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## **LIKE MOTHER LIKE DAUGHTER? A STUDY OF THE IMPACT OF AGE ON ENTREPRENEURIAL WOMEN IN AUSTRALIA**

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### **Abstract**

The majority of entrepreneurial research has involved men and male characteristics with research into women entrepreneurs just beginning. With the increased participation of women as business owners it is useful to explore their characteristics and contributing factors to being an entrepreneur. Research has indicated that there are two groups of women based on age with different characteristics affecting their entrepreneurship. The focus of this research was to quantify these differences in Australian women entrepreneurs. Age was found to impact on the characteristics of field of study, type of industry, source of capital, use of mentor and risk-taking propensity

### **Introduction**

The majority of entrepreneurial research has involved men and male characteristics with research into women entrepreneurs just beginning. With the increased participation of women as business owners it is useful to explore their characteristics and contributing factors to being an entrepreneur. Research has indicated that there are two groups of women based on age with different characteristics affecting their entrepreneurship. The focus of this research is to quantify these differences in Australian women entrepreneurs.

The study of women entrepreneurs is an important part of entrepreneurial theory, as the growth rate of women starting up new ventures is increasing faster than the rate of men. The number of men in self-employment has increased by 32.3% between 1978 to 1997 (refer table I) whereas the number of women in self-employment has increased by 91.35% over the same period (ABS, Small Business in Australia 1997). This trend of women gstarting bsuinesses at a faster rate than men is also reflected in the U.S where 70% of new businesses are started by women (Brooks 1997). Interestingly the self-employment rate shows a different picture. This rate is calculated by dividing the number of self employed persons in that groups by the total number of employed persons in that group.

As Table I demonstrates, the self-employment rate of women has decreased since 1978 compared to men. An explanation for this, given that the increase in number of self employed women, is that more women are participating in the workforce in 1996 than in 1978. This is supported by the 68.78% increase in the all employed group for women since 1978 which is three times the increase in the all employed group for men.

*Table I Growth in Self-Employment and Total Employment 1978 - 1996*

	Self Employed				All Employed			Self Employed Rate	
	1978 000s	1996 000s	1997 000s	% Change 1978 - 1997	1978 000s	1996 000s	% Change 1978 - 1996	1978 %	1996 %
Males	641.7	830.7	849	32.30%	3890	4733	21.66%	16.5	17.6
Females	241.6	391.3	462.3	91.35%	2124	3584	68.78%	11.4	10.9
Persons	883.3	1222	1312	48.52%	6014	8317		14.7	14.7

Sources: ABS Labour Force January 1997, ABS Small Business 1997 p15

There are many areas to be studied; the differences between men and women entrepreneurs in terms of education, occupational background, motivations for starting a business, business goals, business growth and source of capital. These differences have been identified but not explained (Brush 1992). There has also been research that indicates that age is a differentiating factor within the group of women entrepreneurs in each of the above categories (Moore 1990). The focus of this study was to quantify these characteristics in Australian women entrepreneurs.

Moore (1990) groups women entrepreneurs into two categories, traditional and modern with the cut off age being around 35 and asserts that women under 35 have different characteristics in the areas of industry, source of finance, education, company structure and role models. It is interesting to note that in Gunter & Furnham (1992) the women's consumer market has also been segmented into two groups, traditional and modern based on their stated activities, interests and opinions.

Taking 35 as the critical age, this research explores the question of whether or not significant differences in these characteristics are apparent between female entrepreneurs based on age. Before examining the issues of age in detail, an overview of the key issues in entrepreneurship will be given.

## Literature Review

### *Entrepreneurial Process*

The entrepreneurial process is defined as having three stages; the founder, opportunity recognition and resource acquisition (Timmons 1994). The process begins with the founder who has certain characteristics which distinguish him/her from the others. The founder has the ability and experience to recognise an opportunity to establish an entrepreneurial venture. The final stage in the process is the balancing of the resources that the entrepreneur currently has with the resources required to successfully initiate and maintain the venture.

There are several factors that impact on the way these three stages come together, they are education, previous industry experience, source of capital, type of business structure, role models/mentors and psychological characteristics.

### ***Education***

Educational background influences the decision to become an entrepreneur. Research suggest that entrepreneurs are better educated than the general public; however there are still areas of educational need such as finance, strategic planning, marketing and management (Hisrich & Peters 1995; Brush 1992;). The education levels of entrepreneurs tend to be above average; however entrepreneurs appear to be less educated than managers (Brockhaus 1982, Still 1987). A possible reason for this may be that while the entrepreneurs had the ability, they did not have the formal qualifications to support the ability in a traditional work environment and thus were overlooked for promotions. This dissatisfaction is an important part of the decision to leave employed work to start a business.

### ***Previous Industry Experience***

Past employment influences the choice of field in which the entrepreneur commences the venture, and can influence both management style (Fried 1989) and the industry sector chosen (Stanger 1990). Most entrepreneurs establish a new venture in the same industry in which they have experience, particularly if they had the opportunity to serve an apprenticeship. An apprenticeship helps the potential entrepreneur to plan a strategy for becoming an entrepreneur by providing a safe testing ground.

Women entrepreneurs are traditionally concentrated in the services sector. The main reason given for this is that most women have experience in this sector (Stanger 1990, Still 1987). However there is an increase in the number of women starting up business in non-traditional industries (Hadary 1997). As women move in the more traditionally male dominated fields such as manufacturing and high technology, it is likely that they will use this experience to start up ventures in these fields.

### ***Source of Capital***

The majority of entrepreneurs prefer to retain full control over their business and therefore prefer funding arrangements that provide this. Women tend not to borrow any funds commercially to start up their business (Stanger 1990). In the US, the proportion of women seeking credit from a bank has increased, however they still borrow less than men (Rosenthal 1999).

A study into the finance options for women from Australian banks (Dahn cited in Stanger 1990) found that while banks did not discriminate against women in terms of the banking structure, they discriminated in the collateral requirements. Men owned as much as 90% of assets therefore women tend not to have the collateral to obtain a start-up loan.

Women's assets such as mailing lists of clientele did not meet the bank manager's requirement of assets such as real estate and machinery.

While there is a perception that banks are less sympathetic towards women who seek finance for start-ups the evidence denies this. In a survey conducted by Yellow Pages Australia (1994), no strong evidence was found to support this. These findings are also supported by a Victorian study (cited in ESFC 1994) which revealed that loans for women were approved on the basis of personal finances rather than the strength of their business proposal.

However while Australian women are not discriminated against by banks, a high number of women do not actually approach the banks as a source of funding. The majority of women starting a venture obtain the money from personal savings, family loans or friends (Stanger 1990, ESFC 1994) whereas men tend to obtain capital from external sources. This tendency of women not to incur large debts, "combined with their concentration in less capital intensive service industries, may partly account for women starting their business with low amounts of capital" (ESFC 1994 p 14).

### ***Business Structure***

In 1988, 30% of Australian entrepreneurial women were in sole ownerships, with partnerships at 10% and companies at 56%. (Victorian Women's Consultative Council cited in Stanger 1990). This indicates that Australian women entrepreneurs prefer the company structure. Additionally those business' that were incorporated had more employees than the other structures which indicates larger scale operations.

### ***Role Models/Mentors***

Family background and parental role models serve a critical purpose in the preparation of an entrepreneur. There is strong evidence that links entrepreneurs to parents who are either self-employed or entrepreneurs. The parent provides a source of inspiration to the child and a role model for them to follow (Hisrich & Peters 1995). It is natural for a child to imitate its parents and want to follow in their footsteps.

### ***Psychological Characteristics***

A review of the literature reveals three main personality characteristics of an entrepreneur; internal locus of control, achievement and risk-taking. The internal locus of control as proposed by McClelland (Cited in Brockhaus 1982, Hisrich & Peters 1995) is deemed necessary for the entrepreneur to take the risk of establishing a new venture. An individual who does not have a high belief in their own ability to control a situation is unlikely to expose themselves to the risks associated with a start-up.

The need for achievement is linked to the internal locus of control characteristic (Rotter cited in Brockhaus 1982, Hisrich & Peters 1995). Rotter states that individuals who believe their actions will result in personal achievement have a strong internal belief.

Risk-taking, as the third psychological characteristic, whether it be financial, social or psychological is an integral part of the entrepreneurial process, indeed it is the balancing between the potential profit of the venture and the cost process (Hisrich & Peters 1995, SAIT 1989; Koiranen, Hyrsky & Tunnanen 1997).

There is some debate in the literature as to whether psychological characteristics are defining qualities of an entrepreneur. An entrepreneur is not necessarily created at birth, however their individual traits are critical to how such a person reacts to a given situation. For example, the trait of risk-taking will influence whether a person takes up an opportunity to start their own business depending on the perceived risk. Therefore psychological characteristics as well as situational variables have an explanatory role for an entrepreneurs behaviour.

### ***Impact of Age***

It has been proposed that age has a significant impact on how these factors contribute to the entrepreneurial process (Moore & Buttner 1999; Moore 1990). Moore classifies women entrepreneurs into two groups according to age. The first group, classified as Traditional, are aged under 35, they have a home and family orientation, have businesses in the services and retail sector and have started a business without a great deal of planning. The second group, classified as Modern, are aged over 35, have a career focus, well-educated, have experience in technical industries and have taken a structure approach to their business.

It is interesting to note that the women's consumer market has also been divided into two groups based on age (Gunter & Furnham 1992), traditional and modern. A study conducted in the 1970s (Reynolds, Crask & Wells cited in Gunter & Furnham 1992) performed research that found differences between the two groups on women in terms of buying behaviours, attitudes and patterns of media exposure. These studies however did not assign a cut-off age to distinguish the two groups.

Moore (1999) places great emphasis on the existence of two generations of entrepreneurs which have quite different characteristics. If her hypothesis that age has an impact on the characteristic of entrepreneurs is true, then the implications for entrepreneurial theory is that definitions and characteristics of entrepreneurs change over time.

In this study, the definition of "young" entrepreneurs is based in the literature on career development theory. Using a developmental approach, it was assumed that all individuals progress through their working lives in a series of distinct stages. Super's (1990) developmental theory of career progression conceptualises individual work patterns as consisting of a series of age and task appropriate stages. Briefly he identified five key tasks which need to be undertaken within the course of an individuals working life. These are

Crystallisation (14-18 years) – during this time individuals formulate ideas about self concept and translate them into a concept of what vocational area they wish to follow;  
Specification (18 – 21 years) – the general vocational concept is translated into a specific career and the necessary steps to enter that career, such as study, are undertaken;

Implementation (21 – 25 years) – occurs when entry into the career actually occurs in terms of completing training and taking up an entry level position;  
 Stabilization (25 – 35 years) – is characterised by behaviours which reinforce early career choices; and  
 Consolidation (from 35 years) – is characterised by a desire to build on earlier career gains and progress within the chosen occupation.

Under this model specifically, and developmental career theories more generally, 35 is seen as a critical point in an individual’s working life. It is the age which represents the transition from occupational experimentation and training into a period of stability and long term consolidation. It is also an age at which many people, regretting earlier choices, make a sudden and substantial change in their career direction. Given that there is a substantial body of literature to support the notion of 35 as being the approximate dividing line between undecided youth in career terms, and maturity, this age was selected as the cut off for “young” entrepreneurs.

The characteristics of entrepreneurs in general, Traditional and Modern women entrepreneurs, as outlined in the literature, are summarised in Table II. While there is widespread research on entrepreneurs in general the emphasis has been on male entrepreneurs. In the field of women entrepreneurs, there has been more research conducted into the characteristics of traditional women entrepreneurs than modern.

*Table II Comparison of literature characteristics*

<b>Characteristic</b>	<b>General</b>	<b>Traditional Women Entrepreneur Aged Over 35</b>	<b>Modern Women Entrepreneur Aged Under 35</b>
<b>Need for achievement</b>	No proven link between ownership of business and high need for achievement	No proven link	No proven link
<b>Risk-taking</b>	No evidence that this a defining characteristic	Research is inconclusive	No proven link
<b>Locus of control/ Independence</b>	Internal - high belief in own abilities	High belief in own abilities	No proven link
<b>Apprenticeship</b>	Entrepreneur usually learns experience from incubator organisation	Entrepreneur learns from incubator organisation	No proven link
<b>Industry experience</b>	Previous industry is usually the industry sector chosen for new venture.	Experience in services, recreational, personal and community services	Experience fields of technology and manufacturing
<b>Family background</b>	Entrepreneur’s parents are usually self-employed or entrepreneurs	Fathers were self-employed	No proven link
<b>Position in family</b>	Not known	First or first girl	No proven link
<b>Education level</b>	Better educated than general public, but less educated than managers	Better educated than general public, but less educated than managers	No proven link
<b>Educational type</b>	Not known	Attended single-gender school, liberal arts tertiary	Business studies

<b>Characteristic</b>	<b>General</b>	<b>Traditional Women Entrepreneur Aged Over 35</b>	<b>Modern Women Entrepreneur Aged Under 35</b>
<b>Age when started the business</b>	25 to 40 years	30 to 40, baby boomer	Baby buster
<b>Motivation</b>	Independence, to be own boss, money, satisfaction and a sense of achievements.	Control over career, glass ceiling, flexible work patterns family, to be own boss, money	Oriented towards profit
<b>Opportunity recognition</b>	Use market issues, economics, harvest, competitive advantage, management, fatal flaws, personal criteria and strategic differentiation to identify and screen opportunities.		No proven link
<b>Structure</b>	Types of structure - company, family, sole-owner. In USA 90% of businesses are family run	Company structure	No proven link
<b>Resources – People</b>	Utilises referrals and organisations.	No proven link	No proven link
<b>Resources – Finance</b>	Entrepreneurs prefer funding that allows them full control of the venture. Use external sources.	Uses personal source of money	Seeks external capital
<b>Resources – Assets</b>	Leases assets rather than purchase	No proven link	No proven link
<b>Resources – Business Plan</b>	Used for raising capital and guiding growth	No proven link	No proven link

This research tests ten hypotheses that were formulated based on the research by Moore (1990) that profiles exist of a traditional and a modern entrepreneur. Moore (1990) describes the traditional entrepreneur as a woman aged between 35 and 55 who has a home and family orientation and is self-employed in the service and retail sectors. She uses personal savings and loans from friends to finance the business, has a liberal arts background, has a partnership or is a sole trader and has role models. In comparison Moore (1990) describes the modern entrepreneur as trained in business, oriented towards making money and establish ventures in traditionally male dominated fields.

## **2. Methodology**

The sample was derived from organisations that have contact with entrepreneurial and self-employed women including government small business departments and private women's organisations. A total of 535 women were sent the survey of which 229 surveys or 42.8% was returned. After screening these responses for those who met the criteria for an entrepreneur (defined as a person who created a new venture, has a growth orientation and was motivated by financial and personal satisfaction), a usable response rate of 36.8% (197/535) was obtained (refer Appendix A for operationalisation of criteria). This response rate was greater than anticipated and is probably due to the high levels of interest the respondents have in women's issues.

The data was collected using a survey design made up of questions derived from previous research (Bennett & Dann 2000). Part 1 consisted of demographic questions based on

characteristics identified in the literature review. Part 2 consisted of statements derived from Bowen & Hisrich's research (1986). Part 3 is taken from Timmons (1994) and are open-ended questions. The survey is detailed in Appendix B.

## **Results**

Once the data was collated it was necessary to delete those subjects who responded to the survey but did not fit the definition of an entrepreneur. This resulted in 197 valid cases. Interestingly while 87% of the respondents met the criteria of being classified as an entrepreneur, only 54.8% of the subjects perceived themselves to be an entrepreneur. These women do not see themselves as entrepreneurs and may have been surprised to realise that their behaviours and attitudes indicate that they are entrepreneurs.

### ***Demographics***

The results revealed a wide age range for the subjects with the majority within the range of 31 and 50 years. The mean age when the entrepreneurs first became self-employed was 31 years old.

In relation to family background, 65.3% of the entrepreneurs were either the eldest girls or the eldest child in the family and 45.7% had parents who were self-employed.

A total of 37.7% had a role model, which is interesting as it is a similar proportion to the 30% of the entrepreneurs who sought help from a mentor when establishing their business. Of the 37.7% who had role models, the majority cited their parents as the key role-model.

With respect to educational background, 61.8% of the entrepreneurs had been educated to a tertiary level. Of the 37.8% of entrepreneurs who attended university, 38.1% had studied in the business field, 28% had studied an arts related field and 15.3% had done medical/science studies.

### ***Hypothesis Testing***

It is Moore's hypothesis that forms the basis for this research. The hypothesis "Age has an impact on the characteristics of women entrepreneurs" was broken into ten hypotheses each related to a specific characteristic. Hypotheses one to seven were tested using cross tabs with the remaining three hypotheses tested using t-tests.

Hypothesis one to seven each involve differences between women under the age of 35 and women entrepreneurs over the age of 35 in specific areas.

Hypothesis 1 relates to the impact that age has on the highest educational level achieved. It was expected that:

*H<sub>1</sub> Women entrepreneurs under the age of 35 are more likely to have attended university than women entrepreneurs over the age of 35.*

H<sub>1</sub> was tested using the analysis tool of cross-tabulation which revealed a difference in the highest level of education between women entrepreneurs in the two age groups. A higher proportion of the women in the under 35 age bracket attended TAFE and university (69.8%) than did the women over 35 (57.6%) (see table III).

*Table III Age By highest educational level achieved*

Age	Primary	Secondary	TAFE/College	University	Total
Under 35	0	30.2%	25.4%	44.4%	100%
35 & Over	4.5%	37.9%	23.5%	34.1%	100%

H<sub>2</sub> is concerned with the impact of age on the type of field studied at university. It was expected that:

*H<sub>2</sub> Women entrepreneurs under the age of 35 are more likely to have studied business fields than women entrepreneurs over the age of 35*

The results of H<sub>2</sub> indicated that of the women who attended university, more women over 35 studied arts than women under 35. The proportion of women under 35 and over 35 who studied business was equal. However more women under 35 studied medical/science and legal fields (see table IV).

*Table IV Age by Field of Study*

Age	Arts	Business	Medical /Science	Law	Other	Total
Under 35	8.9%	37.8%	22.2%	2.2%	28.9%	100%
35 & Over	38.9%	38.9%	11.1%	1.4%	9.7%	100%

Hypothesis H<sub>3</sub> looks at the impact of age on the type of industry in which women entrepreneurs establish their business ventures. It was expected that:

*H<sub>3</sub> Women entrepreneurs under the age of 35 are more likely to operate in the traditional male industries than women entrepreneurs over the age of 35*

The results for the entrepreneurs in each group have been separated into traditional male and traditional female industries. The traditional male industries have been defined as; mining, manufacturing, construction and transport & storage. The female industries being retail trading, finance property & business services, community services; and recreational, personal and other services. The basis for this definition is the gender employment proportion in each industry (Stanger 1990; Still 1987).

There are 29.8% of women under 35 operating in the male dominated industries of mining, construction, manufacturing, wholesale trading and transport & storage compared with 21.1% of women over 35 (see table V). Interestingly the majority of women in both age groups are concentrated in the female industries of retail trading, finance, property & business services and recreational, personal & other services with 70.2% of the under 35s and 78.9% of the over 35s.

*Table V Age by current industry*

Industry	Age Under 35	Aged 35 & Over
Mining	0%	0.8%
Manufacturing	17.2%	9.8%

Construction	9.4%	3%
Wholesale trading	1.6%	4.5%
Transport & Storage	1.6%	3%
<b>Sub- total % in male industries</b>	<b>29.8%</b>	<b>21.1%</b>
Retail Trading	18.8%	34.8%
Finance, Property & Business Services	23.4%	24.2%
Community Services	4.7%	3%
Recreational, Personal and Other Services	23.4%	16.7%
<b>Sub-total % in female industries</b>	<b>70.2</b>	<b>78.9</b>
Total	100%	100%

Hypothesis H<sub>4</sub> is concerned with the impact of age on the source of capital. It was expected that:

*H<sub>4</sub> Women entrepreneurs under the age of 35 are more likely to use external sources such as banks as the main source of capital than women entrepreneurs over the age of 35*

Some 69.7% of women under 35 use a bank as a source compared to 51.1% of women over 35 (see table VI). There was no difference in the use of savings between the two groups, with 57.1% of women under 35 using savings and 58.4% of women over 35 using savings (see table VII). It would appear that women under 35 are also using their savings and supplementing this with capital sourced from a bank, however the results do not show the proportion of capital sourced from each.

*Table VI Age by source of capital - bank*

Age	Source of Capital Bank	Source of Capital Not Bank	Total
Under 35	69.7%	30.3%	100%
35 & Over	51.1%	48.9%	100%

*Table VII Age by source of capital - personal savings*

Age	Source of Capital Personal Savings	Source of Capital Not Personal Savings	Total
Under 35	57.1%	42.9%	100%
35 & Over	58.4%	41.6%	100%

Hypothesis H<sub>5</sub> relates to the impact of age on the business structure of the venture. It was expected that:

*H<sub>5</sub> Women entrepreneurs under the age of 35 are more likely to have a company structure than women entrepreneurs over the age of 35.*

The results revealed that 48.4% of women under 35 preferred the company structure with the balance being split between sole-trader and partnership (see table VIII). A total of 55.3% of the women over 35 also had a company structure; this being the case, there was no significant difference between the two groups in the type of business structure.

*Table VIII Age By organisation structure*

Age	Company	Partnership	Sole Trader	Row Total
Under 35	48.4%	32.8%	18.8%	100%
35 & Over	55.3%	20.5%	24.2%	100%

Hypotheses H<sub>6</sub> and H<sub>7</sub> are concerned with the impact of age on the likelihood of having a role model and the likelihood of seeking help from a mentor respectively. It was expected that:

*H<sub>6</sub> Women entrepreneurs under the age of 35 are less likely to have a role-model than women entrepreneurs over the age of 35; and*

*H<sub>7</sub> Women entrepreneurs under the age of 35 are more likely to have a mentor than women entrepreneurs over the age of 35*

There was little difference between the groups relating to the use of role-models, with 31.7% of the under 35 women and 26% of the over 35 women stating they had a role-model (see table VIII). However there was a difference between the groups in terms of the use of mentors, 38.5% of the women under 35 used a mentor compared with 27% of the women over 35 (refer table X).

*Table IX Age by role model*

Age	Had A Role Model	Did Not Have A Role Model	Total
Under 35	31.7%	68.3%	100%
35 & Over	26%	74%	100%

*Table X Age by help from mentor*

Age	Help From Mentor	Did Not Have Help From Mentor	Row Total
Under 35	38.5%	61.5%	100%
35 & Over	27%	73%	100%

The hypotheses relating to the psychological characteristics of risk-taking propensity, internal locus of control and independence were tested using simple t-tests with results scoring from 1 (strongly agree) to 5 (strongly disagree). It was expected that:

*H<sub>8</sub> Women entrepreneurs under the age of 35 are more likely to have a risk-taking propensity than women entrepreneurs over the age of 35; and*

*H<sub>9</sub> Women entrepreneurs under the age of 35 are more likely to have a high locus of control than women entrepreneurs over the age of 35; and*

*H<sub>10</sub> Women entrepreneurs under the age of 35 are more likely to be more independent than women entrepreneurs over the age of 35.*

The results revealed a borderline significance in the difference for risk-taking propensity between the two groups, with a mean result of 2.4 for women under 35 and 2.3 for women over 35 indicating that the respondents agreed with the risk-taking statements in the survey. This result was found to be borderline significance at the 0.05 level with a result of 0.55.

There was no significant difference between the age groups for internal locus of control with a mean result of 2.1 for both groups indicating that the respondents agreed with the statements in the survey regarding high internal locus of control. This result was found to be not significant at the 0.05 level with a result of .670.

There was also no significant difference between the groups for level of independence with a mean result of 2.3 for both groups indicating that the respondents agreed with the statements in the survey regarding high levels of independence. The result was not found to be significant at the 0.05 level with a result of .935. Therefore H1j is rejected.

*Table XI Mean t-test score for psychological characteristics*

Age	Risk-taking propensity	Internal locus of control	Level of independence
Under 35	2.4%	2.1%	2.3%
35 & Over	2.3%	2.1%	2.3%
Significance a=0.05	0.55 (significant)	.670 (not significant)	.935 (not significant)

**In summary the following hypotheses were accepted:**

Hypothesis H<sub>1</sub> Women entrepreneurs under the age of 35 are more likely to attend university than women entrepreneurs over the age of 35;

Hypothesis H<sub>3</sub> Women entrepreneurs under the age of 35 are more likely to operate in the traditional male industries than women entrepreneurs over the age of 35;

Hypothesis H<sub>4</sub> Women entrepreneurs under the age of 35 are more likely to use external sources such as banks as the main source of capital than women entrepreneurs over the age of 35;

Hypothesis H<sub>7</sub> Women entrepreneurs under the age of 35 are more likely to have a mentor than women entrepreneurs over the age of 35;

Hypothesis H<sub>8</sub> Women entrepreneurs under the age of 35 are more likely to have a risk-taking propensity than women entrepreneurs over the age of 35;

**The following hypothesis were rejected:**

Hypothesis H<sub>2</sub> Women entrepreneurs under the age of 35 are more likely to study business fields than women entrepreneurs over the age of 35;

Hypothesis H<sub>5</sub> Women entrepreneurs under the age of 35 are more likely to have a company structure than women entrepreneurs over the age of 35;

Hypothesis H<sub>6</sub> Women entrepreneurs under the age of 35 are less likely to have a role model than women entrepreneurs over the age of 35;

Hypothesis H<sub>9</sub> Women entrepreneurs under the age of 35 are more likely to have a high locus of control than women entrepreneurs over the age of 35;

Hypothesis H<sub>10</sub> Women entrepreneurs under the age of 35 are more likely to be independent than women entrepreneurs over the age of 35.

The age of a female entrepreneur has an impact on the following factors: attendance at university, industry type, source of start-up capital, use of mentors and risk-taking propensity. Age does not impact on the type of field studied at a tertiary level, type of business structure, use of role models, the level of locus of control and independence.

## Discussion

### Expected Results

It was anticipated that women entrepreneurs under the age of 35 were more likely to attend university than women entrepreneurs over the age of 35, and this was confirmed in the sample with 69.8% of younger women attending a tertiary institution compare to 57.6% of older women. There are varying reasons for this; there has been a change in the education system, with girls encouraged to continue their study at a tertiary level in order to have fulfilling careers. The trend in recent Australian academic enrolments of women shows an increase in the number of women since 1990, with more women than men enrolling in higher education institutions (see Table XII). This upwards trend has steadily been increasing since the mid 20<sup>th</sup> century. Between 1949 and 1959 there was slow growth from 21.4% to 22.1%, and the next decade only saw the enrolment levels move upwards to 26.4% in 1969. The largest growth has been achieved between 1969 and 1979 with enrolments reaching 44.7% in 1979, an increase of 18.3% in just ten years. Since 1979 the growth has slowed by 7.45 to 52.1% in 1989 and slowed again to 54.4% in 1997.

*Table XII Trends in Australian Female Higher Education Enrolments*

Year	Number of women Enrolled	Total Enrolments	% women
1997	358,655	658,827	54.4%
1995	325,357	604,177	53.9%
1990	255,655	485,075	52.7%
1989	229,800	441,076	52.1%
1979	141,401	322,098	43.9%
1969	39,871	151,029	26.4%

1959	10,485	47,447	22.1%
1949	6,795	31,753	21.4%

Source: DEETYA, *Selected Higher Education Students Statistics 1990, 1995, 1997*

This growth in female enrolments in higher education institutions was started in the late 60s which coincided with the introduction of the contraceptive pill, the sexual revolution and a social move towards career women. No fault divorce legislation was introduced in 1975 (Australian Family Law Act 1975) and the divorce rate in Australia went from 17495 in 1974 (ABS 4101.0 1976) to 24182 in 1975 (ABS 4102.0 1998), an increase of 38%. The divorce rate has quadrupled going from 4.3 per 1000 married men in 1974 (ABS 4101.0 1976) to 12.9 in 1996 (ABS 4102.0 1998). This increase in the number of divorces has further highlighted the need for women to obtain economic independence for themselves rather than depend on a husband for an income.

These events of the 60s and 70s continued the social redefinition of women introduced in post-world war 2, when women decided to continue working after being given a taste of employment in the war years. The change in the status of women over the past few decades has impacted on the career choice and the social position of women. A recent study in Queensland, Australia has highlighted these changes (Office of Women's Affairs 1998). This research revealed four categories of women; young independents age 18 – 34, mothers at work 25 – 44, Mid Lifers 45 – 59 and seniors 60+ . The women under 35 are juggling careers with family while being interested in further study.

The changes in educational fields of study as a consequence of changes in the status of women have also had an effect on the type of industries in which women establish their ventures. As mentioned in the literature review, women have been traditionally employed in the service industries (ABS cited in ESFC 1994), and people tend to start up businesses in the industries in which they have work experience. As women enter the traditional male-dominated industries and gain experience in these fields, the number of female owned businesses in these industries should also increase. The change in the education system over the past two decades has encouraged women to study the technical fields of engineering, business and manufacturing, thus preparing them for careers in these industries. As a result, women under the age of 35 were found to be more likely to operate in traditional male industries than women entrepreneurs over the age of 35.

The proposition that women entrepreneurs under the age of 35 are more likely to use external sources such as banks as the main source of capital than women entrepreneurs over the age of 35 was accepted. In the past, when a woman tried to obtain a loan from a bank she was required to have a male partner in whose name the loan was recorded. Many times women could not even see the bank manager or taken seriously as a business-woman. This history has led to the perception that it is not worth applying to a bank because they are biased against women. However the *Yellow Pages Small Business Index* report on Women in Business (1994) revealed that there is no strong evidence to suggest that the banks are any less sympathetic towards women than they are toward men when lending finance for business start-up. Therefore public perception is based on the historical treatment of women by banks rather than the current treatment.

Additional reasons why women are less inclined to borrow money from banks include the capital requirement and risk-taking levels. Traditionally, the majority of Australian women require less than \$10,000 to start their business with 40% requiring less than

\$5000 (Still 1993). The nature of the business is responsible for this, with many women starting up in the service sector and relying more on their skills than plant and equipment to generate income. It is interesting to note that 69.7% of the women under 35 use the bank as a source of capital compared with 51.1% of the women over 35. However, the fact that more than half of both groups use the bank as a source of capital contrasts with the general trend of self-employed women, whose main source of capital is savings or loans from family (Still 1993).

It was also found that women entrepreneurs under the age of 35 are more likely to have a mentor than women entrepreneurs over the age of 35, was accepted. Some 38.5% of the women under 35 accessed help from a mentor. A mentor can provide significant assistance particularly if they are also self-employed. The entrepreneur is able to glean the wisdom based on experience and better prepare herself for the problems ahead. While both mentors and role-models serve the purpose of providing an example or a source of inspiration for the entrepreneur, they serve two different functions. A mentor is a person with whom an active relationship exists, they are consulted and advice is requested. A role-model is a passive relationship, they are viewed from a distance and vicarious learning rather than interactive learning occurs. Perhaps this active/passive dichotomy explains why the hypothesis of women entrepreneurs under the age of 35 are less likely to have a role model than women over the age of 35, was rejected.

Women entrepreneurs under the age of 35 were also found to be more likely to have a risk-taking propensity than women entrepreneurs over the age of 35. The results for this were borderline; it is possible that age has an impact on risk-taking from the perspective that the older people are, the less inclined they are to change or to take risks.

Therefore age has an impact on highest educational level achieved, type of industry, source of capital, use of mentor and risk-taking propensity.

## Unexpected Results

The notion that women entrepreneurs under the age of 35 are more likely to study business fields than women entrepreneurs over the age of 35, was rejected. While it is more likely that women under 35 will attend university, of the woman in both age groups, there is no significant difference between the types of fields they choose to study. This may be due to many older women returning to university to obtain qualifications in business fields to assist them with their business and younger women entering the business fields as a first-choice option.

Women under the age of 35 are more likely to have a company structure than women over the age of 35 was also rejected. It appears that with 72.5% of women consulting external professionals including accountants and solicitors, the advice to become incorporated is taken seriously.

Women entrepreneurs under the age of 35 are more likely to have a higher locus of control than women entrepreneurs over the age of 35, and, Women entrepreneurs under the age of 35 are more likely to be independent than women entrepreneurs over the age of

35, were rejected. It appears that these characteristics are not altered with age and are a defining characteristic of an entrepreneur, regardless of her age.

Therefore age does not have an impact on the type of field studied at university, type of business structure, use of role model, internal locus of control or level of independence.

### ***Limitations***

Entrepreneurship is a relatively new academic field, so there is little data available. Of the data that is available, most of it is descriptive and deals with personality traits only. Additionally, there are definitional problems: in that no two researchers agree precisely on what 'entrepreneurship' is. This is possibly due to the ownership staked on the field of entrepreneurship by the various disciplines of economists, psychologists and feminists. Even if a common definition could be agreed upon, the very nature of entrepreneurs as human beings capable of change and development means that the definitions will change over time.

It is difficult to locate subjects who meet the criteria of an entrepreneurial woman when conducting such research, as there is a lack of knowledge on the overall number of entrepreneurial women in Australia and there is no one database of entrepreneurial women. Many organisations have databases of women but there is the need to eliminate those who are employed or running small businesses with no intention of growth. Many databases do not hold this kind of information, so the survey was designed to contain questions that would identify those women who closely met the definition used in this thesis. It is difficult to generalise from this sample to the population of entrepreneurial women in Australia, as the population is unknown. Presumably it is a subset of the number of women who are self-employed, but the size of this subset is also unknown

Also, given the nature of the data collection method was quantitative, it meant that it was not possible to probe for further information on why the results occurred. It would be useful in future research to conduct interviews after performing quantitative research to identify explanations for the results.

### ***Conclusion***

This paper has revealed many interesting results related to the impact of age on the behaviour of women entrepreneurs. Age was found to impact on the characteristics of field of study, type of industry, source of capital, use of mentor and risk-taking propensity. The age at which women commence self-employment is dropping. Perhaps women are prepared to take the risk at an earlier age because of encouragement at school or relevant tertiary education. The hypothesis testing has accepted that age has an impact on half of the characteristics proposed by Moore (1990). It appears then that there is a possibility of a second-generation of women entrepreneurs emerging. Further research should be conducted on this substantiate this.

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## Appendix A – Operationalisation of Entrepreneur definition

Definition	Questions in Survey (bolded)
Created a new venture	Part 3 Q11 How did you become self-employed? <b>a) Established the business as new</b> b) Inherited the business/family connections c) Purchased the business
Growth orientation	Part 3 Q9 Which best describes your situation when you commenced the business? <b>a) You planned to grow the business</b> b) You didn't plan to grow but would take advantage of any opportunities that arose c) Growth was not important
Motivation - Financial and personal satisfaction	Part 3 Q8 Why did you first become self-employed? The responses were coded into several categories including: <b>Financial</b> Help husband <b>Quality of life</b> <b>Employment dissatisfaction</b> <b>Fulfillment</b> Family Crisis

## Appendix B

### Entrepreneurial Women Survey

Thank you for taking the time to fill in this survey. The results of this will be used as part of an honours thesis in preparation for a larger research project which will run for 6 years. Your contribution will help up paint a picture of the 90's Woman Entrepreneur in Australia.

The information you give is CONFIDENTIAL and will only be used for the research into woman entrepreneurs. Please complete ALL sections as any surveys that contain missed or motted questions cannot be used.

#### Section 1 Personal Details (please circle the category that best describes you)

Q1 What is your age

- |            |            |
|------------|------------|
| 1. 20 - 25 | 6. 46 - 50 |
| 2. 26 -30  | 7. 51 - 55 |
| 3. 31 - 35 | 8. 56 - 60 |
| 4. 36 - 40 | 9 64 - 65  |
| 5. 41 - 45 |            |

Q2 What is the highest education level you have attained?

1. Primary School
2. High School
3. TAFE/College (Please specify field of study) \_\_\_\_\_
4. University (Please specify field of study) \_\_\_\_\_

Q3. How many brothers and sisters do you have?

1. Number of brothers? \_\_\_\_\_
2. Number of sisters? \_\_\_\_\_

**If Nil then go to Q6**

Q4. Are you the eldest child?

1. Yes (go to Q6)
2. No (Go to Q5)

Q5. Are you the eldest female child?

1. Yes
2. No

Q6. What is your full time employment status?

1. Self-employed (go to Q8)
2. Employed (go to Q7)

Q7. Are you also self-employed on a part-time basis?

1. Yes a) Part time with employment  
b) Part time without employment
2. No

Q8. What is the structure of your business?

1. Company
2. Partnership
3. Sole-Trader

Q9. Do you have a partner or co-director?

1. Yes (go to Q10)
- 2 No (go to Q11)

Q10. If you have a partner or co-director, what is your relationship to that person?

1. Husband/de-facto
2. Friend
3. Family Member
4. Business Colleague
5. Other (please specify) \_\_\_\_\_

Q11. What is the main industry that your business is in?

1. Mining
2. Manufacturing
3. Construction
4. Wholesale Trading
5. Retail Trading
6. Transport & Storage
7. Finance, Property and Business Services
8. Community Services
9. Recreational, personal and other services

Q12. Please describe the main products/services of your business.

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**Section 2 Attitudes (please tick the category that most resembles your opinion)**

	Strongly Agree	Agree	Don't Know	Disagree	Strongly Disagree
1. When I know I'm in charge, I don't apologise, I just know aht has to be done	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. I'll speak up for an unpopular cause if I believe in it.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. I am prepared to take risks with money, that is, invest and not know the outcome.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. I take an umbrella every time I travel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. I'd rather have other people decide where to go on a social evening	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. I know that if I decide to do something, I'll do it and nothing can stop me.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Even though its scary to try something new, I am the kind of person who tries.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. I hate to go shopping for clothes alone	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. If my friends won't go to a movie I want to see, I'll go by myself.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. I like trying new food, new places and new experiences.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. I need to know the answer before I ask a question.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. I have taken a risk in the last 6 months	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. People tell me its foolish to want a career. I should have listened to them and stayed home all these years.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. I can walk up to a total stranger and stinke up a conversation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. When things go right and are terrific for me, I think "its mostly luck".	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. I usually wait for people to invite me to places, rather intrude on them.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

17. I want to be financially independent	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. I have intentionally travelled an unfamiliar route	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. If I am frightened of something, I will try and conquer that fear.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. I need to know that its been done already before I am willing to try it	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. I have gone on a blind date.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22. I often feel "Thats just the way things are and there's nothing I can do about it"	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
23. I think its important for everyone to like me	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
24. When I do a good job, my pleaseure in a job well done is satisfaction enough.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
25. If I want womething, I ask for it rather than wait for someone to 'just give it to me'	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
26. I often need to ask other people's opinions before I decide on important things	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
27. I am afraid to be differend	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
28. I want the approval of others	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
29. Even though people tell me 'it can't be done' I have to find out for myself.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Section 3. Experiences (Please fill in the answer or circle the responses that most describe your experiences)**

Q1. What was your previous occupation? \_\_\_\_\_

Q2. Did you have a knowledge of your current industry prior to establishing a business?

1. Yes (go to Q3)
2. No (go to Q4)

Q3 How did you gain this knowledge

1. Work experience
2. Research (journals, books etc)
3. Personal contact (knew someone in the industry)

Q4. What was your previous work experience? \_\_\_\_\_

Was it helpful?

1. Yes
2. No

Q5. How old were you when you first became self-employed? \_\_\_\_\_

Q6. What was the nature of this self-employment?

1. Full Time
2. Part time

Q7 Where are you currently in the business cycle?

- |                              |                    |
|------------------------------|--------------------|
| 1. Just started the business | 3. Mature business |
| 2. Growth stage              | 4. Decline stage   |

Q8. Why did you first become self-employed? \_\_\_\_\_

---

Q9 Which best describes your situation when you commenced the business?

1. You planned to grow the business
2. You didn't plan to grow but you would take advantage of any opportunities that arose
3. Growth was not important

Q10. Has your attitude towards growing your business changed since you started?

1. Yes                      Please indicate how \_\_\_\_\_
2. No

Q11. How did you become self-employed

1. Established the business as new
2. Inherited the business/family connections
3. Purchased the business

Q12. Did you need capital to start the business?

1. Yes (go to Q13)
2. No (go to Q15)

Q13. Where did you get the capital from?

- |                    |                                 |
|--------------------|---------------------------------|
| 1. Venture capital | 4. Personal savings             |
| 2. Bank            | 5. Loan from family/friends     |
| 3. Partner         | 6. Other (please specify) _____ |

Q14. How much capital did you need to start your business? \$ \_\_\_\_\_

Q15. Were your parents self-employed?

1. Yes
2. No

Q16. Did you have a role model?

1. Yes (please specify who) \_\_\_\_\_
2. No

Q17 What outside help did you get when establishing the business?

- |                |                                 |
|----------------|---------------------------------|
| 1. Accountant  | 4. Bank Manager                 |
| 2. Tax experts | 5. Mentor                       |
| 3. Solicitor   | 6. Other (please specify) _____ |

Q18. When you looked for key people such as partners, advisors or managers - how did you locate them?

- |                               |                                 |
|-------------------------------|---------------------------------|
| 1. Yellow Pages               | 3. Referred by an organisation  |
| 2. Referred by family/friends | 4. Other (please specify) _____ |

Q19. Did you have a start-up business plan?

1. Yes
2. No

Q20. Did you need to buy equipment or assets?

1. Yes
2. No

Q21 Did you evaluate the opportunity in terms of the following?

- |                                   |        |
|-----------------------------------|--------|
| 1. The competition                | Yes/No |
| 2. The market demand              | Yes/No |
| 3. The potential revenue (profit) | Yes/No |

Q22. Were you entrepreneurial in you childhood or teenage years?

1. Yes
2. No

Q23. Do you consider yourself to be an entrepreneur?

1. Yes
2. No