Department of Economics

Arps Hall 410
1945 North High Street
Columbus, Ohio 43210-1172

Phone (614) 292-6701
Fax (614) 292-3906
http://www.econ.ohio-state.edu

March 13, 2015

To Whom It May Concern:

I am delighted to write this letter of support for **Robert (Rob) Munk**, who is applying for the 2015 NBER Entrepreneurship Research Boot Camp. Rob is currently a fourth-year Ph.D. student in the Department of Economics at Ohio State University. His primary fields are labor economics and econometrics. I serve as his dissertation advisor.

Rob is working on an interesting set of papers that explore various aspects of business ownership. His work thus far uses data from the 1979 National Longitudinal Survey of Youth. The NLSY79 has tracked respondents' jobs for 37 years, but only recently did it (*i*) retrospectively collect information on all businesses owned since age 18; (*ii*) begin tracking "owned" businesses in an ongoing fashion; and (*iii*) link "owned" businesses with previously-reported jobs. Rob is among the very few researchers who have begun to exploit these rich new data.

In a coauthored paper ("Business Ownership vs. Self-employment"), Rob and I explore the extent to which jobs classified as self-employment are also identified as self-owned businesses, and vice versa. We find that 17% of owned businesses are not viewed as self-employment, and that a staggering 75% of self-employed jobs are not considered to be owned businesses. Even among *incorporated* self-employed jobs, only 40% are independently identified as owned businesses. Whether incorporated or not, self-employed jobs that are not viewed as businesses are overwhelmingly home-based, single-person jobs such as baby-sitting and handy-man work. This analysis suggests that researchers are ill-advised to treat "self-employment" and "business ownership" as synonyms, or to treat either (unconditionally) as a proxy for entrepreneurship.

In a second paper ("Married to the Bank: Is Partner Income a Determinant of Business Ownership?") Rob (re)establishes that married men and women are far more likely to start businesses than are their nonmarried counterparts. He then proceeds to ask whether this pronounced marriage effect reflects effects of income and assets and, in particular, income and assets that the partner brings to the table. He finds that the marriage effect for women is entirely driven by women with high-income (or high-assets) husbands. For men, the marriage effect is not strongly tied to the wife's income/assets level and, if anything, is driven by men with nonemployed wives. Rob still has to sort out exactly what is going on (and further explore differences between marriage and cohabitation), but he has some neat results that will soon be in the form of an important, publishable paper.

Rob has numerous ideas for additional work in this field. He wants to explore gender differences in entrepreneurship and, in particular, identify the gender gap in "returns" to both informal self-employment (baby-sitting, truck-driving, *etc*.) and formal, incorporated business ownership. Although the NLSY79 can support an endless number of interesting studies, Rob also plans to work with other data sources, including the Kauffman Firm Survey.

In my judgment, Rob is a strong candidate for the NBER Boot Camp. He is "all in" when it comes to studying entrepreneurship; he is a smart, highly motivated student; he has two solid working papers under his belt; and he has a long list of potential research questions. At the same time, there are large swaths of the literature that he has not yet delved into, and perspectives on the study of entrepreneurship (especially at the IO and finance end) that he has not fully considered. He will benefit greatly from the Boot Camp, and will be the type of student everyone enjoys having around for a few days.

Please contact me at light.20@osu.edu or 614-218-2987 if I can provide additional information.

Sincerely,



Audrey Light
Professor of Economics

Robert Munk

Department of Economics
The Ohio State University
410 Arps Hall
1945 North High Street
Columbus, OH 43210-1172
Letter Writer: Audrey Light

Email: munk.19@osu.edu
Phone: (517) 242-5721
Office: 371 Arps Hall

Dear Dr. Hellmann,

I am writing to apply for the NBER Entrepreneurship Research Boot Camp. I am a currently a fourth year, economics Ph.D. student at Ohio State University working under the advisement of Audrey Light. And I believe my current research, background in econometrics, and enthusiasm for entrepreneurship research make me a strong candidate for participation.

My current research focuses on defining entrepreneurship and exploring its determinants. In this research I have acquired a foundational knowledge of the theory and empirical methods used in the economics of entrepreneurship literature, which will enable me to more effectively participate in discussions at the boot camp. At the same time, I know based on my readings of past syllabi the boot camp will expose me to areas of the literature with which I am less familiar and give me the unique opportunity to discuss these topics with experts and fellow students.

In addition to my research, my coursework has prepared me to understand and come ready to discuss the assigned readings. Having taken field courses in econometrics—in addition to econometrics courses designed to increase my understanding of computational and applied econometrics—I have been able to effectively read and understand the literature for my own research. Moreover, I have a broad understanding of applied microeconomics, having taken courses in labor, health, and experimental/behavioral economics.

Besides my qualifications, I am a strong candidate for participation because I am eager to increase my understanding of the economics of entrepreneurship literature and would look forward to discussing the literature with leading researchers, potential collaborators, and peers. I know the discussions that will take place would be difficult to replicate at OSU and would provide unique perspectives for my own work. These thought provoking viewpoints would not only allow me to improve my own work as I approach the job market, but also to improve my research beyond graduate school.

I have attached my curriculum vitae, current/completed courses, and attendance essay. But I would be happy to supply any additional information beyond what is specified. My advisor, Audrey Light, will submit her letter of recommendation shortly. I thank you for your consideration and eagerly await your decision.

Sincerely,

Robert Munk

Robert Munk

Department of Economics
The Ohio State University
410 Arps Hall
1945 North High Street
Columbus, OH 43210-1172

Email: munk.19@osu.edu
Phone: (517) 242-5721
Office: 371 Arps Hall

Education

Ph.D. Economics, The Ohio State University, 2016 (expected)
Advisor: Audrey Light
M.A. Economics, The Ohio State University, 2012
B.S. Economics and Mathematics, Michigan State University, 2011

Fields of Interest

Labor Economics, Economics of Entrepreneurship

Works in Progress

Married to the Bank: Is Partner Income a Determinant of Business Ownership
Business Ownership vs. Self-Employment, with Audrey Light

Honors and Awards

University Fellowship, The Ohio State University, 2011-2012
The George F. McGregor Scholarship in Economics, Michigan State University, 2011

Presentations

Married to the Bank: Is Partner Income a Determinant of Business Ownership?
Ohio State University Applied Microeconomics Workshop, 2015
Midwest Economics Annual Meeting, 2015
Business Ownership vs. Self-Employment
Society of Labor Economists Annual Meeting (presented by Audrey Light), 2015

Teaching Experience

Economic Issues in the United States, Full Responsibility
Principles of Microeconomics, Full Responsibility
Principles of Macroeconomics, TA

References

Professor Audrey Light
Phone: (614) 292-0493
Email: light.20@osu.edu
Department of Economics
The Ohio State University
Columbus, OH 43210-1172

Professor Bruce Weinberg
Phone: (614) 292-5642
Email: weinberg.27@osu.edu
Department of Economics
The Ohio State University
Columbus, OH 43210-1172

Professor Kurt Lavetti
Phone: (301) 752-0895
Email: lavetti.1@osu.edu
Department of Economics
The Ohio State University
Columbus, OH 43210-1172

Current and Completed PhD Courses

Microeconomic Theory

Microeconomic Theory I-III (Core Microeconomics)

Macroeconomic Theory

Macroeconomic Theory I-III (Core Macroeconomics)

Econometrics

Econometrics I-III (Core Econometrics)
Advanced Econometrics I-III (Econometrics Field Courses)
Applied Econometrics
Computational Econometrics
Inference and Decision Analysis

Applied Microeconomics

Experimental and Behavioral Economics
Health Economics
Labor Economics I-III (Labor Field Courses)

Attendance Essay

As a fourth year, economics graduate student at Ohio State University I believe I am strong candidate for participation in the NBER Entrepreneurship Research Boot Camp. Under the advisement of Audrey Light, I have found the economics of entrepreneurship literature a compelling area of research for both its profound policy implications and interesting research questions. And based on my examination of previous syllabi, I believe the boot camp provides a tremendous opportunity to review the literature and receive novel, thought provoking perspectives from leading researchers.

My interest in attending the boot camp stems from a desire for a greater understanding of the literature and the advancement of my own research. While I have thoroughly investigated the areas relevant to my research, due to time constraints my expertise in other areas (*e.g.*, the role of cities and clusters in entrepreneurship) is limited. The boot camp, however, offers the opportunity to not only investigate these topics, but also to discuss them with experts and fellow students. And even in the areas in which I am more knowledgeable a review and discussion of the literature would doubtlessly be fruitful. As one of two researchers at Ohio State studying entrepreneurship there are relatively few opportunities to receive new perspectives on the literature, but I would absolutely welcome them and do my best to offer my own unique point of view.

Beyond reviewing and gaining new understanding of the entrepreneurship literature, the boot camp strikes me as a tremendous opportunity to meet fellow entrepreneurship researchers. Looking at past boot camp schedules it is clear there is ample time for out of class discussions to generate new research ideas, meet potential co-authors, and build friendships. And as a student who plans to continue researching entrepreneurship upon graduation the opportunity to grow my social network in this area would be immensely valuable.

My current research focuses on both defining entrepreneurship and exploring its determinants. Using recent data from the National Longitudinal Survey of Youth 1979 (NLSY79) business ownership supplement, Audrey Light and I examine two common proxies for entrepreneurship: self-employment and business ownership. We show that while often used as synonyms in the literature, self-employment and business ownership are not viewed as synonyms by the respondents and are often at odds in the data. Indeed, 76 percent of self-employed jobs are not claimed as businesses. This subset of self-employed jobs are also far more casual than businesses: they are more likely to be based out of the home, in unskilled occupations, and less likely to be held by self-identified entrepreneurs. Moreover, variables often thought important determinants of entrepreneurship seem more important for business ownership; for women a one unit increase in risk tolerance increases the predicted probability of transitioning to business

ownership by 90 percent, while the comparative number for self-employment is 55 percent. This evidence suggests—contrary to frequent usage—self-employment and business ownership should not be treated as synonyms, and corroborates the conclusion of other authors: entrepreneurship is more likely found among business owners than the self-employed.

One of the more robust findings of the entrepreneurship literature is that married men and women are more likely to be entrepreneurs. Motivated by the findings that liquidity constraints and income risk are barriers to entrepreneurship, I explore whether partner income and assets (gains to marriage) are causal determinants of this observed marriage effect. Numerous past studies have focused on particular gains to marriage—having an entrepreneurial partner, emotional support, and partner provided health insurance—but partner income and assets have received, comparatively, less attention. I find that for both men and women a partner with no income in the last year increases the likelihood of acquiring a business. This suggests a partner's ability to supply trustworthy labor at potentially below market rates is an important gain to marriage from an entrepreneurial standpoint. However, I find partner income and assets are causal determinants of the marriage effect for women only: all else equal, a married woman whose husband's income is the top quartile is nearly twice as likely to acquire a business as a never married woman, while a woman whose husband's income is in the bottom quartile is no more likely to acquire a business than a never married woman.

Looking to the future, I am interested in exploring the gains to entrepreneurship, especially for women. Since Hamilton's seminal paper in 2000 numerous articles have investigated the returns to entrepreneurship in detail. However, these analyses tend to focus on white men and, in some cases, do little to explore the relevant theoretical predictions (*e.g.*, matching and learning models). Therefore, I believe I can contribute to this literature by using the NLSY79 business ownership supplement to examine relevant, uninvestigated theoretical predictions and examine in more detail the returns for women. In addition to the returns to entrepreneurship I am also interested in entrepreneurship lock; especially, with the recent passage of the Affordable Care Act. While at this point I have yet to formally develop an unanswered question of interest (in no small part due to excellent and exhaustive work of past papers), it is a literature I continue to contemplate and monitor.