NONPROFIT ENTREPRENEURS: HOW FAR EDUCATION INFLUENCES THE CHOICE FOR AN ENTREPRENEURIAL CAREER? (SUMMARY)

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Nonprofit organizations play a relevant role in society by attempting to satisfy human necessities in a different way, or as a complement to lucrative firms and governmental activity. While for-profit entrepreneurship (benefiting society with valuable goods, services, and jobs) has the purpose to maximize profits, nonprofit entrepreneurship objective is to maximize social value. The paper explores differences between nonprofit and for-profit entrepreneurs focusing on human capital particularly on education background. Since there is a limitation of empirical works focusing on specific type of education backgrounds of nonprofit entrepreneurs, this paper aims to extend the existing research perceiving its impact on the choice of enrolling on nonprofit entrepreneurship.

Method

The present research investigates nonprofit entrepreneurship in Portugal, at both the firm and individual levels of analysis, through the use of a longitudinal matched employer-employee data set “Quadros de Pessoal”, provided by the Ministry of Labor and Solidarity. We assembled a dataset of 144,948 for-profit firms and 131 nonprofit firms in the period 2002–2009. Nonprofit enterprises were chosen according to their nonprofit legal structure. To understand the impact that either the education level or type has on the choice of entrepreneurs taking part on nonprofit or for-profit entrepreneurship we will use a binary model: logit.

Results and Implications

Results show that education influences the choice of participating on nonprofit firms. The type of education more specifically, higher education in humanities is positively related with the participation in nonprofit firms, while engineering and technological areas are positively correlated with the participation of for-profit firms. Social sciences do not influence the entrepreneur to choose one path over the other. On public policy level more attention should be attributing to fostering nonprofit entrepreneurship program, offering to students in rather neglected areas of studies in terms of entrepreneurial activities and research.

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