

**With a Little Help from My (Random) Friends:
Success and Failure in Post-Business School Entrepreneurship***

Josh Lerner

Harvard University and NBER

josh@hbs.edu

Ulrike Malmendier

UC Berkeley and NBER

ulrike@econ.berkeley.edu

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An important question in the entrepreneurship literature is whether peers affect the decision to become an entrepreneur. We exploit the fact that Harvard Business School assigns students into sections, which have varying representation of former entrepreneurs. We find that the presence of entrepreneurial peers strongly predicts subsequent entrepreneurship rates of students who did not have an entrepreneurial background, but in a more complex way than the literature has previously suggested. A higher share of students with an entrepreneurial background in a given section leads to their peers to lower rather than higher subsequent rates of entrepreneurship. However, the decrease in entrepreneurship is entirely driven by a reduction in unsuccessful entrepreneurial ventures. The relationship between the shares of pre-HBS and successful post-HBS peer entrepreneurs is insignificantly positive. In addition, sections with few prior entrepreneurs have similar enrollment rates in elective entrepreneurship classes and a considerably higher variance in their rates of unsuccessful entrepreneurs. We argue that these results are consistent with intra-section learning, where the close ties between section-mates lead to insights about the merits of business plans.

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