Early exposure to entrepreneurs, gender equality, and talent allocation in entrepreneurship

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Abstract

Using registry data from Denmark, we track the educational and professional choices of one million individuals from adolescence to adulthood and investigate the effects of early exposure to entrepreneurs on the gender gap and the allocation of talent in entrepreneurship. We exploit within-school, across-cohort variation in adolescents' exposure to entrepreneurship, as measured by the share of their peers whose parents are entrepreneurs during the last years of compulsory schooling. We find that higher exposure to entrepreneurs during adolescence narrows gender gaps in entrepreneurship by encouraging girls' entry and tenure into this profession. The effect is driven by exposure to the parents of female peers and works via a decrease in girls' likelihood to discontinue education at the end of compulsory schooling and to hold low-paying jobs as adults. The firms created by women are larger and survive longer than the average firm, indicating that a pool of innately talented entrepreneurs are not pursuing their comparative advantage due to gender-specific entry barriers. Our results suggest that such barriers are both cultural and informational in nature and that raising women's early exposure to entrepreneurship from the 25th to the 75th percentile would increase the total number of jobs created by entrepreneurs by 5.3%.

1 Introduction

Despite the dramatic convergence in the occupational distribution of men and women over recent decades, large gender gaps remain in entrepreneurship in all developed countries (OECD, 2021), including those praised for their high levels of gender equality.[1] The fact that men and women may have different opportunities to become entrepreneurs is concerning not only from a fairness perspective, but may also hurt aggregate productivity. Indeed, recent studies show that when individuals have occupation-specific abilities, barriers to women's entry into male-dominated professions can distort the allocation of talent in the economy and impose substantial welfare costs (Hsieh et al., 2019; Ashraf et al., 2022). These welfare costs are likely to be particularly large in the context of entrepreneurship, given its importance for innovation, job creation, and economic growth (Aghion and Howitt, 1992). Yet, we know surprisingly little about what drives the gender gap in entrepreneurship and the implied cost for aggregate performance.

This paper aims to fill this gap in the literature by proceeding in two steps. First, we study whether gender differences in exposure to entrepreneurship can explain women's under-representation in this profession. To answer this question, we use Danish administrative data to investigate whether higher exposure to entrepreneurs during adolescence differentially affects men's and women's probability to start a business during adulthood. Existing work has demonstrated that interacting with people with entrepreneurial experience significantly affects an individual's decision to become an entrepreneur (see Parker (2018) for a review). However, because women and men make different educational and career choices (Bertrand, 2020), they may not be equally likely to interact with entrepreneurs throughout their lives. The pattern shown in Figure 1 supports this hypothesis. Girls and boys are equally likely to be exposed to entrepreneurs until the end of compulsory schooling. As they select into their educational and career pathways, substantial gender differences emerge, resulting in a gender gap in exposure as large as 10.9% by age 40.[2] Therefore, increasing exposure before boys' and girls' trajectory diverge may disproportionately boost female entrepreneurship by changing their choices in the educational and labor market. This may effectively equalize opportunities for those girls who otherwise may not have become familiar with this profession later in life.

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[1] For instance, in the five most gender equal OECD countries according to the 2020 Global Gender Gap Index, women constitute only between one-third and one-fifth of all entrepreneurs (in New Zealand and Sweden respectively). In Denmark - the country studied in this paper, which ranks 14th in the Global Gender Gap Index - women represent only 25% of all entrepreneurs.

[2] As explained in greater detail in the footnote of Figure 1, until an individuals is enrolled into education we define exposure to entrepreneurship as the share of his/her school peers who will become entrepreneurs in the future. Once the individual enters employment, exposure is defined as the share of his/her co-workers who were, are, or will become entrepreneurs.

Second, we study whether and how reducing gender gaps in entrepreneurship through early exposure to entrepreneurs affects the allocation of talent and aggregate performance. The answer to this question is ex-ante ambiguous. If some talented women do not pursue entrepreneurship as a career due to the gender gap in exposure, exposing girls to more entrepreneurs could boost not only their subsequent careers but also economic growth by improving the allocation of talent in the economy. If instead the lower rates of female entrepreneurship result from differences in women's ability or preferences to pursue this career, increasing women's exposure during adolescence would either lead to the creation of less productive businesses or have no effect on female entrepreneurship rates.

Estimating the causal effect of early exposure to entrepreneurs on gender equality and the allocation of talent in entrepreneurship is challenging for at least three reasons. First, it requires finding a source of exogenous variation in adolescents' exposure to entrepreneurship in order to distinguish the effect of interest from other potentially correlated effects, such as adolescents' background and overall environment. We address this challenge by exploiting quasi-random variation in the share of a student's peers with entrepreneur parents across cohorts within a school, controlling for the entrepreneurial status of the students own parents'. As students attending the same school in different cohorts share a similar environment but are exposed to different shares of peers with entrepreneur parents, our empirical strategy allows us to distinguish the effect of interest from potentially correlated effects.[3] The key identifying assumption to obtain causal estimates is that while parents may choose a school based on its overall characteristics, the within-school sorting into grades is unlikely to be driven by parents' knowledge of cohort specific variations in the percentage of students with entrepreneurs parents.[4]

We focus on exposure during the last three years of compulsory schooling, i.e. when students are between 13 and 16 years old. This decision is motivated by two considerations. First, at this age the educational and career trajectories between male and female peers have not yet diverged, allowing us to estimate the effect of exposure *before* any potentially endogenous choices are taken. Moreover, this is a pivotal period when individuals tend to form their attitudes and beliefs (the so-called *impressionable years*) and the time at which Danish students need to make decisions that will influence their future educational and professional paths.[5]

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[3] This strategy, first proposed by (Hoxby, 2000), has been widely used in the peer effect literature to address problems associated with endogenous selection into peer groups by exploiting natural variation in cohort composition within a given school across time. See, among others, Angrist and Lang (2004); Lavy and Schlosser (2011); Bifulco et al. (2011); Carrell et al. (2018); Olivetti et al. (2020); Brenøe and Zölitz (2020).

[4] In section 3.1 we perform a number of balancing checks confirming that within-school cohort-to-cohort changes in the share of students whose parents are entrepreneurs are uncorrelated with changes in other characteristics of students and their parents.

[5] For studies on the impressionable years hypothesis see, among others, Krosnick and Alwin (1989);

Second, our analysis requires us to follow the same individuals from adolescence to adulthood and track both their educational and professional choices. We address this challenge by leveraging the longitudinal nature of our data, which allows us to follow the complete education and career history of the entire Danish population. Our sample covers almost one million individuals who enrolled in their final years of compulsory school between 1980 and 1992. In this way, we can follow most individuals until the age of 40 and estimate both the short- and long-run effects of early exposure to entrepreneurship on the subsequent trajectories of men and women.

Finally, identifying to what extent the observed gender gap in entrepreneurship reflects a distortion in the allocation of talent requires estimating both the private returns and the social impact associated with a potential narrowing of the gap driven by higher early exposure to entrepreneurs. To estimate women's private returns, we need to identify what women's counterfactual education and career attainments would have been had they not been pushed into entrepreneurship by early exposure to entrepreneurs. In this way we can both obtain a measure of women's private returns from pursuing entrepreneurship as a career, as well as understand whether these women would have pursued a different career that also have substantial social impact. To this end, we compare the educational and professional outcomes of different cohorts of women who attended the same school but were exposed to a different share of peers with entrepreneur parents. To conclude whether increasing women's entry into entrepreneurship is beneficial to society at large, we also need to estimate whether the increase in female entrepreneurship is associated with the creation of successful firms. We answer this question by comparing the performance of the newly created firms, in terms of size and survival rate, with those created by the incumbents, whether men or women.

We present three sets of results. In the first part of the paper, we show that early exposure to entrepreneurs narrows the gender gap in entrepreneurship by encouraging girls' entry into and tenure in this profession. Specifically, a one standard deviation increase in the share of school peers with entrepreneur parents increases the probability that a woman enters entrepreneurship before age 30 by 6%, with the effects persisting up until age 40. The effects for boys instead are transitory and fade away around age 30, indicating that higher exposure during adolescence anticipates the time at which boys become entrepreneurs but it does not change their overall probability to pursue entrepreneurship as a career. These results support the hypothesis that while boys are more likely to become familiar with entrepreneurship at different stages in their lives (see Figure 1), early exposure is key to girls, who would not have pursued this career otherwise.

Heckman (2007); Borghans et al. (2008); Harris (2011); Klimstra (2013); Booth et al. (2019). For more information on the Danish educational system see Section 2.

We further investigate if the effect of exposure to entrepreneurs depends on the gender of the peers the exposure is coming from. In particular, if it is driven by frequent interactions with peers and their parents, we may expect the effect to arise from exposure to the parents of female peers, as adolescents interact with same-sex peers more frequently (Rubin et al., 2015).[6] Our aggregate effects are indeed driven entirely by girls' exposure to the entrepreneur parents of female peers, while the insignificant effect on boys persist independently on the gender of their peers. The effects on girls are sizable and persistent, with a one standard deviation increase in early exposure resulting in a 11.2% increase in entrepreneurship by age 25. To interpret our magnitudes, we benchmark our estimates against the effect of having an entrepreneur parent, which is a strong predictor of choosing entrepreneurship as a career (e.g. Lindquist et al., 2015). Moving girls from the 25th to the 75th percentile of the exposure distribution has an effect on female entry rates into entrepreneurship that is 7.3% of that of having an entrepreneur parent (which increases girls entry rates by as much as 88%).

The findings described so far, which point to early exposure to entrepreneurs as a way to reduce the large gender gaps in entrepreneurship, are relevant from a fairness and equality perspective and can, on their own, have important policy implications. In order to understand the efficiency implications of an increase in female entrepreneurship, however, we must understand how exposing girls to entrepreneurship during adolescence affects the allocation of talent in the economy. We estimate this relationship, which we view as central to our paper, in the second part of the analysis.

We proceed in two steps. First, we show that women entering entrepreneurship due to higher early exposure seem to benefit from this decision, at least in terms of their educational and professional achievements. Specifically, we find that exposure to female peers with entrepreneur parents reduces girls' probability of discontinuing education at the end of compulsory school and increases their entry into and completion of vocational education, an educational path taken by 55% of entrepreneurs. This result points to the importance of exposing girls to entrepreneurship before they make educational choices that are hard to reverse. Moreover, we find that early exposure to entrepreneurs reduces women's probability of being employed in low-paying jobs, suggesting that their counterfactual careers would likely not have had social returns as high as entrepreneurship.

Second, to conclude that women's entry into entrepreneurship due to early exposure is beneficial to society more at large, we show that it is associated with the creation of firms that are larger and survive for longer than the average firm. This result speaks to the presence of talent misallocation, indicating that some talented women face higher entry barriers to entrepreneurship that can be lowered by increasing early exposure

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[6]Moreover, the psychology literature suggests that girls develop friendship that are characterized by greater communication and sharing of information then friendship among boys (Underwood, 2004).

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to this profession. We quantify the welfare gains of improving the allocation of talent in entrepreneurship in terms job creation and find that lowering women's barriers by increasing early exposure from the 25th to the 75th percentile, would increase the total number of jobs created by entrepreneurs over our sample period by 5.3%.[7]

In the final part of the paper, we investigate the plausible mechanisms underlying our results and describe the nature of the occupational barriers facing women. In principle, the observed effects of early exposure on women's entry into entrepreneurship are consistent with several mechanisms. While we cannot comprehensively distinguish between all of them, our findings speak to the relative importance of transmission of specific human capital and information, changes in girls' aspirations and goal, and increased awareness of entrepreneurship as a career. Instead, we do not find strong evidence in favor of role modelling, networking, and greater access to capital. Taken together, our analysis suggests that the entry barriers to entrepreneurship facing women are both informational and cultural.

This paper contributes to several stands of the literature. First, it relates to the scant body of work on gender gaps and the selection of talent (Olivetti and Petrongolo, 2008; Hsieh et al., 2019; Ashraf et al., 2022). Specifically, by ruling out that the marginal woman entering entrepreneurship is less productive than the average man, our analysis is the first to directly show that women's under-representation in entrepreneurship reflects, at least in part, talent misallocation; or, in other words, that the higher occupational barriers facing women preclude some talented entrepreneurs from ever entering this profession. We view this as a central contribution of our paper given that the cost of talent misallocation in entrepreneurship for economic growth are especially high (Murphy et al., 1991).[8] Moreover, by highlighting the role of exposure to entrepreneurs at a young age, this paper points to the importance of reducing barriers affecting women's choice of human capital investment *prior* to entering the labor market, a result which echoes one the findings of Hsieh et al. (2019) and that has important policy implications.[9]

Second, we contribute to the literature highlighting the role of social context and exposure to entrepreneurship for the creation of entrepreneurs. While several studies have established that interacting with people with entrepreneurial experience affects an individual's decision to start a business (Nanda and Sørensen, 2010; Lerner and Malmendier, 2013; Lindquist et al., 2015; Guiso et al., 2021; Wallskog, 2022), evidence

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[7]This calculation abstracts from general equilibrium effects, such as increased competition and crowding out in the market.

[8]This argument is similar to the one proposed by Bell et al. (2019), who focus on the underrepresentation of women and minorities among inventors. Their analysis however does not directly show that gender gaps in innovation reflect talent misallocation.

[9]Our focus on exposure at a young age distinguishes our paper from studies on the role of discrimination in holding back women once they have entered entrepreneurship (e.g. Hebert (2020)) .

on how this may relate to women's under-representation in entrepreneurship is scant. Specifically, the few existing studies analyzing this relationship focus on samples of highly selected women, such as those enrolled into MBA programs or working in start-ups (Hacamo and Kleiner, 2020a; Rocha and Van Praag, 2020), or do not study the performance of their firms (Markussen and Røed, 2017). Instead, by combining a research design that focuses on exposure at a young age with large-scale administrative data, we can estimate the effects of early exposure to entrepreneurs on the full population of women and the firms they create, which is crucial to understand the relationship between gender gaps and selection of talent in entrepreneurship.[10]

Finally, this paper contributes to the literature on the importance of social context in shaping the educational and professional trajectories of women (Bertrand, 2011, 2020). As the estimated effects of early exposure point to mechanisms such as transmission of information, change in girls' aspirations, and increase in girls' awareness of entrepreneurship as a possible career pathway, this paper speaks to the literature highlighting the role of information, social norms, stereotypes, and beliefs in determining women's educational and professional choices (e.g. Bell et al. (2019); Carlana (2019); Bursztyn et al. (2020); Porter and Serra (2020); Del Carpio and Guadalupe (2021); Wiswall and Zafar (2021); Hoisl et al. (2022)).

The remainder of this paper is organized as follows. Section 2 describes the data and the main outcomes of interest. Section 3 presents the empirical strategy and discusses its validity. Section 4 presents the result on the role of early exposure on gender gaps in entrepreneurship, while Section 5 focuses on the private returns and the social impact associated with the observed increase in female entrepreneurship. Section 6 investigates the plausible mechanisms underlying our results. Finally, Section 7 concludes.

2   Data

We use individual-level administrative data covering the entire Danish population from 1980 onward.[11] One key advantage of this data is the possibility to link longitudinal information contained in school, family, and employment registers at the individual-level. Specifically, we use employer-employee registers to identify entrepreneurs and the performance of their firm; education registers to identify the school individuals attend and their school peers; and we use the family register to connect individuals to their family members and identify the occupations of their parents.

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[10]Indeed, focusing on the selected sample of women observed in MBA programs or start-ups could lead us to under-estimate the cost of talent misallocation if one factor that prevents some talented women from starting a business is precisely their lower likelihood to self-select into such environments.

[11]All people residing in Denmark in a given year are included in the register. This implies that the only sources of attrition are due to individuals leaving the country or dying.

2.1 Sample selection and educational system in Denmark

The main goal of our analysis is to understand if exposure to entrepreneurs during adolescence has a differential effect on girls' and boys' probability to start a business during adulthood. In selecting the sample for our analysis we balance two objectives. First, we need to select an exposure period when boys and girls are young enough for their trajectories to have not diverged yet, as this allows us to minimize (endogenous) gender differences in the probability of self-selecting into environments characterized by different levels of exposure to entrepreneurs. At the same time, we want to focus on a period in which boys and girls are old enough to be susceptible to inputs about their future educational and career choices.

For these reasons, we focus on exposure to entrepreneurs which takes place during the last three years of compulsory schooling, when students are between 13 and 16 years old.[12] In Denmark, compulsory education consists of a unique block of school years – from grade 0 to grade 9 - that covers both primary and lower-secondary education and that takes place within a single institution.[13] During these the educational track of male and female students is, by construction, the same. At the end of compulsory school students can then choose to discontinue education or to attend vocational or academic upper secondary schooling. Once these additional years of schooling are completed, students decide whether to attend university.[14]

Given the structure of the Danish educational system, an exposure period that goes from grade 7 to grade 9 is ideal to answer our questions.[15] Indeed, during the final years of compulsory school boys' and girls' educational trajectory have not yet diverged but, at the same time, students need to start thinking and ultimately decide about their future educational paths. Moreover, this is the age at which social learning - defined as the ability to learn from the environment an individual is exposed to - is at its highest as it is when individuals tend to form their attitudes and beliefs (the so-called *impressionable year hypothesis*, see Krosnick and Alwin (1989); Heckman (2007); Borghans et al. (2008); Harris (2011); Klimstra (2013); Giuliano and Spilimbergo (2014); Booth et al. (2019)).

Finally, as we want to observe sufficiently long educational and career histories to

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[12]We describe how exactly we define and measure exposure in Section 3.

[13]Only 9.2% of students change institution between grade 0 and grade 9. Almost of all these students (98%) change school between 8th and 9th grade, mostly to go to *Efterskolen* (continuation schools).

[14]In contrast to the students attending academic upper secondary education, students completing vocational upper secondary education would usually be required to do some additional coursework before enrolling into university. Figure A1 in the Appendix show a graphical representation of the Danish education system and of the choices students face.

[15]Our data contains information on the school students attend only from grade 8 onward. We impute the school in grade 7 as the school where an individual attended grade 8. For movers, we assign them the variables relative to the school attended in grade 7. Note that removing movers from the sample does not change our estimates.

capture not only the short-term but also the long-term effects of early exposure to entrepreneurship, we focus on students attending the last years of compulsory school before 1993. As our sample size drops dramatically after age 40 (see Figure A2), we follow individuals up until that age. Our final sample consists of 807,300 students attending 1,702 different schools over a 13-years period, and covers in a total of 22,126 school-cohort observations.

2.2 Identifying entrepreneurs

We identify entrepreneurs as individuals founding a business with employees, thereby excluding the self-employed who are unlikely to constitute a good proxy for entrepreneurship (Levine and Rubinstein, 2017; Boeri et al., 2020).[16] While owners of *unincorporated* businesses are directly identified in the Danish administrative registers, individuals who found *incorporated* ventures are not, as they are generally registered as employees of their own firms in the data.[17] To identify founders of *unincorporated* businesses we follow the approach taken in other studies using Danish data and classify top managers of newly created firms as entrepreneurs (e.g., Nanda and Sørensen, 2010).[18] [19]

2.3 Summary statistics

Table 1 reports descriptive statistics for the whole sample, and separately by gender. Panel A of Table 1 shows our main outcome of interest, an indicator for whether the individual ever enters entrepreneurship as an adult measured in the final year of observation. Nearly 5 percent of all individuals are registered as entrepreneurs at some point over the observation period.[20] Entry into entrepreneurship increases by age, with only 0.8 percent entering before 25 years old. Women are less likely than men to enter entrepreneurship at every age, with the overall entry rates being 6.9 percent for men and 2.7 percent for women. The average number of years spent in entrepreneurship is 4.6 (corresponding approximately to four years and seven months), with women spending seven months less than men in entrepreneurship throughout the observation

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[16]Our ability to exclude the self-employed stands in comparison with other studies which were limited in their ability to do so by sample size and power concerns (e.g. Nanda and Sørensen, 2010; Guiso et al., 2021).

[17]This is the case unless they are passive investors not participating in the direction of the firm.

[18]Note that we only consider individuals for whom their entrepreneurial activity is their main occupation. In doing so, we are able to exclude, for example, part-time consultants and individuals who may set up a side business in order to shelter taxes.

[19]Firm identifier changes each time the firm changes ownership. When an individual inherit a family business, it will appear in the data as a new firm. However, we are able to track these changes in firm identifiers, so that pre-existing firms that are bought or inherited are not considered as new firms.

[20]This is in line with the national entrepreneurship data from OECD (2021).

period.

Panel B of Table 1 provides an overview of the cohort-level variables. The average cohort size is 44 students. Given this relatively small size, it is likely that students interact with the majority of their peers.[21] The key variable of interest is the share of peers with at least one entrepreneur parent during the last three years of lower secondary school, which is constructed at the school-cohort level excluding the individual herself.[22] On average 11.7 percent of the peers an individual is exposed to have at least one parent who is an entrepreneur, and unsurprisingly, the exposure is similar for men and women.

Finally, Panel C of Table 1 provides an overview of other characteristics of the individuals in our sample. In particular, it shows that 15.4% of students in our sample have discontinued education at the end of compulsory school; 45% have discontinued education at the end of upper secondary school, which is more likely to be vocational or technical (38.6%) rather than academic (6.3%). Finally, 39.8% of students have completed a higher education degree.

3   Empirical strategy

Estimating the causal effect of early exposure to entrepreneurs on girls' and boys' career trajectories requires isolating its impact from other potentially correlated effects, such as adolescent's background or the characteristics of the areas they live in. Ideally, we would need to compare adolescents who have similar characteristics and share the same environment but who, for exogenous reasons, are exposed to different levels of entrepreneurs. We approximate this ideal experiment by exploiting within-school across-cohort variation in adolescents' exposure to entrepreneurship, as measured by the share of their peers whose parents are entrepreneur. Intuitively, we compare the probability of becoming an entrepreneur for two students attending the same school but belonging to different cohorts, so that one is exposed to more peers with entrepreneur parents than the other.[23]

The key identifying assumption is that while parents may choose a school on the basis of its overall characteristics, they do not do so based on the cohort-specific occupational mix of the parents of their child's schoolmates. If this assumption is satisfied, the variation in early exposure arising across cohorts within schools can be treated as quasi-random. While it seems unlikely that parents are aware of and

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[21]Note that we cannot observe students division into classes in the data . However, we think that defining peers using cohort is preferable than by using classes, as the allocation of a student into a specific class can be influenced by parental preferences.

[22]A detailed explanation of how the variable is constructed is provided in Section 3.

[23]This strategy has been used in various settings to isolate quasi-random variation in peers' characteristics (e.g., Hoxby, 2000; Angrist and Lang, 2004; Lavy and Schlosser, 2011).

consider the share of students with entrepreneur parents in their children's cohort when choosing their school, we provide evidence in favor of this assumption in the next section.

To identify if early exposure to entrepreneurship differentially affects girls' and boy's probability to become entrepreneur, we estimate the following model separately for boys and girls in each year from age 18 to 40:

$$Y_{isc} = \beta_1 Entrepr_{-i,sc} + \beta_2 Parent_{isc} + \gamma_s + \gamma_m \times \gamma_c + \theta X_{isc} + \eta Z_{sc} + \epsilon_{isc} \ \forall \ \text{age} \in [18, 40] \ (1)$$

where Y_{isc} is the outcome of interest: an indicator equal to 1 if individual i in school s and cohort c has been an entrepreneur by age a or alternatively the number of years spent in entrepreneurship by age a. $Entrepr_{-i,sc}$ is the share of peers who have at least one parent who is an entrepreneur. In particular,

$$Entrepr_{-i,sc} = \frac{\sum_{k \neq i} Entrepr_{ksc}}{n_{sc} - 1}$$

is, for each individual i, the share of peers with at least one entrepreneur parent computed from the school-cohort distribution of students after eliminating individual i from the distribution.[24] β_1 is the main parameter of interest and captures the extent to which the individual's decision to become an entrepreneur is affected by the share of peers who have at least one parent who is an entrepreneur. Note that the *leave-one-out* strategy used to calculate the variable $Entrepr_{-i,sc}$ induces a mechanical negative correlation between the share of peers whose parents are entrepreneur and own parent's entrepreneurial status (Angrist, 2014). To eliminate this bias, and to control for an important factor behind an individual's decision to become entrepreneur (Lindquist et al., 2015), we always control for own parent's entrepreneurial status, $Parent_{isc}$.

Finally, γ_s, γ_c and γ_m denote school, cohort and municipality fixed effects, respectively. The inclusion of school fixed effects accounts for school characteristics that are constant across cohorts within a school, for example whether the school is located in a richer neighborhood. We also include municipality by cohort fixed effects to account for confounding factors affecting all individuals of a given age residing in the same municipality. This allows us to control for local time trends, such as the possibility that some municipalities may becomes more attractive for entrepreneurs over time, as well as for common economic shocks, such as booms or burst.

To increase precision, we also include a vector of controls for individual characteristics, X_{isc}, and a vector of other peer characteristics, Z_{sc}. The set of individual controls includes age; an indicator for whether the individual is living with both par-

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[24]This approach is standard in the peer effects literature (e.g. Carrell et al., 2018; Olivetti et al., 2020).

ents; number of siblings; indicators for being first- or second-generation immigrant; parents' income; parents' age; and parents' education, all computed at the beginning of the exposure period. Cohort level controls include cohort size, share of female peers and share of first- and second-generation immigrants peers by school-cohort. Note that all peers variables are calculated in the same *leave-one-out* manner as $Entrepr_{-i,sc}$. Finally, to take into account that students' outcomes are correlated within their school, we cluster the standard errors at the school level.

3.1   Support to the identification strategy

Before discussing the validity of our empirical strategy, a first-order concern is whether we have sufficient variation in the share of peers with entrepreneur parents once we remove school and municipality times cohort fixed effects, as this will determine our ability to precisely detect the effects of interest. Table 2 reports the original and residual variation in the share of peers with entrepreneur parents. Removing school and municipality times cohort fixed effects reduces variation in the share of peers with entrepreneurs parents from 7.2 percent to 4.2 percent: that is, we are left with 58 percent of the original variation unexplained. This is in line with other studies exploiting within-school across-cohorts variation (Bifulco et al., 2011; Olivetti et al., 2020) and reassures us that our empirical strategy leaves sufficient residual variation in our key variable.

While our empirical strategy allows for endogenous sorting of students across schools, the key identifying assumption is that parents do not choose a school on the basis of cohort-specific changes in the fraction of their children's schoolmates that have entrepreneur parents. The validity of our identification strategy, therefore, rests on the assumption that variation in peers' parents entrepreneurial status within schools but across cohorts results from random fluctuations rather than from systematic selection.

We provide evidence in favor of this assumption through two empirical checks. First, following Lavy and Schlosser (2011), we formally test for selection on observables by examining whether the variation in the proportion of peers' parents who are entrepreneurs is correlated with the variation in predetermined student characteristics. Table 3 displays the results of separate regressions of student characteristics on the share of peers with entrepreneur parents, after controlling for own parents' entrepreneurial status and including school and municipality times cohort fixed effects. All variables have been standardized to have mean zero and standard deviation one. None of the coefficients are statistically significant, and they are all negligible in magnitude. Interestingly, we find that within-school changes in the share of students with entrepreneur parents, do not correlate with changes in students' background, as proxied by parents' education, employment status, or income, which reassures us of our ability to separate the effect coming from changes in our exposure measure from the

effect coming from changes in other potentially correlated characteristics.

Next, following Brenøe and Zölitz (2020), we check if the observed variation in entrepreneurial outcomes among peers' parents can be considered "as good as random" by plotting the share of peers with entrepreneur parents after removing school, cohort and municipality times cohort fixed-effects (Figure 2). These deviations in the share of peers with entrepreneur parents follow closely a normal distribution, supporting the idea that variation in our exposure measure is as good as random (once we condition on school and municipality times cohort fixed effects). Together these checks mitigate concerns regarding the possibility that students sort across cohorts in a way that correlates with our exposure measure.

4 Early exposure and female entrepreneurship

4.1 Aggregate Effects

Panel (a) and (b) of Figure 3 plot the estimated β_1 from the age-specific regression (1), where the dependent variable is a dummy equal to one if the individual has ever been an entrepreneur by that age. Being exposed to a larger share of peers with entrepreneur parents increases women's probability of ever being an entrepreneur from their early 20s and, while the effect become less precisely estimated over time, it appears to be persistent.[25] In particular, women exposed to a one standard deviation higher share of peers with entrepreneur parents are 6.1% more likely to become entrepreneur before age 30 (Table 4, Panel A). For men, instead, the effect appears only in the late 20's and fades away quickly after that. As our outcome variable remains "switched on" once an individual has entered entrepreneurship, this implies that by age 33 entry rates into entrepreneurship do not differ between boys enrolled into cohorts with different levels of exposure to entrepreneurs during compulsory school. Hence, higher exposure during adolescence anticipates the time at which boys become entrepreneurs by a few years but it does not change their overall probability to pursue entrepreneurship as a career. In contrast, such exposure is key for women, who would not have entered this profession otherwise.

Given that we care not only about entry into entrepreneurship but also about tenure in the profession, we check how persistent the effects are by estimating the impact of exposure to entrepreneurship on the number of years spent as an entrepreneur. Panels (c) and (d) in Figure 3 plot estimates of β_1 from equation (1) when the dependent variable is the number of years spent in entrepreneurship by age, for women and men respectively. Early exposure to entrepreneurship has a positive and significant effect

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[25]As our sample consists of individuals born between 1965 and 1979, the sample size gradually decreases after age 37.

on the number of years spent in entrepreneurship only for women, which is consistent with the results shown in Panel (a) and (b). In terms of magnitudes, a one standard deviation increase in the share of peers with entrepreneur parents results in a 5.3% increase in the number of years spent as entrepreneur by age 30 for women.

These findings have important implications for young women. Existing research shows that girls may have biased beliefs about gender-specific roles and career paths due to the presence of stereotypes and social norms, and are at the same time less likely to select into environments that can correct these expectations (Bordalo et al., 2016; Bertrand, 2011; Carlana, 2019; Bertrand, 2020). In our context, the different educational and labor market choices of women make them less likely to be exposed to entrepreneurship from the end of compulsory school onward, as shown in Figure 1. Our results show that exposure to entrepreneurship sufficiently early in girls' life, when their educational and career trajectories have not yet diverged from those of boys', can act as an equalizer of opportunities by increasing girls' awareness and understanding of the entrepreneurial profession.

4.2   Effects by gender of peers

To validate our aggregate effects, we next investigate if the effect of exposure to entrepreneurs depends on the gender of the peers through which exposure arises. In particular, if it is driven by frequent interactions with peers and their parents, we may expect the effect to be coming from exposure to the parents of female peers. Indeed, existing work shows that the gender composition of an individual's networks potentially affects the type of information received (Currarini et al., 2009). This is particularly true during adolescence, as boys and girl interact with same-sex peers more frequently than with opposite-sex peers (Rubin et al., 2015). Furthermore, they develop different types of relationships with their friends: while friendships among girls tend to be centered around conversation and sharing, the friendships among boys tend to be focused on activities done together (Aukett et al., 1988; Underwood, 2004).

If girls interact more with their female peers than with their male peers, and if they interact differently with their friends than boys do, exposure to *female peers* whose parents are entrepreneurs might have a different effect than exposure to *male peers* whose parents are entrepreneurs.[26] To test this we estimate the following regressions

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[26]In line with this idea, a growing body of work points to the gender composition of school peers as an important factor for shaping individuals' preferences for field of study and occupation (Feld and Zölitz, 2017; Anelli and Peri, 2019; Cools et al., 2019; Brenøe and Zölitz, 2020).

for by age and gender:

$$
\begin{aligned}
Y_{isc} =& \beta_1 Entrepr^{FP}_{-i,sc} + \beta_2 Entrepr^{MP}_{i,sc} + \beta_3 Parent_{isc} \\
& + \gamma_s + \gamma_m \times \gamma_c + \theta X_{isc} + \eta Z_{sc} + \epsilon_{isc} \text{ if } Female = 1 \ \forall \ age \in [18, 40] \\
Y_{isc} =& \beta_1 Entrepr^{FP}_{i,sc} + \beta_2 Entrepr^{MP}_{-i,sc} + \beta_3 Parent_{isc} \\
& + \gamma_s + \gamma_m \times \gamma_c + \theta X_{isc} + \eta Z_{sc} + \epsilon_{isc} \text{ if } Female = 0 \ \forall \ age \in [18, 40] \quad (2)
\end{aligned}
$$

where $Entrepr^{FP}_{-i,sc}$ and $Entrepr^{MP}_{-i,sc}$ denote the share of female and male peers who have at least one parent who is an entrepreneur, respectively; and all other terms are defined as in equation (1). As in equation (1), both $Entrepr^{FP}_{-i,sc}$ and $Entrepr^{MP}_{-i,sc}$ are the sample moments of the *leave-one-out* distribution of students with an entrepreneur parent belonging to a specific gender, school and cohort:

$$
\begin{aligned}
Entrepr^{FP}_{-i,sc} = \frac{\sum_{k \neq i} Entrepr_{ksc}}{n^F_{sc} - 1} \quad &\text{for girls;} \quad Entrepr^{FP}_{i,sc} = \frac{\sum_k Entrepr_{ksc}}{n^F_{sc}} \quad \text{for boys} \\
Entrepr^{MP}_{i,sc} = \frac{\sum_k Entrepr_{ksc}}{n^M_{sc}} \quad &\text{for girls;} \quad Entrepr^{MP}_{-i,sc} = \frac{\sum_{k \neq i} Entrepr_{ksc}}{n^M_{sc} - 1} \quad \text{for boys}
\end{aligned}
$$

Under the assumptions discussed in Section 3, β_1 and β_2 capture the causal effect of being exposed to a larger share of female peers and male peers with entrepreneur parents respectively, on the outcome of interest.[27]

Figure 4 plots the estimates of interest from equation (2) on the probability of entering entrepreneurship for women (Panel (a)) and men (Panel (b)) at by age. In line with our hypothesis, Panel (a) indicates the presence of gender-specific peer effects for women. Specifically, it shows that the increase in female entrepreneurship shown in Figure 3 is driven by girls exposed to the entrepreneur parents of their female peers. The effect, which kicks in by age 24 and persists thereafter, is sizable, especially at younger ages: a one standard deviation (8.8 percentage points) increase in the share of female peers with entrepreneur parents increases the probability of ever being an entrepreneur by age 25 by 11.2% (see also Table 5). A larger share of male peers with entrepreneur parents, on the contrary, has no effect on women's future entrepreneurship.[28] Panel (b) of Figure 4 reports the estimates for men and shows that the insignificant effect described in the previous section persists irrespective of the gender of their peers. If anything, it appears that boys respond more to their female peers, which is consistent with the idea that friendships with girls are characterized by greater communication and sharing of information. However, the effects keep being concentrated over a very short time period and there is only one coefficient which is statistically significant at conventional levels.

Considering next the effect of exposure on the time spent in entrepreneurship,

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[27]The identification checks performed in Section 3.1 hold also for this specification and are reported in Tables A1 to A2 in Appendix A.

[28]Table A3 in Appendix A shows that the coefficient on female peers is statistically different from the coefficient on male peers from mid 20s to mid 30s.

panels (c) and (d) of Figure 4 plot the estimated β_1 and β_2 from estimating equation (2) by age and gender, when the dependent variable is the number of years spent as an entrepreneur by each age. The results are in line with those presented in Panel (a) and (b) for both boys and girls. Specifically, we again find that for girls the effects are driven by exposure to entrepreneurship through their female peers.[29] The effect kicks in at age 24 and persists at least until age 40, when a one standard deviation (8.8 percentage points) increase in the share of female peers with entrepreneur parents results in 4.2 percent more time spent in entrepreneurship (Table 6).

Finally, we find evidence that having a parent who is entrepreneur during adolescence increases both men's and women's probability of entering entrepreneurship and spending more years in the profession (Table 5). In particular, having a parent who is an entrepreneur increases girls (boys) probability of starting a business by age 30 by 88% (124%). While these estimates do not imply a causal relationship, their sign and magnitude are in line with the existing literature and confirm that having a parent who is an entrepreneur is one of the strongest determinants of starting a business (Lindquist et al., 2015). We use these estimates to benchmark our main result: for instance, the effect of moving girls from the 25th to the 75th percentile of our exposure distribution increased the likelihood that girls become entrepreneurs by approximately 7.3% of the effect of having a parent who is an entrepreneur. Given the dramatic impact of growing up with a parent who is an entrepreneur, this benchmarking exercise indicate that early exposure has a sizable effect on the creation of female entrepreneurs.

4.3   Robustness and validation checks

In this section, we explore the robustness of our results and provide some additional validation checks. For the sake of brevity, we report all the results in the Appendix.

Cohort size: We interpret the evidence that our results are driven by *girls'* exposure to the entrepreneur parents of their *female* peers as supporting the idea that exposure matters through repeated interactions, something we further test by exploring the heterogeneity of the effects depending on the size of adolescent's cohort. Since individuals in smaller cohorts are likely to have repeated interactions with a larger share of their cohort, we should expect the effects to be larger in smaller cohorts. To investigate this, Table A5 show estimates separately for students enrolled in large versus small cohorts, as defined by being respectively above and below the average cohort size within the school. In line with the idea that frequent interaction matters for our results, we find that the effects are largest for students in smaller cohorts.

Total share of peers with entrepreneur parents: While equation (2) allows for a differential effect depending on the gender of peers the exposure is coming from, it still

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[29]Table A4 in Appendix A shows that the coefficient on female peers is statistically different from the coefficient on male peers from age 24 until age 40.

relies on variations in the *total* share of peers with entrepreneur parents. We can make this specification more stringent by exploiting variation in the gender mix in the share of peers with entrepreneur parents while keeping this total share constant. Intuitively this allows us to compare two girls attending the same school and enrolled in two different cohorts which are characterized by the same share of peers with entrepreneur parents. However, one cohort happens to have a higher share of girls with entrepreneur parents than the other. In this way, we are comparing students with the same *degree of exposure* but a different gender-mix in the *source of exposure*, making our identifying assumption even tighter. Our results are robust to this more stringent specification, as can be seen in Figure A3.

School time trends and controls: As we cannot control for unobservable time-varying changes at the school level through the inclusion of school times cohort fixed effects, our main specification includes municipality times cohort fixed effects. As a further robustness check, we run two additional specifications where we replace municipality times cohort with school time trends (Table A6) and where we include school time trends on top of our set of fixed effects (Table A7). This does not alter the results. Also, our point estimates are not affected by the inclusion of the set of individual- and cohort-specific controls described in Section 3, supporting the assumption that within-school variation in our exposure measure is uncorrelated with other observable characteristics of students and their parents.

Measure of entrepreneurship: To check that our results are robust to alternative definitions of entrepreneurship, in Appendix B we consider a broader definition of entrepreneurship that includes also the self-employed (defined as owners of businesses without employees). Results using this alternative definition of entrepreneurship are consistent with our main ones, if not stronger due to increased power.

Spillovers across cohort: Our main empirical strategy exploits variation within school across cohorts, assuming therefore that variation in the share of students with entrepreneur parents in adjacent cohorts have no effect the propensity to become an entrepreneur. If children also interact frequently with students from adjacent cohorts we may also expect the share of peers with entrepreneur parents in adjacent cohorts to influence the decision to become an entrepreneur. To test this further, we include the share of entrepreneurs among male and female students in adjacent cohorts as additional regressors in Equation (2). Appendix Figure A4 show the estimates from this regression when the dependent is an indicator equal to one if the individual has ever been an entrepreneur by age 25. None of the adjacent cohorts have any impact on the propensity to become an entrepreneur for women, suggesting that it is sufficient to focus on peers within the same cohort, which is in line with our main empirical specification.

5 Early exposure and talent allocation in entrepreneurship

Our baseline results point to early exposure to entrepreneurs as a way of narrowing the gender gap in entrepreneurship. Finding that early exposure encourages girls who would have not pursued entrepreneurship as a career to create new business has relevant policy implications if we care about women and men having the same opportunities to become entrepreneurs. On top of a fairness argument, there may be also an efficiency argument to push for more gender equality in entrepreneurship. Assuming that innate entrepreneurial ability does not vary by gender, any barrier to women's entry into entrepreneurship can hurt aggregate productivity by distorting the allocation of talent in this profession.[30] While this argument holds for any male-dominated profession (Hsieh et al., 2019), the unrealized productivity gains associated with such distortions may be particularly large in a profession like entrepreneurship, which is key for economic growth and job creation (Murphy et al., 1991; Aghion and Howitt, 1992).[31]

Thus, in this section we investigate the extent to which women's under-representation in entrepreneurship reflects a distortion in the allocation of talent. Answering this question requires identifying both the counterfactual outcomes of women, had they not been pushed into entrepreneurship by early exposure (see Section 5.1), and if the increase in female entrepreneurship is associated with the creation of successful businesses (see Section 5.2).

5.1 Women's counterfactual outcomes

In this section we compare the professional trajectories of girls depending on their level of exposure to entrepreneurship during adolescence. This analysis is crucial to understand the implications of increasing female entrepreneurship for aggregate welfare, as it allows us to obtain a measure of women's private returns from entering entrepreneurship, as well as to understand if these women would have pursued alternative careers

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[30]An alternative view that might explain the persistent female under-representation in entrepreneurship is that men and women have different inherited preferences that make entrepreneurship more appealing for the former than for the latter, such as risk aversion, willingness to compete or self-confidence (Croson and Gneezy, 2009; Niederle and Vesterlund, 2007; Barber and Odean, 2001). However, showing that exposure to entrepreneurship during adolescents has a significant causal effect on girls' probability to start a business points to the importance of "nurture" versus "nature" in driving the gender gap. This is in line with evidence reviewed in Parker (2018), which shows that the gender gap in entrepreneurship remains unexplained even after accounting for gender differences in traits like risk aversion.

[31]In particular, the paper by Murphy et al. (1991) provides both a theoretical and empirical analysis highlighting the importance of allocating talented people to entrepreneurship for economic growth.

also characterized by high levels of social impact.

Early exposure to entrepreneurship might impact women's professional trajectories by affecting both their educational and career choices. Thus, we start by investigating whether women who at the end of compulsory school were exposed to a higher share of female peers with entrepreneur parents take a different educational path. Specifically, we analyse the effect of exposure on the highest education level achieved by these women at every age. To do so, we estimate equation (2), where the dependent variable is an indicator for whether the highest education achieved at every age is lower secondary education, upper secondary vocational education, upper secondary academic education, or higher education.[32]

Figure 5 shows that women exposed to a higher share of female peers with entrepreneur parents are less likely to discontinue their education after finishing compulsory schooling, as the effect on their probability to have lower secondary schooling as highest completed level of education is negative.[33] Instead exposure increases girls' probability to enrol in and complete upper-secondary vocational education, while we find no effect on their probability to enrol in academic high school. This result squares well with the increase in women's probability to create a business, as vocational school is an educational path conducive to entrepreneurship in Denmark.[34] Finally, we observe that early exposure to entrepreneurship has a negative effect on girls probability to complete their university studies, which fades away before age 30. This implies that as a result of higher early exposure girls delay by few years the time at which they finish university, but their overall completion rates are not affected.

We validate the proposed interpretation of our findings on educational choices in two ways. First, we rule out that the positive effect on girls' probability to complete vocational education is driven by exposure to parents with a vocational educational qualification, rather than by exposure to parents who are entrepreneurs. In Table A8 in Appendix A we repeat the analysis while controlling for the share of peers parents' having obtained different educational qualifications and find that our results are unchanged. Second, we show that our results are unlikely to be driven solely by girls desire to attend the same school of their female peers with entrepreneur parents, by showing that daughters of entrepreneurs are not more likely to go to vocational school than other female peers (Table A9).

The results presented so far points to the importance of exposing girls to entrepreneurship before they make educational choices that are hard to reverse. Next, we investigate what would have been women's counterfactual careers had they not

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[32]See Figure A1 in Appendix A for a representation of the Danish educational system.

[33]The full results by gender of peers are reported in Figure A5 in Appendix A.

[34]Among the entrepreneurs in our sample, the highest level of education achieved is upper secondary vocational school 55% of the times, university 22% of the times, lower secondary education 17% of the times, and upper secondary academic school 6% of the times.

become entrepreneurs due to higher exposure to entrepreneurs during adolescence. To do so, we analyze whether the increase in girls tenure into entrepreneurship comes by reducing the number of years they would have spent as self-employed, employees, contributing family worker, unemployed, or outside the labor force.[35]

Panel (a) of Figure 6 shows that the increase in entrepreneurship does not come at the cost of time spent in self-employment. This indicates that women who would otherwise have been self-employed do not simply become entrepreneurs by hiring employees, and instead suggests that their counterfactual labor market profile may have been very different from entrepreneurship. We also find no effect on the number of years spent working as an employed spouse (panel (d)) or being outside the labor force (panel (e)). Instead, while imprecisely estimated, the results suggest that women exposed to female peers with entrepreneur parents spend less time unemployment (Panel (c)) and in formal employment (Panel (b)).[36]

To shed more light on these last results, we replicate the analysis distinguishing between low- and high-paying jobs, that is between jobs with gender- and age-specific earnings above or below the median. Women who were exposed to a larger share of female peers with parents entrepreneurs are significantly less likely to spend time in jobs with below-median earnings (Figure 7).[37] This suggest that women's counterfactual careers are unlikely to have had high social returns as, absent the exposure to entrepreneurship during adolescence, they would have participated in the labor market mainly as employees in low-paying jobs.

Taken together, these results suggest that women entering entrepreneurship due to higher early exposure to entrepreneurs benefit from this decision, at least in terms of their educational and professional achievements.

5.2 Firm performance

To conclude whether increasing women's entry into entrepreneurship via early exposure has a positive effect also on aggregate productivity, we next investigate if early exposure induces a positive or negative selection into entrepreneurship. The answer to this question is a priori ambiguous. On the one hand, an emerging literature shows that increasing minorities representation in occupations in which they are generally underrepresented has positive effects on economic growth (Hsieh et al., 2019). Extending this reasoning to our context, if a substantial pool of talented entrepreneurs do not pursue this profession due to gender-specific barriers, lowering such barriers by increasing women's early exposure to entrepreneurship may lead to the creation of

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[35]We therefore adopt the standard way of categorizing *Status in Employment*. See for example the classification used by the ILO (https://ilostat.ilo.org/resources/concepts-and-definitions/classification-status-at-work/).

[36]The full set of results by gender of peers are reported in Figures A6 in Appendix A.

[37]The full set of results by gender of peers are reported in Figures A7 in Appendix A.

successful businesses with positive effects on economic growth. On the other hand, early exposure may lower the cost of entering this profession for women who do not have a comparative advantage in this profession, which requires a specific set of skills and abilities (Levine and Rubinstein, 2017). This in turn could lead to an increase in the share of unproductive businesses operating in the economy.

To separate the talent re-allocation channel from the cost reduction one, we investigate whether the increase in female entrepreneurship is associated with the creation of successful businesses. We rely on two measures of firm performance that have been widely used in the entrepreneurship literature (e.g., Nanda and Sørensen (2010); Hacamo and Kleiner (2020a,b)): the size of the enterprise, as measured by the number of employees, and the number of years it survives in the labor market. We thus re-estimate equation (2) where the dependent variables are indicators for whether the individual creates a firm employing more workers than the average, median and the 75th percentile firm and for whether the firm survives longer than the average, median and the 75th percentile firm.[38]

The results, shown in Tables 7 and 8, rule out that the marginal women entering entrepreneurship are less productive than male incumbents.[39] Specifically, Table 7 shows that women exposed to a larger share of female peers with entrepreneur parents create firms that are larger than the average, median as well as 75th percentile firm. Moreover, firms created by women that benefit from early exposure to entrepreneurship through their female peers survive for longer than the average and the 75th percentile firm (see Table 8).

The fact that an increase in female entrepreneurship is associated with the creation of larger and longer surviving businesses than the average firm implies that there are unrealized productivity gains associated with women's under-representation in entrepreneurship. Given the key role that entrepreneurs plays for job creation, we estimate these gains precisely by quantifying the share of additional jobs that would be created if women were exposed to a higher share of entrepreneurs during adolescence. To do this, we first estimate equation (2) where the dependent variable is the cumulative number of individuals employed in newly created firms at every age. We show the results of this analysis in Figure 8. Combining these long-run estimates with those on girls' probability of starting a firm, we obtain that increasing the value of our exposure measure from the 25th to the 75th percentile of its distribution would have led to a 5.3% increase in the total number of jobs created by entrepreneurs over our sample period.[40]

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[38]The average size of entrepreneurial firms is 5, while the median is 3 and the p75 is 5. The average number of years entrepreneurial firms survive is 10, while the media is 9 and the p75 is 14.

[39]For completeness we replicate the analysis also comparing the newly created firms to both men and female incumbents. We obtain similar results, which are shown in Tables A10 and A11 of the Appendix.

[40]Note that this extrapolation does not take into account general equilibrium effects, such as

6 Plausible mechanisms and the nature of entry barriers

Throughout the paper, we use the phrase "exposure to entrepreneurship" to mean having contact with someone who is an entrepreneur, specifically the parents of an adolescent's school peers.[41] In this section we investigate the plausible mechanisms that can explain why such contact induce more girls, but not more boys, to pursue entrepreneurship as a career.

First of all, thanks to our identification strategy, we can exclude any explanation relying on factors that would only affect girls' general human capital accumulation, such as the quality of schools, as we compare female students living in the same municipality and enrolled in the same institution.[42] Even so, there are several mechanisms that could explain why girls are disproportionately affected by early exposure to entrepreneurs, such as (i) transmission of specific human capital and information; (ii) changes in girls' aspirations and goal; (iii) increase in girls' awareness of entrepreneurship as a potential career; (iv) role modelling, (v) networking, and (vi) greater access to capital. While registry data does not naturally lend itself to comprehensively distinguishing between all of these potential mechanisms, we perform an additional set of analyses that speak to the relative importance of the first three channels with respect to the last three.

(i) Transmission of specific human capital/information: To assess the role played by the transmission of specific human capital and information, we follow the intuition of papers such as Bell et al. (2019) and Guiso et al. (2021) and investigate whether women exposed to entrepreneurs working in a specific sector are more likely to specialize as entrepreneurs in that sector themselves. Indeed, if sectors have idiosyncratic features, finding that our effects are sector-specific would suggest that early exposure may encourage girls entry into entrepreneurship through the transmission of sector-specific information that they would not acquire otherwise later in life. Moreover, if this mechanism is at play, it should be particularly strong when girls are exposed to entrepreneurs working in male-dominated sectors, as women's barriers to enter these industries are likely to be particularly high. Our results are in line with this hypothesis. Figure 9 shows that girls are more likely to start businesses in the sectors in which businesses led by their former schoolmates' parents operated, highlighting the importance of the transmission of sector specific information. Moreover,

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increased competition and crowding out in the market.

[41]The fact that we find that our effects are driven by girls exposed to entrepreneurship through the parents of their female peers is consistent with this interpretation, as girls are more likely to interact with peers of their own gender.

[42]Moreover, we may reasonably expect this type of mechanisms to affects both girls and boys in a similar way.

we find that the association between own and peer parental sector is driven by male-dominated sectors such as construction and manufacturing, in line with the idea that the transmission of information is particularly relevant in settings where women are highly under-represented.

(ii) Girls' aspirations: Understanding whether early exposure changes girls' goals and aspirations is very challenging given the nature of registry data. However, we can leverage our analysis on the effects of early exposure on girls educational choices (see Section 5.1) to gain some indirect evidence about the role of aspirations in driving our findings. Indeed, in a scenario where early exposure only matters for the entrepreneurial success of the young women who had already the aspiration of becoming entrepreneurs (for example it may facilitate the first phase of their careers through networks, mentoring etc.), then we should not observe any change in the specific educational pathway girls choose at the end of compulsory school. Instead, the results presented in Figure 5 show that early exposure to entrepreneurs changes the educational choices girls make, which we interpret as suggesting that one of the mechanisms through which exposure may affect girls' choices is by changing their aspirations.

(iii) Girls' awareness of entrepreneurship as a career: Mechanisms such as transmission of specific information or changes in girls' aspiration may in principle be at work any time girls are exposed to male-dominated professions. Instead, one channel that could be especially relevant when considering entrepreneurship is that early exposure to entrepreneurs may increase girls' awareness about this career path. Indeed, compared to many other professions, it is less clear what the right educational and early career path an individual should follow to eventually be able to set up a firm. This "less-conventional" aspect of entrepreneurship may make both girls and boys less aware of this profession at a young age. But girls are less likely than boys to become familiar with entrepreneurship later in life due to their lower probability of interacting with entrepreneurs due to both their educational and professional choices. Consequently, exposure to entrepreneurship during adolescence can be crucial to make girls aware of this profession.

To understand if this feature of entrepreneurship matters for our results, we extend our analysis to engineers, a more "conventional" male-dominated occupation that girls are more likely to be aware of. The results, displayed in Column (1) of Table 9, show that being exposed to a higher share of female peers whose parents are engineers does not affect the probability that girls will work in that occupation.[43] Because women

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[43]Due to data limitation, we are partially constrained in looking at other professions as we start observing individuals occupations only in 1980. We therefore proxy occupations with detailed data on university degree and we choose occupations that tend to have a strong connections to the degree obtained. Indeed, when we check this assumption in the data, we find that 74% of individuals studying engineering actually become engineers.

are underrepresented also in engineering, this result helps us rule out that the effects of early exposure work by lowering barriers to entry to a male-dominated occupation per se.[44] To further test the idea that increased awareness about entrepreneurship as a profession may be a relevant channel underlying our finding, we investigate if exposure to a higher share of university professors increases girls' probability to enter academia, as this is also likely to be a profession young girls have little awareness of. As displayed in column (2) of Table 9, when we look at exposure to university professors we find similar results to those observed for exposure to entrepreneurs. Given the "less-conventional" nature of both entrepreneurship and academia as professions, we interpret these results as supporting the idea that one mechanism through which exposure to entrepreneurship could matter is by increasing girls' awareness about this career pathway.

An alternative possibility is that exposure to entrepreneurs symbolizes more generally exposure to more successful individuals. Specifically, if being exposed to a higher share of successful parents makes girls' more ambitious, and if more ambitious girls are more likely to start a firm, the observed increase in female entrepreneurship does not need to be driven by higher exposure to entrepreneurs per se but could be driven by higher exposure to successful professionals more generally.[45] This hypothesis however does not seem to be supported in the data since we find no evidence that being exposed to a higher share of peers whose parents are top managers impacts the probability to enter entrepreneurship during adulthood (see column (3) of Table 9).

(iv) Role models: Motivated by existing work highlighting that successful women in male-dominated fields may act as role models for girls (see, among others, Beaman et al., 2009; Carrell et al., 2010; Bell et al., 2019; Porter and Serra, 2020), we test if young women respond more to exposure to entrepreneurship when it comes through the mothers rather than the fathers of their peers. Tables 10 and 11 show the effect of being exposed to female and male peers with an entrepreneur mother or father on the probability of ever engaging in entrepreneurship and the time spent in entrepreneurship, respectively. Women do not seem to respond more when exposed to female rather than male entrepreneurs, as the coefficients on female peers with father entrepreneurs and mothers entrepreneur are not statistically different from one another. While due to the low share of mothers who are entrepreneurs we may lack precision to detect statistically different effects, the magnitudes of the estimated coefficients do not differ much by the gender of the peer's parents, suggesting that role modeling is unlikely

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[44]Women represent just 8% of college graduates in engineering. Note that to bring the percentage of women in the profession closer to those of entrepreneurship, " we follow Gallen et al. (2019) and include architects among the engineers, but our results are unchanged.

[45]We do find that parents who entrepreneurs tend to earn more than parents who are employees (232 005 DKK vs 173 330 DKK).

to be the main factor behind our results.[46] Instead, we do find that women are more likely to enter and spend more years in entrepreneurship when their own mother is entrepreneur, which is consistent with Lindquist et al. (2015).

(v) Networks: Another mechanism through which exposure to entrepreneurship may affect the propensity to become an entrepreneur is networking. In particular we may suspect that girls' exposed to entrepreneurship via their peers parents work in the firms of their female peers' entrepreneur parents as interns or as a part time job while studying. This may in turn give these girls experience with working as an entrepreneur as well as a network within entrepreneurship, which may increase the likelihood of entering entrepreneurship at a later stage. We investigate the importance of this mechanism by estimating the effect of exposure to entrepreneurship on the probability that young girls and boys are employed in the firm of their peers parents between age 15 and 18. Table 12 shows that higher early exposure to entrepreneurs increases the probability that young girls and boys are employed in the firms of their peers parent. The estimates are significant and similar in magnitude for boys and girls and irrespective of the gender of the peer through which exposure arises. Consequently, this channel is unlikely to explain the gender specific effect of early exposure to entrepreneurs that we find.

(vi) Access to capital: In column (10) of Table 3 we show that being a cohorts characterized by a higher share of peers with entrepreneur parents is not associated with being surrounded by parents with higher earnings. Thus, girls that were more exposed to entrepreneurs were not at the same time creating connections with wealthier individuals, which suggests that greater access to capital is unlikely to be the sole reason that early exposure matters.

Taken together, our analysis suggest that the nature of the entry barriers to entrepreneurship facing women is both informational and cultural.

7   Conclusions

Despite convergence in the labor market outcomes of men and women over recent decades women remain highly underrepresented in entrepreneurship. This paper sheds new light on one key factor, early exposure to entrepreneurship, that may help reduce the gender gap in entrepreneurship by increasing the number of female entrepreneurs in the economy.

Using Danish administrative data and an identification strategy that exploits the quasi-randomness in the share of a student's peers with entrepreneur parents across cohorts within schools, this paper estimates the causal effect of early exposure to entrepreneurship on the probability that girls and boys eventually become entrepreneurs.

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[46]In our sample only 1.7% of mothers are entrepreneurs compared to 10.2% of fathers.

We show that early exposure to entrepreneurs reduces the gender gap by encouraging women to enter and remain in entrepreneurship, while the effect of early exposure on boys is rather short lived. These effects are driven by girls exposed to entrepreneurship via their female peers, which is in line with the fact that adolescents interact more frequently with their same sex peers (Rubin et al., 2015). Exposure to entrepreneurs also increases the probability that women complete vocational education and decrease the probability that women discontinue education following compulsory schooling. Since vocational education is highly conducive to entrepreneurship, we interpret this as evidence that early exposure to entrepreneurship changes the aspirations and entire career trajectory of women in a way that favors entrepreneurship.

Investigating the efficiency implications associated with the increase in female entrepreneurship rates due to early exposure, we show that women entering entrepreneurship due to exposure create relatively successful firms that are both larger and survive for longer than the average firm in the economy. Investigating the counterfactual occupations of these women we further show that exposure to entrepreneurship reduces their probability of being employed in low-paying jobs. Together these estimates suggest that some girls, who would have been successful entrepreneurs, do not enter this profession due to gender specific entry barriers and that early exposure to entrepreneurship may reduce these entry barriers for women.

We explore the potential mechanisms underlying our main results and highlight that women react to early exposure to entrepreneurship mainly due to the transmission of sector specific human capital and information and to a change in aspiration. We do not find strong evidence in favor of role modelling, networking or greater access to capital as the main drivers of the estimated results. Moreover, we rule out that the effects of early exposure can be explained by a lowering of barriers to entry to a male-dominated occupation per se or by the fact that girls are exposed to more successful or ambitious parents more in general. In contrast, we show that the estimated effects work via learning about the specific nature and features of entrepreneurship increasing girls' awareness about entrepreneurship as a career pathway. Taken together, our analysis suggest that the nature of the entry barriers to entrepreneurship facing women is both informational and cultural.

The results presented in this paper points to a lack of exposure to entrepreneurs as one potential reason for the lack of women in entrepreneurship. Since the women entering entrepreneurship due to early exposure are rather successful, and since entrepreneurs are crucial for innovation and economic growth there may be large benefits associated with increasing the number of female entrepreneurs in the economy. Policies could come in the form of programs where entrepreneurs visit schools to share their experience. One key take away from the results in this paper is the importance of such programs in targeting women early and before they make any career decisions

that may make it costly to switch to entrepreneurship later on.

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Figures

Figure 1: Cumulative exposure to entrepreneurship over the life time by gender
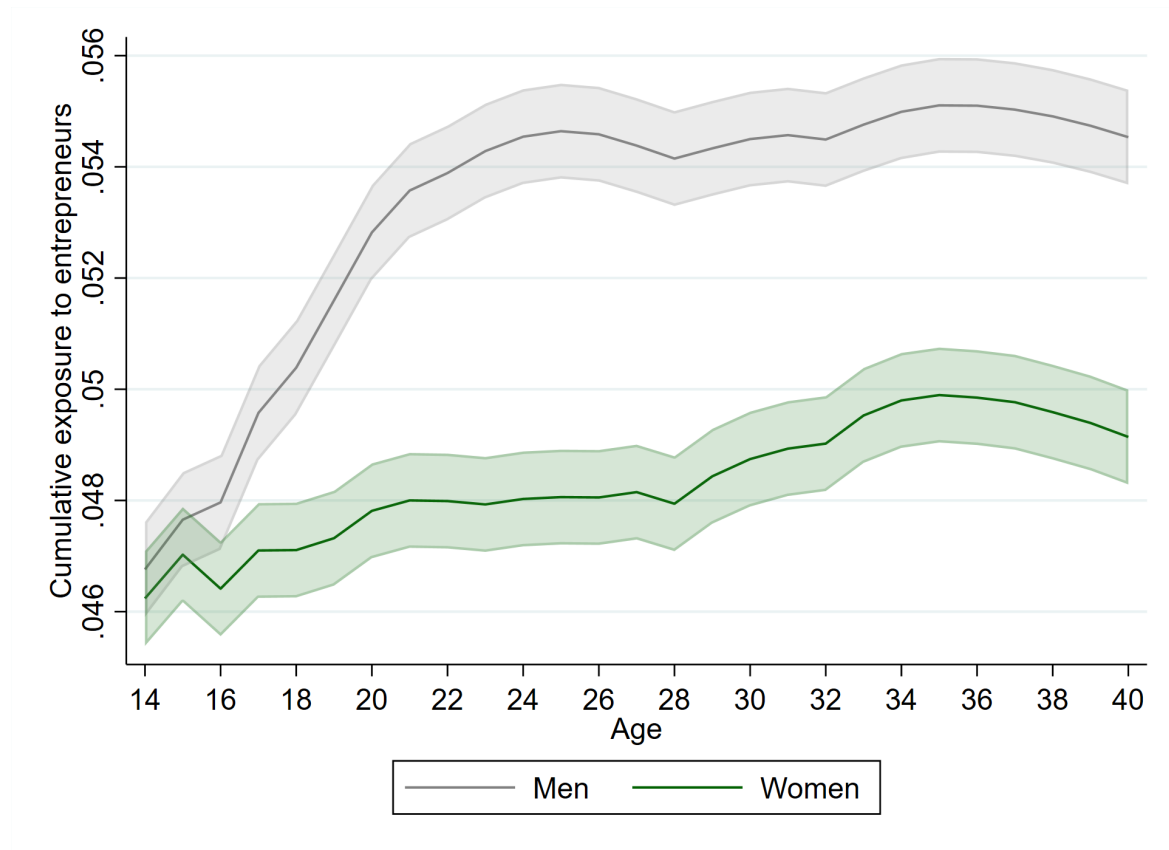
Notes. The figure plots the share of school and workplace "entrepreneurial" peers that men and women born in 1975 are exposed to until each age. Until an individuals is enrolled into education we define exposure to entrepreneurial peers as the share of his/her school peers who will become entrepreneurs in the future; once the individual enters employment, exposure is defined as the share of his/her co-workers who were, are, or will become entrepreneurs. Such share of entrepreneurial peers is plotted together with standard errors. Entrepreneurs are defined as business owners with employees and top managers of newly created firms.

Figure 2: Year-to-year variation in the share of peers' parents who are entrepreneurs within schools
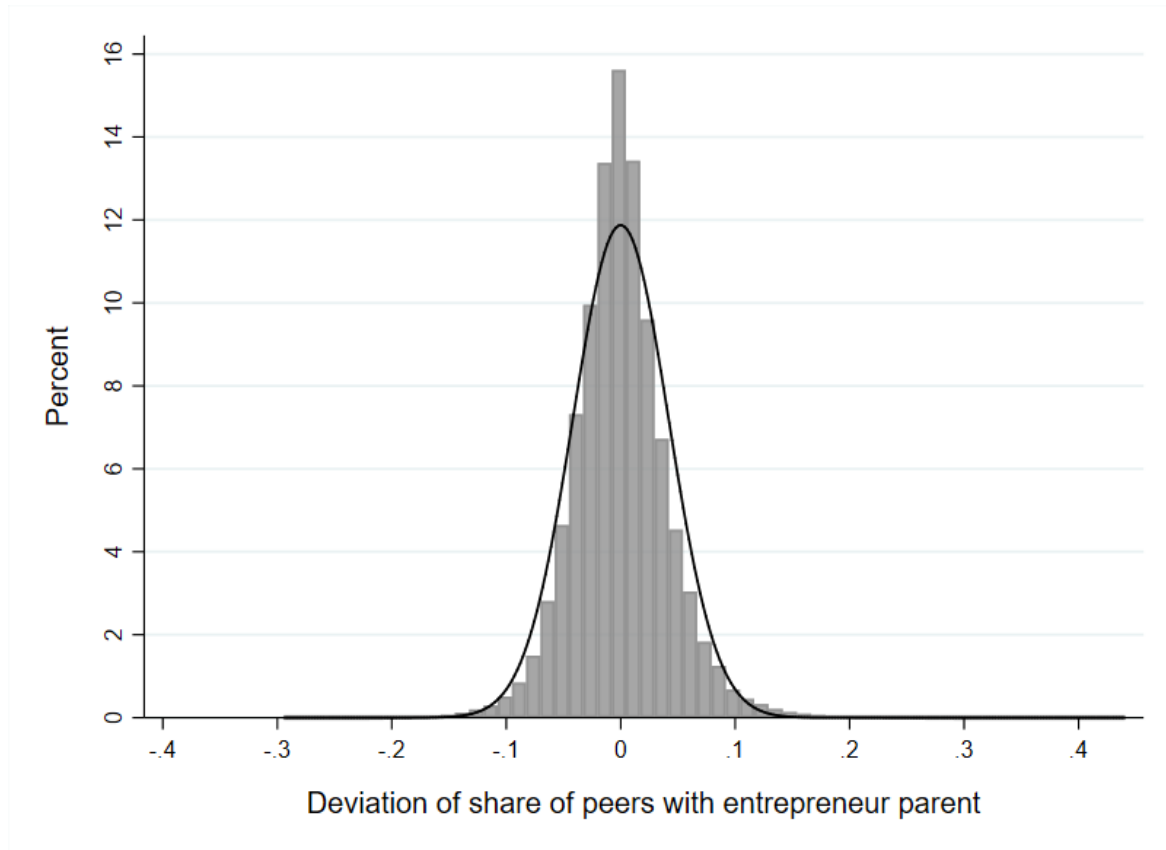
Notes. The figure plots the predicted proportion of peers' entrepreneur parents at the school-cohort level from a regression of the proportion of peers' parents who are entrepreneur on school, cohort and municipality times cohort fixed effects. It is plotted together with the normal distribution for comparison. Entrepreneurs are defined as business owners with employees and top managers of newly created firms.

Figure 3: Effect of exposure by age for men and women

(a) Probability of ever being entrepreneur - Women

(b) Probability of ever being entrepreneur - Men

(c) Cumulative number of years as entrepreneur - Women

(d) Cumulative number of years as entrepreneur - Men
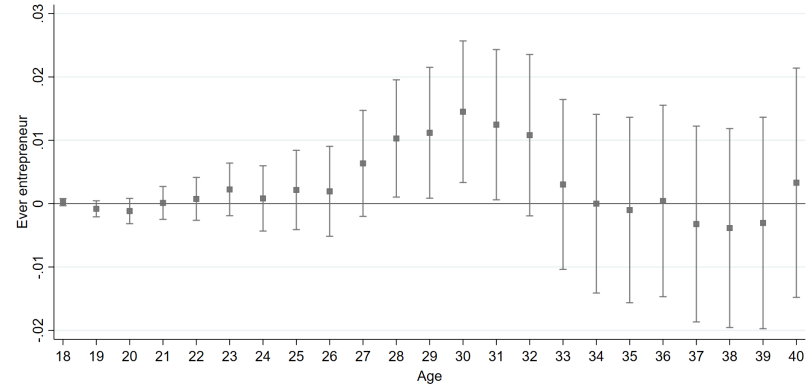
Notes. This figure plots the regression coefficients and 90% confidence intervals from estimating equation (1) for each age, and for men and women separately. The dependent variable for each age-regression is the probability of ever being entrepreneur by that age in panel (a) for women and (b) for men, and the cumulative number of years spent in entrepreneurship until that age in panel (c) for women and (d) for men. Entrepreneurship includes business owners with employees and top managers of newly created firms. All regressions include school, cohort and municipality times cohort fixed effects, as well as individual and cohort level controls. Individual controls include age, living with family indicators, number of siblings, indicators for being first- and second-generation immigrants, parents' income, parents' age and parents' education at the beginning of the exposure period. Cohort level controls include cohort size, share of female peers and share of first- and second-generation immigrants peers by school-cohort. Standard errors are clustered at the school level.
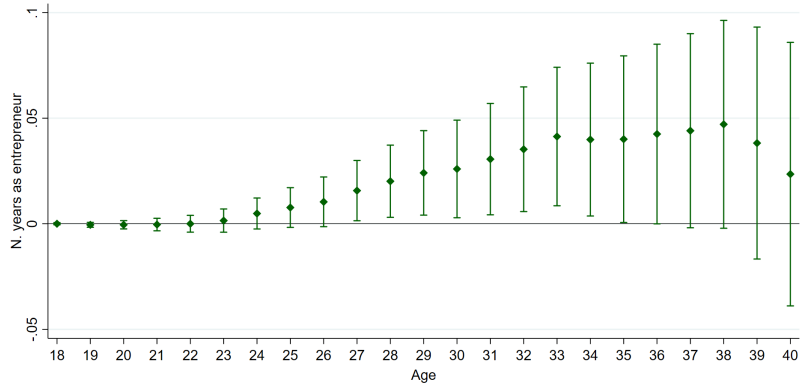
Figure 4: Effect of exposure by age and gender of peers for men and women
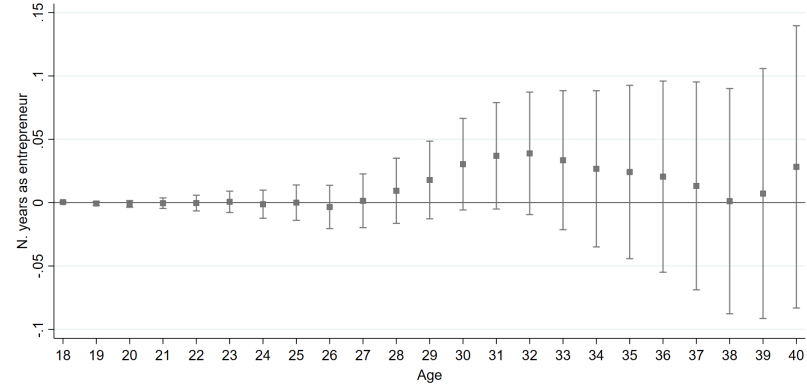

(a) Probability of ever being entrepreneur - Women

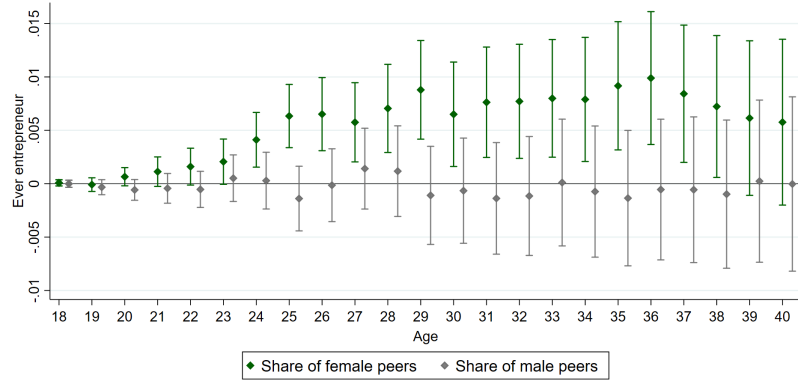(b) Probability of ever being entrepreneur - Men

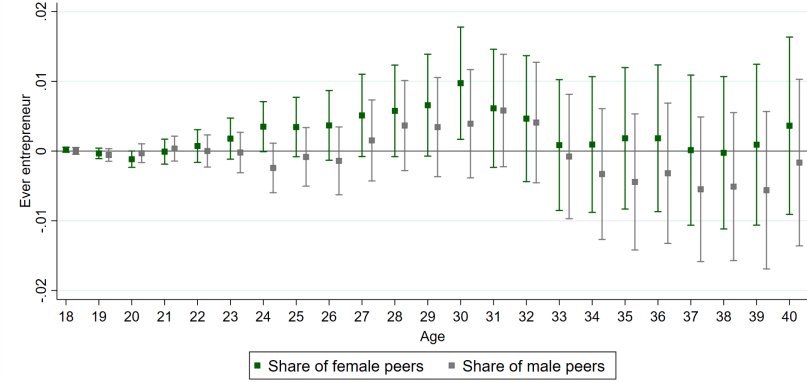(c) Cumulative number of years as entrepreneur - Women

(d) Cumulative number of years as entrepreneur - Men

Notes. This figure plots the regression coefficients and 90% confidence intervals from estimating equation (1) for each age, and for men and women separately. The dependent variable for each age-regression is the probability of ever being entrepreneur by that age in panel (a) for women and (b) for men, and the cumulative number of years spent in entrepreneurship until that age in panel (c) for women and (d) for men. Entrepreneurship includes business owners with employees and top managers of newly created firms. All regressions include school, cohort and municipality times cohort fixed effects, as well as individual and cohort level controls. Individual controls include age, living with family indicators, number of siblings, indicators for being first- and second-generation immigrants, parents' income, parents' age and parents' education at the beginning of the exposure period. Cohort level controls include cohort size, share of female peers and share of first- and second-generation immigrants peers by school-cohort. Standard errors are clustered at the school level.

Figure 5: Effect of exposure to female peers with parents entrepreneur on highest education achieved by age for women
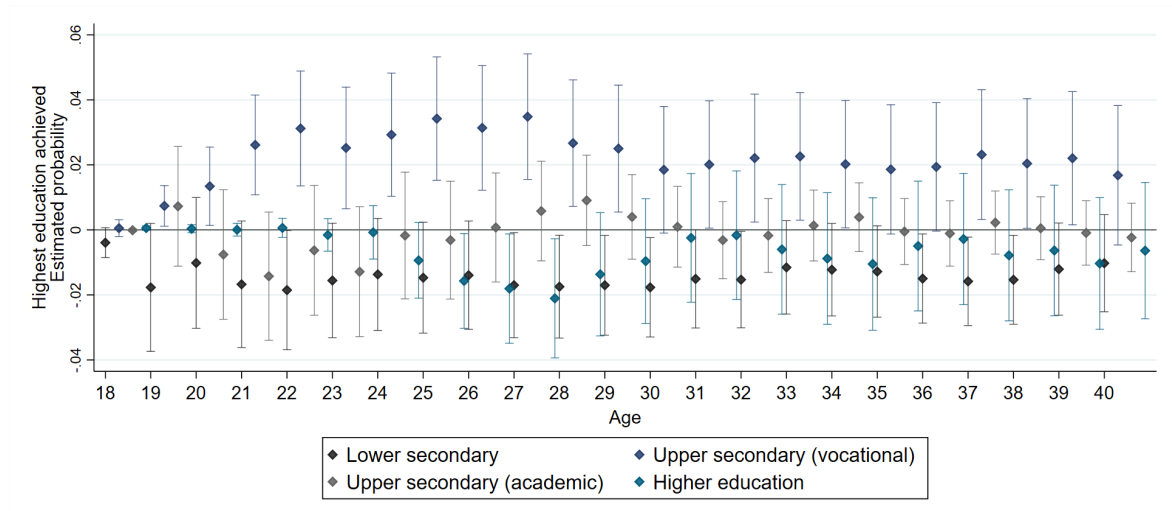
Notes. This figure plots the regression coefficient β_1 and 90% confidence intervals from estimating equation (2) for each age for women. The dependent variable for each age-regression is an indicator for whether the highest education achieved by women by that age is lower secondary, upper secondary vocational, upper secondary academic or higher education. Entrepreneurship includes business owners with employees and top managers of newly created firms. All regressions include school, cohort and municipality times cohort fixed effects, as well as individual and cohort level controls. Individual controls include age, living with family indicators, number of siblings, indicators for being first- and second-generation immigrants, parents' income, parents' age and parents' education at the beginning of the exposure period. Cohort level controls include cohort size, share of female peers and share of first- and second-generation immigrants peers by school-cohort. Standard errors are clustered at the school level.
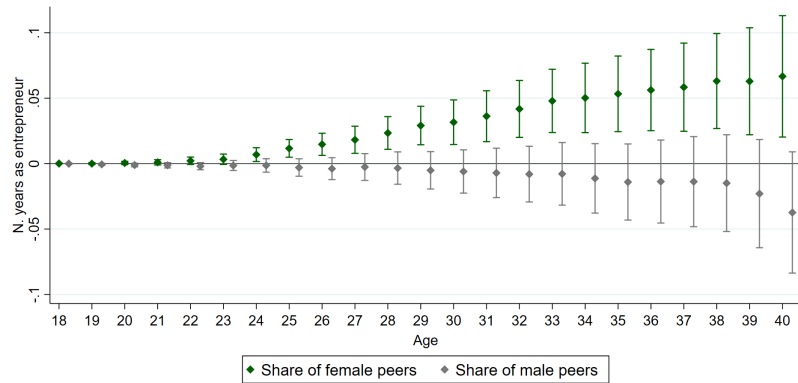
Figure 6: Number of years spent in counterfactual occupations compared to entrepreneurship

(a) Self-employment

(b) Employment

(c) Unemployment

(d) Employed spouse

(e) Outside the labor force

Notes. This figure plots the regression coefficient β_1 and 90% confidence intervals from estimating equation (2) for each age for women. The dependent variable for each age-regression is the number of years spent in self-employment (Panel (a)), employment (Panel (b)), unempl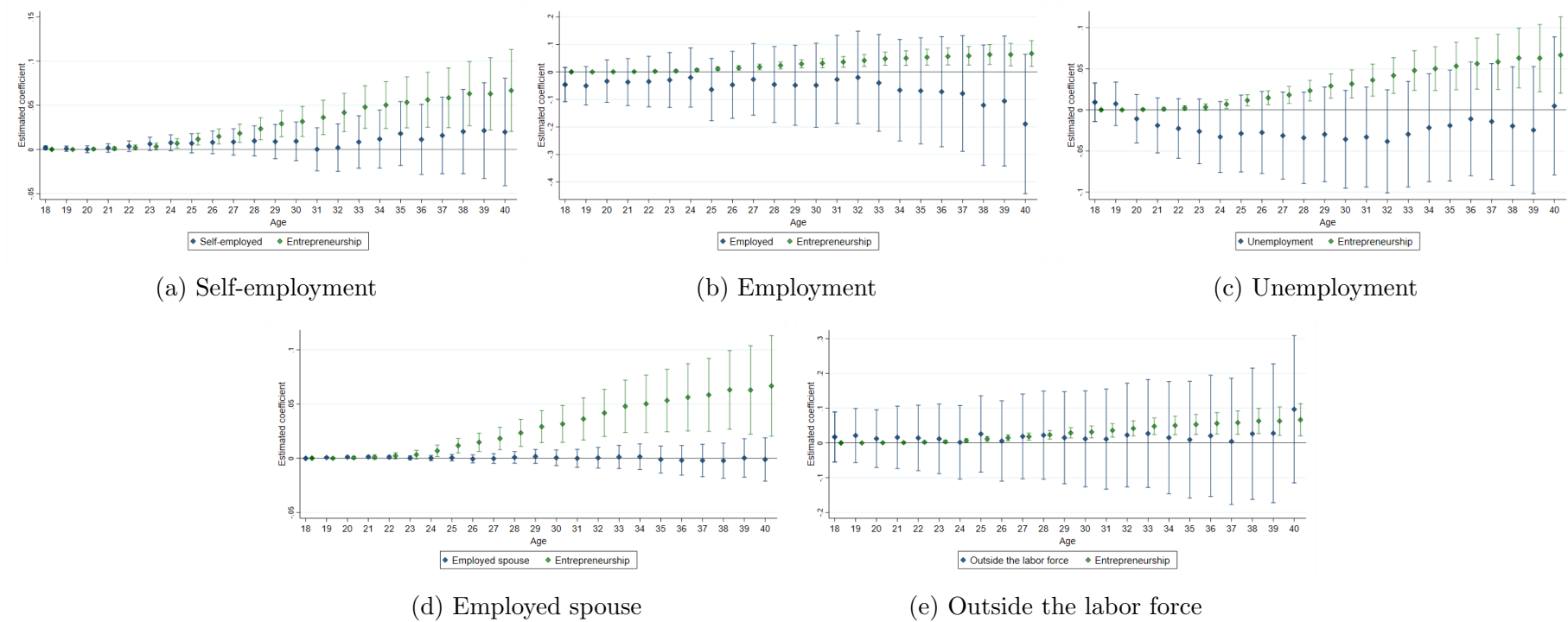oyment (Panel (c)), as employed spouse (Panel (d)) and outside the labor force (Panel (e)) until that age. The regression coefficient β_1 and 90% confidence intervals from estimating equations (2) is also reported for comparison. Entrepreneurship includes business owners with employees and top managers of newly created firms. All regressions include school, cohort and municipality times cohort fixed effects, as well as individual and cohort level controls. Individual controls include age, living with family indicators, number of siblings, indicators for being first- and second-generation immigrants, parents' income, parents' age and parents' education at the beginning of the exposure period. Cohort level controls include cohort size, share of female peers and share of first- and second-generation immigrants peers by school-cohort. Standard errors are clustered at the school level.

Figure 7: Number of years in low-pay employment compared to entrepreneurship for women

Notes. This figure plots the regression coefficient β_1 and 90% confidence intervals from estimating equation (2) for each age for women. The dependent variable for each age-regression is the number of years spent in low-pay employment(defined as paid employment with earnings below the median) until that age. The regression coefficient β_1 and 90% confidence intervals from estimating equations (2) is also reported for comparison. Entrepreneurship includes business owners with employees and top managers of newly created firms. All regressions include school, cohort and municipality times cohort fixed effects, as well as individual and cohort level controls. Individual controls include age, living with family indicators, number of siblings, indicators for being first- and second-generation immigrants, parents' income, parents' age and parents' education at the beginning of the exposure period. Cohort level controls include cohort size, share of female peers and share of first- and second-generation immigrants peers by school-cohort. Standard errors are clustered at the school level.

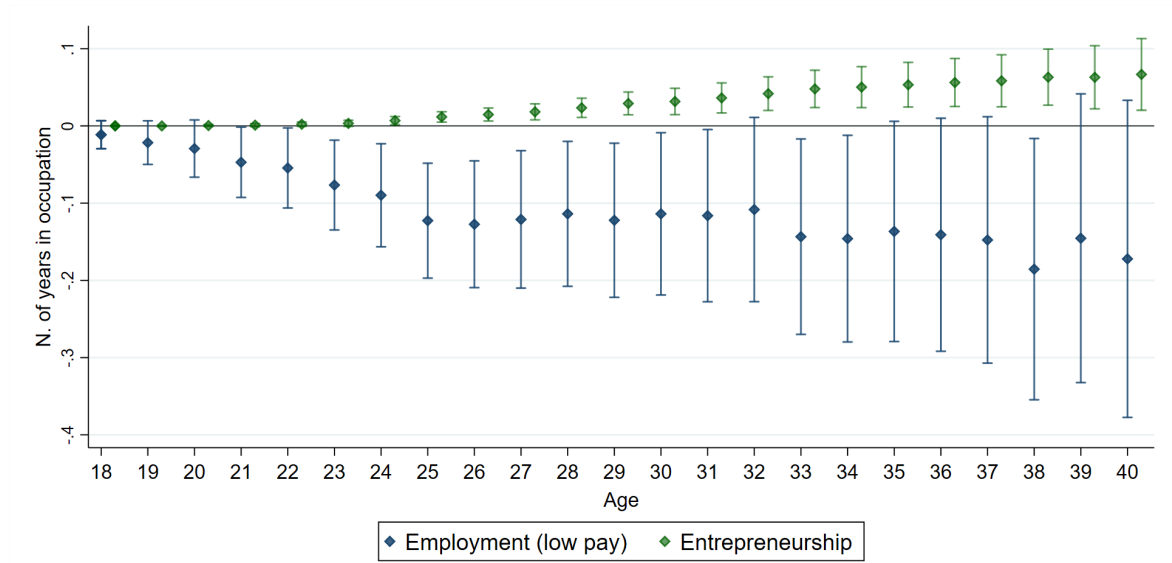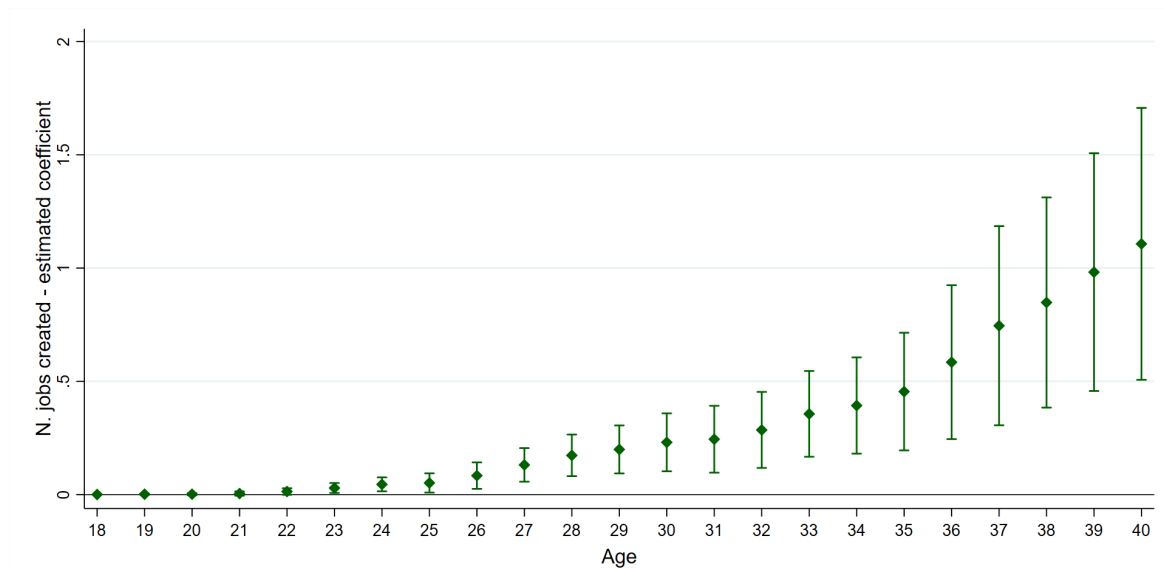Figure 8: Cumulative number of jobs created by women

Notes. This figure plots the regression coefficient β_1 and 90% confidence intervals from estimating equation (2) for each age for women. The dependent variable for each age-regression is the cumulative number of jobs created until that age. Entrepreneurship includes business owners with employees and top managers of newly created firms. All regressions include school, cohort and municipality times cohort fixed effects, as well as individual and cohort level controls. Individual controls include age, living with family indicators, number of siblings, indicators for being first- and second-generation immigrants, parents' income, parents' age and parents' education at the beginning of the exposure period. Cohort level controls include cohort size, share of female peers and share of first- and second-generation immigrants peers by school-cohort. Standard errors are clustered at the school level.

Figure 9: Effects on sector choice by age for women exposed to entrepreneurship through their female peers

(a) Primary sector and construction
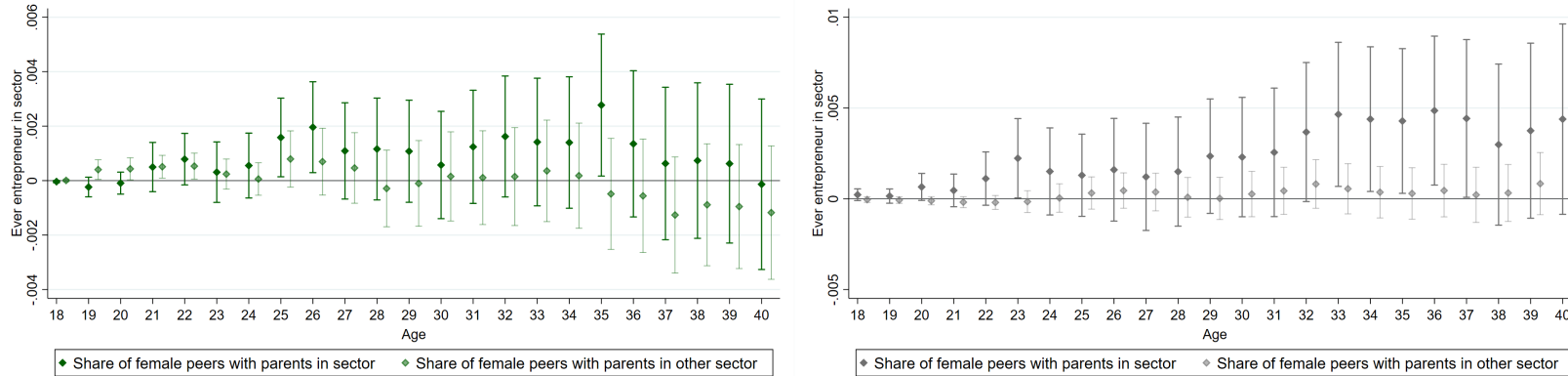

(b) Manufacturing
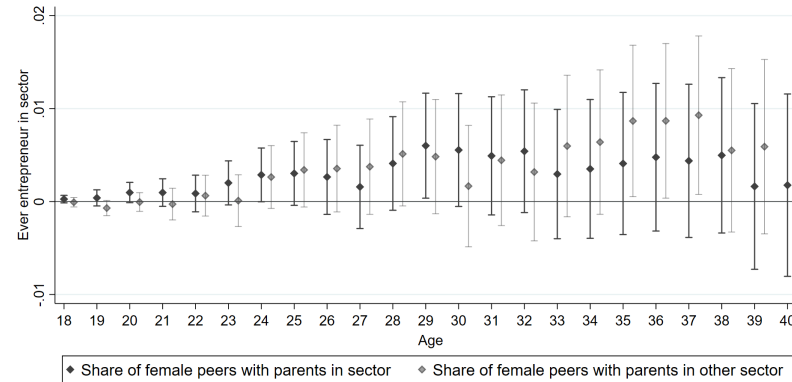
(c) Services

Notes. This figure plots the regression coefficients β_1 and β_2 and 90% confidence intervals from estimating equation (2) for each age for women. The dependent variable for each age-regression is an indicator for whether the individual has ever been an entrepreneur in that sector by the age considered. *Share of female peers with parent entrepr. in sector* is the share of female peers with parent who is entrepreneur in that sector during the exposure period. *Share of female peers with parent entrepr. in any other sector* is the share of female peers with parent who is entrepreneur in any other sector during the exposure period. Entrepreneurs are defined as business owners with employees and top managers of newly created firms. All regressions include school, cohort and municipality times cohort fixed effects, as well as individual and cohort level controls. Individual controls include age, living with family indicators, number of siblings, indicators for being first- and second-generation immigrants, parents' income, parents' age and parents' education at the beginning of the exposure period. Cohort level controls include cohort size, share of female peers and share of first- and second-generation immigrants peers by school-cohort. Standard errors are clustered at the school level.

Tables

	All sample		Women		Men	
	Mean	St.Dev	Mean	St.Dev	Mean	St.Dev
A: Outcome variables						
Ever entrepreneur	0.048	0.214	0.027	0.162	0.069	0.253
Ever entrepreneur by 25	0.008	0.088	0.005	0.069	0.011	0.103
Ever entrepreneur by 30	0.024	0.153	0.013	0.111	0.035	0.183
Ever entrepreneur by 35	0.039	0.194	0.021	0.142	0.057	0.232
Ever entrepreneur by 40	0.058	0.234	0.032	0.177	0.082	0.275
N. of years as entrepreneur	0.222	1.302	0.115	0.918	0.325	1.578
B: Cohort variables						
Share of peers with parent entrepreneur	0.117	0.072	0.117	0.071	0.116	0.072
Share of female peers with parent entrepreneur	0.116	0.088	0.116	0.088	0.115	0.089
Share of male peers with parent entrepreneur	0.117	0.087	0.117	0.087	0.117	0.087
B: Cohort variables						
Share of peers with parent entrepreneur	0.117	0.072	0.117	0.071	0.116	0.072
Share of female peers with parent entrepreneur	0.116	0.088	0.116	0.088	0.115	0.089
Share of male peers with parent entrepreneur	0.117	0.087	0.117	0.087	0.117	0.087
Number of students	44.004	22.058	44.004	22.058	44.004	22.058
Number of girls	21.535	11.585	21.535	11.585	21.535	11.585
Number of boys	22.469	11.532	22.469	11.532	22.469	11.532
Share of first-generation immigrants	0.008	0.024	0.009	0.025	0.008	0.024
Share of second-generation immigrants	0.007	0.027	0.007	0.027	0.007	0.026
C: Individual characteristics						
Female	0.489	0.500	1.000	0.000	0.000	0.000
Parents is entrepreneur	0.117	0.321	0.116	0.320	0.117	0.321
Lower secondary education	0.154	0.361	0.129	0.335	0.177	0.382
Upper secondary (academic) education	0.063	0.242	0.063	0.243	0.062	0.242
Upper secondary (vocational) education	0.386	0.487	0.353	0.478	0.417	0.493
Higher education	0.398	0.489	0.455	0.498	0.344	0.475
Is a first-generation immigrant	0.008	0.092	0.008	0.090	0.009	0.094
Is a second-generation immigrant	0.007	0.086	0.007	0.085	0.008	0.087
Went abroad for some time	0.163	0.369	0.164	0.370	0.162	0.368
Observations	807300		395087		412213	
Schools	1702		1702		1702	
Cohorts	13		13		13	
Municipalities	275		275		275	

Notes. This table reports descriptive statistics for the whole sample and for men and women separately. Our sample includes adolescents in grades 7 through 9 between 1980 and 1992 with at least 10 peers, who are observed until 40 years old. Entrepreneurship is defined as business owners with employees and top managers of newly created firms. *Ever entrepreneur*=1 if the individual ever entered entrepreneurship. *Share of peers with parents entrepreneur* is the share of peers in a given school-cohort with at least one parent who is an entrepreneur. *Share of female (male) peers with parents entrepreneur* is the share of female (male) peers in a given school-cohort with at least one parent who is an entrepreneur. *Parents is entrepreneur*=1 if at least one of the individual's parents is an entrepreneur.

Table 2: Raw and residual variation in share of parents who are entrepreneurs

	Mean	St.Dev
Share of peers with at least one entrepreneur parent		
Raw cohort variable	0.117	0.072
Residuals after removing school, cohort and municipality x cohort FE	0.000	0.042

Notes. This table reports the raw and residual (net of school, cohort and municipality times cohort fixed effects) variation in the share of peers' parents who are entrepreneurs. Entrepreneurship includes business owners with employees and top managers of newly created firms.

Table 3: Balancing tests

	(1) Age in 7th grade	(2) Female	(3) Mother has higher educ	(4) Father has higher educ	(5) Mother age in 7th grade	(6) Father age in 7th grade	(7) Mother unempl. in 7th grade	(8) Father unempl. in 7th grade	(9) N. students	(10) Log income in 7th grade	(11) Lives with parents	(12) Lives with mother	(13) Lives with father	(14) N. siblings	(15) First-gen immigrant	(16) Second-gen immigrant
Share of peers with parent entrepreneur	0.002	0.003	0.002	0.003	0.001	-0.001	0.002	0.002	-0.005	0.002	0.001	-0.002	0.002	0.001	-0.002	0.003
	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.005)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)
Observations	807300	807300	807300	807300	807300	807300	807300	807300	807300	807300	807300	807300	807300	807300	807300	807300

Notes. This table reports the coefficients of separate regressions of each individual characteristic on the share of peers with parents entrepreneur. All regressions include school, cohort and municipality times cohort fixed effects and control for an indicator for whether the individuals' parents are entrepreneur. All variables have been standardized. Entrepreneurs are defined as business owners with employees and top managers of newly created firms. Standard errors clustered at the school level in parentheses. * p< 0.1, ** p< 0.05, *** p< 0.01.

Table 4: Effects on the probability of and time spent in entrepreneurship by gender by age 28

	(1) Ever entrepreneur	(2) N.years as entrepreneur
A. Women		
Share of peers with parent entrepreneur	0.008**	0.020*
	(0.003)	(0.010)
Parents is entrepreneur	0.008***	0.021***
	(0.001)	(0.002)
Observations	381314	381314
School, cohort and municipality x cohort FE	X	X
Individual controls	X	X
Cohort controls	X	X
Mean dep. var	0.0093	0.0227
St.dev. share of peers	0.0716	0.0716
B. Men		
Share of peers with parent entrepreneur	0.010*	0.009
	(0.006)	(0.016)
Parents is entrepreneur	0.033***	0.089***
	(0.001)	(0.004)
Observations	397188	397188
School, cohort and municipality x cohort FE	X	X
Individual controls	X	X
Cohort controls	X	X
Mean dep. var	0.0244	0.0570
St.dev. share of peers	0.0716	0.0716

Notes. The dependent variable is an indicator for whether the individual ever entered entrepreneurship by age 28 (column (1)) and the number of years spent as entrepreneur by age 28 (column (2)). *Share of peers with parent entrepreneur* is the share of peers with at least one parent who is entrepreneur during the exposure period. Entrepreneurs are defined as business owners with employees and top managers of newly created firms. All regressions include school, cohort and municipality times cohort fixed effects, as well as individual and cohort level controls. Individual controls include age, living with family indicators, number of siblings, indicators for being first- and second-generation immigrants, parents' income, parents' age and parents' education at the beginning of the exposure period. Cohort level controls include cohort size, share of female peers and share of first- and second-generation immigrants peers by school-cohort. Standard errors clustered at the school level in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Table 5: Effects on the probability of entrepreneurship by age, gender and gender of peers

	Ever entrepreneur			
	(1) by age 25	(2) by age 30	(3) by age 35	(4) by age 40
A. Women				
Share of female peers with parent entrepreneur	0.006***	0.007**	0.009**	0.005
	(0.002)	(0.003)	(0.004)	(0.005)
Share of male peers with parent entrepreneur	-0.001	-0.001	-0.001	-0.001
	(0.002)	(0.003)	(0.004)	(0.005)
Parents is entrepreneur	0.005***	0.011***	0.016***	0.021***
	(0.000)	(0.001)	(0.001)	(0.001)
Observations	390770	386507	382862	330081
School, cohort and municipality x cohort FE	X	X	X	X
Individual controls	X	X	X	X
Cohort controls	X	X	X	X
Mean dep. var	0.00474	0.0125	0.0206	0.0322
St.dev. share of female peers	0.0883	0.0883	0.0883	0.0883
St.dev. share of male peers	0.0870	0.0870	0.0870	0.0870
B. Men				
Share of female peers with parent entrepreneur	0.003	0.010**	0.001	-0.001
	(0.003)	(0.005)	(0.006)	(0.008)
Share of male peers with parent entrepreneur	-0.001	0.004	-0.004	-0.005
	(0.003)	(0.005)	(0.006)	(0.007)
Parents is entrepreneur	0.013***	0.043***	0.062***	0.075***
	(0.001)	(0.001)	(0.002)	(0.002)
Observations	407746	402146	396183	342964
School, cohort and municipality x cohort FE	X	X	X	X
Individual controls	X	X	X	X
Cohort controls	X	X	X	X
Mean dep. var	0.0107	0.0347	0.0570	0.0822
St.dev. share of female peers	0.0883	0.0883	0.0883	0.0883
St.dev. share of male peers	0.0870	0.0870	0.0870	0.0870

Notes. The dependent variable in all columns is an indicator for whether the individual ever entered entrepreneurship by the age considered. *Share of female (male) peers with parent entrepreneur* is the share of female (male) peers with at least one parent who is entrepreneur during the exposure period. Entrepreneurs are defined as business owners with employees and top managers of newly created firms. Panel A reports estimates for women only; Panel B reports estimates for men only. All regressions include school, cohort and municipality times cohort fixed effects, as well as individual and cohort level controls. Individual controls include age, living with family indicators, number of siblings, indicators for being first- and second-generation immigrants, parents' income, parents' age and parents' education at the beginning of the exposure period. Cohort level controls include cohort size, share of female peers and share of first- and second-generation immigrants peers by school-cohort. Standard errors clustered at the school level in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Table 6: Effects on the number of years as entrepreneur by age, gender and gender of peers

	N. years as entrepreneur			
	(1)	(2)	(3)	(4)
	by age 25	by age 30	by age 35	by age 40
A. Women				
Share of female peers with parent entrepreneur	0.012***	0.031***	0.051***	0.065**
	(0.004)	(0.010)	(0.017)	(0.029)
Share of male peers with parent entrepreneur	-0.003	-0.006	-0.012	-0.034
	(0.004)	(0.010)	(0.017)	(0.029)
Parents is entrepreneur	0.009***	0.032***	0.065***	0.112***
	(0.001)	(0.003)	(0.004)	(0.007)
Observations	390770	386507	382862	330081
School, cohort and municipality x cohort FE	X	X	X	X
Individual controls	X	X	X	X
Cohort controls	X	X	X	X
Mean dep. var	0.00911	0.0346	0.0733	0.136
St.dev. share of female peers	0.0883	0.0883	0.0883	0.0883
St.dev. share of male peers	0.0870	0.0870	0.0870	0.0870
B. Men				
Share of female peers with parent entrepreneur	0.005	0.030*	0.033	0.036
	(0.006)	(0.015)	(0.029)	(0.048)
Share of male peers with parent entrepreneur	-0.005	-0.001	-0.016	-0.035
	(0.006)	(0.016)	(0.028)	(0.046)
Parents is entrepreneur	0.030***	0.146***	0.333***	0.551***
	(0.002)	(0.005)	(0.010)	(0.016)
Observations	407746	402146	396183	342964
School, cohort and municipality x cohort FE	X	X	X	X
Individual controls	X	X	X	X
Cohort controls	X	X	X	X
Mean dep. var	0.0202	0.0940	0.214	0.390
St.dev. share of female peers	0.0883	0.0883	0.0883	0.0883
St.dev. share of male peers	0.0870	0.0870	0.0870	0.0870

Notes. The dependent variable in all columns is the number of years spent in entrepreneurship by the age considered. *Share of female (male) peers with parent entrepreneur* is the share of female (male) peers with at least one parent who is entrepreneur during the exposure period. Entrepreneurs are defined as business owners with employees and top managers of newly created firms. Panel A reports estimates for women only; Panel B reports estimates for men only. All regressions include school, cohort and municipality times cohort fixed effects, as well as individual and cohort level controls. Individual controls include age, living with family indicators, number of siblings, indicators for being first- and second-generation immigrants, parents' income, parents' age and parents' education at the beginning of the exposure period. Cohort level controls include cohort size, share of female peers and share of first- and second-generation immigrants peers by school-cohort. Standard errors clustered at the school level in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Table 7: Effects on firm size for women relative to men

	Size (n. employees)		
	(1)	(2)	(3)
	Above average	Above median	Above p75
Share of female peers with parent entrepreneur	0.006***	0.007**	0.006***
	(0.002)	(0.003)	(0.002)
Share of male peers with parent entrepreneur	-0.003	-0.003	-0.003
	(0.002)	(0.003)	(0.002)
Parents is entrepreneur	0.006***	0.013***	0.006***
	(0.001)	(0.001)	(0.001)
Observations	391047	391047	391047
School, cohort and municipality x cohort FE	X	X	X
Individual controls	X	X	X
Cohort controls	X	X	X
St.dev. share of female peers	0.0883	0.0883	0.0883
St.dev. share of male peers	0.0870	0.0870	0.0870

Notes. The dependent variables in columns (1)-(3) are indicators for whether the individual created a firm with more than the average ((1)), median ((2)) and 75th percentile ((3)) number of employees within the observation period. Among the sample of male entrepreneurs, the average size is 5, the median is 3 and the 75th percentile is 5 employees. *Share of female (male) peers with parent entrepreneur* is the share of female (male) peers with at least one parent who is entrepreneur during the exposure period. Entrepreneurs are defined as business owners with employees and top managers of newly created firms. The table reports estimates for women only. All regressions include school, cohort and municipality times cohort fixed effects, as well as individual and cohort level controls. Individual controls include age, living with family indicators, number of siblings, indicators for being first- and second-generation immigrants, parents' income, parents' age and parents' education at the beginning of the exposure period. Cohort level controls include cohort size, share of female peers and share of first- and second-generation immigrants peers by school-cohort. Standard errors clustered at the school level in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Table 8: Effects on firm survival for women relative to men

	Survival (years)		
	(1)	(2)	(3)
	Above average	Above median	Above p75
Share of female peers with parent entrepreneur	0.003*	0.003	0.003**
	(0.002)	(0.002)	(0.002)
Share of male peers with parent entrepreneur	-0.002	-0.002	-0.001
	(0.002)	(0.002)	(0.002)
Parents is entrepreneur	0.006***	0.007***	0.003***
	(0.001)	(0.001)	(0.000)
Observations	391047	391047	391047
School, cohort and municipality x cohort FE	X	X	X
Individual controls	X	X	X
Cohort controls	X	X	X
St.dev. share of female peers	0.0883	0.0883	0.0883
St.dev. share of male peers	0.0870	0.0870	0.0870

Notes. The dependent variables in columns (1)-(3) are indicators for whether the individual created a firm that survived for longer than the average ((1)), median ((2)) and 75th percentile ((3)) firm within the observation period. Among the sample of male entrepreneurs, the average survival is 10, the median is 9 and the 75th percentile is 14 years. *Share of female (male) peers with parent entrepreneur* is the share of female (male) peers with at least one parent who is entrepreneur during the exposure period. Entrepreneurs are defined as business owners with employees and top managers of newly created firms. The table reports estimates for women only. All regressions include school, cohort and municipality times cohort fixed effects, as well as individual and cohort level controls. Individual controls include age, living with family indicators, number of siblings, indicators for being first- and second-generation immigrants, parents' income, parents' age and parents' education at the beginning of the exposure period. Cohort level controls include cohort size, share of female peers and share of first- and second-generation immigrants peers by school-cohort. Standard errors clustered at the school level in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Table 9: Effects on other occupations by gender of peers for women

	Ever in occupation		
	(1) Engineer	(2) Entrepreneur	(3) Professor (PhD)
Share of female peers with parent engineer2	-0.001 (0.003)		
Share of male peers with parent engineer2	0.004 (0.003)		
Parent is engineer2	0.009*** (0.001)		
Share of female peers with parent topmanager		0.006 (0.012)	
Share of male peers with parent topmanager		0.011 (0.013)	
Parent is topmanager		0.018*** (0.003)	
Share of female peers with parent professor			0.058** (0.029)
Share of male peers with parent professor			-0.038 (0.029)
Parent is professor			0.049*** (0.013)
Observations	395080	395080	395080
School, cohort and municipality x cohort FE	X	X	X
Individual controls	X	X	X
Cohort controls	X	X	X
Mean dep. var	0.0207	0.0467	0.00902
St.dev. share of female peers	0.101		
St.dev. share of male peers	0.0978		
St.dev. share of female peers		0.0328	
St.dev. share of male peers		0.0324	
St.dev. share of female peers			0.00859
St.dev. share of male peers			0.00829

Notes. The dependent variable in columns (1)-(3) is an indicator for whether the individual has ever been an engineer (1), a top manager (2) or a professor (3) within the observation period. While we can observe individual's managerial status over the entire sample period, we are partially constrained in looking at other professions as we start observing individuals occupations only in 1980. We therefore proxy occupations with detailed data on university degree and employment status and we choose occupations that tend to have a strong connections to the degree obtained. Thus an individual is recorded as an engineer if she studied engineering and she is employed, while an individual is recorded as university professor if she has a PhD and she is employed. *Share of female (male) peers with parents engineer* is the share of female (male) peers with a parent who is an architect/engineer during the exposure period. *Share of female (male) peers with parents top manager* is the share of female (male) peers with a parent who is a top manager during the exposure period. *Share of female (male) peers with parents professor* is the share of female (male) peers with a parent who is a professor during the exposure period. The table reports estimates for women only. All regressions include school, cohort and municipality times cohort fixed effects, as well as individual and cohort level controls. Individual controls include age, living with family indicators, number of siblings, indicators for being first- and second-generation immigrants, parents' income, parents' age and parents' education at the beginning of the exposure period. Cohort level controls include cohort size, share of female peers and share of first- and second-generation immigrants peers by school-cohort. Standard errors clustered at the school level in parentheses. * p< 0.1, ** p< 0.05, *** p< 0.01.

Table 10: Effects on the probability of entrepreneurship by age, gender of peers and gender of parents for women

	Ever entrepreneur			
	(1) by age 25	(2) by age 30	(3) by age 35	(4) by age 40
Share of female peers with father entrepreneur	0.007***	0.005*	0.008**	0.002
	(0.002)	(0.003)	(0.004)	(0.005)
Share of female peers with mother entrepreneur	-0.000	0.010	0.010	0.010
	(0.004)	(0.007)	(0.009)	(0.011)
Share of male peers with father entrepreneur	-0.003	-0.001	-0.001	-0.002
	(0.002)	(0.003)	(0.004)	(0.005)
Share of male peers with mother entrepreneur	0.009*	0.003	-0.001	0.006
	(0.005)	(0.007)	(0.009)	(0.012)
Father is entrepreneur	0.003***	0.008***	0.013***	0.017***
	(0.000)	(0.001)	(0.001)	(0.001)
Mother is entrepreneur	0.009***	0.022***	0.029***	0.041***
	(0.001)	(0.002)	(0.003)	(0.004)
Observations	390770	386507	382862	330081
School, cohort and municipality x cohort FE	X	X	X	X
Individual controls	X	X	X	X
Cohort controls	X	X	X	X
Mean dep. var	0.00474	0.0125	0.0206	0.0322
St.dev. share of female peers (fathers)	0.0830	0.0830	0.0830	0.0830
St.dev. share of female peers (mothers)	0.0305	0.0305	0.0305	0.0305
St.dev. share of male peers (fathers)	0.0816	0.0816	0.0816	0.0816
St.dev. share of male peers (mothers)	0.0295	0.0295	0.0295	0.0295

Notes. The dependent variable in all columns is an indicator for whether the individual ever entered entrepreneurship by the age considered. *Share of female (male) peers with mother/father entrepreneur* is the share of female (male) peers with mother/father who is entrepreneur during the exposure period. Entrepreneurs are defined as business owners with employees and top managers of newly created firms. The table reports estimates for women only. All regressions include school, cohort and municipality times cohort fixed effects, as well as individual and cohort level controls. Individual controls include age, living with family indicators, number of siblings, indicators for being first- and second-generation immigrants, parents' income, parents' age and parents' education at the beginning of the exposure period. Cohort level controls include cohort size, share of female peers and share of first- and second-generation immigrants peers by school-cohort. Standard errors clustered at the school level in parentheses. * p< 0.1, ** p< 0.05, *** p< 0.01.

Table 11: Effects on the number of years as entrepreneur by age, gender of peers and gender of parents for women

	N. years as entrepreneur			
	(1) by age 25	(2) by age 30	(3) by age 35	(4) by age 40
Share of female peers with father entrepreneur	0.013***	0.032***	0.047***	0.064**
	(0.004)	(0.011)	(0.018)	(0.030)
Share of female peers with mother entrepreneur	0.001	0.018	0.050	0.046
	(0.009)	(0.023)	(0.041)	(0.065)
Share of male peers with father entrepreneur	-0.006	-0.012	-0.021	-0.045
	(0.004)	(0.010)	(0.018)	(0.030)
Share of male peers with mother entrepreneur	0.022**	0.043*	0.043	0.031
	(0.010)	(0.024)	(0.041)	(0.069)
Father is entrepreneur	0.006***	0.024***	0.050***	0.092***
	(0.001)	(0.003)	(0.005)	(0.007)
Mother is entrepreneur	0.018***	0.070***	0.129***	0.200***
	(0.004)	(0.008)	(0.014)	(0.021)
Observations	390770	386507	382862	330081
School, cohort and municipality x cohort FE	X	X	X	X
Individual controls	X	X	X	X
Cohort controls	X	X	X	X
Mean dep. var	0.00911	0.0346	0.0733	0.136
St.dev. share of female peers (fathers)	0.0830	0.0830	0.0830	0.0830
St.dev. share of female peers (mothers)	0.0305	0.0305	0.0305	0.0305
St.dev. share of male peers (fathers)	0.0816	0.0816	0.0816	0.0816
St.dev. share of male peers (mothers)	0.0295	0.0295	0.0295	0.0295

Notes. The dependent variable in all columns is the number of years spent in entrepreneurship by the age considered. *Share of female (male) peers with mother/father entrepreneur* is the share of female (male) peers with mother/father who is entrepreneur during the exposure period. Entrepreneurs are defined as business owners with employees and top managers of newly created firms. The table reports estimates for women only. All regressions include school, cohort and municipality times cohort fixed effects, as well as individual and cohort level controls. Individual controls include age, living with family indicators, number of siblings, indicators for being first- and second-generation immigrants, parents' income, parents' age and parents' education at the beginning of the exposure period. Cohort level controls include cohort size, share of female peers and share of first- and second-generation immigrants peers by school-cohort. Standard errors clustered at the school level in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Table 12: Effects on the probability of doing an internship

	(1) Age 15	(2) Age 16	(3) Age 17	(4) Age 18
A. Women				
Share of female peers with parent entrepreneur	0.008***	0.014***	0.012***	0.009***
	(0.002)	(0.002)	(0.002)	(0.002)
Share of male peers with parent entrepreneur	0.009***	0.015***	0.016***	0.013***
	(0.002)	(0.002)	(0.002)	(0.002)
Parent is entrepreneur	0.001**	-0.001**	-0.001*	-0.000
	(0.000)	(0.000)	(0.000)	(0.000)
Observations	395080	395080	395080	395080
School, cohort and municipality x cohort FE	X	X	X	X
Individual controls	X	X	X	X
Cohort controls	X	X	X	X
Mean dep. var	0.003	0.005	0.005	0.004
St.dev. share of female peers	0.088	0.088	0.088	0.088
St.dev. share of male peers	0.087	0.087	0.087	0.087
B. Men				
Share of female peers with parent entrepreneur	0.009***	0.012***	0.012***	0.008***
	(0.002)	(0.002)	(0.002)	(0.002)
Share of male peers with parent entrepreneur	0.014***	0.017***	0.017***	0.014***
	(0.002)	(0.002)	(0.002)	(0.002)
Parent is entrepreneur	0.001**	-0.002***	-0.002***	-0.001***
	(0.000)	(0.000)	(0.000)	(0.000)
Observations	412213	412213	412213	412213
School, cohort and municipality x cohort FE	X	X	X	X
Individual controls	X	X	X	X
Cohort controls	X	X	X	X
Mean dep. var	0.004	0.005	0.005	0.005
St.dev. share of female peers	0.088	0.088	0.088	0.088
St.dev. share of male peers	0.087	0.087	0.087	0.087

Notes. The dependent variable in all columns is an indicator for whether the individual worked in the establishment of any of the peers' parents who are entrepreneurs at the indicated age. *Share of female (male) peers with mother/father entrepreneur* is the share of female (male) peers with mother/father who is entrepreneur during the exposure period. Entrepreneurs are defined as business owners with employees and top managers of newly created firms. All regressions include school, cohort and municipality times cohort fixed effects, as well as individual and cohort level controls. Individual controls include age, living with family indicators, number of siblings, indicators for being first- and second-generation immigrants, parents' income, parents' age and parents' education at the beginning of the exposure period. Cohort level controls include cohort size, share of female peers and share of first- and second-generation immigrants peers by school-cohort. Standard errors clustered at the school level in parentheses. * p< 0.1, ** p< 0.05, *** p< 0.01.

A   Other Tables and Figures

Figure A1: Schooling in Denmark

| Age	13	14	15	16	17	18	19	20
Grade		7	8	9	10			
					HS1	HS2	HS3	Uni
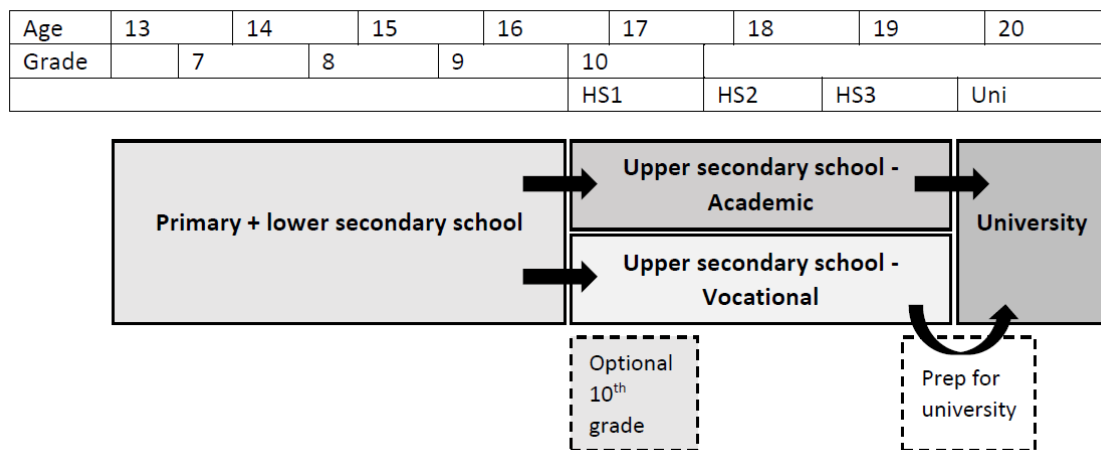
Notes. This figure illustrate the Danish education system from age 7 to higher education. Our treatment period goes from grade 7 to grade 9, when students are between 13-14 years old and 15-16 years old.

Table A1: Raw and residual variation in share of parents who are entrepreneurs

	Mean	St.Dev
A. Share of female peers with at least one entrepreneur parent		
Raw cohort variable	0.116	0.088
Residuals after removing school, cohort and municipality x cohort FE	0.000	0.061
B. Share of male peers with at least one entrepreneur parent		
Raw cohort variable	0.117	0.087
Residuals after removing school, cohort and municipality x cohort FE	0.000	0.060

Notes. This table reports the raw and residual (net of school, cohort and municipality times cohort fixed effects) variation in the share of female (panel A) and male (panel B) peers' parents who are entrepreneurs. Entrepreneurship includes business owners with employees and top managers of newly created firms.

Figure A2: Number of observation by age
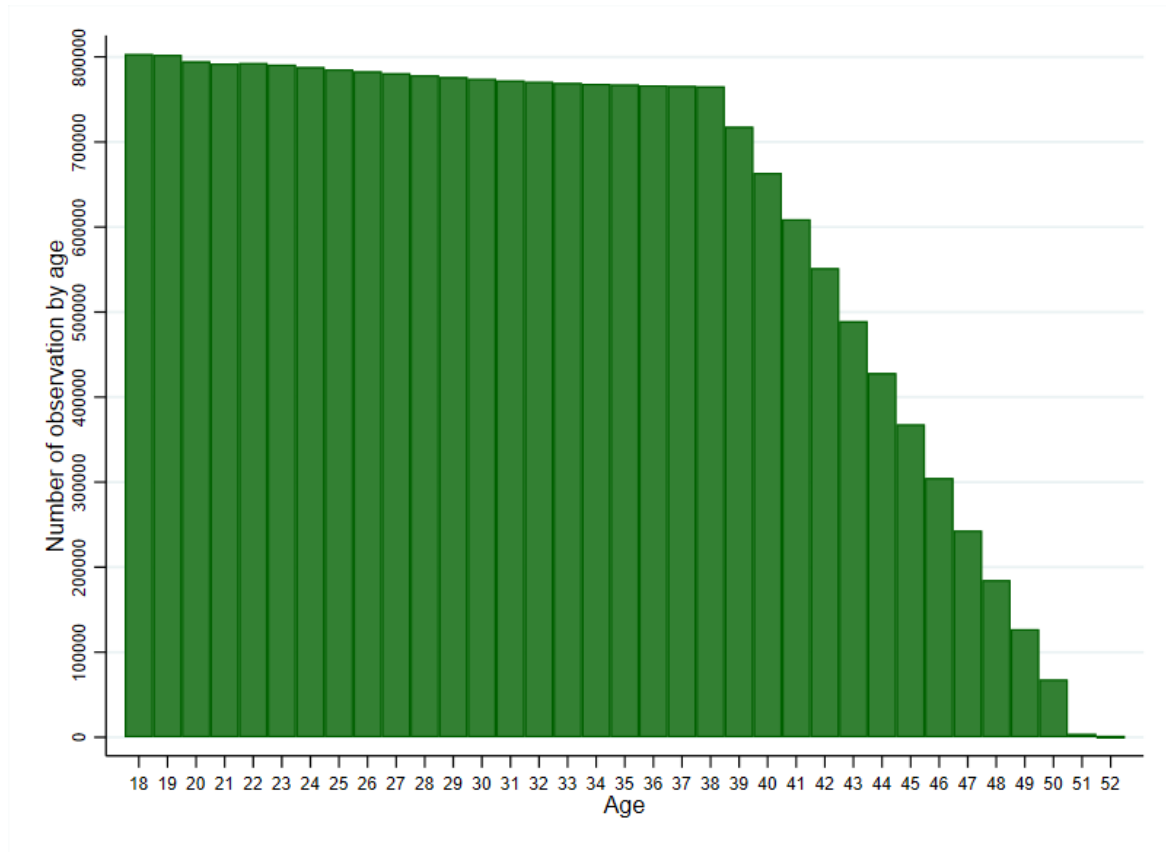
Notes. The figure plots the number of observation per age, from 18 to 52.

Table A2: Balancing tests - gender of peers

	(1) Age in 7th grade	(2) Mother has higher educ	(3) Father has higher educ	(4) Mother age in 7th grade	(5) Father age in 7th grade	(6) Mother unempl. in 7th grade	(7) Father unempl. in 7th grade	(8) Log income in 7th grade	(9) Lives with parents	(10) Lives with mother	(11) Lives with father	(12) N. siblings	(13) Born in Denmark	(14) First-gen immigrant	(15) Second-gen immigrant	(16) N. boys	(17) N.girls
A. Women																	
Share of female peers with parents entrepreneur	0.001	0.004*	0.002	0.001	-0.000	0.002	0.001	0.002	0.000	-0.003	0.005**	0.001	-0.001	0.001	0.002	-0.009**	0.000
	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.004)	(0.004)
Observations	395080	395080	395080	395080	395080	395080	395080	395080	395080	395080	395080	395080	395080	395080	395080	395080	395080
Share of male peers with parents entrepreneur	-0.000	0.001	0.001	-0.002	0.001	0.000	-0.001	-0.002	0.000	-0.000	0.000	-0.001	0.006***	-0.006***	-0.001	-0.002	-0.001
	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.004)	(0.005)
Observations	395080	395080	395080	395080	395080	395080	395080	395080	395080	395080	395080	395080	395080	395080	395080	395080	395080
B. Men																	
Share of female peers with parents entrepreneur	-0.001	0.002	-0.002	-0.001	0.002	-0.000	0.002	0.005**	0.003	-0.003	0.001	0.001	0.001	-0.001	0.004*	-0.008*	-0.001
	(0.002)	(0.003)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.004)	(0.004)
Share of male peers with parents entrepreneur	0.004**	-0.001	0.002	0.007***	0.000	-0.003	0.001	-0.000	-0.000	0.000	-0.002	0.003	0.000	-0.000	0.001	-0.003	-0.001
	(0.002)	(0.003)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.004)	(0.004)
Observations	412213	412213	412213	412213	412213	412213	412213	412213	412213	412213	412213	412213	412213	412213	412213	412213	412213

Notes. This table reports the coefficients of separate regressions of each individual characteristic on the share of female and male peers with parents entrepreneur, estimated separately for men (panel A) and for women (panel B). All variables have been standardized. All regressions include school, cohort and municipality times cohort fixed effects and control for an indicator for whether the individuals' parents are entrepreneur. Entrepreneurs are defined as business owners with employees and top managers of newly created firms. Standard errors clustered at the school level in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Table A3: Test of statistical difference of coefficients in Figure 4, Panel (a)

	Ever entrepreneur	SE	p-value
Age 18	0.000	0.000	0.693
Age 18	0.000	0.000	0.693
Age 19	0.000	0.001	0.668
Age 20	0.001	0.001	0.113
Age 21	0.002	0.001	0.189
Age 22	0.002	0.001	0.151
Age 23	0.002	0.002	0.397
Age 24	0.004*	0.002	0.093
Age 25	0.008***	0.003	0.003
Age 26	0.007**	0.003	0.028
Age 27	0.004	0.003	0.197
Age 28	0.006	0.004	0.115
Age 29	0.010**	0.004	0.017
Age 30	0.007	0.004	0.107
Age 31	0.009*	0.005	0.054
Age 32	0.009*	0.005	0.069
Age 33	0.008	0.005	0.126
Age 34	0.009	0.005	0.108
Age 35	0.011*	0.006	0.058
Age 36	0.010*	0.006	0.072
Age 37	0.009	0.006	0.130
Age 38	0.008	0.006	0.178
Age 39	0.006	0.007	0.374
Age 40	0.006	0.007	0.415

Notes. This table presents the results of the test of statistical difference of coefficients β_1 and β_2 in the estimating regression (2) for women. The dependent variable in equation (2) is an indicator for whether the individual ever entered entrepreneurship by the age considered. * $p< 0.1$, ** $p< 0.05$, *** $p< 0.01$.

Table A4: Test of statistical difference of coefficients in Figure 4, Panel (c)

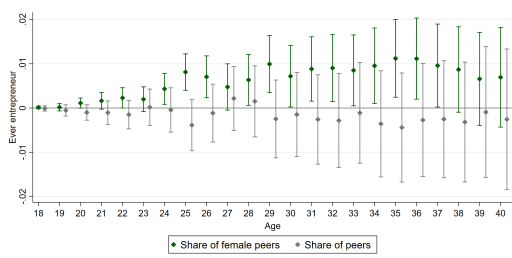|	N. years as entrepreneur	SE	p-value
Age 18	0.000	0.000	0.571
Age 18	0.000	0.000	0.571
Age 19	0.001	0.001	0.351
Age 20	0.002	0.001	0.154
Age 21	0.002	0.002	0.177
Age 22	0.004*	0.002	0.087
Age 23	0.005	0.003	0.166
Age 24	0.008*	0.005	0.073
Age 25	0.015**	0.006	0.013
Age 26	0.019**	0.007	0.012
Age 27	0.021**	0.009	0.023
Age 28	0.027**	0.011	0.015
Age 29	0.034***	0.013	0.008
Age 30	0.038**	0.015	0.012
Age 31	0.043**	0.017	0.012
Age 32	0.050***	0.019	0.010
Age 33	0.056***	0.022	0.010
Age 34	0.061***	0.024	0.010
Age 35	0.067***	0.026	0.010
Age 36	0.070**	0.028	0.014
Age 37	0.072**	0.031	0.019
Age 38	0.078**	0.033	0.019
Age 39	0.086**	0.037	0.022
Age 40	0.104**	0.042	0.014

Notes. This table presents the results of the test of statistical difference of coefficients β_1 and β_2 in the estimating regression (2) for women. The dependent variable in equation (2) is is the number of years spent in entrepreneurship by the age considered. * p< 0.1, ** p< 0.05, *** p< 0.01.

Table A5: Effects on girls' probability of entrepreneurship by cohort size

	Ever entrepreneur			
	(1)	(2)	(3)	(4)
	by age 25	by age 30	by age 35	by age 40
A. Large cohorts				
Share of female peers with parent entrepreneur	0.005*	0.001	-0.002	-0.004
	(0.003)	(0.005)	(0.006)	(0.007)
Share of male peers with parent entrepreneur	0.000	0.003	0.005	0.007
	(0.003)	(0.005)	(0.007)	(0.008)
Parents is entrepreneur	0.004***	0.010***	0.016***	0.022***
	(0.001)	(0.001)	(0.001)	(0.002)
Observations	221629	219186	217088	195546
School, cohort and municipality x cohort FE	X	X	X	X
Individual controls	X	X	X	X
Cohort controls	X	X	X	X
Mean dep. var	0.00471	0.0122	0.0207	0.0310
St.dev. share of female peers	0.0883	0.0883	0.0883	0.0883
St.dev. share of male peers	0.0870	0.0870	0.0870	0.0870
B. Small cohorts				
Share of female peers with parent entrepreneur	0.007**	0.012**	0.020***	0.017**
	(0.003)	(0.005)	(0.006)	(0.008)
Share of male peers with parent entrepreneur	0.001	0.002	0.001	-0.005
	(0.003)	(0.005)	(0.006)	(0.008)
Parents is entrepreneur	0.005***	0.012***	0.017***	0.021***
	(0.001)	(0.001)	(0.001)	(0.002)
Observations	168851	167030	165476	134141
School, cohort and municipality x cohort FE	X	X	X	X
Individual controls	X	X	X	X
Cohort controls	X	X	X	X
Mean dep. var	0.00476	0.0129	0.0206	0.0334
St.dev. share of female peers	0.0883	0.0883	0.0883	0.0883
St.dev. share of male peers	0.0870	0.0870	0.0870	0.0870

Notes. The dependent variable in all columns is an indicator for whether the individual ever entered entrepreneurship by the age considered. *Share of peers with parent entrepreneur* is the share of peers with at least one parent who is entrepreneur during the exposure period. Panel A reports the results for individuals enrolled in cohorts above the average cohort size within their school. Panel B reports the results for individuals enrolled in cohorts below the average size. Entrepreneurs are defined as business owners with employees and top managers of newly created firms. All regressions include school, cohort and municipality times cohort fixed effects, as well as individual and cohort level controls. Individual controls include age, living with family indicators, number of siblings, indicators for being first- and second-generation immigrants, parents' income, parents' age and parents' education at the beginning of the exposure period. Cohort level controls include cohort size, share of female peers and share of first- and second-generation immigrants peers by school-cohort. Standard errors clustered at the school level in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Figure A3: Effect of exposure by age and gender of peers for women - tighter specification

(a) Probability of ever being entrepreneur
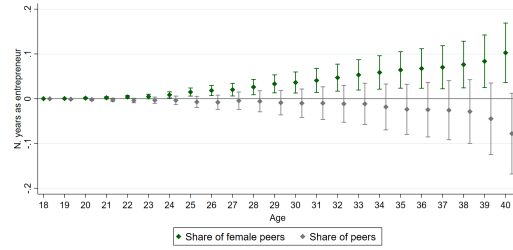
(b) Cumulative number of years as entrepreneur

Notes. This figure plots the regression coefficients and 90% confidence intervals from a version of estimating equation (1), where we exploit variation in the gender mix in the share of peers with entrepreneur parents while keeping the total share of peers with entrepreneur parents constant. The dependent variable for each age-regression is the probability of ever being entrepreneur by that age in panel (a) and the cumulative number of years spent in entrepreneurship until that age in panel (b). Entrepreneurship includes business owners with employees and top managers of newly created firms. The Figure reports estimates for women only. All regressions include school, cohort and municipality times cohort fixed effects, as well as individual and cohort level controls. Individual controls include age, living with family indicators, number of siblings, indicators for being first- and second-generation immigrants, parents' income, parents' age and parents' education at the beginning of the exposure period. Cohort level controls include cohort size, share of female peers and share of first- and second-generation immigrants peers by school-cohort. Standard errors are clustered at the school level.

Figure A4: Effect of exposure to entrepreneurs in own and adjacent cohorts of peers for women
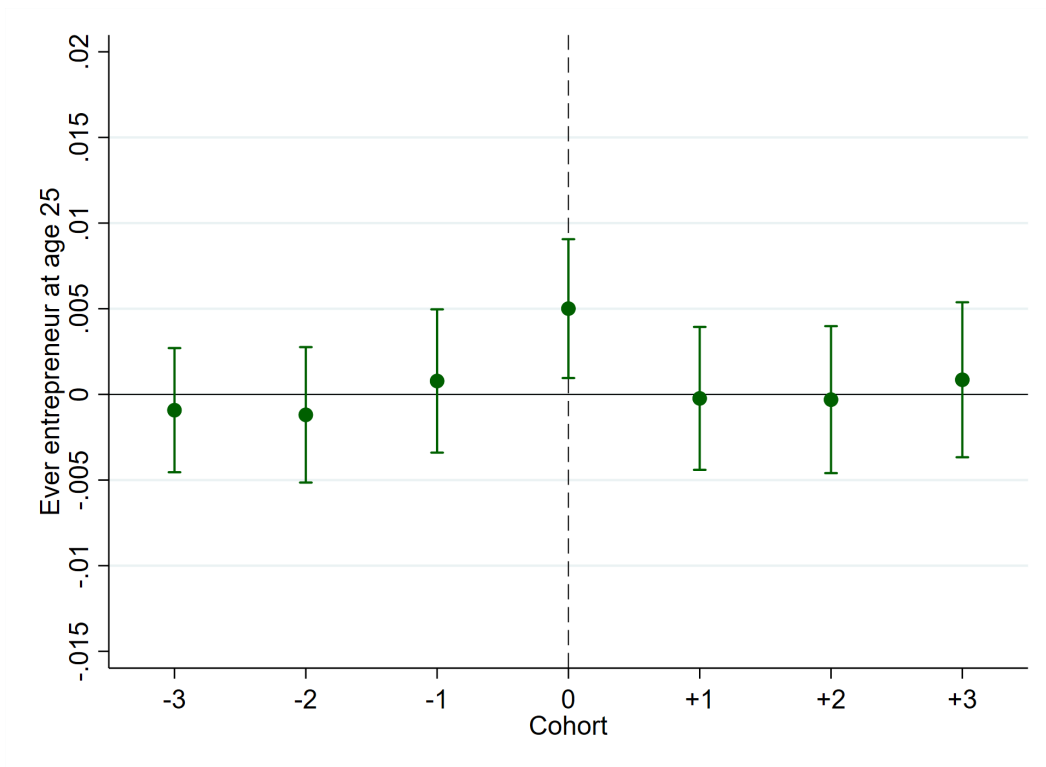
Notes. This figure plots the estimated effects and 95% confidence intervals of changes in the share of female peers with entrepreneur parents in an individual's own school and cohort as well as the share of females with entrepreneur parents in adjacent cohorts with entrepreneur parents on the probability that women have ever been an entrepreneur at age 25. Entrepreneurship includes business owners with employees and top managers of newly created firms. The regression includes school, cohort and municipality times cohort fixed effects, as well as individual and cohort level controls. Individual controls include age, living with family indicators, number of siblings, indicators for being first- and second-generation immigrants, parents' income, parents' age and parents' education at the beginning of the exposure period. Cohort level controls include cohort size, share of female peers and share of first- and second-generation immigrants peers by school-cohort. Standard errors are clustered at the school level.

Table A6: Inclusion of school time trends

		Ever entrepreneur		
	(1)	(2)	(3)	(4)
	by age 25	by age 30	by age 35	by age 40
A. Women				
Share of female peers with parent entrepreneur	0.005***	0.005*	0.006*	0.006
	(0.002)	(0.003)	(0.004)	(0.005)
Share of male peers with parent entrepreneur	-0.001	-0.000	-0.001	0.001
	(0.002)	(0.003)	(0.004)	(0.005)
Parents is entrepreneur	0.004***	0.011***	0.016***	0.021***
	(0.000)	(0.001)	(0.001)	(0.001)
Observations	390770	386507	382862	330168
School and cohort FE	X	X	X	X
School linear trend	X	X	X	X
Individual controls	X	X	X	X
Cohort controls	X	X	X	X
Mean dep. var	0.00474	0.0125	0.0206	0.0325
St.dev. share of female peers	0.0889	0.0889	0.0889	0.0889
St.dev. share of male peers	0.0875	0.0875	0.0875	0.0875
B. Men				
Share of female peers with parent entrepreneur	-0.000	0.003	-0.004	-0.002
	(0.003)	(.)	(0.006)	(0.008)
Share of male peers with parent entrepreneur	0.001	0.008	0.002	0.000
	(0.003)	(.)	(0.006)	(0.008)
Parents is entrepreneur	0.013***	0.043	0.063***	0.075***
	(0.001)	(.)	(0.002)	(0.002)
Observations	407746	402146	396183	343002
School and cohort FE	X	X	X	X
School linear trend	X	X	X	X
Individual controls	X	X	X	X
Cohort controls	X	X	X	X
Mean dep. var	0.0107	0.0347	0.0570	0.0823
St.dev. share of female peers	0.0889	0.0889	0.0889	0.0889
St.dev. share of male peers	0.0875	0.0875	0.0875	0.0875

Notes. The dependent variable in all columns is an indicator for whether the individual ever entered entrepreneurship by the age considered. *Share of peers with parent entrepreneur* is the share of peers with at least one parent who is entrepreneur during the exposure period. Entrepreneurs are defined as business owners with employees and top managers of newly created firms. All regressions include school and cohort fixed effects and school time trends, as well as individual and cohort level controls. Individual controls include age, living with family indicators, number of siblings, indicators for being first- and second-generation immigrants, parents' income, parents' age and parents' education at the beginning of the exposure period. Cohort level controls include cohort size, share of female peers and share of first- and second-generation immigrants peers by school-cohort. Standard errors clustered at the school level in parentheses. * p< 0.1, ** p< 0.05, *** p< 0.01.

Table A7: Inclusion of school time trend on top of our FE

|	Ever entrepreneur			
	(1)	(2)	(3)	(4)
	by age 25	by age 30	by age 35	by age 40
A. Women				
Share of female peers with parent entrepreneur	0.007***	0.008**	0.009**	0.006
	(0.002)	(0.003)	(0.004)	(0.005)
Share of male peers with parent entrepreneur	-0.001	-0.001	0.000	0.003
	(0.002)	(0.003)	(0.004)	(0.005)
Parents is entrepreneur	0.005***	0.011***	0.016***	0.021***
	(0.000)	(0.001)	(0.001)	(0.001)
Observations	390770	386507	382862	330081
School, cohort and municipality x cohort FE	X	X	X	X
School linear trend	X	X	X	X
Individual controls	X	X	X	X
Cohort controls	X	X	X	X
Mean dep. var	0.00474	0.0125	0.0206	0.0322
St.dev. share of female peers	0.0889	0.0889	0.0889	0.0889
St.dev. share of male peers	0.0875	0.0875	0.0875	0.0875
B. Men				
Share of female peers with parent entrepreneur	0.002	0.008	-0.002	-0.001
	(0.003)	(0.005)	(0.006)	(0.008)
Share of male peers with parent entrepreneur	0.000	0.006	-0.004	-0.005
	(0.003)	(0.005)	(0.006)	(0.008)
Parents is entrepreneur	0.013***	0.043***	0.062***	0.075***
	(0.001)	(0.001)	(0.002)	(0.002)
Observations	407746	402146	396183	342964
School, cohort and municipality x cohort FE	X	X	X	X
School linear trend	X	X	X	X
Individual controls	X	X	X	X
Cohort controls	X	X	X	X
Mean dep. var	0.0107	0.0347	0.0570	0.0822
St.dev. share of female peers	0.0889	0.0889	0.0889	0.0889
St.dev. share of male peers	0.0875	0.0875	0.0875	0.0875

Notes. The dependent variable in all columns is an indicator for whether the individual ever entered entrepreneurship by the age considered. *Share of peers with parent entrepreneur* is the share of peers with at least one parent who is entrepreneur during the exposure period. Entrepreneurs are defined as business owners with employees and top managers of newly created firms. All regressions include school, cohort and municipality times cohort fixed effects, school time trends, as well as individual and cohort level controls. Individual controls include age, living with family indicators, number of siblings, indicators for being first- and second-generation immigrants, parents' income, parents' age and parents' education at the beginning of the exposure period. Cohort level controls include cohort size, share of female peers and share of first- and second-generation immigrants peers by school-cohort. Standard errors clustered at the school level in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Table A8: Effects on educational choices controlling for parents educational qualifications

| | Highest education achieved | | | |
| | (1) | (2) | (3) | (4) |
	Lower secondary	Upper secondary academic	Upper secondary vocational	Higher education
Share of female peers with parent entrepr.	-0.011	-0.003	0.023**	-0.009
	(0.008)	(0.006)	(0.012)	(0.012)
Share of male peers with parent entrepr.	0.001	-0.002	-0.011	0.012
	(0.008)	(0.006)	(0.012)	(0.013)
Parents is entrepreneur	-0.013***	0.003**	-0.005**	0.015***
	(0.002)	(0.001)	(0.002)	(0.003)
Observations	395080	395080	395080	395080
School, cohort and municipality x cohort FE	X	X	X	X
Individual controls	X	X	X	X
Cohort controls	X	X	X	X
Mean dep. var	0.129	0.0630	0.353	0.455
St.dev. share of female peers	0.0883	0.0883	0.0883	0.0883
St.dev. share of male peers	0.0870	0.0870	0.0870	0.0870

Notes. The dependent variable is an indicator for whether the highest education achieved by women at the end of the observation period is lower secondary (column (1)), upper secondary academic (column (2)), upper secondary vocational (column (3)), or higher education (column (4)). *Share of female (male) peers with parent entrepreneur* is the share of female (male) peers with at least one parent who is entrepreneur during the exposure period. Entrepreneurs are defined as business owners with employees and top managers of newly created firms. The Table reports estimates for women only. All regressions include school, cohort and municipality times cohort fixed effects, as well as individual and cohort level controls. Individual controls include age, living with family indicators, number of siblings, indicators for being first- and second-generation immigrants, parents' income, parents' age and parents' education at the beginning of the exposure period. Cohort level controls include cohort size, share of female peers, share of first- and second-generation immigrants peers, and share of peers with parents with different educational qualifications by school-cohort. Standard errors clustered at the school level in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Figure A5: Highest education achieved by gender of peers for women
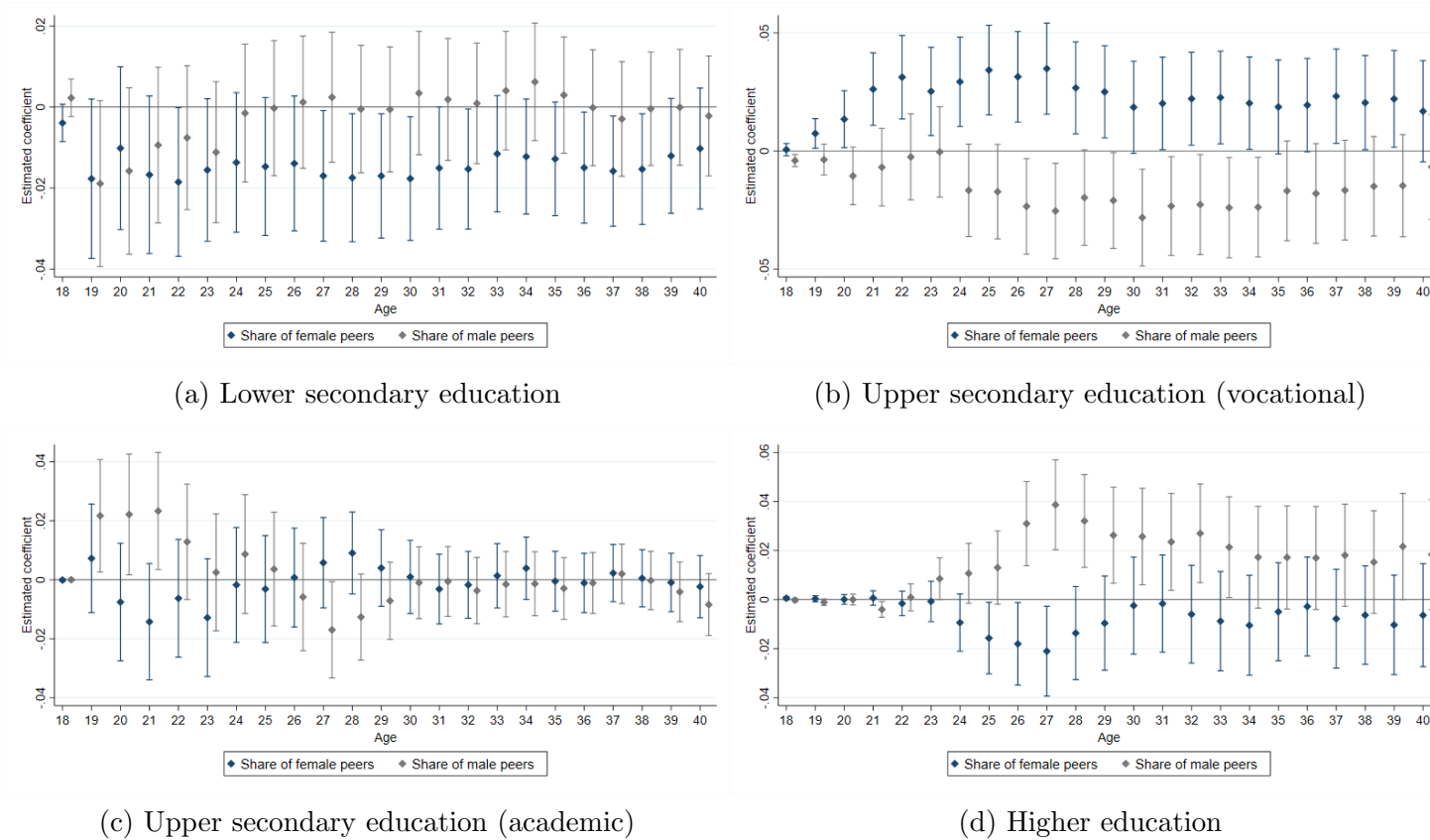
(a) Lower secondary education

(b) Upper secondary education (vocational)

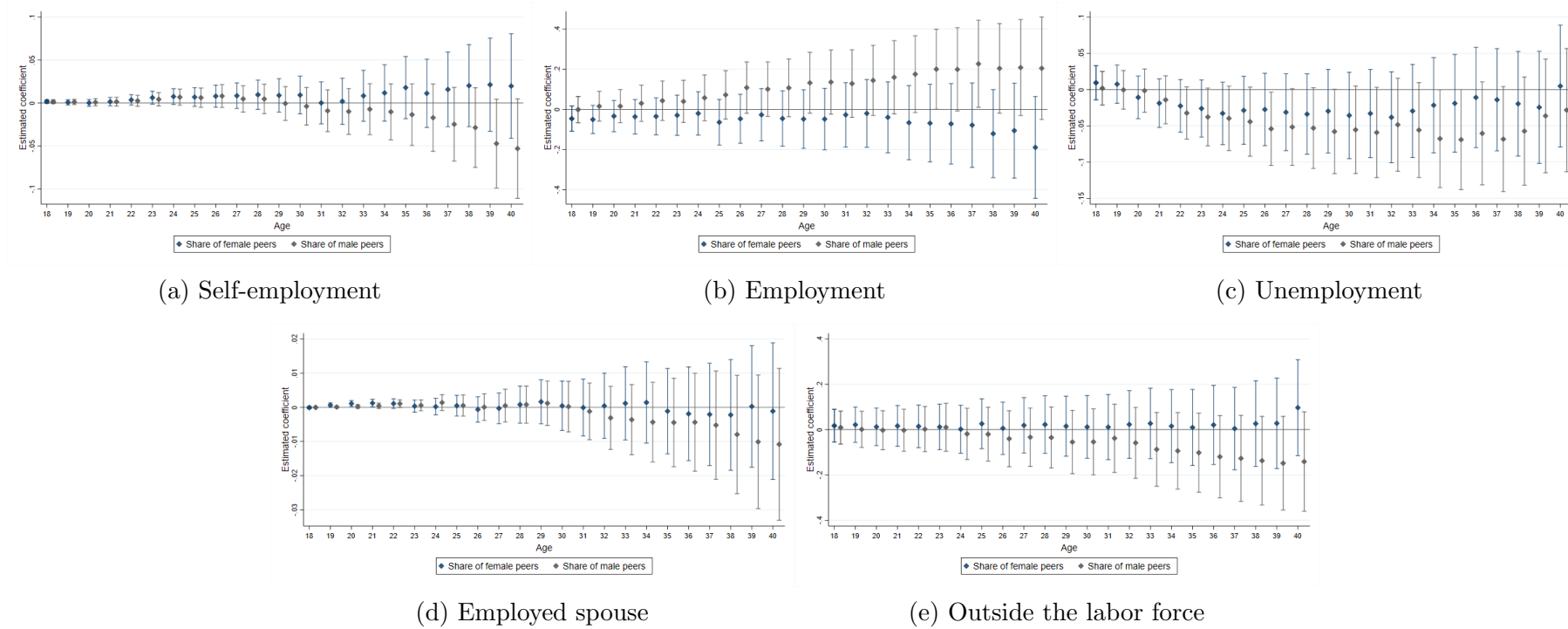(c) Upper secondary education (academic)

(d) Higher education

Notes. This figure plots the regression coefficients and 90% confidence intervals from estimating equation (2) for women. The dependent variable for each age-regression is an indicator for whether the highest education achieved by that age is lower secondary education (a), upper secondary vocational education (b), upper secondary academic education (c) or higher education (d). Entrepreneurship includes business owners with employees and top managers of newly created firms. All regressions include school, cohort and municipality times cohort fixed effects, as well as individual and cohort level controls. Individual controls include age, living with family indicators, number of siblings, indicators for being first- and second-generation immigrants, parents' income, parents' age and parents' education at the beginning of the exposure period. Cohort level controls include cohort size, share of female peers and share of first- and second-generation immigrants peers by school-cohort. Standard errors are clustered at the school level.

Table A9: Effect of having a parent entrepreneur on vocational education

	Ever completed vocational education	
	(1) Women	(2) Men
Parents is entrepreneur	-0.006**	0.024***
	(0.003)	(0.003)
Observations	395080	412213
School, cohort and municipality x cohort FE	X	X
Individual controls	X	X
Cohort controls	X	X
Mean dep. var	0.430	0.507
St.dev. own parent	0.321	0.321

Notes. The dependent variable is an indicator for whether women have an completed upper secondary vocational school. *Parent is entrepreneur* is a dummy equal to one if the individual has at least one parent who is entrepreneur during the exposure period. Entrepreneurs are defined as business owners with employees and top managers of newly created firms. All regressions include school, cohort and municipality times cohort fixed effects, as well as individual and cohort level controls. Individual controls include age, living with family indicators, number of siblings, indicators for being first- and second-generation immigrants, parents' income, parents' age and parents' education at the beginning of the exposure period. Cohort level controls include cohort size, share of female peers, share of first- and second-generation immigrants peers, and share of peers with parents with different educational qualifications by school-cohort. Standard errors clustered at the school level in parentheses. * p< 0.1, ** p< 0.05, *** p< 0.01.

Figure A6: Number of years in counterfactual occupation by gender of peers for women

(a) Self-employment

(b) Employment

(c) Unemployment

(d) Employed spouse

(e) Outside the labor force

Notes. This figure plots the regression coefficients β_1 and β_2 and 90% confidence intervals from estimating equation (2) for women (a) and men (b). The dependent variable for each age-regression is the number of years spent as self-employed by that age. Entrepreneurship includes business owners with employees and top managers of newly created firms. All regressions include school, cohort and municipality times cohort fixed effects, as well as individual and cohort level controls. Individual controls include age, living with family indicators, number of siblings, indicators for being first- and second-generation immigrants, parents' income, parents' age and parents' education at the beginning of the exposure period. Cohort level controls include cohort size, share of female peers and share of first- and second-generation immigrants peers by school-cohort. Standard errors are clustered at the school level.

Table A10: Effects on firm size for women relative to both men and women

	Size (n. employees)		
	(1)	(2)	(3)
	Above average	Above median	Above p75
Share of female peers with parent entrepreneur	0.006***	0.007**	0.006***
	(0.002)	(0.003)	(0.003)
Share of male peers with parent entrepreneur	-0.003	-0.003	-0.000
	(0.002)	(0.003)	(0.003)
Parents is entrepreneur	0.006***	0.013***	0.008***
	(0.001)	(0.001)	(0.001)
Observations	391047	391047	391047
School, cohort and municipality x cohort FE	X	X	X
Individual controls	X	X	X
Cohort controls	X	X	X
St.dev. share of female peers	0.0883	0.0883	0.0883
St.dev. share of male peers	0.0870	0.0870	0.0870

Notes. The dependent variables in columns (1)-(3) are indicators for whether the individual created a firm with more than the average ((1)), median ((2)) and 75th percentile ((3)) number of employees within the observation period. Among the sample of entrepreneurs, the average size is 6, the median is 3 and the 75th percentile is 6 employees. *Share of female (male) peers with parent entrepreneur* is the share of female (male) peers with at least one parent who is entrepreneur during the exposure period. Entrepreneurs are defined as business owners with employees and top managers of newly created firms. The table reports estimates for women only. All regressions include school, cohort and municipality times cohort fixed effects, as well as individual and cohort level controls. Individual controls include age, living with family indicators, number of siblings, indicators for being first- and second-generation immigrants, parents' income, parents' age and parents' education at the beginning of the exposure period. Cohort level controls include cohort size, share of female peers and share of first- and second-generation immigrants peers by school-cohort. Standard errors clustered at the school level in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Figure A7: Number of years spent in paid employment by gender of peers for women
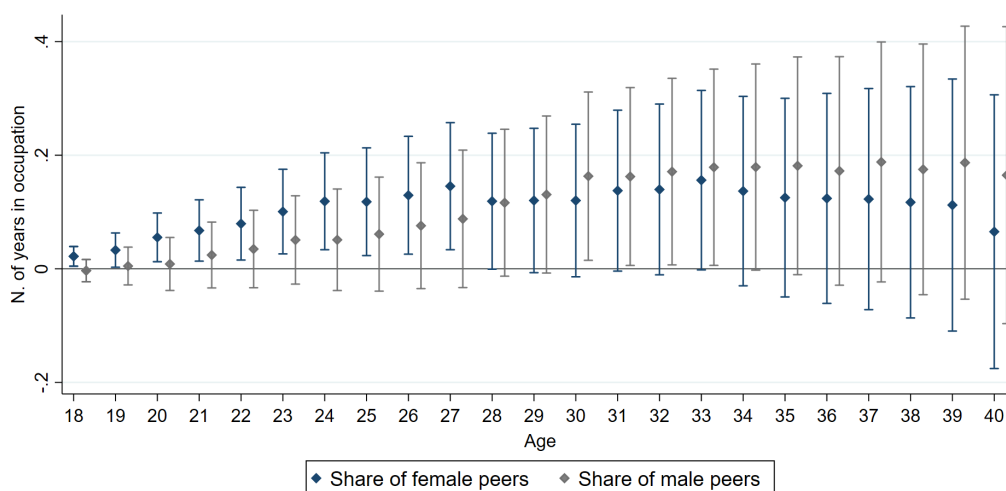
(a) High-pay employment
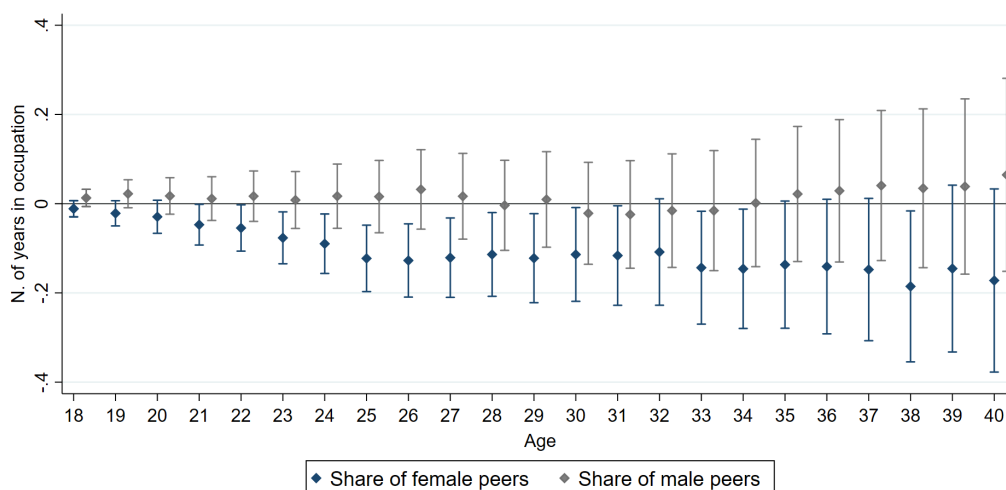
(b) Low-pay employment

Notes. This figure plots the regression coefficients β_1 and β_2 and 90% confidence intervals from estimating equation (2) for each age for women. The dependent variable for each age-regression is the number of years spent in high-pay employment (Panel (a)) and low-pay employment (Panel (b)) until that age. High-pay (low-pay) employment is defined as paid employment with a wage above (below) the median. The regression coefficient β_1 and 90% confidence intervals from estimating equations (2) is also reported for comparison. Entrepreneurship includes business owners with employees and top managers of newly created firms. All regressions include school, cohort and municipality times cohort fixed effects, as well as individual and cohort level controls. Individual controls include age, living with family indicators, number of siblings, indicators for being first- and second-generation immigrants, parents' income, parents' age and parents' education at the beginning of the exposure period. Cohort level controls include cohort size, share of female peers and share of first- and second-generation immigrants peers by school-cohort. Standard errors are clustered at the school level.

Table A11: Effects on firm survival for women relative to both men and women

	Survival (years)		
	(1)	(2)	(3)
	Above average	Above median	Above p75
Share of female peers with parent entrepreneur	0.003*	0.003	0.003**
	(0.002)	(0.002)	(0.002)
Share of male peers with parent entrepreneur	-0.002	-0.002	-0.001
	(0.002)	(0.002)	(0.002)
Parents is entrepreneur	0.006***	0.007***	0.003***
	(0.001)	(0.001)	(0.000)
Observations	391047	391047	391047
School, cohort and municipality x cohort FE	X	X	X
Individual controls	X	X	X
Cohort controls	X	X	X
St.dev. share of female peers	0.0883	0.0883	0.0883
St.dev. share of male peers	0.0870	0.0870	0.0870

Notes. The dependent variables in columns (1)-(3) are indicators for whether the individual created a firm that survived for longer than the average ((1)), median ((2)) and 75th percentile ((3)) firm within the observation period. Among the sample of entrepreneurs, the average survival is 10, the median is 8 and the 75th percentile is 13 years. *Share of female (male) peers with parent entrepreneur* is the share of female (male) peers with at least one parent who is entrepreneur during the exposure period. Entrepreneurs are defined as business owners with employees and top managers of newly created firms. The table reports estimates for women only. All regressions include school, cohort and municipality times cohort fixed effects, as well as individual and cohort level controls. Individual controls include age, living with family indicators, number of siblings, indicators for being first- and second-generation immigrants, parents' income, parents' age and parents' education at the beginning of the exposure period. Cohort level controls include cohort size, share of female peers and share of first- and second-generation immigrants peers by school-cohort. Standard errors clustered at the school level in parentheses. * p< 0.1, ** p< 0.05, *** p< 0.01.

Figure A8: Gender distribution across sectors
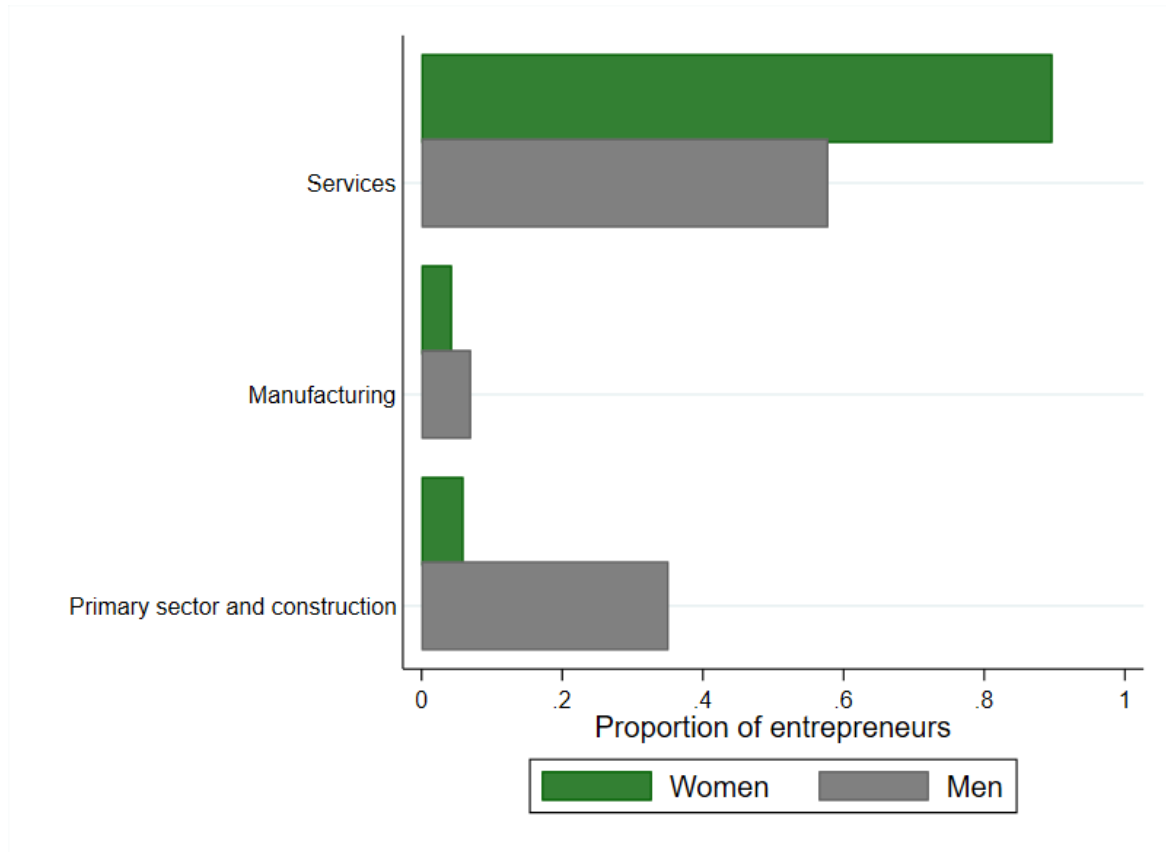
Notes. The figure plots the distribution of women and men entrepreneur across sectors. Both the green bars (representing the distribution of women) and the grey bars (representing the distribution of men) sum up to 100%.
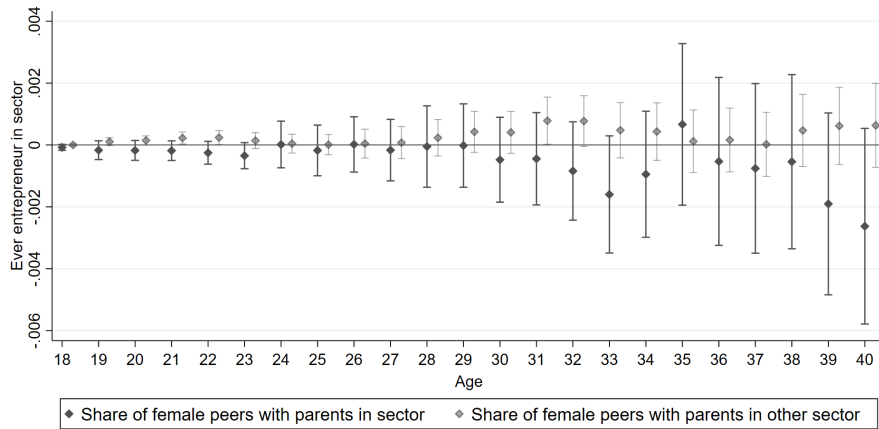
Figure A9: Effects on sector choice by age for women exposed to entrepreneurship through their female peers
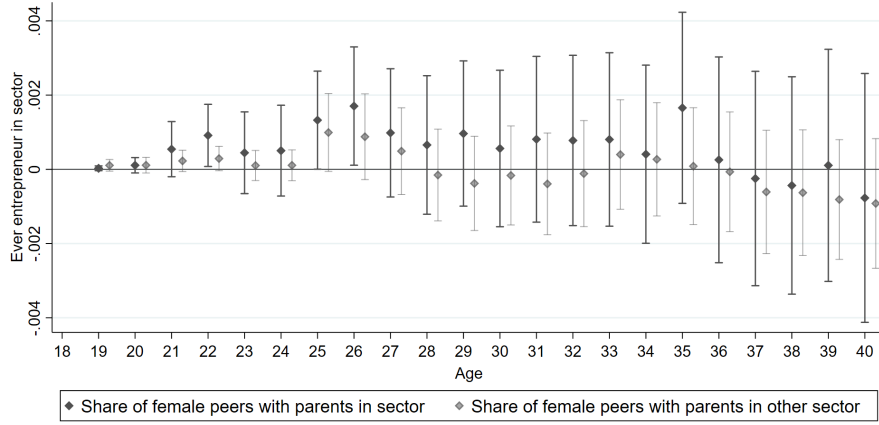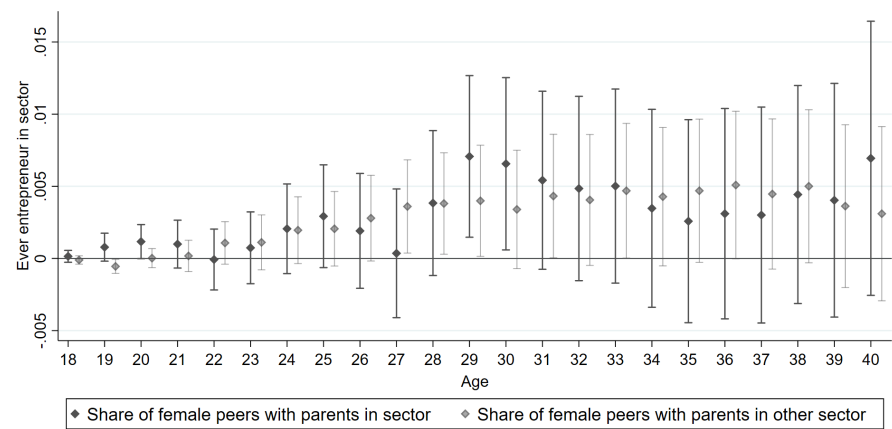

(a) Agriculture, fishing and quarrying
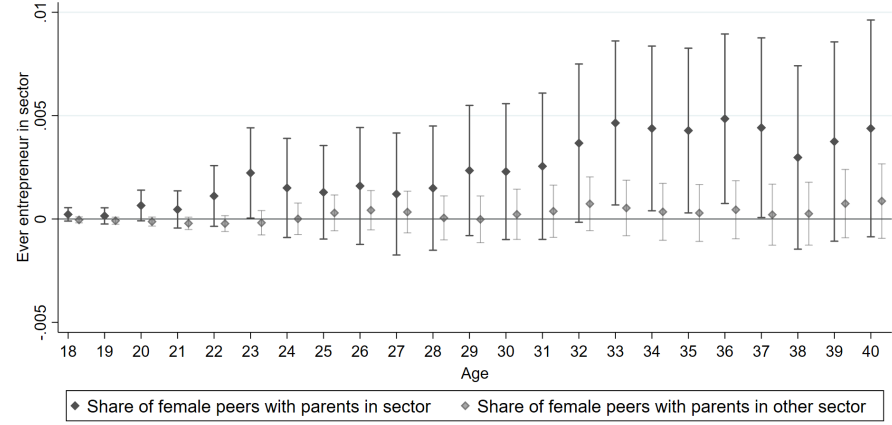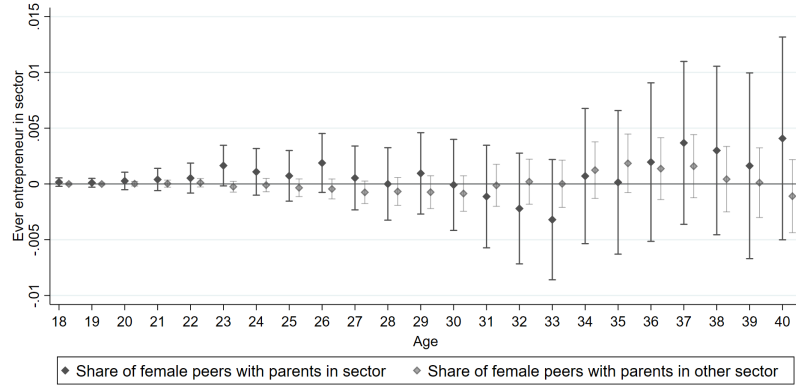

(b) Manufacturing
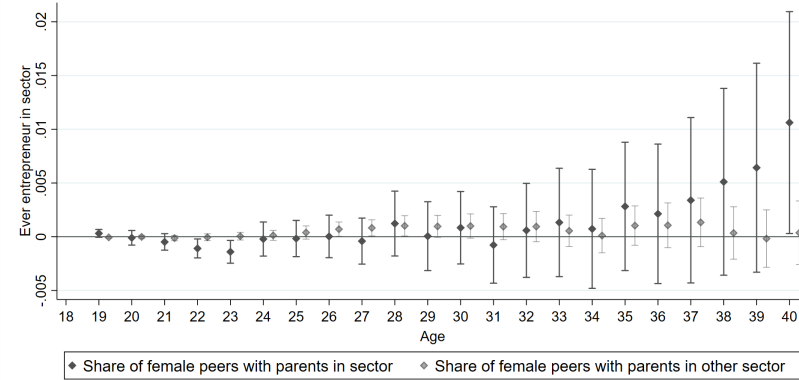

(c) Construction and utility services

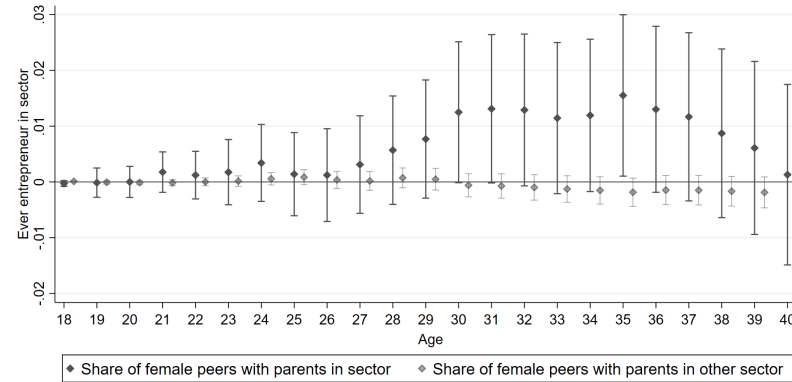(d) Trade, retail, transport, tourism, hospitality

Figure A9: Effects on sector choice by age for women exposed to entrepreneurship through their female peers

(e) Finance and business services

(f) Public administration, education and health

(g) Other service activities

This figure plots the regression coefficients β_1 and β_2 and 90% confidence intervals from estimating equation (2) for each age for women. The dependent variable for each age-regression is an indicator for whether the individual has ever been an entrepreneur in that sector by the age considered. *Share of female peers with parent entrepr. in sector* is the share of female peers with parent who is entrepreneur in that sector during the exposure period. *Share of female peers with parent entrepr. in any other sector* is the share of female peers with parent who is entrepreneur in any other sector during the exposure period. Entrepreneurs are defined as business owners with employees and top managers of newly created firms. All regressions include school, cohort and municipality times cohort fixed effects, as well as individual and cohort level controls. Individual controls include age, living with family indicators, number of siblings, indicators for being first- and second-generation immigrants, parents' income, parents' age and parents' education at the beginning of the exposure period. Cohort level controls include cohort size, share of female peers and share of first- and second-generation immigrants peers by school-cohort. Standard errors are clustered at the school level.

B Alternative definition of entrepreneurship

Table B1: Descriptive statistics by type of entrepreneur

	Wide definition		Narrow definition	
	Mean	St.Dev	Mean	St.Dev
A: Cohort parents variables				
Share of peers with parent entrepreneur	0.221	0.112	0.233	0.117
Share of female peers with parent entrepreneur	0.220	0.131	0.231	0.136
Share of male peers with parent entrepreneur	0.222	0.128	0.234	0.133
B: Cohort parents variables (narrow definition)				
Share of peers with parent entrepreneur	0.120	0.074	0.126	0.075
Share of female peers with parent entrepreneur	0.119	0.091	0.125	0.093
Share of male peers with parent entrepreneur	0.120	0.089	0.126	0.091
C: Other cohort variables				
Number of students	54.393	24.566	55.411	24.950
Number of girls	26.560	12.921	27.014	13.145
Number of boys	27.834	12.817	28.397	12.975
D: Own parents status				
Parent is entrepreneur (wide)	0.301	0.459	0.362	0.481
Parent is entrepreneur (narrow)	0.169	0.374	0.221	0.415
E: Other individual characteristics				
Age when first entrepreneur (wide)	29.899	5.776	29.114	5.202
Age when first entrepreneur (narrow)	31.540	5.718	30.855	5.079
Female	0.317	0.465	0.275	0.447
Lower secondary education	0.166	0.372	0.166	0.373
Upper secondary (academic) education	0.078	0.269	0.062	0.242
Upper secondary (vocational) education	0.423	0.494	0.551	0.497
Higher education	0.333	0.471	0.220	0.414
Is a first-generation immigrant	0.015	0.122	0.020	0.139
Is a second-generation immigrant	0.011	0.105	0.011	0.104
Observations	113994		38960	

Notes. This Table reports descriptive statistics for the whole sample and for men and women separately. Our sample includes adolescents in grades 7 through 9 between 1980 and 1992 with at least 10 peers. The wide definition of entrepreneurship includes business owners (with or without employees) and top managers of newly created firms. The narrow definition excludes self-employed without employees. *Ever entrepreneur*=1 if the individual ever entered entrepreneurship. *Share of peers with parents entrepreneur* is the share of peers in a given school-cohort with at least one parent who is an entrepreneur. *Share of female (male) peers with parents entrepreneur* is the share of female (male) peers in a given school-cohort with at least one parent who is an entrepreneur. *Parents is entrepreneur*=1 if at least one of the individual's parents is an entrepreneur.

Table B2: Descriptive statistics (wide definition)

	All sample		Women		Men	
	Mean	St.Dev	Mean	St.Dev	Mean	St.Dev
A: Outcome variables						
Ever entrepreneur	0.141	0.348	0.091	0.288	0.189	0.391
Ever entrepreneur by 25	0.036	0.186	0.018	0.133	0.053	0.225
Ever entrepreneur by 30	0.077	0.267	0.042	0.200	0.111	0.315
Ever entrepreneur by 35	0.116	0.320	0.069	0.254	0.161	0.368
Ever entrepreneur by 40	0.166	0.372	0.108	0.311	0.222	0.415
N. of years as entrepreneur	0.669	2.266	0.376	1.629	0.950	2.711
B: Cohort variables						
Share of peers with parent entrepr.	0.216	0.109	0.216	0.109	0.216	0.110
Share of female peers with parent entrepr.	0.214	0.128	0.214	0.127	0.214	0.129
Share of male peers with parent entrepr.	0.217	0.126	0.217	0.125	0.217	0.127
Number of students	55.061	24.251	55.329	24.259	54.803	24.240
Number of girls	27.078	12.769	27.767	12.740	26.416	12.761
Number of boys	27.983	12.673	27.561	12.682	28.387	12.651
Share of first-generation immigrants	0.008	0.024	0.009	0.025	0.008	0.024
Share of second-generation immigrants	0.007	0.027	0.007	0.027	0.007	0.026
C: Individual characteristics						
Female	0.489	0.500	1.000	0.000	0.000	0.000
Parents is entrepreneur	0.216	0.411	0.214	0.410	0.217	0.412
Lower secondary education	0.154	0.361	0.129	0.335	0.177	0.382
Upper secondary (academic) education	0.063	0.242	0.063	0.243	0.062	0.242
Upper secondary (vocational) education	0.386	0.487	0.353	0.478	0.417	0.493
Higher education	0.398	0.489	0.455	0.498	0.344	0.475
Is a first-generation immigrant	0.008	0.092	0.008	0.090	0.009	0.094
Is a second-generation immigrant	0.007	0.086	0.007	0.085	0.008	0.087
Went abroad for some time	0.163	0.369	0.164	0.370	0.162	0.368
Observations	807300		395087		412213	
Schools	1702		1702		1702	
Cohorts	13		13		13	
Municipalities	275		275		275	

Notes. This Table reports descriptive statistics for the whole sample and for men and women separately. Our sample includes adolescents in grades 7 through 9 between 1980 and 1992 with at least 10 peers, who are observed until 40 years old. Entrepreneurship is defined as business owners (with and without) employees and top managers of newly created firms. *Ever entrepreneur*=1 if the individual ever entered entrepreneurship. *Share of peers with parents entrepreneur* is the share of peers in a given school-cohort with at least one parent who is an entrepreneur. *Share of female (male) peers with parents entrepreneur* is the share of female (male) peers in a given school-cohort with at least one parent who is an entrepreneur. *Parents is entrepreneur*=1 if at least one of the individual's parents is an entrepreneur.

Table B3: Raw and residual variation in share of parents who are entrepreneurs

|	Mean	St.Dev
A. Share of peers with at least one entrepreneur parent		
Raw cohort variable	0.216	0.109
Residuals after removing school, cohort and municipality x cohort FE	0.000	0.054
B. Share of female peers with at least one entrepreneur parent		
Raw cohort variable	0.214	0.128
Residuals after removing school, cohort and municipality x cohort FE	0.000	0.080
C. Share of male peers with at least one entrepreneur parent		
Raw cohort variable	0.217	0.126
Residuals after removing school, cohort and municipality x cohort FE	0.000	0.076

Notes. This table reports the raw and residual (net of school, cohort and municipality times cohort fixed effects) variation in the share of peers' parents who are entrepreneurs. The wide definition of entrepreneurship includes business owners (with or without employees) and top managers of newly created firms. The narrow definition excludes self-employed without employees.

Table B4: Balancing tests - wide definition

	(1) Age in 7th grade	(2) Mother has higher educ	(3) Father has higher educ	(4) Mother age in 7th grade	(5) Father age in 7th grade	(6) Mother unempl. in 7th grade	(7) Father unempl. in 7th grade	(8) Log income in 7th grade	(9) Lives with parents	(10) Lives with mother	(11) Lives with father	(12) N. siblings	(13) Born in Denmark	(14) First-gen immigrant	(15) Second-gen immigrant	(16) N. boys	(17) N.girls
Share of peers with parent entrepreneur	0.002	0.002	0.002	0.003	0.003	0.003	-0.000	0.002	0.004	-0.001	0.002	-0.003	0.002	0.005**	0.003	-0.003	0.008**
	(0.003)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.005)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.003)	(0.003)	(0.003)
Observations	807300	807300	807300	807300	807300	807300	807300	807300	807300	807300	807300	807300	807300	807300	807300	807300	807300

Notes. This table reports the coefficients of separate regressions of each individual characteristic on the share of peers with parents entrepreneur. All regressions include school, cohort and municipality times cohort fixed effects and control for an indicator for whether the individuals' parents are entrepreneur. All variables have been standardized. Entrepreneurs are defined as business owners (with or without employees) and top managers of newly created firms. Standard errors clustered at the school level in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.
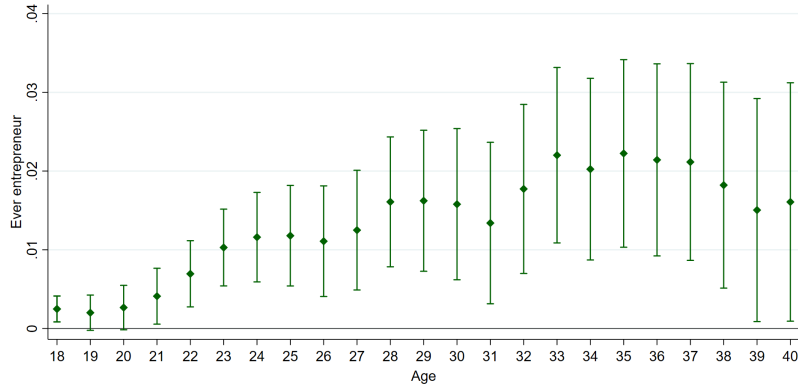
Figure B1: Effect of exposure by age
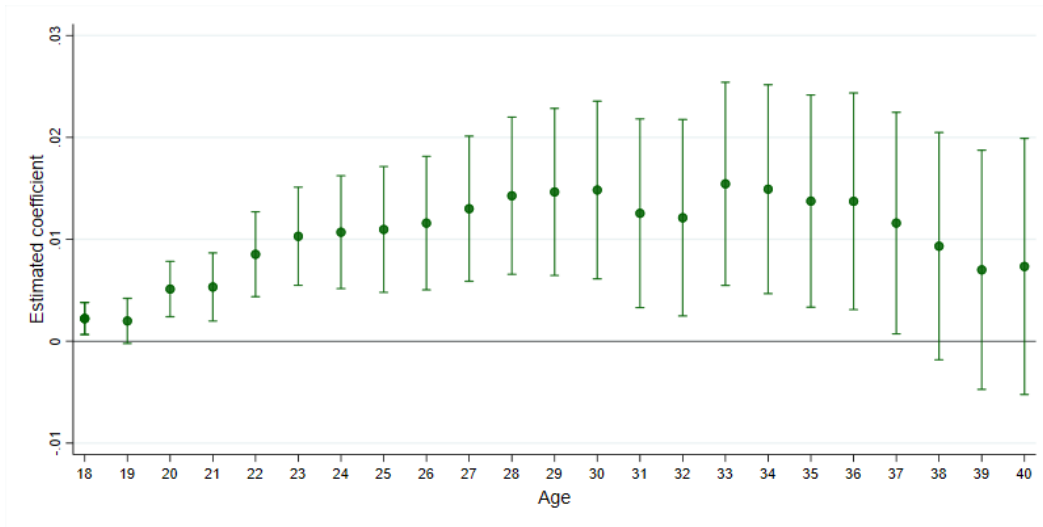
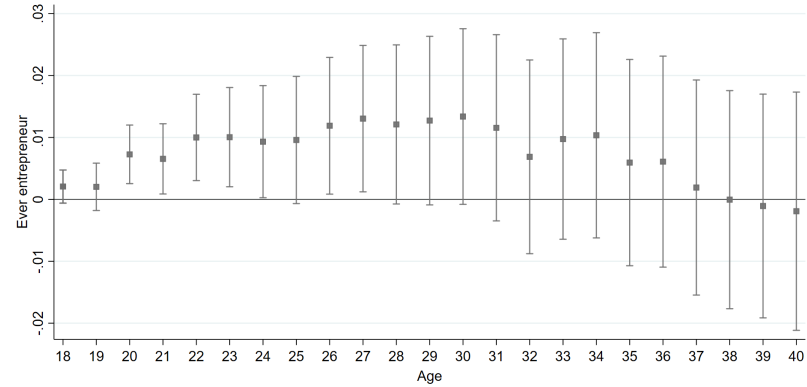(a) Probability of ever being entrepreneur by age (wide definition)
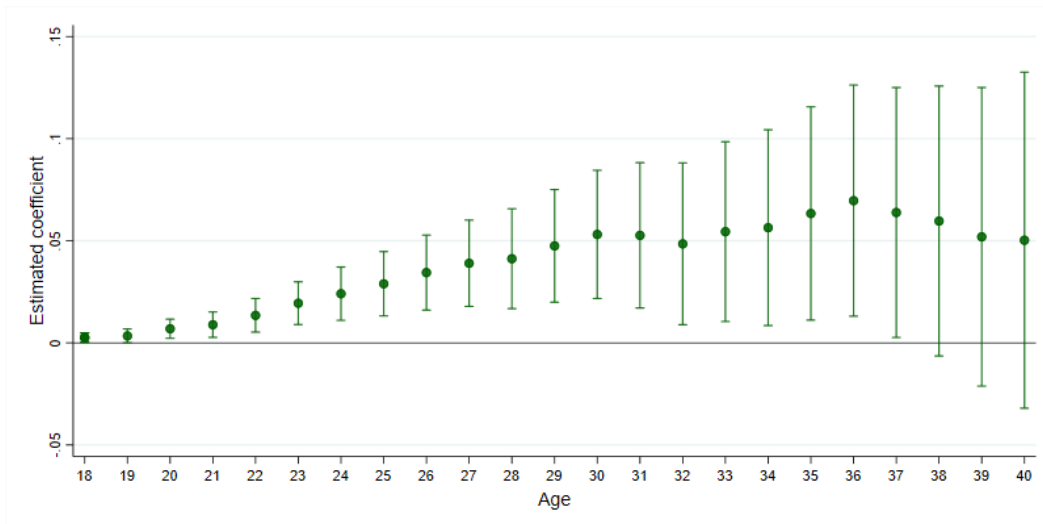
(b) Cumulative number of years as entrepreneur by age

Notes. This figure plots the regression coefficients and 90% confidence intervals from estimating equation (1) for each age. The dependent variable for each age-regression is the probability of ever being entrepreneur by that age in panel (a) and the cumulative number of years spent in entrepreneurship until that age in panel (b). Entrepreneurs are defined as business owners (with or without employees) and top managers of newly created firms. All regressions include school, cohort and municipality times cohort fixed effects, as well as individual and cohort level controls. Individual controls include age, living with family indicators, number of siblings, indicators for being first- and second-generation immigrants, parents' income, parents' age and parents' education at the beginning of the exposure period. Cohort level controls include cohort size, share of female peers and share of first- and second-generation immigrants peers by school-cohort. Standard errors are clustered at the school level.
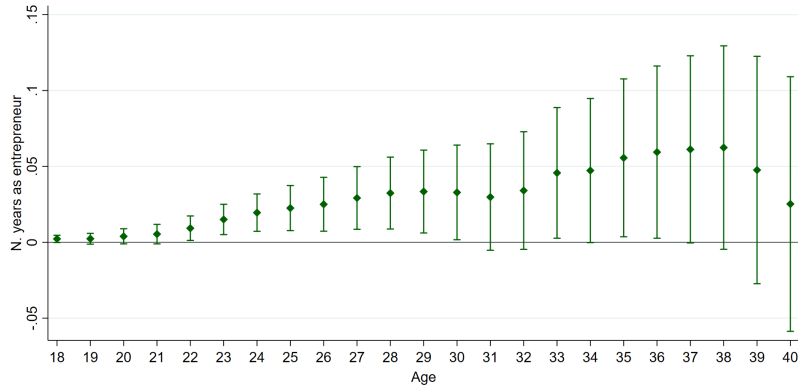
Figure B2: Effect of exposure by age for men and women (wide definition)
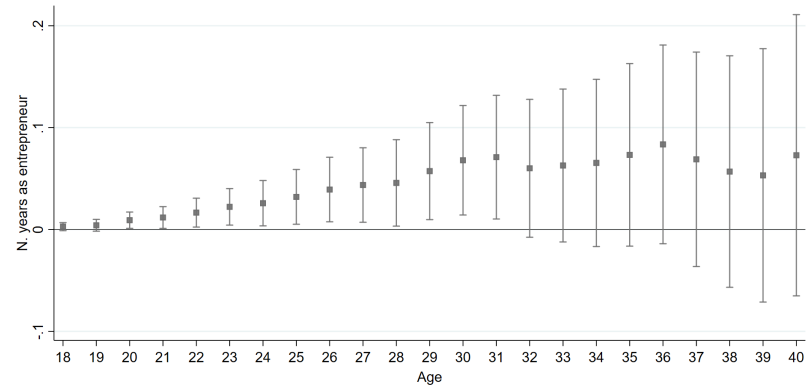

(a) Probability of ever being entrepreneur - Women

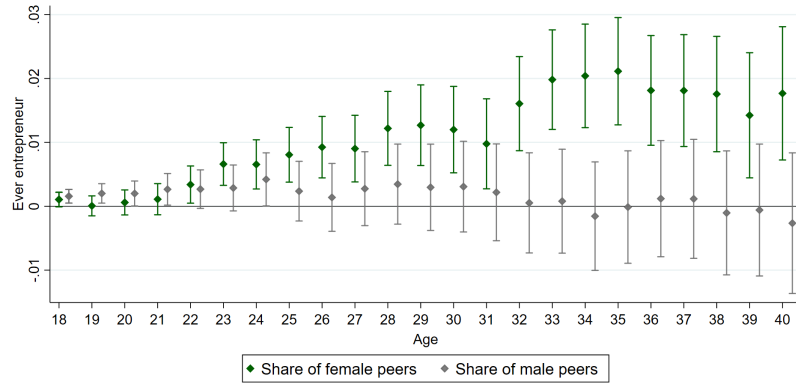(b) Probability of ever being entrepreneur - Men

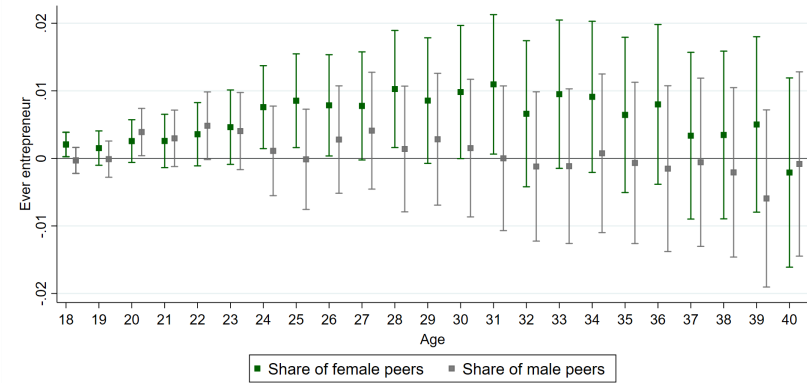(c) Cumulative number of years as entrepreneur - Women

(d) Cumulative number of years as entrepreneur - Men

Notes. This figure plots the regression coefficients and 90% confidence intervals from estimating equation (1) for each age, and for men and women separately. The dependent variable for each age-regression is the probability of ever being entrepreneur by that age in panel (a) for women and (b) for men, and the cumulative number of years spent in entrepreneurship until that age in panel (c) for women and (d) for men. The dependent variable for each age-regression is the probability of ever being entrepreneur by that age. Entrepreneurs are defined as business owners (with or without employees) and top managers of newly created firms. All regressions include school, cohort and municipality times cohort fixed effects, as well as individual and cohort level controls. Individual controls include age, living with family indicators, number of siblings, indicators for being first- and second-generation immigrants, parents' income, parents' age and parents' education at the beginning of the exposure period. Cohort level controls include cohort size, share of female peers and share of first- and second-generation immigrants peers by school-cohort. Standard errors are clustered at the school level.
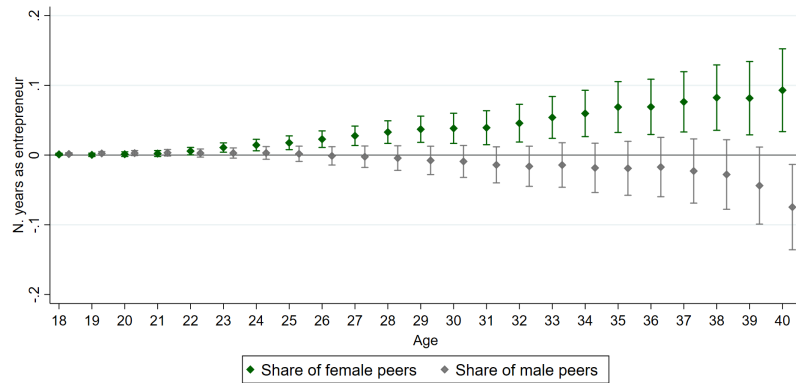
Figure B3: Effect of exposure by age and gender of peers for men and women (wide definition)
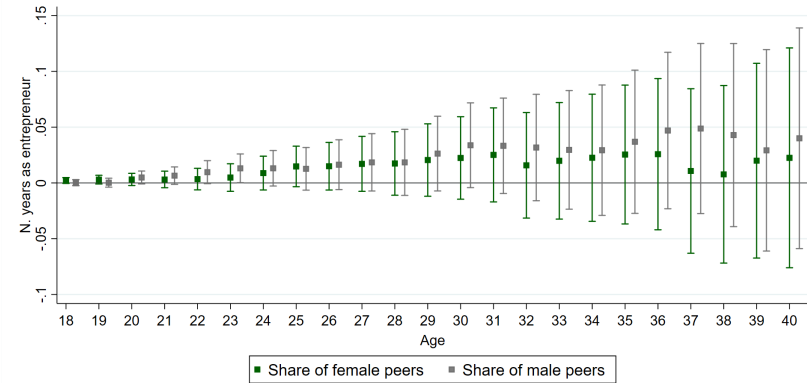

(a) Probability of ever being entrepreneur - Women

(b) Probability of ever being entrepreneur - Men

(c) Cumulative number of years as entrepreneur - Women

(d) Cumulative number of years as entrepreneur - Men

Notes. This figure plots the regression coefficients and 90% confidence intervals from estimating equation (1) for each age, and for men and women separately. The dependent variable for each age-regression is the probability of ever being entrepreneur by that age in panel (a) for women and (b) for men, and the cumulative number of years spent in entrepreneurship until that age in panel (c) for women and (d) for men. The dependent variable for each age-regression is the probability of ever being entrepreneur by that age. Entrepreneurs are defined as business owners (with or without employees) and top managers of newly created firms. All regressions include school, cohort and municipality times cohort fixed effects, as well as individual and cohort level controls. Individual controls include age, living with family indicators, number of siblings, indicators for being first- and second-generation immigrants, parents' income, parents' age and parents' education at the beginning of the exposure period. Cohort level controls include cohort size, share of female peers and share of first- and second-generation immigrants peers by school-cohort. Standard errors are clustered at the school level.

Table B5: Effects on the probability of entrepreneurship by age (wide definition)

	Ever entrepreneur			
	(1) by age 25	(2) by age 30	(3) by age 35	(4) by age 40
Share of peers with parent entrepreneur	0.011***	0.014***	0.013**	0.008
	(0.004)	(0.005)	(0.006)	(0.008)
Parents is entrepreneur	0.025***	0.050***	0.065***	0.074***
	(0.001)	(0.001)	(0.001)	(0.001)
Observations	798632	789258	780525	685220
School, cohort and municipality x cohort FE	X	X	X	X
Individual controls	X	X	X	X
Cohort controls	X	X	X	X
Mean dep. var	0.0361	0.0773	0.116	0.166
St.dev. share of peers	0.109	0.109	0.109	0.109

Notes. The dependent variable is all columns is an indicator for whether the individual ever entered entrepreneurship by the age considered. *Share of peers with parent entrepreneur* is the share of peers with at least one parent who is entrepreneur during the exposure period. Entrepreneurs are defined as business owners (with or without employees) and top managers of newly created firms. All regressions include school, cohort and municipality times cohort fixed effects, as well as individual and cohort level controls. Individual controls include age, living with family indicators, number of siblings, indicators for being first- and second-generation immigrants, parents' income, parents' age and parents' education at the beginning of the exposure period. Cohort level controls include cohort size, share of female peers and share of first- and second-generation immigrants peers by school-cohort. Standard errors clustered at the school level in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Table B6: Effects on the number of years as entrepreneur by age (wide definition)

	N. years as entrepreneur			
	(1)	(2)	(3)	(4)
	by age 25	by age 30	by age 35	by age 40
Share of peers with parent entrepreneur	0.028***	0.050***	0.057*	0.041
	(0.009)	(0.019)	(0.032)	(0.051)
Parents is entrepreneur	0.062***	0.190***	0.368***	0.578***
	(0.002)	(0.004)	(0.007)	(0.010)
Observations	798632	789258	780525	685220
School, cohort and municipality x cohort FE	X	X	X	X
Individual controls	X	X	X	X
Cohort controls	X	X	X	X
Mean dep. var	0.0759	0.222	0.441	0.788
St.dev. share of peers	0.109	0.109	0.109	0.109

Notes. The dependent variable in all columns is the number of years spent in entrepreneurship by the age considered. *Share of peers with parent entrepreneur* is the share of peers with at least one parent who is entrepreneur during the exposure period. Entrepreneurs are defined as business owners (with or without employees) and top managers of newly created firms. All regressions include school, cohort and municipality times cohort fixed effects, as well as individual and cohort level controls. Individual controls include age, living with family indicators, number of siblings, indicators for being first- and second-generation immigrants, parents' income, parents' age and parents' education at the beginning of the exposure period. Cohort level controls include cohort size, share of female peers and share of first- and second-generation immigrants peers by school-cohort. Standard errors clustered at the school level in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Table B7: Effects on the probability of entrepreneurship by age and gender (wide definition)

	Ever entrepreneur			
	(1)	(2)	(3)	(4)
	by age 25	by age 30	by age 35	by age 40
A. Women				
Share of peers with parent entrepreneur	0.012***	0.016***	0.022***	0.020**
	(0.004)	(0.006)	(0.007)	(0.009)
Parents is entrepreneur	0.013***	0.024***	0.034***	0.043***
	(0.001)	(0.001)	(0.001)	(0.001)
Observations	390797	386605	383109	333796
School, cohort and municipality x cohort FE	X	X	X	X
Individual controls	X	X	X	X
Cohort controls	X	X	X	X
Mean dep. var	0.0179	0.0418	0.0691	0.108
St.dev. share of peers	0.109	0.109	0.109	0.109
B. Men				
Share of peers with parent entrepreneur	0.009	0.012	0.005	-0.004
	(0.006)	(0.009)	(0.010)	(0.012)
Parents is entrepreneur	0.037***	0.075***	0.094***	0.103***
	(0.001)	(0.002)	(0.002)	(0.002)
Observations	407828	402646	397409	351387
School, cohort and municipality x cohort FE	X	X	X	X
Individual controls	X	X	X	X
Cohort controls	X	X	X	X
Mean dep. var	0.0534	0.111	0.161	0.222
St.dev. share of peers	0.109	0.109	0.109	0.109

Notes. The dependent variable is all columns is an indicator for whether the individual ever entered entrepreneurship by the age considered. *Share of peers with parent entrepreneur* is the share of peers with at least one parent who is entrepreneur during the exposure period. Entrepreneurs are defined as business owners (with or without employees) and top managers of newly created firms. All regressions include school, cohort and municipality times cohort fixed effects, as well as individual and cohort level controls. Individual controls include age, living with family indicators, number of siblings, indicators for being first- and second-generation immigrants, parents' income, parents' age and parents' education at the beginning of the exposure period. Cohort level controls include cohort size, share of female peers and share of first- and second-generation immigrants peers by school-cohort. Standard errors clustered at the school level in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Table B8: Effects on the probability of entrepreneurship by age, gender and gender of peers (wide definition)

	Ever entrepreneur			
	(1) by age 25	(2) by age 30	(3) by age 35	(4) by age 40
A. Women				
Share of female peers with parent entrepreneur	0.008***	0.013***	0.021***	0.019***
	(0.003)	(0.004)	(0.005)	(0.006)
Share of male peers with parent entrepreneur	0.003	0.003	-0.000	0.000
	(0.003)	(0.004)	(0.005)	(0.007)
Parents is entrepreneur	0.013***	0.024***	0.034***	0.043***
	(0.001)	(0.001)	(0.001)	(0.001)
Observations	390797	386605	383109	333796
School, cohort and municipality x cohort FE	X	X	X	X
Individual controls	X	X	X	X
Cohort controls	X	X	X	X
Mean dep. var	0.0179	0.0418	0.0691	0.108
St.dev. share of female peers	0.128	0.128	0.128	0.128
St.dev. share of male peers	0.126	0.126	0.126	0.126
B. Men				
Share of female peers with parent entrepreneur	0.009**	0.010	0.005	-0.002
	(0.004)	(0.006)	(0.007)	(0.008)
Share of male peers with parent entrepreneur	-0.000	0.002	0.000	-0.002
	(0.004)	(0.006)	(0.007)	(0.008)
Parents is entrepreneur	0.037***	0.075***	0.094***	0.103***
	(0.001)	(0.002)	(0.002)	(0.002)
Observations	407828	402646	397409	351387
School, cohort and municipality x cohort FE	X	X	X	X
Individual controls	X	X	X	X
Cohort controls	X	X	X	X
Mean dep. var	0.0534	0.111	0.161	0.222
St.dev. share of female peers	0.128	0.128	0.128	0.128
St.dev. share of male peers	0.126	0.126	0.126	0.126

Notes. The dependent variable in all columns is an indicator for whether the individual ever entered entrepreneurship by the age considered. *Share of female (male) peers with parent entrepreneur* is the share of female (male) peers with at least one parent who is entrepreneur during the exposure period. Entrepreneurs are defined as business owners (with or without employees) and top managers of newly created firms. Panel A reports estimates for women only; Panel B reports estimates for men only. All regressions include school, cohort and municipality times cohort fixed effects, as well as individual and cohort level controls. Individual controls include age, living with family indicators, number of siblings, indicators for being first- and second-generation immigrants, parents' income, parents' age and parents' education at the beginning of the exposure period. Cohort level controls include cohort size, share of female peers and share of first- and second-generation immigrants peers by school-cohort. Standard errors clustered at the school level in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.