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# *Workshop Abstract*

**Title of Workshop:** The Panel Study of Entrepreneurship Dynamics (PSED) I and II: A Look Inside the Start-Up Process

**Presenter(s):** Charles H. Matthews, PhD and Diana M. Hechavarria, PhD

**Topics Covered**

Topic 1: Intro to the PSED
Topic 2: Background and objectives of the PSED
Topic 3: PSED I and II harmonized data set, potential for data analysis, and more.

**Target Group (*check all that apply*):**

- ✓ General conference attendees interested in archived data sets
- ✓ Researchers
- ✓ Doctoral students

**Abstract**

The Panel Study of Entrepreneurial Dynamics (PSED) research program is designed to enhance the scientific understanding of how people start businesses. The projects provide valid and reliable data on the process of business formation based on nationally-representative samples of nascent entrepreneurs, those active in business creation. PSED I began with screening in 1998-2000 to select a cohort of 830 with three follow-up interviews. A control group of those not involved in firm creation is available for comparisons. PSED II began with screening in 2005-2006, followed by six yearly interviews. The information obtained includes data on the nature of those active as nascent entrepreneurs, the activities undertaken during the start-up process, and the characteristics of start-up efforts that become new firms. Updated Harmonized PSED I and II data set became available in 2013; Screener data became available in 2011; along with PSED II Waves A to F data which became available in late 2011.

This workshop will review the history of the PSED; the research rationale (why care about firms creation?); outline data collection processes; review the PSED I and II harmonized data; and in general discuss how to maximize the usefulness of an archived data set for analysis and more.

The genesis of the PSED began with the formation for the Entrepreneurship Research Consortium in 1996, composed of over 120 scholars from 34 entrepreneurial research centers provided financial support to implement the first Panel Study of Entrepreneurial Dynamics (PSED I) in 1998. With major support from the Ewing Marion Kauffman Foundation, the data collection was contracted to the University of Michigan's Institute for Social Research, where

the second and third follow-ups were completed and the complete data set was harmonized, documented, and placed in the public domain under the supervision of Dr. Richard Curtin.

The PSED protocol was adopted for parallel studies undertaken at the same time in Argentina, Canada, Greece, the Netherlands, Norway, and Sweden and other countries. It became the basis for the design of the extensive cross national comparisons implemented by the GEM consortium, where additional improvements were made to the screening procedure. From 1988 through 2007, this program has involved hundreds of surveys in almost 50 countries and over three-quarters of a million individual interviews.

With major support from the Ewing Marion Kauffman Foundation, and with supplemental funding from the U.S. Small Business Administration, PSED II was implemented in 2004, with design assistance from a 16 person advisory committee, including many original PSED I investigators: Howard Aldrich, Diane Burton, Nancy Carter, Per Davidsson, William Gartner, John Haltiwanger, Benson Honig, James Johnson, Philip Kim, Charles Matthews, Michael Meeks, Simon Parker, Martin Ruef, Claudia Schoonhoven, Scott Shane, Kelly Shaver, and Per Stromberg. Improvements in the screening procedure allowed the identification of 1,214 nascent entrepreneurs following a screening of 34 thousand in the fall of 2005, and the early winter of 2006. The first, a 12 month follow-up was completed during the fall of 2006 and winter of 2007. The second, a 24 month follow-up, was initiated in the fall of 2007, and was completed in 2008.

To date, it is estimated that no less than seven books, 45 peer reviewed journal articles, eight book chapters, nine dissertations and one thesis, 63 professional presentations, and six research reports. Full documentation and all data from both PSED I and PSED II are in the public domain, available at www.psed.isr.umich.edu. Researchers and scholars have created and a unique and comprehensive research protocol and description of new firm creation and provided a rich source of material for developing and refining theories relating to entrepreneurship and new firm creation.

**Skills Acquired After Workshop:** Introduction to PSED, basic knowledge of purpose and scope of the PSED, and Introduction to PSED I and II harmonized data.