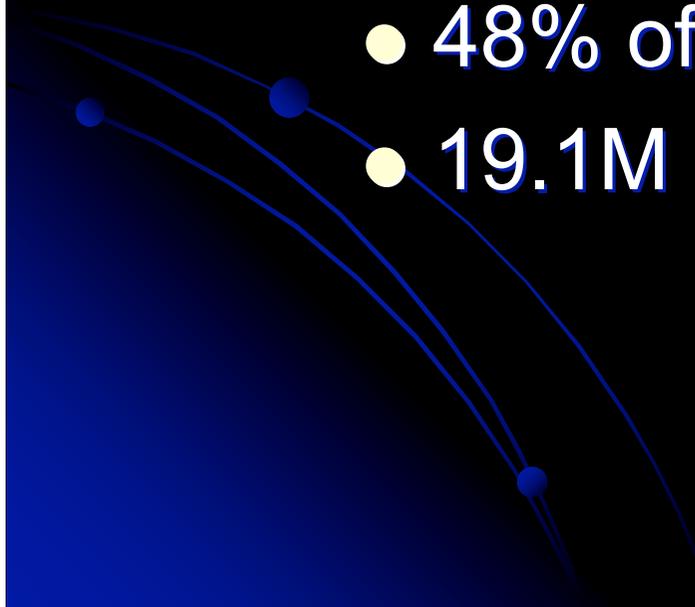


**Are Men and Women Entrepreneurs
Different? Does It Matter?
Implications for Supporting Women
Entrepreneurs**



ESBRI and CONNECT Sweden
Forum on Female Entrepreneurs
December 2007

U.S. Women Business Owners

- One in 18 women in the U.S.
 - 10.6M privately-held (at least 50% ownership)
 - 48% of all firms
 - 19.1M employees, \$2.46T revenues
- 

A Different View?

- Startups

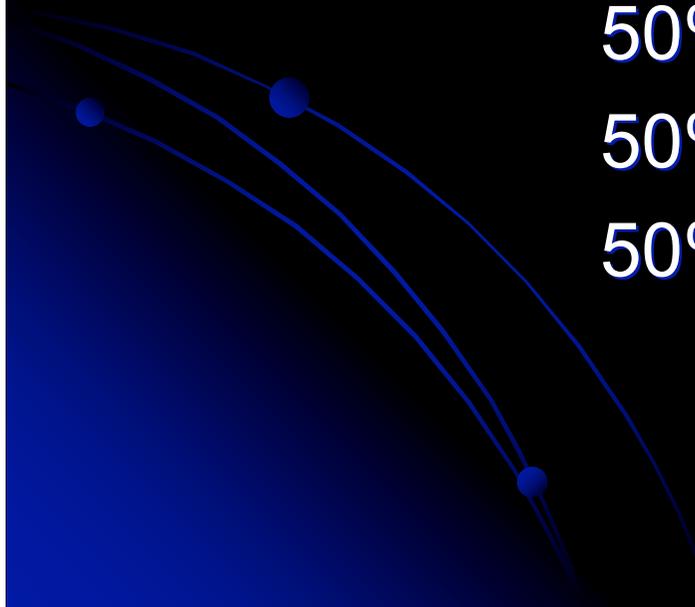
1.9 men for every U.S. woman

- Size

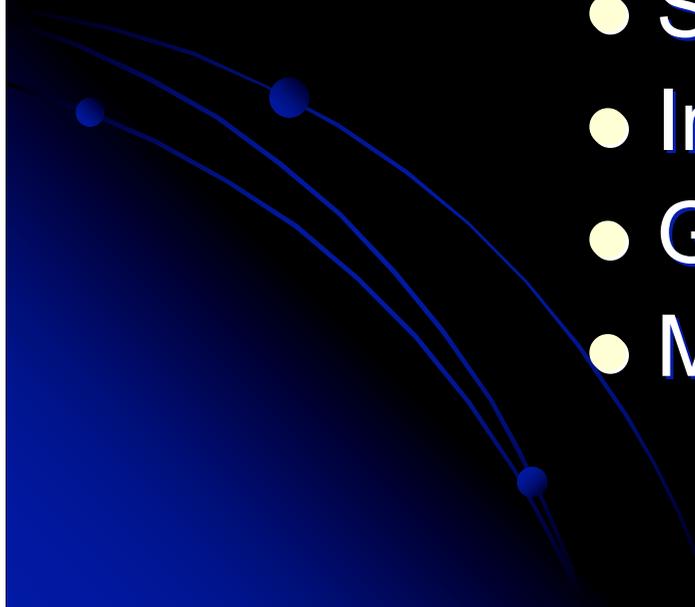
50%+ WOB \$151,130

50% \$259,236

50%+ MOB \$582,450

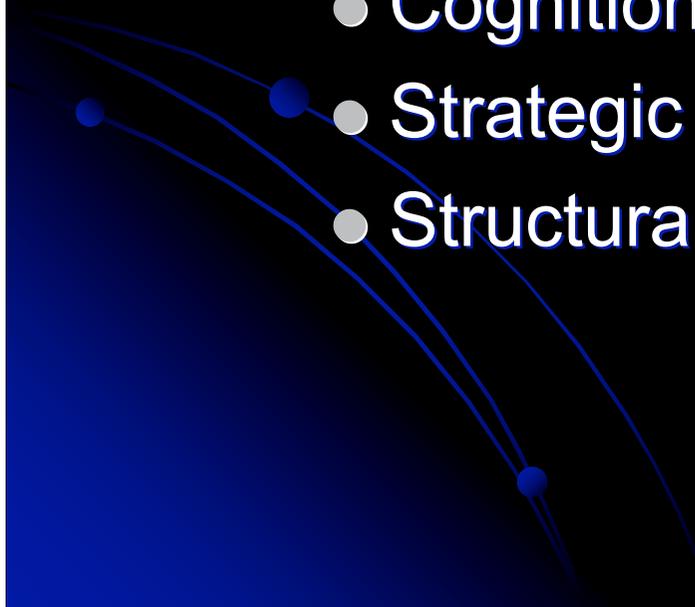


Contributing Factors

- Lack of education
 - Access to capital
 - Not being taken seriously
 - Child and dependent care
 - Social networks
 - Industry choice
 - Growth aspirations
 - Motivations
- 

Framework

Literature Review of Differences /Impact

- Human Capital
 - Social Capital
 - Financial Capital
 - Cognitions
 - Strategic Choices
 - Structural Barriers
- 

Human Capital Differences?

- Education

- Experience

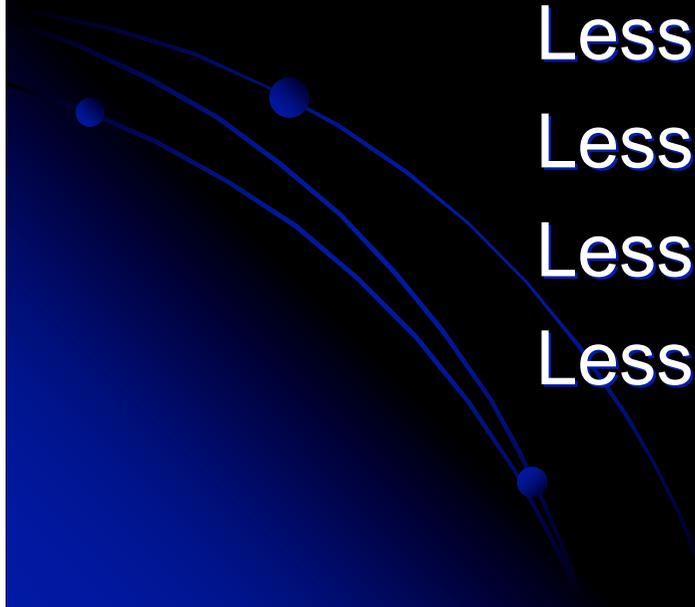
 - Less paid employment

 - Less management

 - Less previous self-employment

 - Less startup or ownership

 - Less industry experience



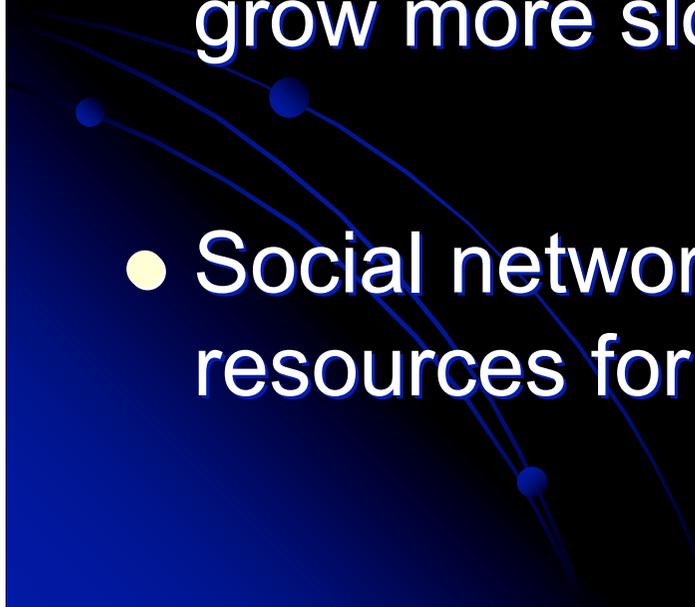
Human Capital: Does it Matter?

- Prior paid employment → startup
→ survival
(\$ capital)
 - Entrepreneurial → startup
 - Industry experience → survival
→ growth
- 

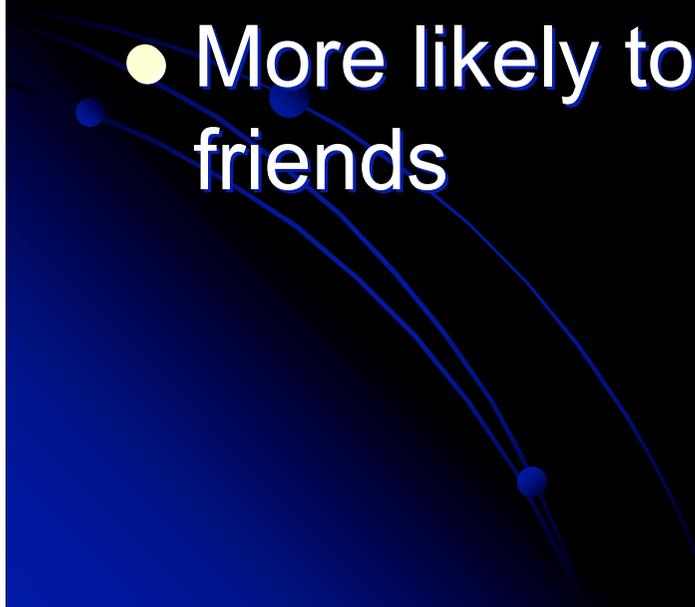
Social Capital Differences?

- Women entrepreneurs use their networks for information, social and instrumental support--men for instrumental
- Women have higher proportion of kin
- Men report men in their networks and use men for their primary contacts

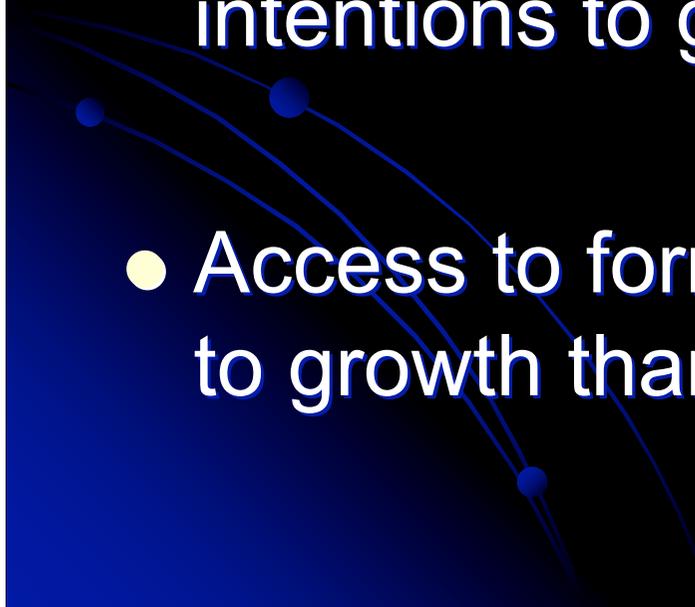
Social Capital: Does it Matter?

- High proportion of kin decreased odds of starting a business
 - Businesses with less diverse networks grow more slowly
 - Social networks important to financial resources for growth
- 

Financial Capital Differences?

- Less capital in starting and growing
 - Prefer internal sources for growth
 - Less likely to use debt
 - More likely to borrow from family and friends
- 

Does Financial Capital Matter?

- Lack of capital hinders startup, survival, growth
 - Access to capital more important than intentions to grow
 - Access to formal sources more important to growth than strategies
- 

Cognitive Differences?

Motivation

- Financial success and innovation less important to women
- Flexibility and family-work balance more important
- Personal-career goals intertwine

Does Motivation Matter?

- Internal motivations for women →
startup success
- External (market need) →
startup success
- Market opportunity (external) motivations →
survival
- Negative relationship between independence
(internal) motivations and growth

Cognitive Differences?

Risk-taking

- Females entrepreneurs score lower than men but higher than general population
- Risk-taking tied to monetary risk
- Women less accepting of risk for purely monetary gain

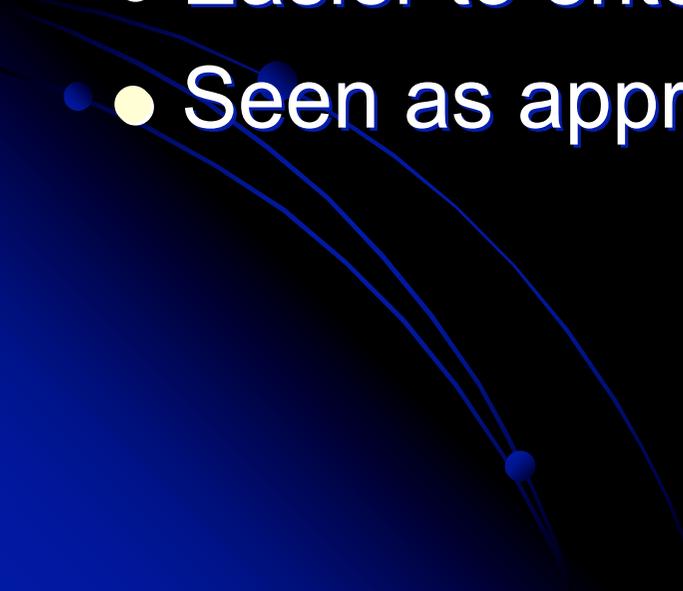
Does Risk-taking Matter?

- No clear tie to performance

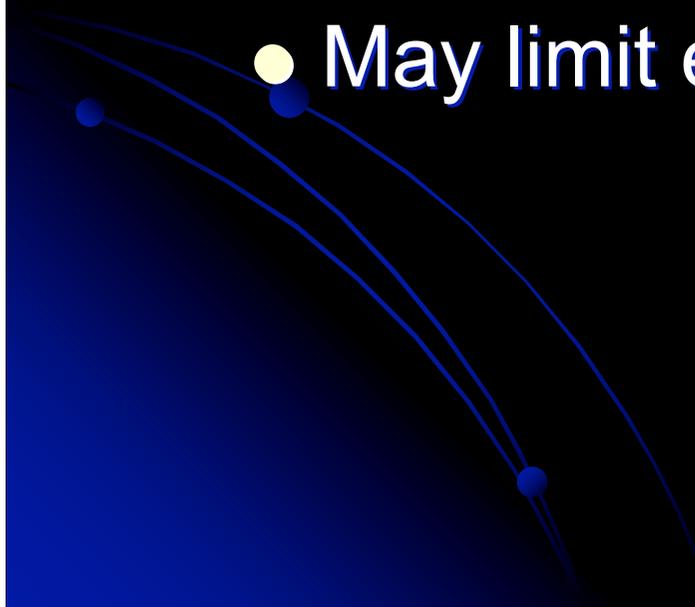


Strategic Choice Differences?

Industry

- Over represented in services and retail
 - Easier to enter, require less capital
 - Seen as appropriate industries
- 

Does Industry Matter?

- Service and retail is highly competitive
 - Survival rates are lower
 - Lower growth rates and profitability
 - May limit external funding opportunities
- 

Strategic Choice Differences?

Business strategy

- Women put more emphasis on quality
 - May increase survival rates
 - May limit the size of the business if carried to extreme
- 

Strategic Choice Differences?

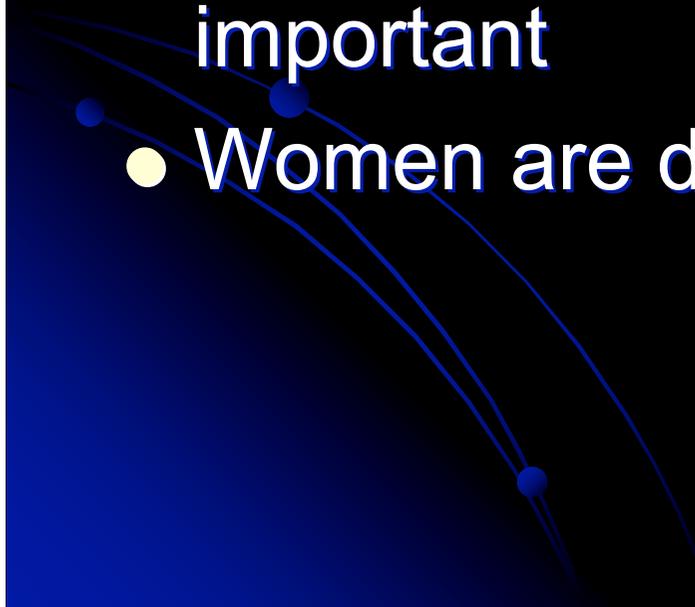
Growth intentions

- Growth intentions ---equivocal findings
- More likely to set smaller size limits



Structural Barriers

Banking

- Little overt bank discrimination
 - Size, age, and industry may be more important
 - Women are dissatisfied
- 

Structural Barriers

Equity markets

- Less than 5% of equity investments
- Women VC s are less than 10% of decision makers
- Between 1995-2000, women VCs were twice as likely to exit industry

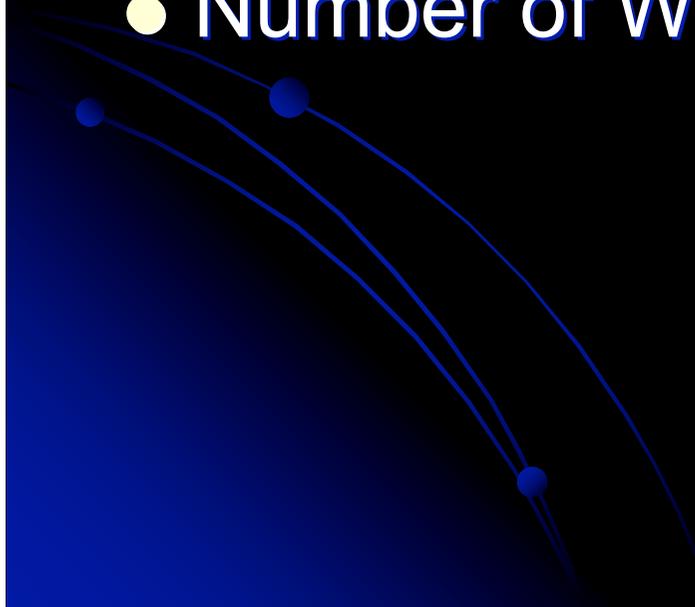
Structural Barriers

- “Glass ceiling” encourages but.....

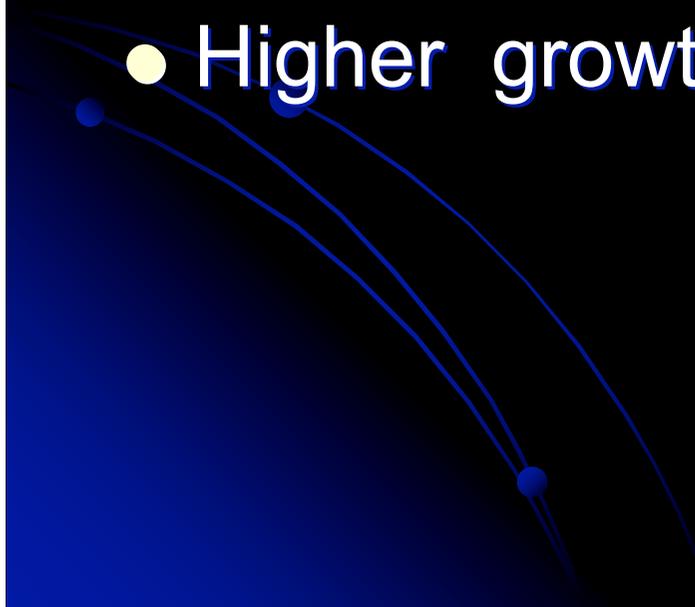


High Growth Women Owners

1997-2000

- Number of WOB \$1M 32% increase
14% (all WOB)
19% (all \$1M)
 - Number of WOB \$10M 37% increase
14% (all WOB)
13% (all \$10M)
- 

High Growth Women Owners

- Younger
 - More highly educated and experienced
 - More diverse industries
 - Higher growth intentions and strategies
- 

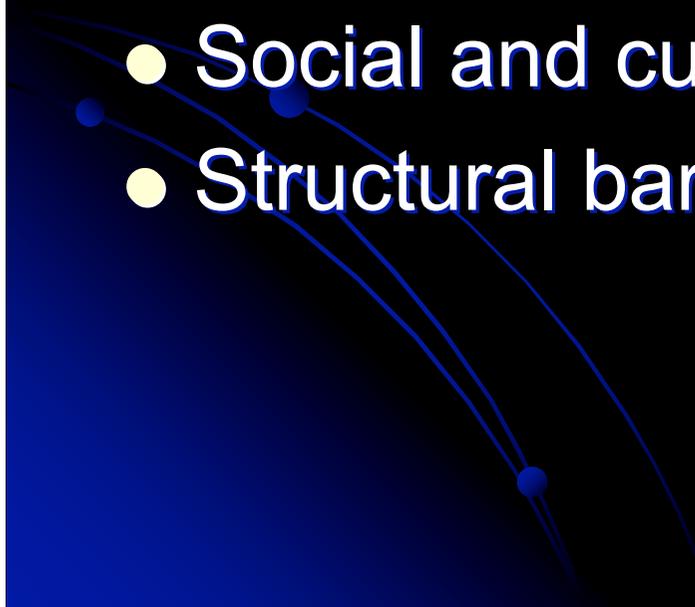
Classroom Implications

Broader selection of cases, projects, speakers

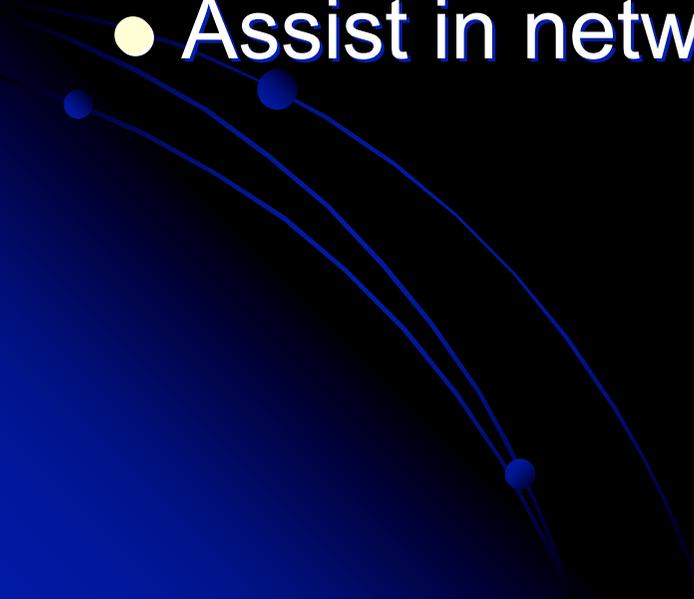
- Sex
- Age
- Marital and parental status
- Types of businesses
- Market to non-business students

Research Implications

Address gender based differences

- Choices and goals
 - Educational preparation and experience
 - Social and cultural expectation
 - Structural barriers
- 

Program Implications

- Entrepreneurship as career planning
 - Developing programs that reconnect alumna
 - Assist in network building
- 

Summary

- Recognizing the diversity of entrepreneurship
 - Encouraging all forms of entrepreneurship
 - Creative program development
- 