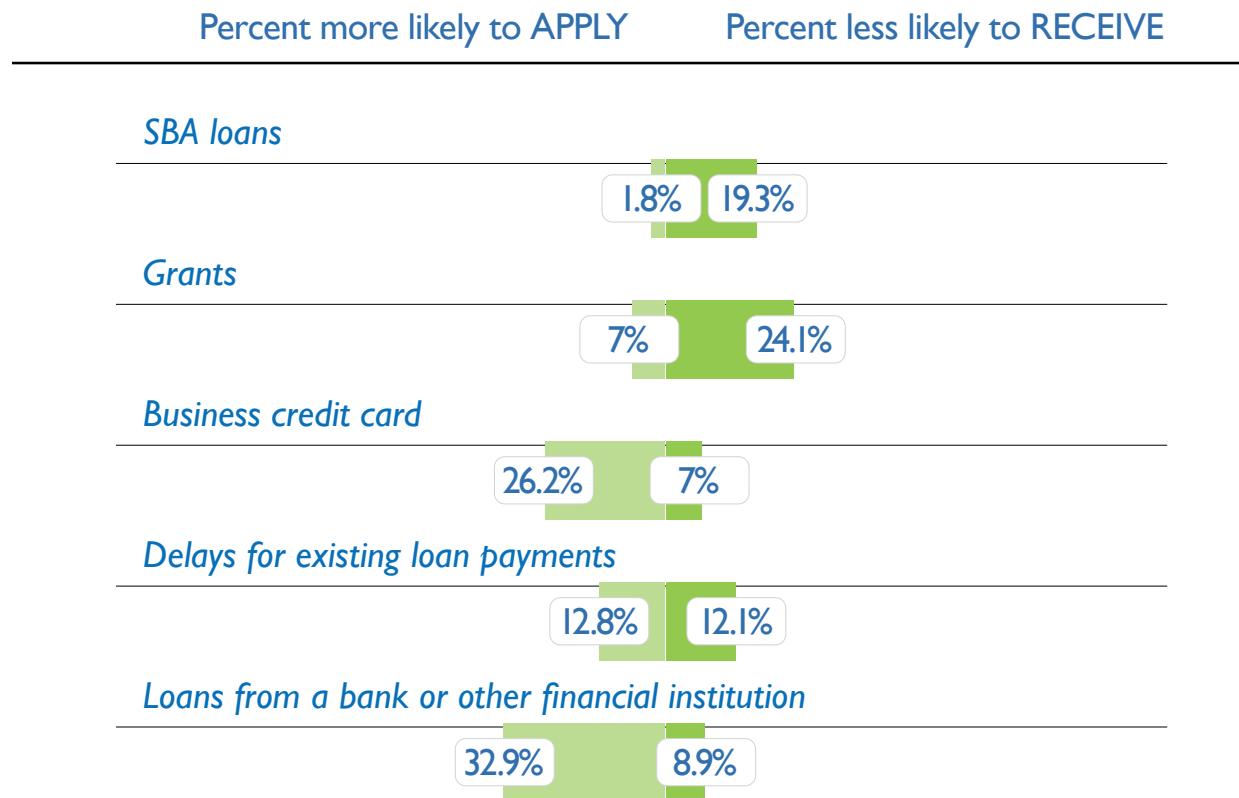
What personal sources have you used to finance your business since March 15, 2020? (check all that apply)



Whether a business owner is a veteran or not, the vast majority of owners have had to dig into their personal savings and use personal credit cards during the economic setbacks that began with the pandemic. Veteran business owners, however, had to rely on their personal savings to finance their business at a rate that is 11.1% greater than non-veteran business owners.

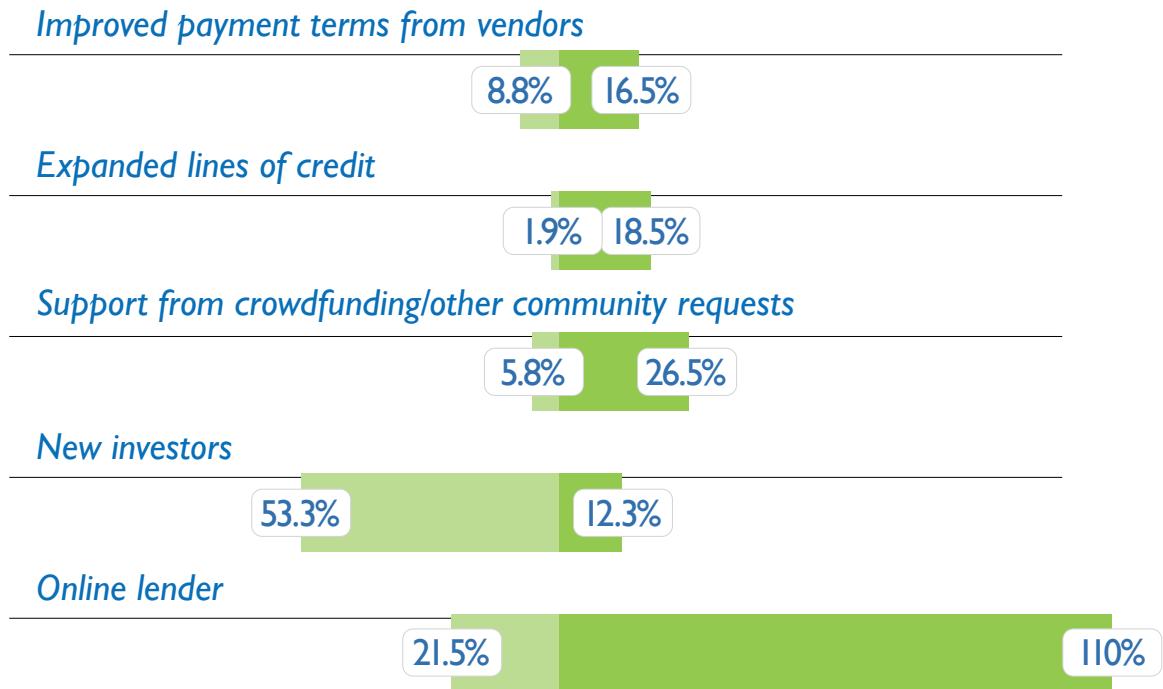
Veterans were 24.1% less likely to receive a grant and 19.3% less likely to be approved for an SBA loan, compared to non-veterans.

Since March 15, 2020 have you sought and/or received any of the following financial resources: (check all that apply)



Percent more likely to APPLY

Percent less likely to RECEIVE



One third of all small business owners sought SBA loans and grants for financial aid since the pandemic began and more than half received them. However, veteran business owners reported experiencing rejection for financial assistance at a disproportionately high rate. Veterans were 24.1% less likely to receive a grant and 19.3% less likely to be approved for an SBA loan, compared to non-veterans. In fact, veterans were less likely to receive delays for loans, expanded lines of credit, improved payment terms and support from crowdfunding.

Veteran business owners were more likely to apply for business credit cards (26.3% more often) and new loans from a bank or other financial institution (32.9% more often). Veterans were much more likely (53.3% more) to seek support from a new investor, though they received funds at approximately the same rate as others (14.3% for veterans, 16.3% for non-veterans).

Across most categories of financial assistance, veteran entrepreneurs were less likely to receive the help they requested. One avenue where veterans found the most support was with online lenders, where they were twice as likely as non-veterans to successfully obtain loans.

Surprisingly, only 10.5% of veteran owners applied for loans from the Veteran's Administration and 7.7% were successful in obtaining them.

Veteran business owners did seek COVID-relief funds at the same rate as others. When they did ask, they were rejected 20-100% more often than non-veteran business owners.

Which of the following government-related COVID-19 relief resources have you sought and/or received since March 15, 2020? (check all that apply)

Non-veteran businesses

	Sought		Denied		Received partial amount		Received full amount	
First draw PPP (Paycheck Protection Program) loans	37.5%	39%	34.4%	24%	9.7%	13.6%	46.2%	53.1%
Second draw PPP (Paycheck Protection Program) loans	21.8%	23.7%	37%	25.3%	3.7%	4.4%	18.5%	25.8%
EIDL (Economic Impact Disaster Loan)	34.3%	36.4%	27.1%	22.7%	23.5%	24.3%	38.8%	40.1%
SBA Express Bridge Loan	6%	7.2%	53.3%	41.7%	6.7%	9.4%	0%	11.5%
Unemployment-insurance benefits for self-employed workers	13.7%	21.4%	32.4%	15.9%	29.4%	27.1%	35.3%	42%
Small Business Debt Relief program (on current or potential non-disaster SBA loans)	10.9%	7.7%	33.3%	36.4%	7.4%	12.6%	11.1%	15.5%
50% refundable payroll tax credit on worker wages employers only)	6%	8.5%	14.3%	15.9%	14.3%	8.5%	14.3%	15.9%
Delay in employer-side payroll taxes (employers only)	2.6%	5.8%	0%	25%	0%	3.6%	33.3%	19.6%

Sought Denied Received partial amount Received full amount

Veteran businesses

Veteran business owners were equally likely (compared to non-veterans) to seek financial support from government-related COVID relief financing, including loans and payment delays. However, when they did ask, veteran business owners were denied financial relief at a much higher rate than non-veterans.

Compared to non-veterans, veteran business owners were:

- Twice as likely to be rejected for unemployment-insurance benefits for self-employed workers.
- 43.3% more likely to be rejected for the first draw PPP loan.
- 46.2% more likely to be rejected for the second draw PPP loan.
- 27.8% more likely to be rejected for the SBA Express Bridge Loan.
- 19.4% more likely to be rejected for the EIDL.

Efforts by veterans to obtain financial support resulted in mixed success, as illustrated by survey respondents' qualitative feedback. Some had success, but most found the process frustrating or limiting.

“Paperwork and requirements for my government loan were confusing, time consuming and difficult. However, I was successful.”

“Everyone tells me that as a female, disabled veteran/single mom, I should be able to find some sort of a grant. But for all the research I’ve done, I can’t find anything.”

“Even though I’m a veteran, there is almost no financial help for startups or small business owners that haven’t existed for more than two years, regardless of your plan/projections. For the most part, a new small business owner is forced to borrow from self or family or use very high interest rate options.”

“I tried to get a VA loan but it had been eliminated. After several tries, I was forced to take money from my 401 to finance my startup. The VA was no help.”

Encore Entrepreneurs

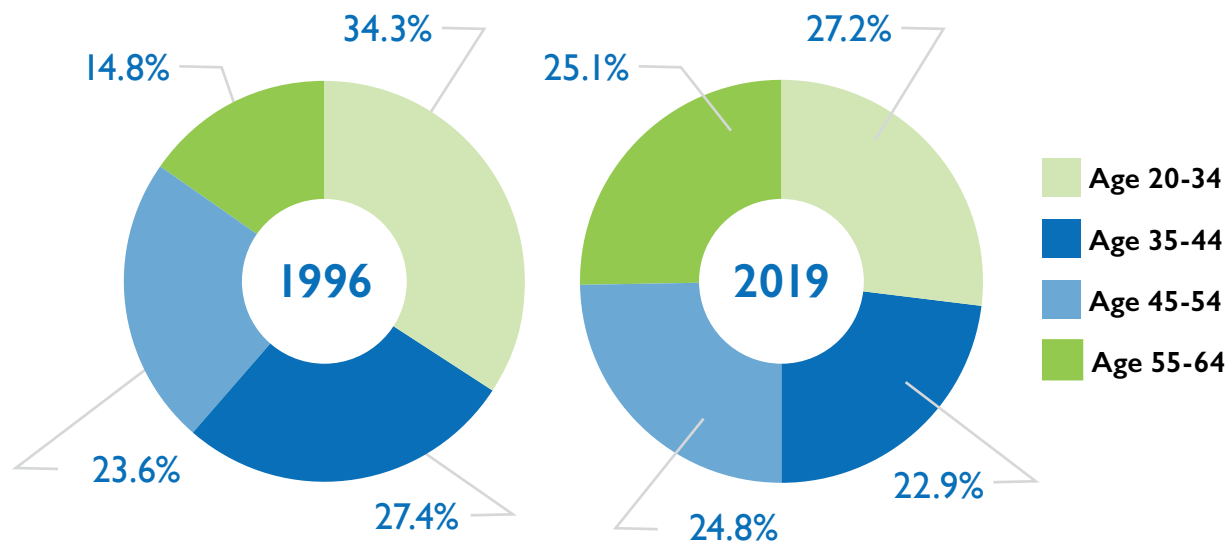
Highlights

- Compared to younger business owners, encore entrepreneurs are 29.8% more likely to use their businesses for supplemental income and are 25.3% less likely to cite financial independence as a motivator.
- Dealing with new technology is a much higher concern (22% higher) for older (versus younger) business owners. On the other hand, they worry less about customers, cash flow or connections.
- Age and experience pay off, as encore entrepreneurs are 25.1% more likely to cite their skills in effective business planning as a strength compared to younger business owners.
- Nearly 71.8% of encore entrepreneurs feel they have not been supported by their local government, while 65.5% feel no support from their state. Less than half (48.9%) reported feeling local community support or support from the Federal government (47.8%).
- Encore entrepreneurs finance their business with retirement savings 52.3% more often than younger groups. With this self-sufficiency, they less often use personal savings, personal credit cards or loans from friends/family.
- Encore entrepreneurs are less likely to seek financial help or accrue debt from any source. Yet, when they ask, they were up to 62% more likely to receive non-government aid and 20-46% more likely to be approved for government aid, including PPP loans, unemployment insurance and other sources of federal/state financial assistance.

Business owners over age 55 lead 50.9% of all U.S. businesses^{xix}.

Encore entrepreneurs are our survey respondents who are age 55 or older^{xx}. Many report having left their previous careers to start businesses for the first time, as they near the traditional retirement age. Some seek excitement by following a new path, while others start a business to share their skills and “give back.”

A 2019 Kauffman study shows that older adults are both a growing segment of the U.S. general population and the U.S. entrepreneurial population. Individuals ages 55 to 64 grew from 14.8% of all new entrepreneurs in 1996 to 25.1% of all new entrepreneurs in 2019^{xxi}.



Source: Kauffman Foundation: [Startup Activity, National Trends](#).

In SCORE's study of 2,918 business owners, 1,250 respondents were encore entrepreneurs. This accounts for 42.8% of all business owners surveyed.

Some survey respondents age 55+ report experiencing ageism while working for others. This obstacle is one variable driving them to start their own businesses. Encore entrepreneurs capitalize on their rich life experiences and carefully-honed skills to offer valuable products and services while working for themselves.

“Human resource decision makers need to implement a better process to review applicants because they are missing hundreds of loyal and skilled business owners and/or employees that will improve their businesses’ bottom line and culture. I pray that people FINALLY pay attention and listen.”

What is your stage as a small business owner?

Encore business owners:



Non-encore business owners:



Encore entrepreneurs tend to own later-stage businesses compared to younger entrepreneurs. More than 74.1% state they've been in business for more than a year, compared to 66% of those under 55.

Please select the option that best describes your business:

	Encore	Non-encore
Supplemental work: The business is not the owner's primary source of income and the owner has no plans to hire employees in the next 12 months.	30.9%	23.8%
Contract work: The business is the owner's primary source of income, the owner works as an independent contractor or 1099 worker and the owner has no plans to hire employees in the next 12 months.	24%	21.3%
Stable non-employer: The business is the owner's primary source of income, the owner does not work as an independent contractor or 1099 worker and the owner has no plans to hire employees in the next 12 months.	24.2%	24%
Early-stage potential employer: The firm has been in business for one year or less and the owner has plans to hire employees in the next 12 months.	20.9	30.9%

Encore entrepreneurs report their business is for supplemental work nearly 30% more often than younger business owners. This group is uniquely positioned to have access to income from pensions or other retirement funding streams, which may relieve them from the pressures of depending on their business as a primary source of income.

What were the reasons you decided to start your own business? (check all that apply)

	Encore	Non-encore
Following a passion	61.2%	70.5%
Be my own boss	46.8%	60.2%
Saw an opportunity in the marketplace	43.6%	46.6%
Wanted to contribute to my community/society	35.2%	43.2%
Wanted to be financially independent	33.9%	45.4%
Desire for work-life balance/flexibility	33.3%	48.3%
Unemployment or underemployment at my previous job	21.3%	24%
Needed to supplement my income	17.7%	18.6%
Could not showcase my skills with regular employers	15.2%	22.2%
More financially stable to be able to start a business	12.5%	12.9%
Had more available time	11.2%	8.5%
Job discrimination	9.7%	11.2%

Encore entrepreneurs are 25.3% less likely to cite financial independence as a motivator to start their own business.

Encore entrepreneurs report starting their business for similar reasons as other age groups. Their top two motivators are: “following a passion” (61.2%) and “being my own boss” (46.8%) – though these reasons are cited more frequently for younger entrepreneurs. Generally, the reasons older entrepreneurs start their business are wide-ranging and balanced across the options offered in this survey.

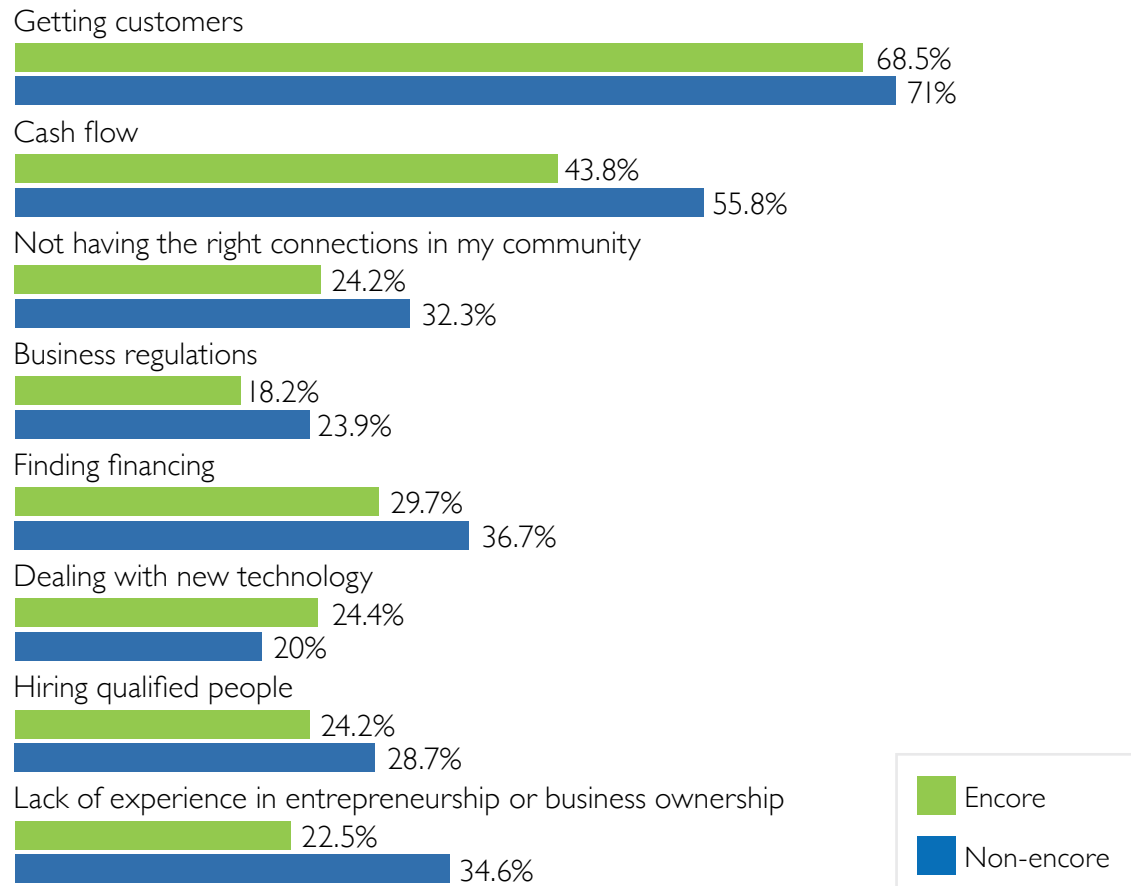
Most significantly, encore entrepreneurs are 25.3% less likely to cite financial independence as a motivator. This complements the data that their businesses are more often used as supplemental income.

Encore entrepreneurs are generally less likely than younger business owners to cite work-life balance as a motivator. Qualitative feedback showcases the confident sense of pride and purpose that encore entrepreneurs derive from business ownership and their appreciation for the benefits an entrepreneurial lifestyle affords them.

“I wanted to be in control of my own destiny. I am an industry expert and this is a chance to put my 25+ years of experience to the test... I know I’m up for it!”

Compared to younger counterparts, encore entrepreneurs are more concerned about dealing with new technology, and less concerned about cash flow, connections or having entrepreneurial experience.

Which of the following are or were of significant concern to you as a business owner? (check all that apply)



While encore entrepreneurs share the same top concerns as those under age 55 – including finding customers (68.5%) and cash flow (43.8%)—they report fewer concerns in general. This may be reflective of how they use their businesses for supplemental, rather than primary income.

Only one area of concern presented a greater impact for encore entrepreneurs, compared to their younger counterparts – they are more concerned about dealing with new technology than younger business owners.

“Technology has been a big obstacle for me. I am returning to work/new business after many years, so still feeling a bit behind.”

“Better educational opportunities for affordable, lifelong learning is needed [for older business owners] especially in emerging technologies and entrepreneurship.”

Encore entrepreneurs are 25.1% more likely to cite effective business planning as a strength compared to younger business owners.

What skills/strengths have most contributed to your success as a business owner? (check all that apply)

	Encore	Non-encore
Work ethic/discipline	77.3%	76%
Communication skills	54.6%	57.5%
Confidence	54.5%	53%
Leadership and management skills	50.2%	56.1%
Prior experience or education in the field	50%	50.1%
Moral code and social responsibility	47.4%	49.7%
Effective business planning	34.4%	27.5%
Working with others different from myself	33.4%	34.4%
Managing risk/uncertainty	31.1%	32.9%

Asked what skills and strengths contributed to their success, encore entrepreneurs, similar to other business owners, pride themselves on their work ethic (77.3%), communication skills (54.6%) and confidence (54.5%). Encore entrepreneurs are 25.1% more likely than younger business owners to cite their effective business planning skills as their strength. With experience and time, comes wisdom.

“My age is an asset. As an older entrepreneur, I bring experiences and dare I say, a bit of wisdom to my new business.”

“I wanted the flexibility to design and operate a business exactly how I wanted to. I have the ability to work as hard and as many hours as I want to. I can travel, meet people from all walks of life, learn every day. I feel particularly satisfied when I can help people and those people really needed my help.”

*What resources are most helpful to you as a business owner?
(check all that apply)*

	Encore	Non-encore
Support of family/friends	43.2%	50.9%
Business mentor	39.4%	46.1%
Business networking groups	31.8%	31.5%
Education	28.9%	32.5%
Personal coaching / counseling	27.2%	32.8%
Access to financing	26%	24.7%
Trade associations	14.2%	8%

There are many resources that encore entrepreneurs utilize for support. Similar to other business owners, the most valued resources include the support of family/friends (43.2%) and business mentors (39.4%).

While encore entrepreneurs value all sources of support, it is notable that they cite leaning on family and friends 15.1% less often than younger counterparts. Similarly, they are 14.5% less likely to list business mentors as a primary source of support compared to younger business owners. On the other hand, they are 77.5% more likely to cite trade associations as helpful, compared to the younger generation.

Nearly 72% of encore entrepreneurs say they receive no support from their local government and less than half (48.9%) felt support from their local communities.

During COVID-19, how much support for your business did you see from:

	Not at all supported (Encore)	Not at all supported (Non-encore)	Somewhat supported (Encore)	Somewhat supported (Non-encore)	Very supported (Encore)	Very supported (Non-encore)
Federal government	47.8%	52.2%	34.3%	33.8%	17.9%	14.1%
State government	65.5%	68.5%	26.4%	25.1%	8.1%	6.4%
Local government	71.8%	73.1%	20.6%	19%	7.5%	7.9%
Local community	51.1%	45%	32.6%	33.1%	16.3%	21.9%

“Being active in my local Chamber of Commerce has provided me many opportunities to network, showcase my business and contribute to the community. This has been the most influential and productive resource for growing my business.”

Encore entrepreneurs, like younger business owners, have not felt supported by government at the federal, state or especially (71.8%) the local level. Less than half (48.9%) have felt any support from their local communities.

“I am grateful to have received some funding from my state and federal government. I have not received funding from local or community agencies provided funding to help businesses like mine even though I applied and explained the urgency of why the funding is needed.”

Encore entrepreneurs rely on their retirement savings to finance their business 52.3% more often than any other group.

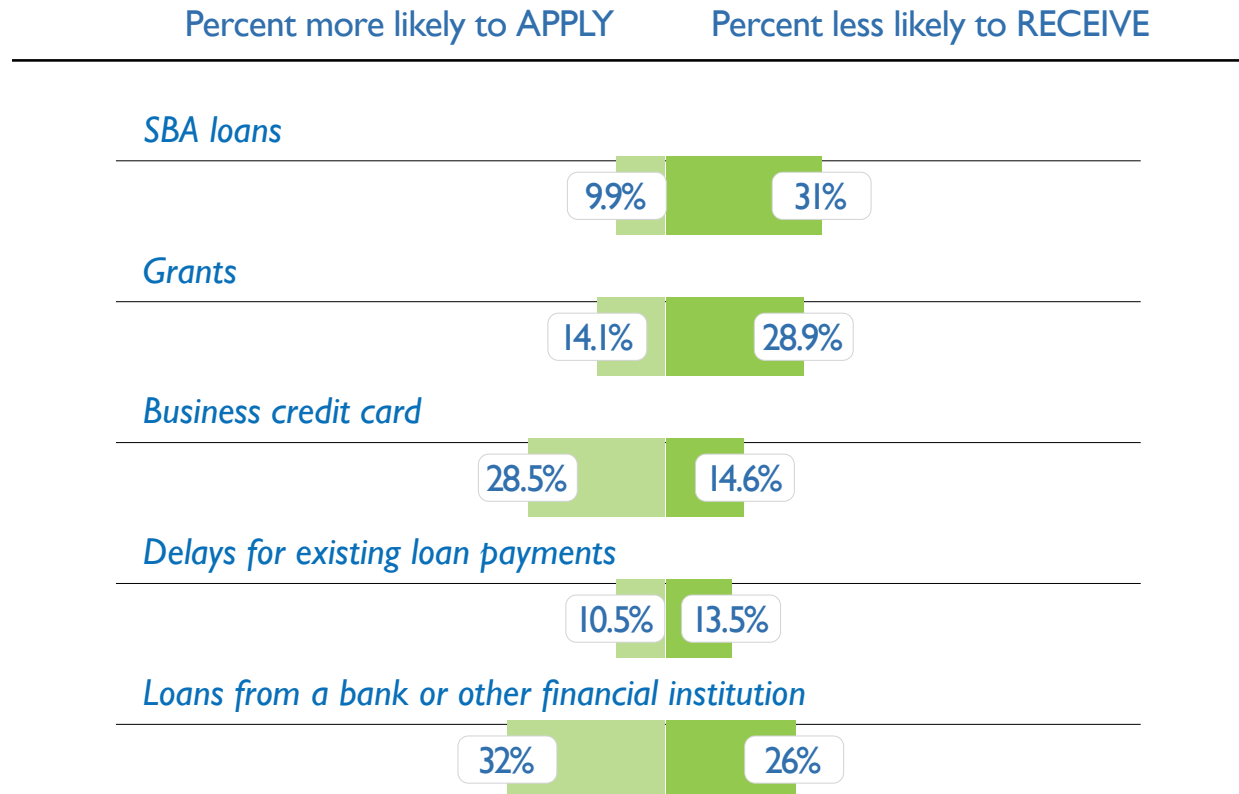
What personal sources have you used to finance your business since March 15, 2020? (check all that apply)

	Encore	Non-encore
Personal savings	74%	79.3%
Personal credit cards	36.6%	42.6%
Retirement savings	23.6%	15.5%
Friends/family loan	14.1%	23%
Home equity loan	6.3%	4.9%

Like most entrepreneurs, business owners age 55+ have used personal savings and credit cards to finance their business since March 2020; however, they have used these tools less often than younger business owners. Instead, they are 52.3% more likely to tap into their retirement savings. Older business owners are 38.7% less likely to seek loans from friends/family, and are 14.1% less likely to use personal credit cards than business owners under 55 years of age.

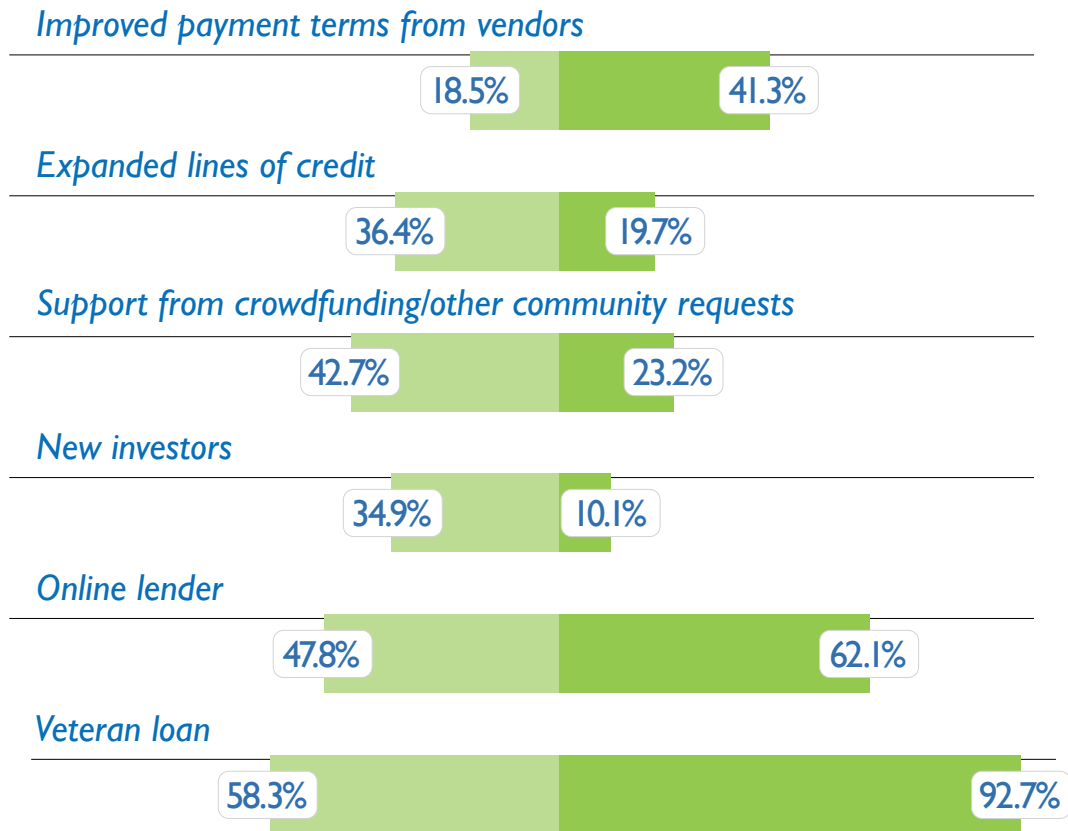
Encore entrepreneurs are less likely to accrue debt or seek financial help. When they request financial aid, they are up to 62% more likely to be approved.

Since March 15, 2020 have you sought and/or received any of the following financial resources: (check all that apply)



Percent more likely to APPLY

Percent less likely to RECEIVE



Encore entrepreneurs generally did not ask for financial relief as much as other age groups. When they did need help, they requested SBA loans (35.4%) and grants (31.7%) more often than other sources.

“I never borrow outside money. I only rely on customer sales to expand business. I do not want access to easy money because I don’t want to owe anyone. To me, debt means you are working for someone else and feels like a burden.”

Interestingly, when this older group of entrepreneurs sought funding, they were much more likely to receive what they requested, including improved lending terms, compared to their younger counterparts.

When they asked for financial support, encore entrepreneurs were:

- 62.1% more likely to gain support from an online lender (though younger business owners asked more often).
- 36.5% more likely to receive a loan from a bank or other institution.
- 31% more likely to receive an SBA loan.
- 28.9% more likely to receive a grant.
- 23.2% more likely to gain support from crowdfunding and other community requests.
- 19.7% more likely to receive an expanded line of credit.
- 14.6% more likely to receive a business credit card.
- 13.5% more likely to receive delays for existing loan payments.

“I receive recurring offers for financing. The nature of my business does not require significant outside resources and I fund my capital expenses from business revenue.”

“Financing was never a problem. We were very conservative regarding savings and credit. I earned my way through engineering college and graduated broke but debt free. My wife and I lived on a budget to save between 20% and 50% of our income. It added up over a lifetime.”

Encore entrepreneurs were approved for every government resource for the full amount requested, from PPP loans to unemployment benefits, 25-46% more frequently than younger business owners.

Which of the following government-related COVID-19 relief resources have you sought and/or received since March 15, 2020?

Non-encore businesses

	Sought		Denied		Received partial amount		Received full amount	
First draw PPP (Paycheck Protection Program) loans	40.9%	43.5%	20.2%	28.4%	13.9%	13%	59.1%	47%
Second draw PPP (Paycheck Protection Program) loans	23.1%	27.8%	23.2%	28.1%	4.2%	4.8%	30.8%	21.1%
EIDL (Economic Impact Disaster Loan)	38.1%	40.8%	17.2%	28.3%	28.4%	21.2%	44.7%	35.6%
SBA Express Bridge Loan	6.2%	9.2%	42.9%	41.1%	11.7%	8.1%	18.2%	6.5%
Unemployment-insurance benefits for self-employed workers	21.2%	23.9%	17.4%	15.9%	30.2%	25.5%	48.7%	35.5%
Small Business Debt Relief program (on current or potential non-disaster SBA loans)	6.4%	10.7%	32.5%	37.5%	15%	11.1%	27.5%	8.3%
50% refundable payroll tax credit on worker wages	6%	10.1%	16.1%	16.1%	19.4%	3.6%	22.6%	10.7%
Delay in employer-side payroll taxes	4.1%	6.9%	28.6%	21.1%	9.5%	0%	33.3%	13.2%
	Sought		Denied		Received partial amount		Received full amount	

Encore businesses

Encore entrepreneurs were generally less likely to pursue government-sourced financial assistance. When they did request PPP loans, EIDLs and unemployment insurance, the full amount requested was awarded to encore entrepreneurs 25-46% more often than to younger entrepreneurs. Though a relatively small number of these business owners asked for Small Business Debt Relief, they were as much as 231.3% more likely to receive the full amount requested.

Encore entrepreneurs report being very careful about saving money, avoiding borrowing money or using credit, and feeling conservative about incurring debt.

Conclusion

In the U.S., three demographic groups have contributed to entrepreneurial growth at a much higher rate than other groups: immigrants, veterans and people over the age of 55. Data shows that more than 50% of all U.S. businesses are led by an encore entrepreneur and immigrant-led businesses are an increasing share of startups. These “unsung entrepreneurs” have demonstrated grit, hope and the resilience to stay “open for business.”

This report contains results from a composite of two surveys. The first was conducted by SCORE in February 2020, just before the COVID-19 pandemic and the second in February 2021, after the U.S. economy and small businesses faced unprecedented changes. Additional questions on the impact of COVID-19 were added in the second survey. Results generally compare each distinct target group with business owners who are not in that group.

Study results reveal similarities among these groups of entrepreneurs, as well differences.

First, all three groups similarly start their business to follow a passion and to be their own boss, while crediting their work ethic, discipline and confidence as their best strengths. They are equally concerned about getting customers and cash flow, and they all “bootstrap” by tapping into personal savings and credit cards when needed. Interestingly, when they were asked about their greatest sources of support in February 2020 (before the pandemic), responses in order were: business mentor, personal coach/counselor and business networking groups, followed by support from family/friends. Responses to this question shifted since the pandemic, with February 2021 results elevating family/friends and mentors to the top two positions. The shift in responses shows how deeply the pandemic has affected business owners on both a personal and business level.

Some of the most significant differences found in this survey indicate:

1. Though immigrant entrepreneurs applied for financial resources from government and non-government sources before the pandemic at a similar rate to their counterparts and more frequently since the pandemic began, they are far less likely to receive the financial support they request. Immigrant entrepreneurs are rejected for aid up to 72-83.5% more often than non-immigrants.
2. A remarkably large number of veteran entrepreneurs surveyed (42%) have a disability, yet they still proportionately start-up more businesses than non-veterans. It is important to note that veteran entrepreneurs are distinctively more concerned about business regulations, their community connections, financing and getting customers than non-veterans. Also, like immigrants, veterans have a much higher rejection rate for government and non-government financing.
3. Encore entrepreneurs remain a stable and thriving element of the U.S. economy with more confidence, patience and independence than other groups. Though they ask for outside financial resources less frequently than younger counterparts, they are significantly more likely to receive financial support from both government and non-governmental sources when they do ask.

A thriving and healthy ecosystem for businesses run by immigrants, veterans and people over the age of 55 is critical for broader U.S. economic growth and opportunity. SCORE urges all entrepreneurs to take advantage of the many free and online resources available through www.score.org, including the opportunity to connect with a highly skilled SCORE mentor at absolutely no cost. The SCORE Small Business Resilience Hub is designed to help business owners successfully navigate the continued challenges of the COVID-19 pandemic and bolster their business for future success.

Please contact SCORE's media office for interview inquiries or to discuss future research partnerships at media@score.org.

Methodology

From February 4-24, 2021*, SCORE surveyed entrepreneurs who agreed to be contacted for research. From this master list of 16,265 people, 3,270 completed the survey for a response rate of 20.1%.

Because this study aimed to capture the voices of current business owners, respondents were asked to identify their current business stage as a screening question. After screening, 2,918 were identified as current business owners. Within this data, 393 respondents were immigrants, born outside of the U.S., 248 were veterans and 1,250 were over the age of 55.

SCORE wanted to understand the contributions of these three special demographic groups, so we compared responses from each target group to the rest of the survey population (for example, immigrant business owners versus non-immigrant business owners).

** It should be noted that this survey was originally distributed and analyzed in January/February 2020. Given the historic impact of the COVID-19 pandemic on small business owners, SCORE decided to re-execute this survey, adding in questions on the impact of COVID-19. The conclusions were consistent across both samples.*

Demographics

Gender	Immigrant	Veterans	Encore	Total Study
Female	59.5%	27.3%	61.7%	64.5%
Male	36.9%	70.2%	36.6%	33.5%
Non-binary	0.5%	0%	0.2%	0.4 %
Prefer not to answer	3.1%	2.4%	1.4%	1.7%

Veteran owners responding to this survey are more likely to be male. Encore and immigrant owners responding to this survey are more likely to be female.

Age	Immigrant	Veterans	Encore	Total Study
18-24	0.8%	0%	0%	0.5%
25-34	6.1%	2.4%	0%	6%
35-44	20.5%	13.5%	0%	17.8%
45-54	34.3%	30.2%	0%	27.6%
55-64	26.1%	31.8%	67.1%	32.3%
65+	12.3%	22%	32.9%	15.8%

Veteran business owners are more likely to be older, which aligns with other studies highlighting that younger veterans are less likely to start businesses. Immigrant business owners tend to be younger.

Ethnic background (check all that apply)	Immigrant	Veterans	Encore	Total Study
White	34.8%	63.4%	70.9%	64.1%
Black or African American	26.3%	27.6%	18.5%	21.9%
Of Hispanic origin or descent (such as Mexican, Puerto Rican, Cuban or other Spanish background)	20.5%	6.9%	5.4%	7.5%
American Indian or Alaska Native	0.5%	3.7%	2.1%	2.4%
Asian	16.1%	1.2%	2.3%	3.4%
Native Hawaiian or other Pacific Islander	0.8%	0%	0.4%	0.5%
Some other race	5.6%	1.6%	2.3%	2.6%
I prefer not to answer	4.1%	4.9%	3.9%	4.7%

In this study, immigrant business owners were more likely to be people of color, with representation from many ethnicities. Veteran business owners were more likely to be Black or African American. Encore entrepreneurs were more likely to be White.

Native born to the U.S.?	Immigrant	Veterans	Encore	Total Study
Yes	0%	91.5%	87.9%	84.8%
No	100%	8.5%	12.1%	15.2 %

U.S. military status, inc. Coast Guard	Immigrant	Veterans	Encore	Total Study
No military experience	94.4%	0%	89.3%	90.3%
Veteran	5.3%	96.8%	10.5%	9.3%
Current active military / reserves	0.3%	3.2%	0.2%	0.3%

↓

Do you have a service-related disability?		Responses
Yes	41.9%	103
No	58.1%	143

Please select the industry category that best fits your business:	Immigrant	Veterans	Encore	Total Study
Agriculture, farming, fishing and hunting	1.6%	6.6%	3.1%	3.1%
Accommodation and food services	8.1%	3.3%	5.5%	6%
Arts, entertainment and recreation	7%	10.8%	11.5%	11.9%
Banking, finance and insurance	2.1%	3.3%	1.9%	2.3%
Health care and social assistance	12.2%	6.2%	9.7%	10.8%
Home or personal maintenance services	5.7%	3.7%	3.8%	5.8%
Manufacturing and industrial	6%	9.1%	6.7%	6.2%
Nonprofit, public and professional organizations	5.2%	5%	6.2%	5.6%
Professional and business services	29.2%	22.4%	24.3%	23.7%
Real estate, rental and leasing	1.6%	4.1%	3.6%	3%
Retail trade	9.9%	11.6%	13%	12.4%
Wholesale trade	2.9%	2.9%	3.4%	2.3%
Technical and scientific services	6.3%	7.5%	5.3%	4.7%
Transportation and warehousing	2.3%	3.3%	1.9%	2.3%

How many years have you been a business owner? (average)	Immigrant	Veterans	Encore	Total Study
0-1 year	33.2%	32.8%	25.8%	31.1%
2-5 years	32.1%	36%	30%	33.7%
6-10 years	13.6%	12.6%	13.8%	13.5%
11-20 years	10%	8.9%	12.8%	11.1%
Over 20 years	11.1%	9.7%	17.6%	10.5%

Businesses owned by encore entrepreneurs tend to have operated the longest.

How many employees do you have (including yourself)?	Immigrant	Veterans	Encore	Total Study
Solopreneur – no employees	55.3%	52.2%	57.6%	58.1%
2-5	33.5%	35.9%	29.2%	29.8%
6-10	6.8%	3.7%	6.4%	6.4%
11-20	2.6%	5.3%	3.8%	3.5%
21-50	1.3%	1.6%	2.5%	1.8%
50+	0.5%	1.2%	0.2%	0.3%

More than half of the respondents were solopreneurs, which is consistent with statistical trends on U.S. small business ownership.

What were your company sales receipts in 2020?	Immigrant	Veterans	Encore	Total Study
<25K	54.2%	58.3%	51.4%	52.3%
\$25,000-50,000	12.3%	8.8%	11%	11.6%
\$50,001-100,000	8.4%	8.8%	10.5%	10.4%
\$100,001-250,000	11.8%	10.8%	11.5%	11.4%
\$250,001-500,000	5.8%	2.9%	6.6%	6.1%
\$500,001-1M	5.2%	4.2%	4.2%	4.1%
\$1M-2.5M	1%	3.3%	2.8%	2.7%
\$2.5M-5M	1%	1.3%	1.2%	0.8%
\$5M-10M	0%	0.4%	0.4%	0.2%
>\$10M	0.3%	1.3%	0.4%	0.4%

The majority of survey participants represented by all categories of small business owners in this study made less than \$25,000 in 2020.

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