



Necessity Entrepreneurship and Industry Choice in New Firm Creation

Nikiforou, Argyro (Iro); Dencker, John C. ; Gruber, Marc

Publication date:
2019

Document Version
Peer reviewed version

[Link back to DTU Orbit](#)

Citation (APA):

Nikiforou, A., Dencker, J. C., & Gruber, M. (2019). *Necessity Entrepreneurship and Industry Choice in New Firm Creation*. Abstract from DRUID Summer Conference 2019, Copenhagen, Denmark.

General rights

Copyright and moral rights for the publications made accessible in the public portal are retained by the authors and/or other copyright owners and it is a condition of accessing publications that users recognise and abide by the legal requirements associated with these rights.

- Users may download and print one copy of any publication from the public portal for the purpose of private study or research.
- You may not further distribute the material or use it for any profit-making activity or commercial gain
- You may freely distribute the URL identifying the publication in the public portal

If you believe that this document breaches copyright please contact us providing details, and we will remove access to the work immediately and investigate your claim.

Necessity Entrepreneurship and Industry Choice in New Firm Creation

ABSTRACT

Research on necessity entrepreneurship has generated important insights, yet it views necessity entrepreneurs in developed countries as one encompassing group of unemployed individuals – ignoring that the level of need is not uniform but instead increases with time spent in unemployment. We begin to unpack the role of unemployment duration in necessity entrepreneurship by asking how it affects one of the most fundamental decisions in start-ups: ‘what business should I be in?’ Analyzing primary data on 576 necessity entrepreneurs combined with three secondary data sets, we find that unemployment duration affects whether ventures are launched in “home” or in external industries, and moderates the extent to which founders’ industry experience and the attractiveness of external opportunities relative to those in the “home” industry shape industry choice.