

Gender Gap in Start-up Activities*

TAKANORI ADACHI[†]

TAKANORI HISADA[‡]

Abstract

This study examines the gender gap in start-up activities to determine whether household status or employment status is responsible for creating the observed gender gap. We consider entrepreneurship and intrapreneurship as two different forms of start-up activities: while intrapreneurship is conducted within an existing organization, entrepreneurship is solely an independent activity. This study focuses on this fundamental distinction to help us identify parameters of our double selection model. Using representative U.S. data, augmented by other sources, we find that the counterfactual rate of entrepreneurial activities by women who have the same (in the distributional sense) characteristics as men is lower than the actual rate for men. A similar result is obtained for intrapreneurial activities. More importantly, our Blinder–Oaxaca decomposition results suggest that for both entrepreneurship and intrapreneurship, women’s employment status is more significant than their household status in explaining the gender gap in start-up activities. This is more apparent in the group of whites, college graduates, and those who work for a large firm.

JEL classification: J15; J16; L26; M13.

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[†]School of Economics, Nagoya University, 1 Furo-cho, Chikusa, Nagoya 464-8601, Japan. E-mail: adachi.t@soec.nagoya-u.ac.jp

[‡]Graduate School of Economics, Osaka University, 1-7 Machikaneyama, Toyonaka, Osaka 560-0043, Japan. E-mail: pge023ht@student.econ.osaka-u.ac.jp