

Early exposure to entrepreneurship and the Creation of Female entrepreneurs

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 - ▶ Peer-effect in entrepreneurship (e.g., Nanda & Sorensen 2010; Lerner & Malmendier 2013)
 - ▶ **Data: Danish** registry data (1980-2017)
 - School register: school attended between age 13-16 between 1980-1992
 - Family register: individuals & peers with their families
 - Employment/Firm register: career history (incl. entrepreneurs) & firm performance
 - ▶ **Identification**:
 - Selection into schools is not random
 - But, **share of peers** whose parents are entrepreneurs **across cohorts** is random
 - Quasi-random variation in the **share of peers within schools** across cohorts

Results and Mechanisms

- Early exposure to entrepreneurship increases entry (+88%) & tenure in entrepreneurship
- Potential mechanisms explored in the paper:
 - 1 **Mentoring**
 - Not driven by girls-peers' mothers relationship
 - 2 Transmission of info about **career path** leading to entrepreneurship
 - Girls more likely to enroll & complete **vocational education** → path conducive to entrepreneurship
 - 3 Transmission of specific info about entrepreneurship
 - **Sector-specific effects** → they start in the same sector
 - Newly created firms are larger and longer surviving than average → +4.8% jobs created by female entrepreneurs exposed to female peers

Outline of this discussion

- ① Comment 1: Measurement of the peer effect
- ② Comment 2: Educational paths and startups' characteristics
- ③ Comment 3: Negative selection
- ④ Comment 4: Average or marginal entrepreneur?

Comment 1 – Measurement of Early Exposure

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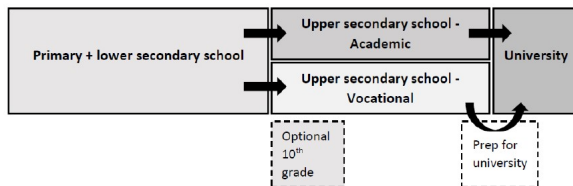
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- Suggestions:
 - ① The effect of peers with entrepreneur-parents should be **stronger early on in life**
 - ② Control for *Siblings become entrepreneurs, Neighbors are entrepreneurs, Uncles/ants are entrepreneurs, partner is entrepreneur...* → **other social influences?**

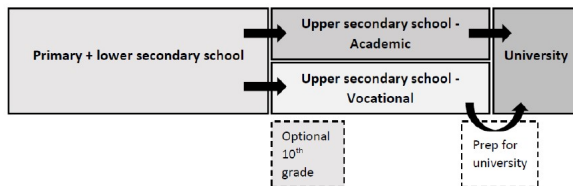
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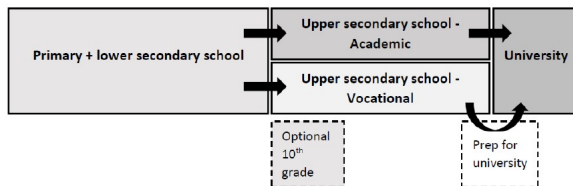
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- Suggestions:
 - Decompose the effect **by industry** (SIC 1/2)
 - Focus on some industries that require a high level of educational skills (technological or managerial) → e.g., tech-entrepreneurship, patent-intensive, innovation-oriented

Comment 3 – Negative Selection

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- Suggestions:
 - ① Identified peers' parent-entrepreneurs who quit, or went bankrupt and returned to employment
 - ② Split the sample between **successful/ unsuccessful** entrepreneurs
→ idea: reconcile the literature on the peer effect in entrepreneurship

Comment 4 – Average or Marginal Entrepreneur?

- The paper asks *“Is the **marginal** woman entering entrepreneurship because of higher exposure during adolescence relatively talented?”*
- Assumptions to identify the marginal entrepreneur:
 - ▶ The marginal female entrepreneur is as talented as incumbent
 - ▶ Not different on observable and unobservable characteristics
 - ▶ Entered only because of higher exposure to entrepreneurs during adolescence

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- Assumptions to identify the marginal entrepreneur:
 - ▶ The marginal female entrepreneur is as talented as incumbent
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- However, performance tests measure **average effects** and assume that the distribution of talents is continuous
- Unfortunately, there is no smoking-gun analysis to run
 - ▶ Omitted variables could still explain why female entrepreneurs entered more within school
 - ▶ e.g., opening of a new entrepreneurship-elective within the school, gentrification of the area, changes in school districts between years

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- Suggestions:
 - ① Report the **variance** in the share of peers' parent-entrepreneur across cohort **within school**
 - ② Eliminate the right tail and focus on the **left tail** of female entrepreneurs who have entered
 - ③ Tone down the narrative on the marginal female entrepreneur

Conclusion

- The papers finds that **higher exposure** during adolescence encourages **entry into entrepreneurship** during adulthood. The effect is driven by girls exposed to female peers with entrepreneur parents.
- Key ingredients:
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 - ① Control for **other social forces** that may influence entry into entrepreneurship
 - ② Identify **industries** that drive the effect + discuss the role of vocational education to innovation
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Thank you!