

## **Learning Entrepreneurship From Other Entrepreneurs?**

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We document that individuals who grew up in areas with high density of firms are more likely, as adults, to become entrepreneurs, controlling for the density of firms in their current location.

Conditional on becoming entrepreneurs, individuals tend to run businesses in the sector with the highest density when young and are more likely to be successful entrepreneurs, as measured by business income or firm productivity.

Results also hold when focusing on movers - individuals who are living in a different location than when they were young - a sample that allows to address endogeneity concerns. Strikingly, firm density at the entrepreneur's young age is more important than current firm density for business performance.

These results are not driven by better access to external finance or intergenerational occupation choices. They are instead consistent with entrepreneurial skills being at least partly learnable through social contacts. In keeping with this interpretation, we find that entrepreneurs who at the age of 18 lived in high firm density areas tend to adopt better managerial practices (enhancing productivity) later in life.