

# Are Male and Female Entrepreneurs Really That Different?

## Study looks at variables

Previous research has shown the performance of women-owned firms lagging male-owned firms on factors such as annual sales, employment growth, income and venture survival.

Reasons for the differences are often hypothesized, but empirical tests have historically suffered from data with a limited number of control variables on the motivations and characteristics of the owners.

Moreover, many of the previous studies have suffered from survivor bias as they study existing (or surviving) businesses. This study seeks to determine

why a performance difference exists for female- and male-owned ventures.

When other factors are controlled for, gender does not affect new venture performance. However, several factors—differing expectations, reasons for starting a business, motivations, opportunities sought and types of businesses—vary between the genders, and these result in differing outcomes. Such observations should be taken into account when comparing the outcomes of ventures across genders.

While gender was shown not to affect new venture performance when preferences, motivation, and expectations were controlled for, the differences observed among men's and

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women's new business ventures include the following:

- Men had more business experience prior to opening the business and higher expectations.
- Women entrepreneurs had a

larger average household size.

- The educational backgrounds of male and female entrepreneurs were similar.
- Women were less likely than men to purchase their business.

Women were more likely to have positive revenues, but men were more likely to own an employer firm.

Female owners were more likely to prefer low risk/return businesses.

Men spent slightly more time on their new ventures than women.

Male owners were more likely to start a business to make money, had higher expectations for their business and did more research to identify business opportunities.

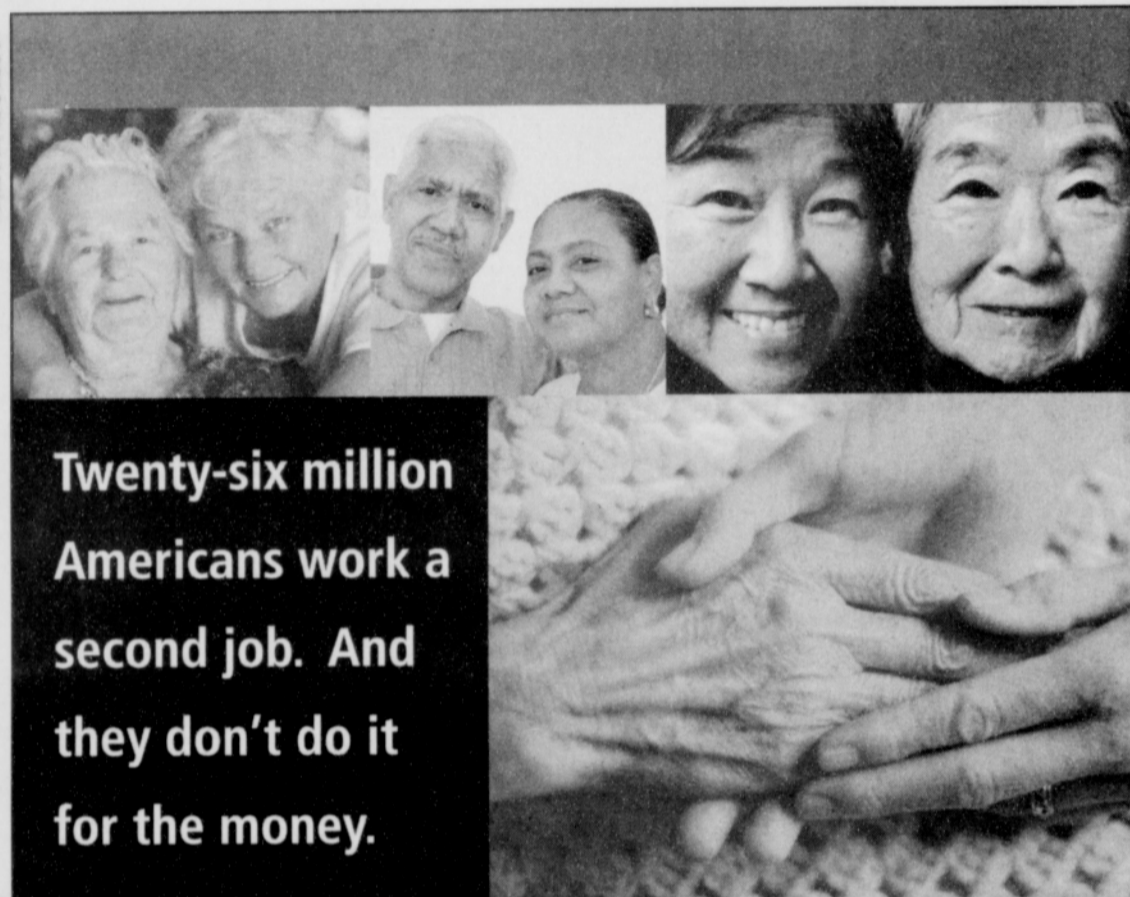
Male entrepreneurs were more likely to found technologically intensive businesses, businesses that lose their competitive advantage more quickly and businesses that have a less geographically localized customer

base. Male owners spent more effort searching for business opportunities, and this held up when other factors were controlled for.

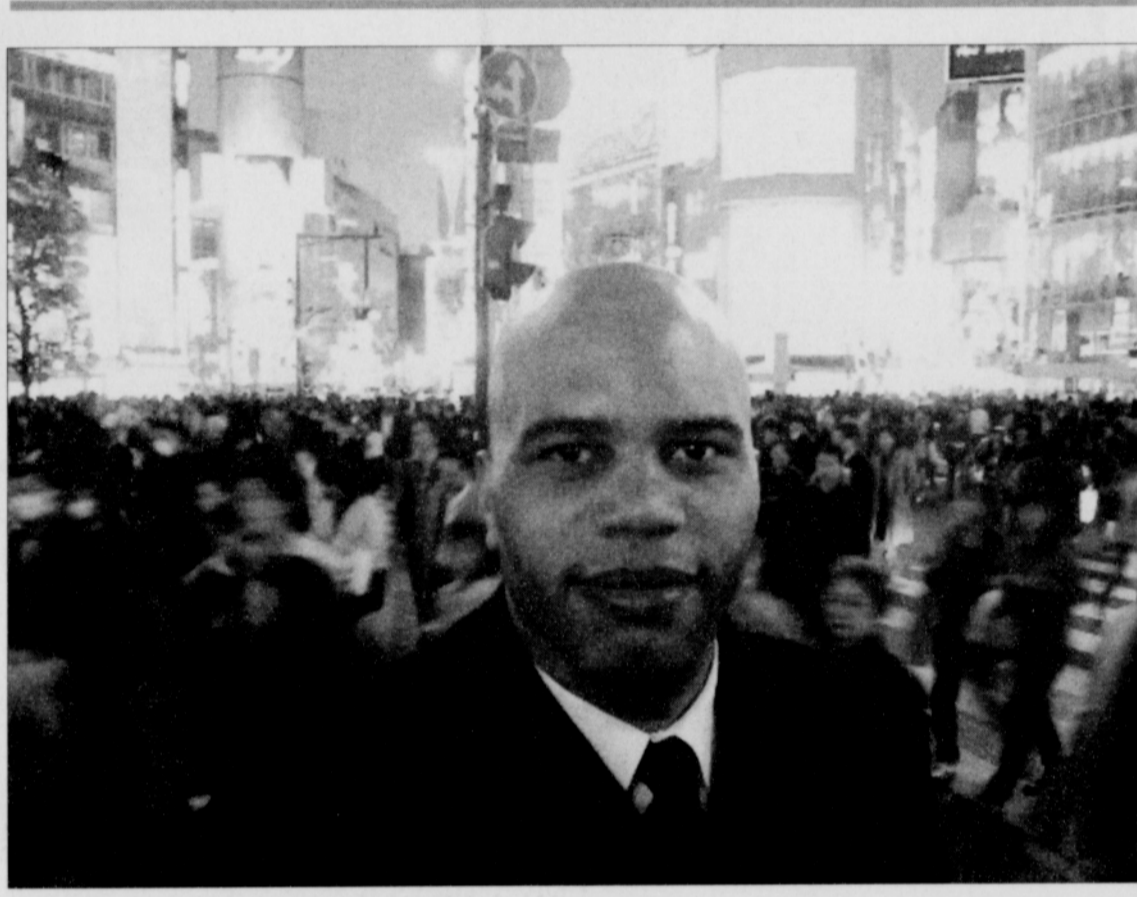
Differences between women and men concerning venture size and hours are explained by control variables such as prior start-up and industry experience.

Researchers and policymakers need to understand that studies which do not take into account the differing nature of men- and women-owned firms could result in misleading results.

This report was developed under a contract with the Small Business Administration, Office of Advocacy.



**Twenty-six million Americans work a second job. And they don't do it for the money.**



Former "Northeast Spectrum" director Aaron Walker waits near Tokyo's famous Shibuya Station intersection, one of the busiest intersections in the world, where he often meets with other producers who work in Japan.

## Producer Makes Waves Internationally

Aaron Walker dreams big with 'Music Japan TV'

BY RAYMOND RENDLEMAN  
THE PORTLAND OBSERVER

Few can say that they've worked in 25 countries before the age of 30.

After directing a cable show vital to the local community, Aaron Walker toured the globe

before recently becoming the only foreign, let alone African-American, producer to have ever been hired by Music Japan TV.

Working for this equivalent of MTV in Japan has taken Walker far from directing the

early '90s "Northeast Spectrum" show that depicted Portland's minority issues.

"It's a very drastic change, but it's a culmination of everything," Walker says. "Ev-

*continued* ▼ on page B4

## Partners for Minority-Owned Businesses

The Global Diversity Initiative and the U.S. Commercial Service work closely with other agencies in the federal government to support small and minority-owned companies as they pursue international business opportunities.

The organizations listed below provide a wealth of information and support for the minority business owner, both internationally and domestically:

**Minority Business Development Agency, U.S. Department of Commerce** -- The MBDA is a federal agency cre-

ated specifically to foster the creation, growth and expansion of minority-owned businesses in America. MBDA has offices throughout the United States and provides an array of services for minority businesses. MBDA funds a nationwide network of Minority Business Development Centers which provide practical assistance to minority business owners.

**Small Business Administration** -- SBA is the U.S. government agency devoted to promoting the interests of small businesses in the United States. The SBA provides counseling, financing, and export promotion for small businesses, among other services.

**Small Business Development Centers** -- SBDCs are regional centers providing counseling, managerial and technical assistance to existing and prospective small businesses. Website: [www.sba.gov/SBDC](http://www.sba.gov/SBDC).

**Office of Small Disadvantaged Business Utilization** -- The OSDBUs oversee contracts and procurement from minority-owned firms; each federal agency has its own OSDBU, as do most state, county and municipal agencies.

**Thinking Ahead:  
Help Your Aging Loved Ones and Keep Your Wits**

Saturday, Nov. 17, 2007  
8:30 am - 2 pm

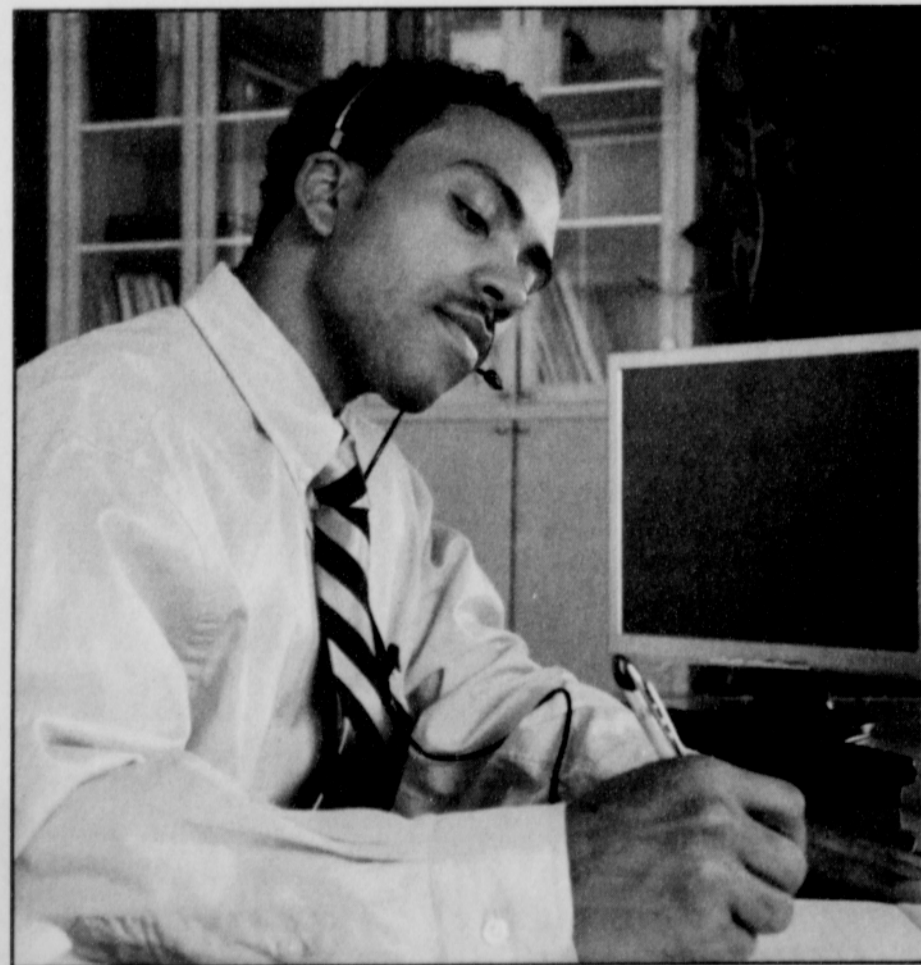
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Regence recognizes the economic and cultural contributions of minority businesses. We are proud of your success and acknowledge your contribution to the economic development of our community in Portland.

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