

Entrepreneurship May Be Contagious

Knowing an entrepreneur may be a big factor for becoming one. But more research might explain what can motivate more people to take the leap.

By Lewis Schiff

A recent [report](#) from the Ewing Marion Kauffman Foundation explores whether or not instances of entrepreneurship would increase if more people had contact with more entrepreneurs.

It strikes me that would be the case, based on what I discovered about social contagion while researching my book, [Business Brilliant](#). You're probably already familiar with social contagion theory from the colloquialism, "follow the crowd." Social contagion explains why you would have trouble quitting smoking if many of your friends still smoke. It also explains why you're more likely to try harder at something when you are surrounded by others who are also trying hard; for example, when a team practices for a big game.

COULD ENTREPRENEURSHIP BE VIRAL?

The Kauffman report considers the potential power of social contagion for entrepreneurship through a survey of 2,000 Americans. It asks the respondents how many of them know an entrepreneur. It further

investigates how many upwardly-mobile entrepreneurs (those with growing businesses) the respondents have contact with. In short, about a third of survey respondents have contact with an entrepreneur and about 15 percent have contact with upwardly-mobile entrepreneurs.

The paper ponders if entrepreneurship is contagious--if exposure to entrepreneurs increases the likelihood an individual becomes an entrepreneur. If it were true, a prescription to increase new business creation would be relatively simple. But the paper does not establish a direct correlation between the two; it just shows "that a large number of U.S. residents know entrepreneurs, and that knowing an entrepreneur is possibly a significant factor in whether a person is also an entrepreneur."

WHERE MORE SOCIAL RESEARCH SHOULD BE DONE

In my view, a different area of social research might explain why new

business creation calls for more than just mere exposure.

The entrepreneurial journey almost always begins with a deep valley of hardship. Most new business owners have to forego corporate salaries when they start a new venture and herein lies the problem. Studies reliably show that most people are uncomfortable in situations that necessitate their being the least-affluent member of any group. One famous experiment, repeated many times, shows that most people say they would feel happier earning \$33,000 in a workplace where everyone else makes \$30,000 than if they were earning \$35,000 in a workplace where everyone else makes \$38,000. They would be happy to sacrifice \$3,000 a year in a salary just to enjoy being top dog in a lower-paying workplace. For most people, the prospect of starting at the bottom--where nearly every entrepreneur begins his journey--is so undesirable that no amount of direct social contact with successful business owners will motivate them to take a similar leap.

ABOUT THE AUTHOR

LEWIS SCHIFF is the executive director of the Inc. Business Owners Council. His latest book is *Business Brilliant: Surprising Lessons from the Greatest Self-Made Business Icons*. In November, he will co-lead the first-ever Inc. Riders Summit, a three-day motorcycle road trip for entrepreneurs through the Nevada desert. [@lewisschiff](#)