

SERIAL ENTREPRENEURS, THE MACROECONOMY AND TOP INCOME INEQUALITY

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WHAT THIS PAPER DOES

Great paper that investigates the role of **serial entrepreneurs** for **firm dynamics** and **aggregate outcomes**

Serial entrepreneurs: individuals that at any point in their career simultaneously own multiple firms

- 1.** Create „higher quality“ firms (serial entrepreneur premium)
- 2.** Differ from regular entrepreneurs ex-ante
- 3.** Matter for aggregate employment, productivity growth and inequality

ADDS TO IMPORTANT QUESTIONS

Can we **identify successful firms**?

- ↘ The „best“ firms play an outsized role for employment and productivity growth
- ↘ Ex-ante characteristics vs. ex-post shocks
- ↘ Firm characteristics vs. entrepreneur characteristics
- ➡ Serial entrepreneurship is a strong predictor of firm success / quality

How can entrepreneurship policies **foster the creation of successful firms**?

- ↘ Targeted vs. untargeted policies
- ↘ Which characteristics should policies be conditioned upon?
- ➡ Take serial entrepreneurship into consideration when designing policies

COMMENT I: ORIGINS OF SERIAL ENTREPRENEURSHIP AND THE SE PREMIUM

Heterogeneity across industries

- SE premia control for average differences across industries (composition)
- How do the premia differ across industries?
→ Do serial entrepreneurs enjoy larger premia in specific industries?

Serial entrepreneurship vs. **multi-establishment firms**

- Is serial entrepreneurship different from ME-firms? → Diversification? Risk-taking?

The role of the **upper tail**

- Very large startups/firms substantially seem to affect averages of SE startups
- How does the size distribution compare to regular entrepreneurs?
- Does the SE premium (for exit, growth, productivity) remain once you control for size?

COMMENT II: WHAT DOES SERIAL ENTREPRENEURSHIP MEASURE?

Does serial entrepreneurship measure an **ex-ante characteristic**?

- Early performance of FSE suggest no learning on „how“ to be a successful entrepreneur
- SE could be entrepreneurs who learn „that“ they are successful entrepreneurs
 - How does size of the current firm affect transition to serial entrepreneurship?
 - learning about an **unobservable**(?) ex-ante characteristic
- Analyze additional **observable**(!) ex-ante characteristics (labor market status, salary, occupation, etc.)

Is SE a „**good**“ **ex-post-measure** of an ex-ante characteristic?

- How does SE premium compare to other premia conditioned on ex-post outcomes?
- Compare to „repeat“ entrepreneurs whose first firm was successful e.g. as measured by crossing some size threshold
- Compare to entrepreneurs creating a multi-establishment firm

COMMENT III: DOES SERIAL ENTREPRENEURSHIP MATTER FOR POLICY?

Reducing barriers to serial entrepreneurship

- Could use the Jones and Kim (2018) model to investigate the effect of barriers to serial entrepreneurship (reducing σ) on output / productivity growth
- Analysis of a policy that only supports the creation of the first firm of an entrepreneur
- Future research: serial entrepreneurship vs. multi-establishment firms

Targeting serial entrepreneurs

- Should serial entrepreneurs be specifically targeted by entrepreneurship policies?
- Do they face lower / higher / the same frictions as non-serial entrepreneurs?

CONCLUSION

Very interesting paper

- Several new facts on serial entrepreneurship
- Aggregate implications very important

Starting point for additional research on serial entrepreneurs

- Serial entrepreneurship as a special mode of entrepreneurship
- Implications for innovation and risk taking
- How should policies consider serial entrepreneurship

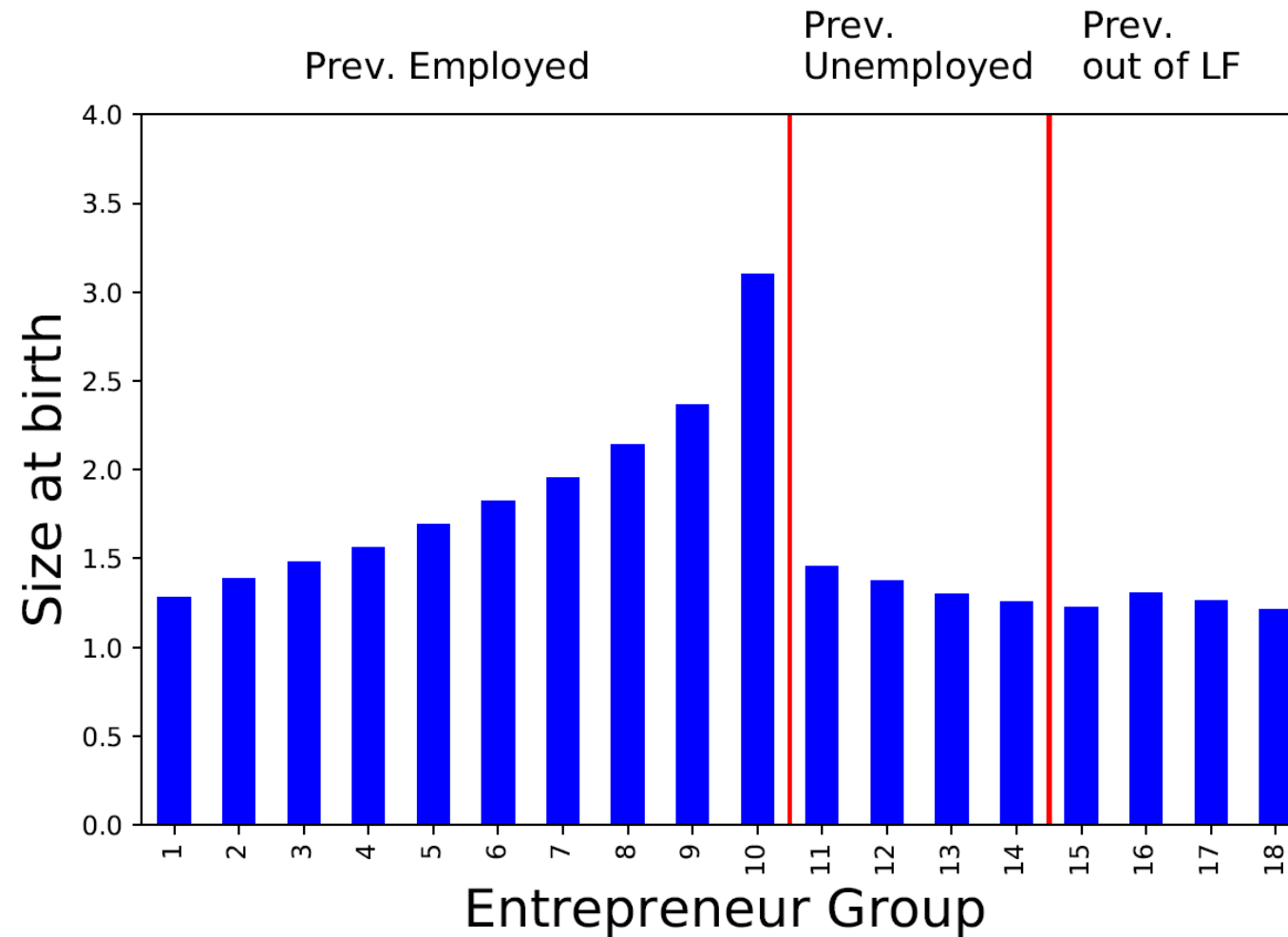
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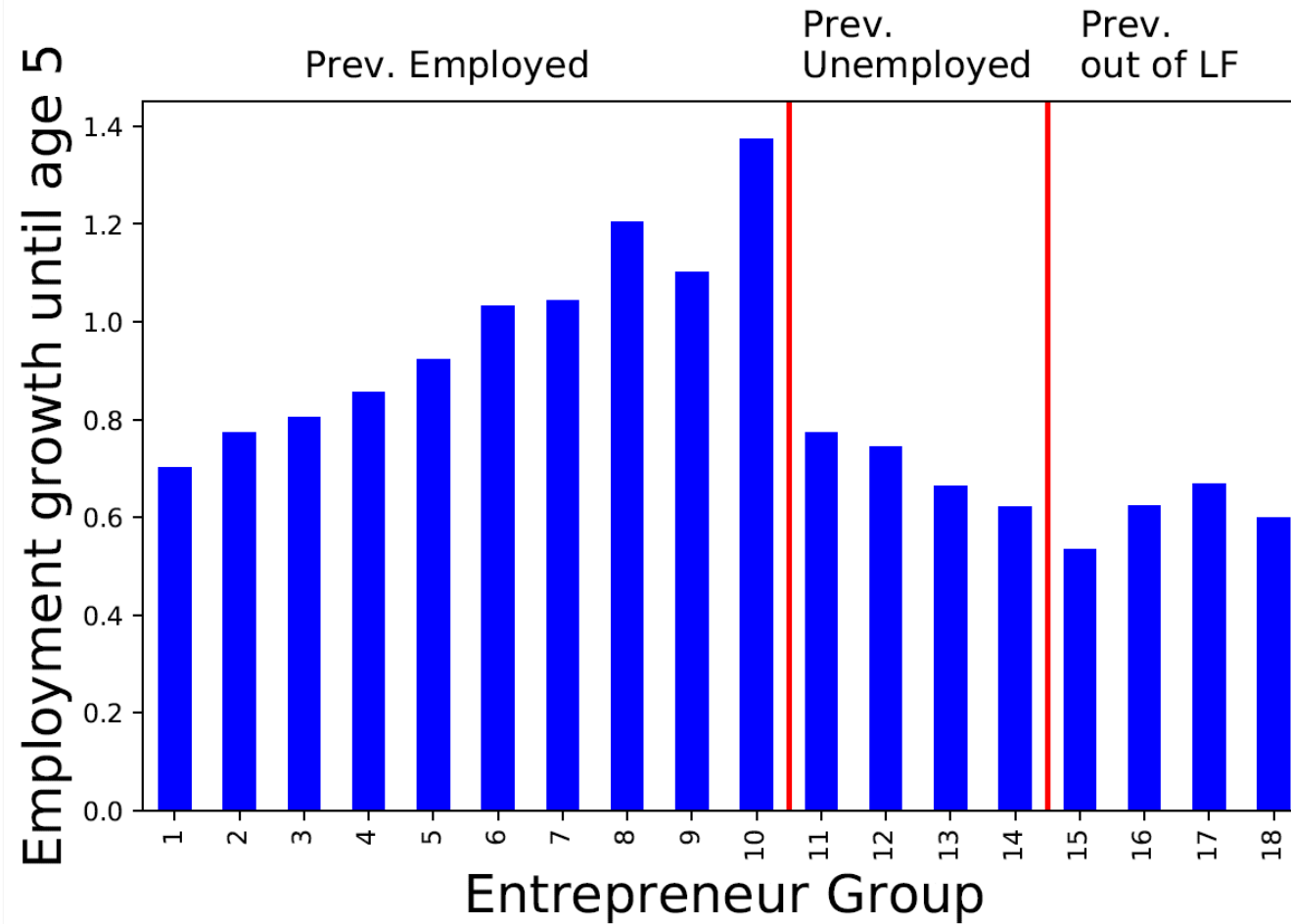
ENTREP. LABOR MARKET STATUS AND STARTUP SIZE



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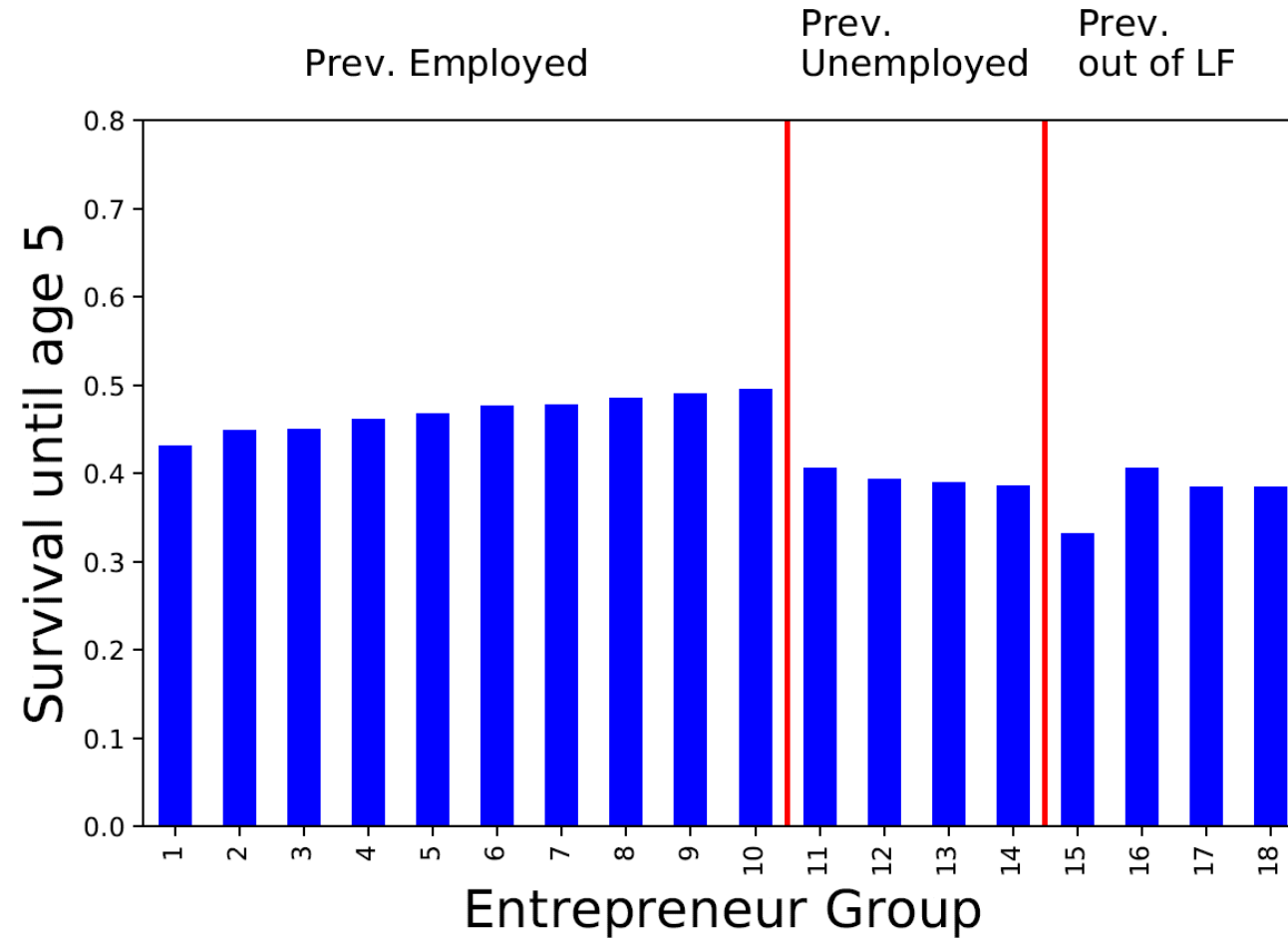
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