

EMERGING ENTREPRENEURSHIP:
THE CHARACTERISTICS OF THE NASCENT ENTREPRENEURS AND THE
CORRELATION TO THEIR LEGAL FORMS OF BUSINESS

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Abstract

At the heart of every innovation stands the entrepreneur with the creative mind and an original idea. The impact of entrepreneurs and their enterprises on the economy is significant. But how one becomes an entrepreneur is the subject of controversial debate. Using statistical data from University of Michigan's Survey Research Center's Panel Study of Entrepreneurial Dynamics, this paper aims to demystify the myth about nascent entrepreneurs by providing a portrait of the quality that makes up a nascent entrepreneur. Furthermore, an account of the general characteristics of the owners of different legal forms (sole proprietorship, partnership, and corporation) will also be presented.

1. Introduction:

In the modern economy, entrepreneurship plays an important role in every aspect of society. It is not far-fetched to assume that all sectors in the economy have been touched by entrepreneurs at some point in the past, whether it is in product or process innovation. Entrepreneurship is the key to innovation and growth in an economy. According to a 2008 report from the US Census, almost 2,356 people move to entrepreneurship per day, adding up to over 627,000 new businesses in a year. Those entrepreneurs contribute cumulative earnings of over \$951 billion per year to the national GDP. If a family, group, or organization knows what types of people are most likely to become these entrepreneurs, they can make their decisions of whether or not they will invest capital into these individuals. This economic paper will investigate who is most likely to become the next nascent entrepreneur and of those who is most likely to own different types of legal businesses.

2. Literature Review:

There have been many studies done on the topic of entrepreneurship and how new businesses are established. I will discuss a few of the ones relevant to my studies.

In their journal article “Properties of emerging organizations: An empirical test,” Brush, Manolova, and Edelman have found that the average entrepreneur is male, 38.37 years of age, has had some college education, has a mean work experience of 18.11 years. The business organized themselves into five industrial sectors, with the most popular being consumer services (%49.7 of total). 18.7% of the ventures organized as S-corporation or C-corporation. Another finding of theirs is that the four properties of emerging organizations: intentionality, resources, boundary, and exchange are necessary for firm survival in the short-term and those firms that

organize more slowly are more likely to continue the organizing effort. Further, nascent entrepreneurs whose intentionality preceded the other organizing properties were not significantly more likely to continue the organizing effort.

In the “Career reasons of nascent entrepreneurs,” Carter, Gartner, Shaver, and Westwood found that there are many main reasons that nascent entrepreneurs and non-entrepreneurs offered for their career choices. Six of those are of particular importance: *innovation, independence, recognition, roles, financial success, self-realization*. Nascent entrepreneurs rated reasons concerning roles and recognition significantly lower than non-entrepreneurs. Finally, male nascent entrepreneurs rated financial success and innovation higher than females, regardless of their group of origin.

In “Does experience matter - The effect of founding team experience on the survival and sales of newly founded ventures,” Delmar and Share have found that founding team experience enhances both new venture survival and sales, but that the effect are non-linear, and vary with venture age. They tested this on a sample of 223 new firms founded in Sweden in 1998.

Jianwen Liao and William Gartner have found that nascent entrepreneurs who completed a business plan is 2.6 times more likely to persist in the process of business emergence rather than those who did not complete a plan. Their publication is titled “The effects of Pre-venture Plan Timing and Perceived Environmental Uncertainty on the Persistence of Emerging Firms.”

Jean-Etienne de Bettignies and James Brander have found in “Financing entrepreneurship - Bank finance versus venture capital” that when it comes to financing the new entrepreneurship, venture capital tends to be preferred to bank when venture capitalist productivity is high and entrepreneurial productivity is low.

Erno Tornikoski and Scott Newbert concluded in their work titled “Exploring the determinants of organizational emergence - A legitimacy perspective” that businesses emerged because it is a quest towards legitimacy. They also have empirical evidence to support the premise that the actions a nascent business takes is of higher importance than its characteristics in explaining organizational emergence.

In “When entrepreneurs choose VCs - Experience, choice criteria and introspection accuracy,” Dave Valliere and Rein Peterson proposed seven criteria that entrepreneurs use when it comes to selecting venture capitalists (VC): *valuation, terms and conditions, value-added services, reputation, skill and independence, personal compatibility, and ease of deal making*. In their research, they have found that entrepreneurs are generally poor in articulating or understanding their own capital-sourcing decision process. Another important finding is that all entrepreneurs, regardless of their experience with VC, rank *valuation* to be the primary criterion, and also consider the *terms and conditions* of the investment deal to be important. Last but not least, as entrepreneurs gain their experience, *personal compatibility of the VC* is just as important in their selection.

In “Success and risk factors in the pre-startup phase,” Marco Gelderen, Roy Thurik, and Niels Bosma have come up with some empirical solutions to the question of why some individual succeed in starting a business while others have failed. In their sample of 517 entrepreneurs, they found that 195 efforts were successful while 115 were abandoned. They concluded that the importance of perceived risk of the market is a great predictor of getting started versus abandoning the start-up effort.

In his dissertation titled “Organizing activities and founding processes of new ventures,” Kim Phillip at University of North Carolina at Chapel Hill used three aspects of organizational

emergence to identify emergent organizations: composition of founders' support network, acquisition of external organizational knowledge, and a multi-dimensional approach to identifying emergent organizations. He found that enterprise founders rely strongly on their social ties to solicit support, use their human capital to guide their acquisition of external knowledge, and follow their unique founding processes that differ across industrial groups.

3. Research Questions and Hypotheses:

In this paper, I will investigate these two main research questions:

- What types of people would be most likely to start a new business? E.g., male vs. female, White vs. Asian, Hispanic vs. Non-Hispanic, etc.
- What would be the dominant characteristics of the owners of different legal forms of business? For instance, single vs. married people, middle-income vs. low-income, etc.

From now on, I will test different hypotheses to find out the answers to the research questions above. For simplicity, I will denote H_0 as the null hypothesis and H_1 as the alternative hypothesis and μ is the population

- For the first research question, I will test two different null hypotheses:

$H_0: \mu_{\text{Age}_{18-24}} = 0$. A nascent entrepreneur is not in the age range of 18-24.

$H_1: \mu_{\text{Age}_{18-24}} \neq 0$. A nascent entrepreneur tends to be in the age range of 18-24.

$H_0: \mu_{\text{Asian}} = 0$. A nascent entrepreneur is not Asian.

$H_1: \mu_{\text{Asian}} \neq 0$. A nascent entrepreneur tends to be Asian.

$H_0: \mu_{\text{Some_college}} = 0$. A nascent entrepreneur has not obtained any college education.

$H_1: \mu_{\text{Some_college}} \neq 0$. A nascent entrepreneur tends to have obtained some college education.

- For the second research question, here are my hypotheses:

- $H_0: \mu_{\text{Age}_{35_44}} = 0$. An owner of a sole proprietorship is not in the age group of 35-44.
 $H_1: \mu_{\text{Age}_{35_44}} \neq 0$. An owner of a sole proprietorship tends to be in the age group of 35-44.
 - $H_0: \mu_{\text{Work_experience}_{6_10}} = 0$. An owner of a sole proprietorship does not have full-time work experience from 6 to 10 years in the industry.
 $H_1: \mu_{\text{Work_experience}_{6_10}} \neq 0$. An owner of a sole proprietorship tends to have full-time work experience from 6 to 10 years in the industry.
 - $H_0: \mu_{\text{Devote_more}_{35_hours_per_week}} = 0$. An owner of a sole proprietorship does not devote more than 35 hours per week on the new business.
 $H_1: \mu_{\text{Devote_more}_{35_hours_per_week}} \neq 0$. An owner of a sole proprietorship tends to devote more than 35 hours per week on the new business.
- I want to see if the owner of sole proprietorship is between the age of 35 and 44 because when a person passes the age of 30, he or she will possess significant business knowledge that can qualify him or her to organize a sole proprietorship. I also think that a sole proprietor tends to work for himself and has to devote lots of working hours for his own business.
- $H_0: \mu_{\text{Age}_{35_44}} = 0$. An owner of a partnership is not in the age group of 35-44.
 $H_1: \mu_{\text{Age}_{35_44}} \neq 0$. An owner of a partnership tends to be in the age group of 35-44.
 - $H_0: \mu_{\text{Work_experience}_{11_15}} = 0$. An owner of a partnership does not have full-time work experience from 11 to 15 years in the industry.
 $H_1: \mu_{\text{Work_experience}_{11_15}} \neq 0$. An owner of a partnership tends to have full-time work experience from 11 to 15 years in the industry.
 - $H_0: \mu_{\text{Asian}} = 0$. An owner of a partnership is not Asian.

$H_1: \mu_{\text{Asian}} \neq 0$. An owner of a partnership tends to be Asian.

Traditionally, Asian culture is very close-knitted and collaboration tends to be important. They will work together to form a partnership and they will share the workload so none of the owners has to work a full-time job in their partnership. In reality, there are many law or doctor firms that are founded based on partnership between two or more people. So the owners of these firms will need to have an advanced degree of some sort to practice their professions.

➤ $H_0: \mu_{\text{Married}} = 0$. An owner of a corporation is not married.

$H_1: \mu_{\text{Married}} \neq 0$. An owner of a partnership tends to be married.

$H_0: \mu_{\text{Work_experience_21_25}} = 0$. An owner of a corporation does not have full-time work experience from 21 to 25 years in the industry.

$H_1: \mu_{\text{Work_experience_21_25}} \neq 0$. An owner of a corporation tends to have full-time work experience from 21 to 25 years in the industry.

$H_0: \mu_{\text{Other_business_owned_2}} = 0$. An owner of a corporation does not own two other businesses.

$H_1: \mu_{\text{Other_business_owned_2}} \neq 0$. An owner of a corporation tends to own two other businesses.

A CEO of any corporation must possess tremendous knowledge in his or her field, which can be accumulated over a long period of time (over 20 or more years). He or she also tends to be well paid, so they will definitely own stocks in other companies.

4. Data:

The Panel Study of Entrepreneurial Dynamics (PSED) dataset is taken from the University of Michigan's Survey Research Center's Panel Study of Entrepreneurial Dynamics research project for academic purposes. The program was first created in 1993 with the purpose of finding out the empirical traits of the business-creation process in the US. The program was so successful that it was funded to continue a second project in 2005-2006, which forms the foundation for this dataset.

There are two datasets for this research. The first one is the Screener dataset, and the second is called the ABCDE dataset. The Screener dataset will be used to answer the first research question and the ABCDE dataset will be used to answer the second research question.

The first dataset contains demographic information for the group of individuals who were selected for screening. There are 53 variables in the first dataset and 31,845 observations. The variables used for the regression model and their brief descriptions can be found in table 1.

The second dataset has 1,214 observations and 6,198 variables. The second dataset deals in details with the activities and success of the people who have identified themselves as entrepreneurs. The observations represent the 1,214 nascent entrepreneurs / enterprises. This dataset deals with these entrepreneurs in subsequent years. So Wave A is the first year that the business is starting, Wave B would be one year after that, and so on until Wave E (4 years after the initial start of the business). The second dataset also answers many questions about the enterprises, including what types of businesses they are, what industries they are in, why the entrepreneurs want to start the businesses, what problems they encounter starting the businesses, how they come about with the ideas of the businesses, where the businesses are located, what legal forms the businesses take, what types of products or services are provided, and what stage

the enterprises are in (prototype, funding stage, idea stage, etc.). The variables used for the regression models and their brief descriptions can be found in table 2.

5. Econometric Models and Estimation Methods:

I will use the probit regression models for analysis. The probit model is represented as

Probability($Y = 1 \mid X_1 \dots X_n$) = $\sum_{i=0}^n \mathbf{i}(\beta_i X_i \mid Y)$ where X_i represents the different explanatory

variables, β_i represents the different coefficient for the explanatory variable, and Y represents the dependent variable. For my first research question, the model I will use is:

$$\begin{aligned} \text{Probability}(\text{Nascent entrepreneur} = 1 \mid X_1 \dots X_n) = & \beta_0 + \beta_1 \text{Male} + \beta_2 \text{Age}_{18_24} + \\ & \beta_3 \text{Age}_{25_34} + \beta_4 \text{Age}_{35_44} + \beta_5 \text{Age}_{45_54} + \beta_6 \text{Age}_{55_64} + \beta_7 \text{Age}_{65_74} + \\ & \beta_8 \text{Income}_{25000_49999} + \beta_9 \text{Income}_{50000_74999} + \beta_{10} \text{Income}_{75000_99999} + \\ & \beta_{11} \text{Income}_{\text{above}_{100000}} + \beta_{12} \text{Black} + \beta_{13} \text{Asian} + \beta_{14} \text{Other_Race} + \beta_{15} \text{Hispanic} + \\ & \beta_{16} \text{Living_with_a_partner} + \beta_{17} \text{Separated} + \beta_{18} \text{Divorced} + \beta_{19} \text{Widowed} + \beta_{20} \text{Single} + \\ & \beta_{21} \text{Number_of_people_in_household} + \beta_{22} \text{Full_time} + \beta_{23} \text{Retired} + \beta_{24} \text{Unemployed} + \\ & \beta_{25} \text{High_school_or_less} + \beta_{26} \text{Some_college} + \beta_{27} \text{Advanced_degree} + \beta_{28} \text{White_collar_clerical} + \\ & \beta_{29} \text{Blue_collar_craftsman} + \beta_{30} \text{Blue_collar_semiskilled} + \beta_{31} \text{Service_worker} + u \end{aligned}$$

In the model above, β_0 is the intercept for the base group and u is the residual or the difference between the sample and the estimated function value. Since the independent variable `Number_of_people_in_household` is a categorical variable, it has been subdivided into nine other categories using dummy variables. The base group for this model has these characteristics: female, aged 75 or above, has an annual income less than \$25,000, White, non-Hispanic, married, has 10 people in household, works part-time, is a college graduate, and is a white collar professional.

For the second research question, my three regression models are:

- Probability (Sole proprietorship = 1 | $X_1 \dots X_n$) = $\beta_0 + \beta_1 \text{Female} + \beta_2 \text{Age}_{25_34} + \beta_3 \text{Age}_{35_44} + \beta_4 \text{Age}_{45_54} + \beta_5 \text{Age}_{55_64} + \beta_6 \text{Age}_{65_74} + \beta_7 \text{Age}_{above_75} + \beta_8 \text{Asian_Pacific_Islander} + \beta_9 \text{Black} + \beta_{10} \text{American_Indian} + \beta_{11} \text{Hispanic} + \beta_{12} \text{Married} + \beta_{13} \text{Living_with_a_partner} + \beta_{14} \text{Separated} + \beta_{15} \text{Divorced} + \beta_{16} \text{Widowed} + \beta_{17} \text{High_school_or_less} + \beta_{18} \text{Some_college} + \beta_{19} \text{Advanced_degree} + \beta_{20} \text{Work_experience}_{1_5} + \beta_{21} \text{Work_experience}_{6_10} + \beta_{22} \text{Work_experience}_{11_15} + \beta_{23} \text{Work_experience}_{16_20} + \beta_{24} \text{Work_experience}_{21_25} + \beta_{25} \text{Work_experience}_{26_30} + \beta_{26} \text{Work_experience}_{above_30} + \beta_{27} \text{Other_business_owned}_1 + \beta_{28} \text{Other_business_owned}_2 + \beta_{29} \text{Other_business_owned}_3 + \beta_{30} \text{Other_business_owned}_4 + \beta_{31} \text{Other_business_owned}_5 + \beta_{32} \text{Work_for_others_for_pay} + \beta_{33} \text{Devote_more_35_hours_per_week} + u$
- Probability (Partnership = 1 | $X_1 \dots X_n$) = $\beta_0 + \beta_1 \text{Female} + \beta_2 \text{Age}_{25_34} + \beta_3 \text{Age}_{35_44} + \beta_4 \text{Age}_{45_54} + \beta_5 \text{Age}_{55_64} + \beta_6 \text{Age}_{65_74} + \beta_7 \text{Age}_{above_75} + \beta_8 \text{Asian_Pacific_Islander} + \beta_9 \text{Black} + \beta_{10} \text{American_Indian} + \beta_{11} \text{Hispanic} + \beta_{12} \text{Married} + \beta_{13} \text{Living_with_a_partner} + \beta_{14} \text{Separated} + \beta_{15} \text{Divorced} + \beta_{16} \text{Widowed} + \beta_{17} \text{High_school_or_less} + \beta_{18} \text{Some_college} + \beta_{19} \text{Advanced_degree} + \beta_{20} \text{Work_experience}_{1_5} + \beta_{21} \text{Work_experience}_{6_10} + \beta_{22} \text{Work_experience}_{11_15} + \beta_{23} \text{Work_experience}_{16_20} + \beta_{24} \text{Work_experience}_{21_25} + \beta_{25} \text{Work_experience}_{26_30} + \beta_{26} \text{Work_experience}_{above_30} + \beta_{27} \text{Other_business_owned}_1 + \beta_{28} \text{Other_business_owned}_2 + \beta_{29} \text{Other_business_owned}_3 + \beta_{30} \text{Other_business_owned}_4 + \beta_{31} \text{Other_business_owned}_5 + \beta_{32} \text{Work_for_others_for_pay} + \beta_{33} \text{Devote_more_35_hours_per_week} + u$

- $$\text{Probability (Corporation} = 1 \mid X_1 \dots X_n) = \beta_0 + \beta_1 \text{Female} + \beta_2 \text{Age}_{25_34} + \beta_3 \text{Age}_{35_44} + \beta_4 \text{Age}_{45_54} + \beta_5 \text{Age}_{55_64} + \beta_6 \text{Age}_{65_74} + \beta_7 \text{Age}_{above_75} + \beta_8 \text{Asian_Pacific_Islander} + \beta_9 \text{Black} + \beta_{10} \text{American_Indian} + \beta_{11} \text{Hispanic} + \beta_{12} \text{Married} + \beta_{13} \text{Living_with_a_partner} + \beta_{14} \text{Separated} + \beta_{15} \text{Divorced} + \beta_{16} \text{Widowed} + \beta_{17} \text{High_school_or_less} + \beta_{18} \text{Some_college} + \beta_{19} \text{Advanced_degree} + \beta_{20} \text{Work_experience}_{1_5} + \beta_{21} \text{Work_experience}_{6_10} + \beta_{22} \text{Work_experience}_{11_15} + \beta_{23} \text{Work_experience}_{16_20} + \beta_{24} \text{Work_experience}_{21_25} + \beta_{25} \text{Work_experience}_{26_30} + \beta_{26} \text{Work_experience}_{above_30} + \beta_{27} \text{Other_business_owned}_1 + \beta_{28} \text{Other_business_owned}_2 + \beta_{29} \text{Other_business_owned}_3 + \beta_{30} \text{Other_business_owned}_4 + \beta_{31} \text{Other_business_owned}_5 + \beta_{32} \text{Work_for_others_for_pay} + \beta_{33} \text{Devote_more_35_hours_per_week} + u$$

For these three models, the base group possesses these traits: Male, aged between 18 and 24, White, non-Hispanic, single, college graduate, has no work experience, owns zero other businesses, does not work for others for pay, and does not devote more than thirty-five hours per week. Thus β_0 would represent the intercept for the base group described above. Last but not least, u is the residual or the difference between the sample and the estimated function value.

6. Results:

The different estimates in table 3 represent the coefficients for the different explanatory variables described in the first model in section 5. These coefficients represent maximum likelihood for the respective explanatory variables because this is a probit regression. A positive value means the person is more likely to become a nascent entrepreneur and vice versa. Table 4 represents the

marginal effects of these independent variables on the dependent variable nascent entrepreneur. Judging from the results in table 4, a male is 2% more likely to become a nascent entrepreneur than a female, and age seems to have a negative linear relationship with becoming an entrepreneur. The younger the person is, the more likely he or she will become an entrepreneur. Income also has an almost linear relationship with nascent entrepreneur. The richer a family is, the more likely the person is to become a nascent entrepreneur. Asians are not as motivated as Whites to organize a business, but Blacks and people of other races are more likely to become nascent entrepreneurs than Whites. Being Hispanic may mean a person is slightly less likely to organize a business, but the coefficient is not statistically significant at the ninety-five percent significance level. Apparently, married individuals are less motivated to become nascent entrepreneurs compared to all non-married people. This is quite true intuitively because when an individual gets married, he or she will have to prioritize the family, so less time will be available for venturing into a new business. Counter intuitively, individuals living in small households with few people are less likely to become nascent entrepreneurs than individuals living in bigger households. Working part-time also correlates with becoming an entrepreneur. In real life, these people will have more time to think and organize a new business than full-time workers, and they are not as unmotivated as unemployed or retired people when it comes to business venturing. With regards to education level, people dropping out of college or graduates with only an associate's degree are most likely to become a nascent entrepreneur. Last but not least, white-collar professionals are most likely to venture as opposed to all the other types of workers.

From the regression results for Sole Proprietorship in table 5, these independent variables have significant coefficients at the 10% level: female, Asian, age group of 25-34 or 45-54, divorced, married, some college, work experience 1-5 or 11-15 or 26-30. Thus the most likely

person to become an owner of a sole proprietorship is a married Asian female of young or middle-aged that has had some college education and has either little or substantial work experience.

Since most of the coefficients for the independent variables are not significant at the 5% significance level as shown in table 7, we cannot draw many conclusions from the regression results for partnership. Due to a lack of data for partnership, the coefficients will have big standard deviation, making them insignificant. There are a few coefficients that are significant at the 5% level that we can still draw conclusions from: for a partnership, the most likely individual is a male with some high school diploma or some college education with 1-5 years of work experience and currently living with a partner.

Looking from the regression result for corporation in table 9, the coefficients for the following independent variables are significant at the 5% significance level: black, some college, advanced degree, devote more than 35 hours per week, age groups of 25-34 or 65-74, all the other business owned variables, and work experience 30 or above. Thus the most likely person to become an owner of a corporation is a white male with some college or advanced degree between the age of 25 and 34. If the person is between the age of 65 and 74, then he or she will most likely have over 30 years of work experience in the industry, making him even more qualified to be a CEO of the respective industry.

7. Conclusion:

Based on the results in table 3 for the nascent entrepreneur regression model, I fail to reject two null hypotheses: a nascent entrepreneur is not Asian and a nascent entrepreneur does not have some college education .But a nascent entrepreneur tends to be in the age range of 18 to 24

because the t-statistic for that independent variable is significant, and hence we can reject the null hypothesis and accept the alternative hypothesis. According to the results in table 4, the individual most likely to become a nascent entrepreneur is a non-Hispanic black male aged 25-34 who is a white-collar professional with an annual income above \$100,000, and is currently living with a partner.

From the results in table 5 for the regression model concerning sole proprietorship, at the 10% significance level, I fail to reject all of my null hypotheses. Thus a sole proprietor is not in the age range of 35 to 44, does not have 6 to 10 years of full-time work experience, and does not devote more than 35 hours per week to his or her new business. According to table 6, it turns out that women are more likely than men to become owners of sole proprietorships, and married or divorced people have higher probability also. The most popular age groups for sole proprietors are between 45-54 and 25-34. These people also tend to be self-employed and have some college education or a bachelor's degree.

From the results in table 7 for the regression model regarding partnership, at the 10% significance level, I fail to reject two of my null hypotheses: an owner of a partnership is not in the age range of 35-44 and he or she is not Asian. However, I can reject the null hypothesis that an owner of a partnership does not have 11 to 15 years of work experience. Thus the alternative hypothesis that he or she tends to have between 11 and 15 years of full-time work experience is true. Besides, there is sufficient data to disprove that an owner of a partnership tends to have an advanced degree. In fact these individuals tend to only have a high school diploma or some college education.

Last but not least, from the results in table 9 for the regression model regarding corporation, I fail to reject two of my null hypotheses: that the owner of a corporation is not married and the

owner of a corporation does not have work experience from 21 to 25 years. But at the 10% significance level, I can safely reject the null hypothesis that the owner of a corporation does not own two other businesses. In fact, he or she tends to own two other businesses. In addition, experience and education seem to have a linear relationship with being the owner of a corporation.

Endogeneity seems to be a minor problem in my project as well. There seems to be simultaneity present, or a two-way relationship between some of the independent variables and dependent variables. The independent variable sole proprietorship, or partnership have can have an inverse effect on the independent variable number of other business owned. This is because as a sole proprietor or the owner of a partnership, an individual can only have a certain number of businesses, so the number of other businesses will usually be predetermined, leading to simultaneity.

Besides endogeneity, omitted variables are another source of problems when it comes to data analysis. Since there are so many determinants that can affect the probability of one becoming a nascent entrepreneur, it is very likely that I have omitted variable bias. Suppose if there was an independent variable called Inheritance which denotes the amount of assets that one obtains from family inheritance, then it would definitely be correlated with one of the independent variables in the models, and that is Income. If an individual is the heir of a successful magnate, then he or she will have huge access to start-up capital. Thus the probability that he or she will organize a new venture is more likely.

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Appendix: Tables

Table 1 - Variable Descriptions for first research question

Nascent_entrepreneur	= 1 if a person is a nascent entrepreneur, 0 otherwise	Dependent
Male	= 1 if male, 0 if female	Independent
Age_18_24	= 1 if of age 18-24, 0 otherwise	Independent
Age_25_34	= 1 if of age 25-34, 0 otherwise	Independent
Age_35_44	= 1 if of age 35-44, 0 otherwise	Independent
Age_45_54	= 1 if of age 45-54, 0 otherwise	Independent
Age_55_64	= 1 if of age 55-64, 0 otherwise	Independent
Age_65_74	= 1 if of age 65-74, 0 otherwise	Independent
Income_25000_49999	= 1 if income is in range \$25000-49999, 0 otherwise	Independent
Income_50000_74999	= 1 if income is in range \$50000-74999, 0 otherwise	Independent
Income_75000_99999	= 1 if income is in range \$75000-99999, 0 otherwise	Independent

	otherwise	
Income_above_100000	= 1 if income is above 100000, 0 otherwise	Independent
Black	= 1 if Black, 0 otherwise	Independent
Asian	= 1 if Asian, 0 otherwise	Independent
Other_Race	= 1 if of other race, 0 otherwise	Independent
Hispanic	= 1 if Hispanic, 0 otherwise	Independent
Living_with_a_partner	= 1 if living with a partner, 0 otherwise	Independent
Separated	= 1 if separated, 0 otherwise	Independent
Divorced	= 1 if divorced, 0 otherwise	Independent
Widowed	= 1 if widowed, 0 otherwise	Independent
Single	= 1 if single, 0 otherwise	Independent
Number_of_people_in_household	Number of people in household	Independent
Full_time	= 1 if working full-time, 0 otherwise	Independent
Retired	= 1 if retired, 0 otherwise	Independent
Unemployed	= 1 if unemployed, 0 otherwise	Independent
High_school_or_less	= 1 if highest education level is high school	Independent

	graduation or less, 0 otherwise	
Some_college	= 1 if highest education level is associate's degree or some college, 0 otherwise	Independent
Advanced_degree	= 1 if highest education level is Master's or PhD or equivalent, 0 otherwise	Independent
White_collar_clerical	= 1 if person is a white collar worker, including professional, managerial and owner, 0 otherwise	Independent
Blue_collar_craftsman	= 1 if person is a blue collar worker, including craftsman and foreman, 0 otherwise	Independent
Blue_collar_semiskilled	= 1 if person is a blue-collar semiskilled or unskilled worker, 0 otherwise	Independent
Service_worker	= 1 if person is a service worker, 0 otherwise	Independent

Table 2 - Variable Descriptions for second research question

Sole_proprietorship	= 1 if legal form of business is sole proprietorship, 0 otherwise	Dependent
Partnership	= 1 if legal form of business is general partnership or limited partnership, 0 otherwise	Dependent
Corporation	= 1 if legal form of business is limited liability corporation, sub chapter S corporation, or general corporation, 0 otherwise	Dependent
Female	= 1 if female, 0 if male	Independent
Age_25_34	= 1 if of age 25-34, 0 otherwise	Independent
Age_35_44	= 1 if of age 35-44, 0 otherwise	Independent
Age_45_54	= 1 if of age 45-54, 0 otherwise	Independent
Age_55_64	= 1 if of age 55-64, 0 otherwise	Independent
Age_65_74	= 1 if of age 65-74, 0 otherwise	Independent

Age_above_75	= 1 if age is 75 or above, 0 otherwise	Independent
Black	= 1 if Black, 0 otherwise	Independent
Asian_Pacific_Islander	= 1 if Asian or Pacific Islander, 0 otherwise	Independent
American_Indian	= 1 if American Indian, 0 otherwise	Independent
Hispanic	= 1 if Hispanic, 0 otherwise	Independent
Married	=1 if married, 0 otherwise	Independent
Living_with_a_partner	= 1 if living with a partner, 0 otherwise	Independent
Separated	= 1 if separated, 0 otherwise	Independent
Divorced	= 1 if divorced, 0 otherwise	Independent
Widowed	= 1 if widowed, 0 otherwise	Independent
High_school_or_less	= 1 if highest education level is high school graduation or less, 0 otherwise	Independent
Some_college	= 1 if highest education level is associate's degree or some college, 0 otherwise	Independent
Advanced_degree	= 1 if highest education level is Master's or PhD or equivalent, 0 otherwise	Independent

Work_experience_1_5	= 1 if years of work experience in the industry is from 1 to 5, 0 otherwise	Independent
Work_experience_6_10	= 1 if years of work experience in the industry is from 6 to 10, 0 otherwise	Independent
Work_experience_11_15	= 1 if years of work experience in the industry is from 11 to 15, 0 otherwise	Independent
Work_experience_16_20	= 1 if years of work experience in the industry is from 15 to 20, 0 otherwise	Independent
Work_experience_21_25	= 1 if years of work experience in the industry is from 21 to 25, 0 otherwise	Independent
Work_experience_26_30	= 1 if years of work experience in the industry is from 26 to 30, 0 otherwise	Independent
Work_experience_above_30	= 1 if years of work experience in the industry is greater than 30, 0 otherwise	Independent
Other_business_owned_1	= 1 if besides the new business, number of other businesses owned is 1, 0 otherwise	Independent

Other_business_owned_2	= 1 if besides the new business, number of other businesses owned is 2, 0 otherwise	Independent
Other_business_owned_3	= 1 if besides the new business, number of other businesses owned is 3, 0 otherwise	Independent
Other_business_owned_4	= 1 if besides the new business, number of other businesses owned is 4, 0 otherwise	Independent
Other_business_owned_5	= 1 if besides the new business, number of other businesses owned is 5, 0 otherwise	Independent
Work_for_others_for_pay	= 1 if currently working for others for pay, 0 otherwise	Independent
Devote_more_35_hours_per_week	= 1 working more than 35 hours per week on the new business	Independent

Table 3 – Probability (Nascent entrepreneur) = 1

Analysis of Maximum Likelihood Estimates					
Parameter	DF	Estimate	Standard Error	Wald Chi-Square	Pr > ChiSq
Intercept	1	-1.5588	0.2772	31.6186	<.0001
Male	1	0.2962	0.0318	86.8609	<.0001
Age_18_24	1	0.4394	0.1267	12.0198	0.0005
Age_25_34	1	0.4619	0.1168	15.6330	<.0001
Age_35_44	1	0.4099	0.1146	12.7845	0.0003
Age_45_54	1	0.3323	0.1122	8.7677	0.0031
Age_55_64	1	0.2899	0.1096	6.9982	0.0082
Age_65_74	1	0.1916	0.1127	2.8875	0.0893
Income_25000_49999	1	0.0787	0.0457	2.9664	0.0850
Income_50000_74999	1	0.1880	0.0484	15.0665	0.0001
Income_75000_99999	1	0.1501	0.0565	7.0447	0.0080
Income_above_100000	1	0.3862	0.0523	54.4471	<.0001
Black	1	0.1824	0.0530	11.8653	0.0006
Asian	1	-0.1225	0.1244	0.9697	0.3248
Other_Race	1	0.0852	0.0642	1.7635	0.1842
Hispanic	1	-0.0188	0.0703	0.0712	0.7895
Living_with_a_partne	1	0.1694	0.0778	4.7418	0.0294
Separated	1	0.1549	0.1089	2.0250	0.1547
Divorced	1	0.1256	0.0535	5.5057	0.0190
Widowed	1	0.0711	0.0888	0.6424	0.4228

Analysis of Maximum Likelihood Estimates						
Parameter		DF	Estimate	Standard Error	Wald Chi-Square	Pr > ChiSq
Single		1	0.0481	0.0485	0.9841	0.3212
Number_of_people_in_1	1	1	-0.5875	0.2532	5.3817	0.0203
Number_of_people_in_2	2	1	-0.4681	0.2501	3.5019	0.0613
Number_of_people_in_3	3	1	-0.4766	0.2507	3.6138	0.0573
Number_of_people_in_4	4	1	-0.4301	0.2509	2.9369	0.0866
Number_of_people_in_5	5	1	-0.3788	0.2530	2.2413	0.1344
Number_of_people_in_6	6	1	-0.4101	0.2633	2.4262	0.1193
Number_of_people_in_7	7	1	-0.1644	0.2807	0.3431	0.5581
Number_of_people_in_8	8	1	0.1516	0.3126	0.2351	0.6277
Number_of_people_in_9	9	1	-3.8085	44.7609	0.0072	0.9322
Full_time		1	-0.1700	0.0457	13.8301	0.0002
Retired		1	-0.7321	0.0711	106.1151	<.0001
Unemployed		1	-0.7075	0.0689	105.3388	<.0001
High_school_or_less		1	-0.0865	0.0427	4.1143	0.0425
Some_college		1	0.0318	0.0404	0.6192	0.4314
Advanced_degree		1	-0.0417	0.0469	0.7916	0.3736
White_collar_clerica		1	-0.2216	0.0496	19.9701	<.0001
Blue_collar_craftsma		1	-0.1076	0.0495	4.7270	0.0297
Blue_collar_semiskil		1	-0.4215	0.0693	36.9565	<.0001
Service_worker		1	-0.2123	0.0606	12.2661	0.0005

Table 4 - Average of the Individual Marginal Effects on nascent entrepreneur = 1

Variable	Label	N	Mean
Meff_P2_Male	Marginal effect of Male on the probability of nascent_entrepreneur=2	25938	0.0254695
Meff_P2_Age_18_24	Marginal effect of Age_18_24 on the probability of nascent_entrepreneur=2	25938	0.0375303
Meff_P2_Age_25_34	Marginal effect of Age_25_34 on the probability of nascent_entrepreneur=2	25938	0.0388844
Meff_P2_Age_35_44	Marginal effect of Age_35_44 on the probability of nascent_entrepreneur=2	25938	0.0340368
Meff_P2_Age_45_54	Marginal effect of Age_45_54 on the probability of nascent_entrepreneur=2	25938	0.0281852
Meff_P2_Age_55_64	Marginal effect of Age_55_64 on the probability of nascent_entrepreneur=2	25938	0.0250726
Meff_P2_Age_65_74	Marginal effect of Age_65_74 on the probability of nascent_entrepreneur=2	25938	0.0165493
Meff_P2_Income_25000_49999	Marginal effect of Income_25000_49999 on the probability of nascent_entrepreneur=2	25938	0.0068925
Meff_P2_Income_50000_74999	Marginal effect of Income_50000_74999 on the probability of nascent_entrepreneur=2	25938	0.0163330
Meff_P2_Income_75000_99999	Marginal effect of Income_75000_99999 on the probability of nascent_entrepreneur=2	25938	0.0130757
Meff_P2_Income_above_100000	Marginal effect of Income_above_100000 on the probability of nascent_entrepreneur=2	25938	0.0336360
Meff_P2_Black	Marginal effect of Black on the probability of nascent_entrepreneur=2	25938	0.0159292
Meff_P2_Asian	Marginal effect of Asian on the probability of nascent_entrepreneur=2	25938	-0.0101656
Meff_P2_Other_Race	Marginal effect of Other_Race on the probability of nascent_entrepreneur=2	25938	0.0076462
Meff_P2_Hispanic	Marginal effect of Hispanic on the probability of nascent_entrepreneur=2	25938	-0.0016914
Meff_P2_Living_with_a_partner	Marginal effect of Living_with_a_partner on the probability of nascent_entrepreneur=2	25938	0.0148332
Meff_P2_Separated	Marginal effect of Separated on the probability of nascent_entrepreneur=2	25938	0.0120092
Meff_P2_Divorced	Marginal effect of Divorced on the probability of nascent_entrepreneur=2	25938	0.0092374
Meff_P2_Widowed	Marginal effect of Widowed on the probability of nascent_entrepreneur=2	25938	0.0035076
Meff_P2_Single	Marginal effect of Single on the probability of nascent_entrepreneur=2	25938	0.0030621
Meff_P2_Number_of_people_in_household	Marginal effect of Number_of_people_in_household on the probability of nascent_entrepreneur=2	25938	0.0038150
Meff_P2_Full_time	Marginal effect of Full_time on the probability of nascent_entrepreneur=2	25938	-0.0149858
Meff_P2_Retired	Marginal effect of Retired on the probability of nascent_entrepreneur=2	25938	-0.0635958
Meff_P2_Unemployed	Marginal effect of Unemployed on the probability of nascent_entrepreneur=2	25938	-0.0615574
Meff_P2_High_school_or_less	Marginal effect of High_school_or_less on the probability of nascent_entrepreneur=2	25938	-0.0072589
Meff_P2_Some_college	Marginal effect of Some_college on the probability of nascent_entrepreneur=2	25938	0.0029328
Meff_P2_Advanced_degree	Marginal effect of Advanced_degree on the probability of nascent_entrepreneur=2	25938	-0.0034712
Meff_P2_White_collar_clerical	Marginal effect of White_collar_clerical on the probability of nascent_entrepreneur=2	25938	-0.0192293
Meff_P2_Blue_collar_craftsman	Marginal effect of Blue_collar_craftsman on the probability of nascent_entrepreneur=2	25938	-0.0091435
Meff_P2_Blue_collar_semiskilled	Marginal effect of Blue_collar_semiskilled on the probability of nascent_entrepreneur=2	25938	-0.0367331
Meff_P2_Service_worker	Marginal effect of Service_worker on the probability of nascent_entrepreneur=2	25938	-0.0184463

Table 5 – Probability (Sole Proprietorship) = 1

Analysis of Maximum Likelihood Estimates					
Parameter	DF	Estimate	Standard Error	Wald Chi-Square	Pr > ChiSq
Intercept	1	-0.7612	0.1932	15.5265	<.0001
Female	1	0.1323	0.0815	2.6379	0.1043
Age_25_34	1	0.2746	0.1627	2.8494	0.0914
Age_35_44	1	0.2061	0.1630	1.5993	0.2060
Age_45_54	1	0.3101	0.1625	3.6419	0.0563
Age_55_64	1	0.1395	0.1807	0.5958	0.4402
Age_65_74	1	0.4293	0.2867	2.2412	0.1344
Age_above_75	1	0.3315	0.3890	0.7261	0.3942
Asian_Pacific_Island	1	-0.5301	0.3655	2.1041	0.1469
Black	1	-0.1233	0.1149	1.1516	0.2832
American_Indian	1	-0.1842	0.1635	1.2699	0.2598
Hispanic	1	-0.0853	0.2189	0.1517	0.6969
Married	1	0.1396	0.1116	1.5643	0.2110
Living_with_a_partne	1	0.0413	0.1548	0.0710	0.7899
Separated	1	-0.00466	0.2601	0.0003	0.9857
Divorced	1	0.1948	0.1464	1.7722	0.1831
Widowed	1	-0.0859	0.2583	0.1105	0.7395
High_school_or_less	1	-0.0289	0.1123	0.0665	0.7965

Analysis of Maximum Likelihood Estimates					
Parameter	DF	Estimate	Standard Error	Wald Chi-Square	Pr > ChiSq
Some_college	1	0.00674	0.0998	0.0046	0.9461
Advanced_degree	1	-0.1413	0.1340	1.1129	0.2914
Work_experience_1_5	1	0.2485	0.1094	5.1624	0.0231
Work_experience_6_10	1	0.0610	0.1296	0.2214	0.6380
Work_experience_11_1	1	0.3057	0.1553	3.8764	0.0490
Work_experience_16_2	1	0.1533	0.1586	0.9340	0.3338
Work_experience_21_2	1	0.2581	0.1847	1.9541	0.1621
Work_experience_26_3	1	0.3848	0.1838	4.3805	0.0364
Work_experience_abov	1	0.3048	0.2147	2.0147	0.1558
Other_business_owned	1	0.000401	0.1064	0.0000	0.9970
Other_business_owned	1	-0.6540	0.2650	6.0894	0.0136
Other_business_owned	1	-0.1594	0.3429	0.2162	0.6420
Other_business_owned	1	-0.4848	0.4692	1.0674	0.3015
Other_business_owned	1	-4.2852	92.2838	0.0022	0.9630
Work_for_others_for_	1	-0.0461	0.0809	0.3241	0.5692
Devote_more_35_hours	1	0.0576	0.0858	0.4511	0.5018

Table 6 - Average of the Individual Marginal Effects on Sole Proprietorship = 1

Variable	Label	N	Mean
Meff_P2_Female	Marginal effect of Female on the probability of Sole_proprietorship=2	1165	0.0489518
Meff_P2_Age_25_34	Marginal effect of Age_25_34 on the probability of Sole_proprietorship=2	1165	0.1015965
Meff_P2_Age_35_44	Marginal effect of Age_35_44 on the probability of Sole_proprietorship=2	1165	0.0762510
Meff_P2_Age_45_54	Marginal effect of Age_45_54 on the probability of Sole_proprietorship=2	1165	0.1147222
Meff_P2_Age_55_64	Marginal effect of Age_55_64 on the probability of Sole_proprietorship=2	1165	0.0516109
Meff_P2_Age_65_74	Marginal effect of Age_65_74 on the probability of Sole_proprietorship=2	1165	0.1587576
Meff_P2_Age_above_75	Marginal effect of Age_above_75 on the probability of Sole_proprietorship=2	1165	0.1226683
Meff_P2_Asian_Pacific_Islander	Marginal effect of Asian_Pacific_Islander on the probability of Sole_proprietorship=2	1165	-0.1961865
Meff_P2_Black	Marginal effect of Black on the probability of Sole_proprietorship=2	1165	-0.0455892
Meff_P2_American_Indian	Marginal effect of American_Indian on the probability of Sole_proprietorship=2	1165	-0.0681406
Meff_P2_Hispanic	Marginal effect of Hispanic on the probability of Sole_proprietorship=2	1165	-0.0314925
Meff_P2_Married	Marginal effect of Married on the probability of Sole_proprietorship=2	1165	0.0516534
Meff_P2_Living_with_a_partner	Marginal effect of Living_with_a_partner on the probability of Sole_proprietorship=2	1165	0.0152558
Meff_P2_Separated	Marginal effect of Separated on the probability of Sole_proprietorship=2	1165	-0.0017589
Meff_P2_Divorced	Marginal effect of Divorced on the probability of Sole_proprietorship=2	1165	0.0720781
Meff_P2_Widowed	Marginal effect of Widowed on the probability of Sole_proprietorship=2	1165	-0.0317982
Meff_P2_High_school_or_less	Marginal effect of High_school_or_less on the probability of Sole_proprietorship=2	1165	-0.0107201
Meff_P2_Some_college	Marginal effect of Some_college on the probability of Sole_proprietorship=2	1165	0.0024865
Meff_P2_Advanced_degree	Marginal effect of Advanced_degree on the probability of Sole_proprietorship=2	1165	-0.0523019
Meff_P2_Work_experience_1_5	Marginal effect of Work_experience_1_5 on the probability of Sole_proprietorship=2	1165	0.0919686
Meff_P2_Work_experience_6_10	Marginal effect of Work_experience_6_10 on the probability of Sole_proprietorship=2	1165	0.0225678
Meff_P2_Work_experience_11_15	Marginal effect of Work_experience_11_15 on the probability of Sole_proprietorship=2	1165	0.1131147
Meff_P2_Work_experience_16_20	Marginal effect of Work_experience_16_20 on the probability of Sole_proprietorship=2	1165	0.0567376
Meff_P2_Work_experience_21_25	Marginal effect of Work_experience_21_25 on the probability of Sole_proprietorship=2	1165	0.0955453
Meff_P2_Work_experience_26_30	Marginal effect of Work_experience_26_30 on the probability of Sole_proprietorship=2	1165	0.1423717
Meff_P2_Work_experience_above_30	Marginal effect of Work_experience_above_30 on the probability of Sole_proprietorship=2	1165	0.1127527
Meff_P2_Other_business_owned_1	Marginal effect of Other_business_owned_1 on the probability of Sole_proprietorship=2	1165	0.000155852
Meff_P2_Other_business_owned_2	Marginal effect of Other_business_owned_2 on the probability of Sole_proprietorship=2	1165	-0.2419792
Meff_P2_Other_business_owned_3	Marginal effect of Other_business_owned_3 on the probability of Sole_proprietorship=2	1165	-0.0589598
Meff_P2_Other_business_owned_4	Marginal effect of Other_business_owned_4 on the probability of Sole_proprietorship=2	1165	-0.1793137
Meff_P2_Other_business_owned_mor	Marginal effect of Other_business_owned_more_than_5 on the probability of Sole_proprietorship=2	1165	-1.8350333
Meff_P2_Work_for_others_for_pay	Marginal effect of Work_for_others_for_pay on the probability of Sole_proprietorship=2	1165	-0.0170495
Meff_P2_Devote_more_35_hours_per	Marginal effect of Devote_more_35_hours_per_week on the probability of Sole_proprietorship=2	1165	0.0213145

Table 7 - Probability (Partnership) = 1

Analysis of Maximum Likelihood Estimates					
Parameter	DF	Estimate	Standard Error	Wald Chi-Square	Pr > ChiSq
Intercept	1	-1.5036	0.2714	30.7019	<.0001
Female	1	-0.2235	0.1227	3.3146	0.0687
Age_25_34	1	-0.0264	0.2145	0.0151	0.9022
Age_35_44	1	-0.0244	0.2195	0.0124	0.9115
Age_45_54	1	-0.2655	0.2247	1.3964	0.2373
Age_55_64	1	-0.2801	0.2541	1.2154	0.2703
Age_65_74	1	-0.7179	0.5328	1.8158	0.1778
Age_above_75	1	-0.2060	0.5727	0.1294	0.7190
Asian_Pacific_Island	1	-0.1960	0.4994	0.1540	0.6947
Black	1	0.1407	0.1537	0.8379	0.3600
American_Indian	1	-0.00505	0.2188	0.0005	0.9816
Hispanic	1	0.0490	0.2944	0.0277	0.8679
Married	1	0.1145	0.1684	0.4623	0.4966
Living_with_a_partne	1	0.4618	0.2045	5.0996	0.0239
Separated	1	0.3990	0.3304	1.4582	0.2272
Divorced	1	0.2180	0.2152	1.0267	0.3109
Widowed	1	0.3492	0.3723	0.8798	0.3483
High_school_or_less	1	0.3296	0.1713	3.7014	0.0544
Some_college	1	0.2937	0.1585	3.4355	0.0638
Advanced_degree	1	0.1311	0.2095	0.3914	0.5315

Analysis of Maximum Likelihood Estimates					
Parameter	DF	Estimate	Standard Error	Wald Chi-Square	Pr > ChiSq
Work_experience_1_5	1	-0.3601	0.1576	5.2194	0.0223
Work_experience_6_10	1	-0.1282	0.1744	0.5405	0.4622
Work_experience_11_1	1	-0.4030	0.2392	2.8373	0.0921
Work_experience_16_2	1	-0.1215	0.2213	0.3014	0.5830
Work_experience_21_2	1	-0.6319	0.3414	3.4257	0.0642
Work_experience_26_3	1	0.3415	0.2334	2.1398	0.1435
Work_experience_abov	1	0.1150	0.2899	0.1574	0.6916
Other_business_owned	1	0.0189	0.1606	0.0139	0.9061
Other_business_owned	1	0.0832	0.3294	0.0638	0.8006
Other_business_owned	1	-2.7648	13.2680	0.0434	0.8349
Other_business_owned	1	0.2374	0.5940	0.1598	0.6894
Other_business_owned	1	7.0468	1983.8	0.0000	0.9972
Work_for_others_for_	1	0.1212	0.1187	1.0428	0.3072
Devote_more_35_hours	1	0.0687	0.1245	0.3048	0.5809

Table 8 - Average of the Individual Marginal Effects on Partnership = 1

Variable	Label	N	Mean
Meff_P2_Female	Marginal effect of Female on the probability of Partnership=2	1165	-0.0324851
Meff_P2_Age_25_34	Marginal effect of Age_25_34 on the probability of Partnership=2	1165	-0.0038262
Meff_P2_Age_35_44	Marginal effect of Age_35_44 on the probability of Partnership=2	1165	-0.0035396
Meff_P2_Age_45_54	Marginal effect of Age_45_54 on the probability of Partnership=2	1165	-0.0385900
Meff_P2_Age_55_64	Marginal effect of Age_55_64 on the probability of Partnership=2	1165	-0.0407047
Meff_P2_Age_65_74	Marginal effect of Age_65_74 on the probability of Partnership=2	1165	-0.1043132
Meff_P2_Age_above_75	Marginal effect of Age_above_75 on the probability of Partnership=2	1165	-0.0299284
Meff_P2_Asian_Pacific_Islander	Marginal effect of Asian_Pacific_Islander on the probability of Partnership=2	1165	-0.0285220
Meff_P2_Black	Marginal effect of Black on the probability of Partnership=2	1165	0.0204503
Meff_P2_American_Indian	Marginal effect of American_Indian on the probability of Partnership=2	1165	-0.000749696
Meff_P2_Hispanic	Marginal effect of Hispanic on the probability of Partnership=2	1165	0.0071183
Meff_P2_Married	Marginal effect of Married on the probability of Partnership=2	1165	0.0166414
Meff_P2_Living_with_a_partner	Marginal effect of Living_with_a_partner on the probability of Partnership=2	1165	0.0671285
Meff_P2_Separated	Marginal effect of Separated on the probability of Partnership=2	1165	0.0580029
Meff_P2_Divorced	Marginal effect of Divorced on the probability of Partnership=2	1165	0.0316971
Meff_P2_Widowed	Marginal effect of Widowed on the probability of Partnership=2	1165	0.0507497
Meff_P2_High_school_or_less	Marginal effect of High_school_or_less on the probability of Partnership=2	1165	0.0479069
Meff_P2_Some_college	Marginal effect of Some_college on the probability of Partnership=2	1165	0.0426928
Meff_P2_Advanced_degree	Marginal effect of Advanced_degree on the probability of Partnership=2	1165	0.0190454
Meff_P2_Work_experience_1_5	Marginal effect of Work_experience_1_5 on the probability of Partnership=2	1165	-0.0523546
Meff_P2_Work_experience_6_10	Marginal effect of Work_experience_6_10 on the probability of Partnership=2	1165	-0.0186481
Meff_P2_Work_experience_11_15	Marginal effect of Work_experience_11_15 on the probability of Partnership=2	1165	-0.0585857
Meff_P2_Work_experience_16_20	Marginal effect of Work_experience_16_20 on the probability of Partnership=2	1165	-0.0176755
Meff_P2_Work_experience_21_25	Marginal effect of Work_experience_21_25 on the probability of Partnership=2	1165	-0.0918707
Meff_P2_Work_experience_26_30	Marginal effect of Work_experience_26_30 on the probability of Partnership=2	1165	0.0496257
Meff_P2_Work_experience_above_30	Marginal effect of Work_experience_above_30 on the probability of Partnership=2	1165	0.0166941
Meff_P2_Other_business_owned_1	Marginal effect of Other_business_owned_1 on the probability of Partnership=2	1165	0.0027526
Meff_P2_Other_business_owned_2	Marginal effect of Other_business_owned_2 on the probability of Partnership=2	1165	0.0121056
Meff_P2_Other_business_owned_3	Marginal effect of Other_business_owned_3 on the probability of Partnership=2	1165	-0.5540913
Meff_P2_Other_business_owned_4	Marginal effect of Other_business_owned_4 on the probability of Partnership=2	1165	0.0345972
Meff_P2_Other_business_owned_mor	Marginal effect of Other_business_owned_more_than_5 on the probability of Partnership=2	1165	0.9508706
Meff_P2_Work_for_others_for_pay	Marginal effect of Work_for_others_for_pay on the probability of Partnership=2	1165	0.0176153
Meff_P2_Devote_more_35_hours_per	Marginal effect of Devote_more_35_hours_per_week on the probability of Partnership=2	1165	0.0099931

Table 9 - Probability (Corporation) = 1

Analysis of Maximum Likelihood Estimates					
Parameter	DF	Estimate	Standard Error	Wald Chi-Square	Pr > ChiSq
Intercept	1	-1.0775	0.2434	19.5972	<.0001
Female	1	-0.1301	0.0990	1.7289	0.1885
Age_25_34	1	0.3005	0.2052	2.1440	0.1431
Age_35_44	1	0.2379	0.2063	1.3306	0.2487
Age_45_54	1	0.0530	0.2082	0.0647	0.7992
Age_55_64	1	0.1193	0.2267	0.2768	0.5988
Age_65_74	1	0.4589	0.3363	1.8624	0.1723
Age_above_75	1	0.3805	0.4314	0.7777	0.3778
Asian_Pacific_Island	1	0.3372	0.3484	0.9364	0.3332
Black	1	-0.4224	0.1570	7.2390	0.0071
American_Indian	1	0.00725	0.2021	0.0013	0.9714
Hispanic	1	-0.0397	0.2792	0.0202	0.8870
Married	1	0.2053	0.1366	2.2597	0.1328
Living_with_a_partne	1	0.3431	0.1861	3.3984	0.0653
Separated	1	0.1846	0.3422	0.2911	0.5895
Divorced	1	0.0157	0.1836	0.0073	0.9317
Widowed	1	-0.3103	0.3597	0.7442	0.3883
High_school_or_less	1	-0.6955	0.1408	24.3852	<.0001
Some_college	1	-0.4440	0.1152	14.8451	0.0001
Advanced_degree	1	0.0403	0.1417	0.0807	0.7763

Analysis of Maximum Likelihood Estimates					
Parameter	DF	Estimate	Standard Error	Wald Chi-Square	Pr > ChiSq
Work_experience_1_5	1	-0.0306	0.1312	0.0543	0.8157
Work_experience_6_10	1	-0.0297	0.1521	0.0382	0.8451
Work_experience_11_1	1	-0.0828	0.1867	0.1970	0.6572
Work_experience_16_2	1	-0.0728	0.1885	0.1493	0.6992
Work_experience_21_2	1	-0.1671	0.2299	0.5285	0.4672
Work_experience_26_3	1	-0.0972	0.2249	0.1867	0.6657
Work_experience_abov	1	-0.3565	0.2684	1.7633	0.1842
Other_business_owned	1	0.4348	0.1179	13.6001	0.0002
Other_business_owned	1	0.5551	0.2478	5.0196	0.0251
Other_business_owned	1	0.8156	0.3483	5.4828	0.0192
Other_business_owned	1	1.1963	0.4263	7.8742	0.0050
Other_business_owned	1	-3.8117	116.7	0.0011	0.9740
Work_for_others_for_	1	0.1056	0.0983	1.1542	0.2827
Devote_more_35_hours	1	0.2606	0.1018	6.5521	0.0105

Table 10 - Average of the Individual Marginal Effects on Corporation = 1

Variable	Label	N	Mean
Meff_P2_Female	Marginal effect of Female on the probability of Corporation=2	1165	-0.0302466
Meff_P2_Age_25_34	Marginal effect of Age_25_34 on the probability of Corporation=2	1165	0.0698496
Meff_P2_Age_35_44	Marginal effect of Age_35_44 on the probability of Corporation=2	1165	0.0553051
Meff_P2_Age_45_54	Marginal effect of Age_45_54 on the probability of Corporation=2	1165	0.0123116
Meff_P2_Age_55_64	Marginal effect of Age_55_64 on the probability of Corporation=2	1165	0.0277224
Meff_P2_Age_65_74	Marginal effect of Age_65_74 on the probability of Corporation=2	1165	0.1066780
Meff_P2_Age_above_75	Marginal effect of Age_above_75 on the probability of Corporation=2	1165	0.0884403
Meff_P2_Asian_Pacific_Islander	Marginal effect of Asian_Pacific_Islander on the probability of Corporation=2	1165	0.0783706
Meff_P2_Black	Marginal effect of Black on the probability of Corporation=2	1165	-0.0981954
Meff_P2_American_Indian	Marginal effect of American_Indian on the probability of Corporation=2	1165	0.0016853
Meff_P2_Hispanic	Marginal effect of Hispanic on the probability of Corporation=2	1165	-0.0092194
Meff_P2_Married	Marginal effect of Married on the probability of Corporation=2	1165	0.0477176
Meff_P2_Living_with_a_partner	Marginal effect of Living_with_a_partner on the probability of Corporation=2	1165	0.0797538
Meff_P2_Separated	Marginal effect of Separated on the probability of Corporation=2	1165	0.0429138
Meff_P2_Divorced	Marginal effect of Divorced on the probability of Corporation=2	1165	0.0036587
Meff_P2_Widowed	Marginal effect of Widowed on the probability of Corporation=2	1165	-0.0721194
Meff_P2_High_school_or_less	Marginal effect of High_school_or_less on the probability of Corporation=2	1165	-0.1616621
Meff_P2_Some_college	Marginal effect of Some_college on the probability of Corporation=2	1165	-0.1031972
Meff_P2_Advanced_degree	Marginal effect of Advanced_degree on the probability of Corporation=2	1165	0.0093596
Meff_P2_Work_experience_1_5	Marginal effect of Work_experience_1_5 on the probability of Corporation=2	1165	-0.0071083
Meff_P2_Work_experience_6_10	Marginal effect of Work_experience_6_10 on the probability of Corporation=2	1165	-0.0069059
Meff_P2_Work_experience_11_15	Marginal effect of Work_experience_11_15 on the probability of Corporation=2	1165	-0.0192562
Meff_P2_Work_experience_16_20	Marginal effect of Work_experience_16_20 on the probability of Corporation=2	1165	-0.0169246
Meff_P2_Work_experience_21_25	Marginal effect of Work_experience_21_25 on the probability of Corporation=2	1165	-0.0388444
Meff_P2_Work_experience_26_30	Marginal effect of Work_experience_26_30 on the probability of Corporation=2	1165	-0.0225880
Meff_P2_Work_experience_above_30	Marginal effect of Work_experience_above_30 on the probability of Corporation=2	1165	-0.0828566
Meff_P2_Other_business_owned_1	Marginal effect of Other_business_owned_1 on the probability of Corporation=2	1165	0.1010686
Meff_P2_Other_business_owned_2	Marginal effect of Other_business_owned_2 on the probability of Corporation=2	1165	0.1290281
Meff_P2_Other_business_owned_3	Marginal effect of Other_business_owned_3 on the probability of Corporation=2	1165	0.1895732
Meff_P2_Other_business_owned_4	Marginal effect of Other_business_owned_4 on the probability of Corporation=2	1165	0.2780689
Meff_P2_Other_business_owned_mor	Marginal effect of Other_business_owned_more_than_5 on the probability of Corporation=2	1165	-0.9536964
Meff_P2_Work_for_others_for_pay	Marginal effect of Work_for_others_for_pay on the probability of Corporation=2	1165	0.0245362
Meff_P2_Devote_more_35_hours_per	Marginal effect of Devote_more_35_hours_per_week on the probability of Corporation=2	1165	0.0605651