The Impact of COVID-19 on Military Connected Business Owners

A Hello Alice Impact Report
Alton’s Old School Barbershop officially opened January first of 2020. My husband and I are dedicated, hard working professionals with combined experience of over 35 years in the industry. We embrace family values and teamwork. By offering our barbers more commission than our competitors as well as three day weekends we hope to ensure their quality of living is above average as well as their work/family time being balanced.

Always a believer in the American dream, I joined the US ARMY as a homeless college student. The military taught me respect and discipline as well as indoctoring me with a strong social conscience. This new social awareness helped me to find ways to grow by uplifting others. We hope to be able kickstart a new homeless outreach for high school kids soon.

I’ve been lucky to be helped by female veteran financial advisors and other veteran entrepreneurs. Without Hello Alice, my disabled vet status and military connections none of these resources would have been available. The help of the Business For All Emergency Grant insured our first year was rewarding as well as trying.

The Lakewood neighborhood where the barbershop is located has been impacted greatly by Covid -19. We’ve seen many small businesses shutter their windows and close shop for good. The Lakewood community strongly supports small local businesses and to see the very heart of our community destroyed by corporate real estate companies is devastating. Some of our neighbors have had rent tripled during the pandemic.

Our employees and friends are suffering. Our head barber, also a front man for a local band, has written songs about the political environment and crisis. He stated “ Covid 19 greatly affected my bottom line in both clientele and budget for life ”. Morgan Baker, our most dedicated employee has been forced to move from her home in the Lakewood area. She stated that “Covid 19 left her fighting to stay busy and make money”. Taylor Hawkins, our busiest barber told us “Covid -19 affected his relationships and wreaked havoc on his life”. Our shop as a whole has made around 15% of the revenue we usually make. Michael Alton the co-founder, optimist and always my inspiration has managed to stay focused on the bright side of things. He took time during quarantine to rebuild and rebrand the entire shop. Many of the one of a kind pieces at Alton’s Old School Barbershop were lovingly crafted by Michael Alton
himself. His strong leadership is crucial in our success. He believes that, “With more knowledge of the virus and safe practices we are picking up and will be busy again”

Thank you again Hello Alice for the guidance and support. You have helped guide us and shield us from what could have been the most devastating year of our life.

In loving service,

Daunya Byrd
Co-founder of Alton’s Barber Shop

Michael Alton
Co-founder of Alton’s Barber Shop
Our nation’s military spouses have one of the highest unemployment rates in the country at nearly 24% (Deloitte Center for Government Insights) and underemployment starting at 31%, and these were the numbers last reported before COVID. This is due to the military lifestyle’s high demands and the often nomadic and volatile nature the military families face. Military spouses encounter more obstacles than the average civilian counterparts. The continuum of multiple relocations and work outside of their field sets them hundreds of steps behind the average citizen to build generational wealth. Requiring them to continuously pivot to create financial support, emotional stability, and military readiness, they need to remain resilient to whatever lies ahead.

Due to this, more and more military spouses have been taking the leap and turning to entrepreneurship and small business ownership as a way to take control of their career path.

Because of this, they are now faced with a new set of needs, learning the entrepreneurship path. It requires a community of resources and collaboration to support them on their journey to successfully launch their own business and bring economic stability, emotional and financial freedom to their families.

Now is the time to recognize and establish new opportunities for organizations to create tailored opportunities to spouses individual needs to serve them better. Military spouses require specific and creative support for them to succeed as entrepreneurs.

Hello Alice, The Assoc. of Military Spouse Entrepreneurs and the Military Connected community are the additional resources needed to offer the constant support. But also to establish a network that understands and can provide peer to peer mentorship, along with curated education, impactful resources, upskilling and unconventional out of the box thinking to give the environment military spouses need to thrive as successful entrepreneurs.

Flossie Hall
COO/CoFounder Assoc. of Military Spouse Entrepreneurs

Moni Jefferson
COO/CoFounder Assoc. of Military Spouse Entrepreneurs
Hello Alice’s COVID-19 Business Resource Center

Hello Alice is hosting the COVID-19 Business Resource Center and Industry Hubs (covid19.helloalice.com) in partnership with the U.S. Chamber of Commerce Foundation, eBay Foundation, Global Entrepreneurship Network, Salesforce Essentials, Silicon Valley Bank, Verizon, Mastercard and UBS. Through the Center, business owners can connect with peers likewise affected by this pandemic and experts to get the help they need in real time, including comprehensive access to financial support, government programs, real-time policy updates, enterprise discounts, virtual events, and step-by-step guides targeted at specific industries as they prepare to reopen. Through the Center, small business owners were provided with the opportunity to apply for $10,000 COVID-19 Business for All Emergency Grants on a rolling basis that include mentorship for every applicant. This is just part of a collective effort to ensure #BusinessForAll during the COVID-19 pandemic and beyond.

Data gathered from the community of over 260,000 small business owners educates thought leaders on the barriers and opportunities faced by small business owners. Small business owners, likewise, are encouraged to utilize this data and join us in advocating for the needs of entrepreneurs. Aggregate trends and insights ensure New Majority founders, including women, people of color, military-connected owners, entrepreneurs with disabilities, and members of the LGBTQ+ community, are represented both for their successes and the hurdles they overcome. This data report is intended to be a tool for enterprise companies, policy makers, and thought leaders to better serve the unique needs of the military connected small business community.
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**Data on Military Connected Owned Businesses**

This report compiles data from:

13,103 Military Connected Entrepreneurs

- 62% identify as women
- 37% identify as men
- 0.3% identify as non-binary
- 0.3% identify as gender non-conforming
- 0.7% prefer not to say

8% of military connected identify as LGBTQ+

69% of military connected entrepreneurs have pivoted their businesses

According to the U.S. Census Bureau, there are 2.5 million veteran-owned small businesses in America. These owners employ more than 5 million people, which contributes over $1 trillion to the U.S. economy. According to a recent study by the Small Business Administration, former service members are 45% more likely to own small businesses than non-veterans, indicating that military duty often bolsters self-employment.¹

Hello Alice military-connected resource center has partnerships and resources specifically developed for the purpose of empowering and growing small businesses created by all those entrepreneurs who identify as part of the military-connected community.
Current Status of Military Connected Businesses

The COVID-19 pandemic presents unprecedented challenges for small business owners. To better understand business owners’ current needs, the Hello Alice COVID-19 Business for All Emergency Grant application collected demographic information, funding requirements, and operational challenges. The results, collected since March 2020, show that:

- 91% of military connected entrepreneurs are calling on the government to step up and give them access to more emergency grants ranging from $10-25k.

- Grants of $10-25k would be put towards many things, including lost sales, as 67% of military connected entrepreneurs said that was their biggest hurdle during this time of social distancing.

- About 39% of veteran owned businesses have closed due to COVID-19. 83% of whom don’t believe they will close the business permanently whereas the remaining 17% are uncertain whether or not they will open their business again.

- More than 41% of veteran-owned businesses are operating at 20-40% capacity, while only 7% are operating at 80-100% capacity.\(^2\)

The coronavirus pandemic has affected small business owners in many ways. The COVID-19 Business Resource Center offers industry specific tools, access to capital, and community to make it through this difficult time.
Top Industries of Military Connected Businesses

13% of military connected entrepreneurs are in the healthcare and wellness industry

10% of military connected entrepreneurs are in the arts, entertainment, and recreation industry

13% of military connected entrepreneurs are in the professional business services industry

13% of Military Connected entrepreneurs are in “other” industries, which were not listed in the responses

11% of Military Connected entrepreneurs are in the consumer goods, retail, and e-Commerce industry

Business Owners: If you’re looking for more financial resources for your business during COVID-19, check out this free guide for a step-by-step walkthrough.
Biggest Challenges Faced by Military Connected Businesses

According to AMSE’s 2019 Report, 50% of military spouse entrepreneurs stated that growing their business was their highest ranking need in 2019.\(^3\)

COVID-19 has challenged military connected entrepreneurs in various ways - from finding capital to building awareness.

Freda Madison and her veteran husband Kevin Madison are working hard to create generational wealth in underserved communities on the south and west side of Chicago, Illinois. With over 30 years of experience in property development as a real estate agent, Freda officially took the business leap in 2016 and created Madison Enterprises LLC.

The company purchases and rehabilites distressed property to sell them at market value. In these four years, Freda and Kevin have rehabbed 20 units, creating a safe and affordable environment where residents can live, work, and play without going outside of their community. Like 18% of other military connected applicants, day-to-day operations have changed for Freda as she now has to take into consideration sanitizing measures to show her properties.

Business Owners: If you’re facing difficulty collaborating with partners, customers, or your employees, this step-by-step walkthrough on how to host a virtual meeting can help.

\(^3\)AMSE’s 2019 Report
Biggest Impacts on Military Connected businesses

Of the over 13,000 military connected entrepreneurs surveyed, the most common COVID-19 impact (for nearly 9,500) has been reduced sales due to the social distancing measures that have been implemented.

Social distancing measures have often meant the closing of schools. According to AMSE’s 2019 Military Spouse Entrepreneurship Data report, 77% of members have children at home to take care of. In addition, 32% of these owners have operated their business while their spouse was deployment.

Vernon Logan is proud to serve in the United States Military while also growing his business, Logan Ventures. This Georgia based consulting business provides branding, promotion, and social media management to its clients. Like 50% of active duty applicants, Logan Ventures has had to pivot its business model for services to be done remotely. Social distancing rules and the need for separation of individuals have been the most impactful consequence of the current crisis for Logan Ventures, as well as for over 8,000 military connected applicants.
PPP and EIDL for Small Businesses

60% of veteran business owners have applied for the Paycheck Protection Program (PPP) and/or Economic Injury Disaster Loan (EIDL), while 40% did not.

43% applied for both PPP and EIDL; 9% applied for PPP only; 3% applied for EIDL only. Out of those who applied, 53% received EIDL funding only, 48% received PPP funding only, 4% received both PPP and EIDL, and 3% did not receive any funding.

43% of military connected funders applied for both PPP and EIDL.
Emergency Funding for Military Connected Businesses

- According to AMSE’s 2019 Military Spouse Entrepreneurship Data report, 22% of military spouse founders polled made more than $50k per year in revenue with 5% making more than $1 million annually.4

- The strong majority of military connected entrepreneurs — nearly 6 out of every 10 — reported they needed emergency funding immediately.

- The type of emergency funds most requested was emergency grants, with over 91% of military connected entrepreneurs needing this type of support from the government.

58% of military connected entrepreneurs said they need emergency funding immediately

15% of military connected entrepreneurs said they need emergency funding within 2 weeks

14% of military connected entrepreneurs said they need emergency funding within 30 days

4% of military connected entrepreneurs said they need emergency funding within 60 days

Lila Teunissen and Michelle Thomsen are both United States veterans and the co-founders of Bed N’ Biscuit Ranch in Bismarck, North Dakota. This cat and dog boarding, grooming, daycare, and training facility was forced to shut down operations due to the pandemic. A closed business means no customers, and for nearly 33% of military connected applicants, Lila and Michelle included, the inability to raise capital has been the biggest business stresser.
Optimism for the Future

“Adapt and Overcome” is not just a military saying, it is a way of life. Veterans do not back down from challenges and this year is no different. As we struggled with a global pandemic, the realities of structural racism, and the rise of hyper-partisanship, I believe that veterans, and the military-connected community at large, remain steadfast in our desire to create a better tomorrow and to put service over self.

The last few weeks have shown us that while voter turnout is up in the United States, bipartisanship is at a near all-time low. However, I remain ever hopeful and optimistic about the future of our nation because the military-connected entrepreneurship and small business community is engaging, solving tough problems, and creating wealth and opportunity.

While the electorate is divided, we are connected. We are connected around the belief that big challenges mean big opportunities. We are connected around closing the ecosystem gap and creating an equitable path toward entrepreneurship for all. We are connected around simple actions like helping a business clean up after a natural disaster or re-open after a lockdown. We are connected as risk-takers and innovators. And, most of all, we are connected as a military community in our commitment to serve.

The research from Hello Alice on COVID-19 and its impact on military-connected small business is impactful, powerful, and together with Bunker Labs’ Entrepreneurship Insights Study we know that our work is needed now, more than ever. We’re immensely grateful to the team at Alice for their recognition and support of the military-connected small business community.

This Veteran’s Day, we highlight just a few of the many veteran entrepreneurs and small business owners who have led the way:

- U.S. Marines veteran Clayton Poff, who overcame Covid-19 and financial struggles to persevere in his mission to create a world in which people do not have to go outside to breathe fresh air. Clayton’s company, Pure Light Clean Air, provides ultraviolet air purification systems to schools, hospitals, nursing homes and businesses to ensure access to clean air so that a more normal life can resume. So far this year, he has completed projects at 34 veterans’ homes and a medium-sized manufacturing facility and has a full prospect pipeline.
• U.S. Army veteran Nancy Preston, who lived the adapt and overcome credo by pivoting her food startup and rental kitchen business, Milk Money Kitchens, to provide more than 8,000 healthy meals, FDA-approved masks, and hand sanitizer to first responders and essential workers. This action not only supported the community, it also allowed Milk Money Kitchens to keep 12 food businesses alive, open a second location, and hire three new employees.

• U.S. Marines veteran Brett D’Alessandro and military spouse Alexa Modero who ran towards the sounds of strife when the pandemic hit the Greater New York City region. Their nonprofit Backpacks for Life, which supports homeless veterans, leveraged relationships in the textile industry to quickly manufacture masks and other personal protective equipment for veteran organizations including the New Jersey Department of Military and Veterans Affairs. To date, Brett and Alexa have supplied just over 10,000 masks and 105,000 isolation gowns through Backpacks for Life and their new for-profit entity, United States Manufacturing Company.

These leaders from the military community embody what it means to adapt and overcome. We are proud to honor them, and to honor all of you who are striving to be creators during a time of great challenges.

What can you do? Bunker Labs has developed an Ecosystem Whitepaper outlining beneficial advocacy efforts. In addition to that, get involved with our military-connected community. We have adapted programming for virtual capabilities across all programs - join our community at Bunker Online and let us know how you’d like to get involved.

While we do not know what 2021 has in store, we can and must lead the way with love, trust, respect, and grace. We must lead the way by banding together as a group of entrepreneurs hell-bent on creating opportunity for ourselves, our businesses, our communities, and our country.

Here’s to the veteran and military-connected community who will always Adapt and Overcome.

Semper Fi,

Blake Hogan
CEO, Bunker Labs
Where to Go From Here

Since our launch in 2017, Hello Alice has hosted resources and opportunities for military connected business owners. We are and always will be committed to equal access for these business owners. Our data shows that there needs to be a specific concentrated or conscious effort to support military connected business owners to overcome the challenges posed by the COVID-19 pandemic. We have responded with the most up-to-date opportunities, resources, and step-by-step guides to help military connected business owners reopen safely and successfully. Together we will emerge from this crisis stronger than before.

Finally, Hello Alice recommends the following actions based on our data:

- **More loans and grants.** Over a 1/2 of military connected entrepreneurs have struggled with finding loans and grants.

- **Shop local.** 67% of military connected entrepreneurs have seen a reduction in sales due to social distancing.

- **Extend government support.** 91% of military connected entrepreneurs are looking to the government to step up and provide grants.

- **Engage with the following organizations:** Association of Military Spouse Entrepreneurs, Business Beyond the Battlefield, Bunker Labs, United States Veterans Chamber of Commerce, and Veteran Women’s Enterprise Center.

This resource by our partners at AARP shares important resources to aid veterans, active duty military, and their families amid COVID-19 outbreak.
About Hello Alice

Hello Alice (helloalice.com) helps businesses launch and grow. A free multi-channel platform powered by machine learning, Hello Alice guides business owners by providing access to funding, networks, and services. Through a network of more than 260,000 owners in all 50 states and across the globe, Hello Alice is building the largest community of business owners in the country while tracking data and trends to increase owner success rate. Hello Alice partners with enterprise business services, government agencies, and institutions looking to serve small and medium business owners to ensure increased revenues and to provide the best-possible experience for owners who want to start or grow their companies. Founded in 2017 by Elizabeth Gore and Carolyn Rodz, Hello Alice believes in business for all — by providing access to all owners, especially women, people of color, military connected, the LGBTQ+ community, and persons with disabilities. Hello Alice exists to serve every American with an entrepreneurial spirit.
Sources

1CNBC
2IVMF | Syracuse
3AMSE’s 2019 Report