

## **The Reality of Being a Parent and an Entrepreneur: Some Good News**

*Lauren A. Zettel, University of Louisville, USA*

Entrepreneurs take on many different roles in their businesses: Director of Human Resources, CEO, VP of Technology, and more. In addition to these positions within their company, some take on one of the most important and demanding roles that one can play: parent. However, it remains unclear whether it is really possible for entrepreneurs with families to achieve work-life balance.

Entrepreneurship can be an attractive option for those with families because of the potential flexibility that it offers<sup>1</sup>. However, flexibility also makes it easier to blur the boundaries between work- and family-life, which can create conflict<sup>2</sup>. An entrepreneur wearing many hats might find that they don't have the time or energy to give 100% of their effort in both the home and work domains. This is important because VCs, angels, and even crowdfunding investors place a great deal of importance on the entrepreneur when deciding whether to invest in a venture. In particular, they want to know that the founder is wholly committed to the venture and its success<sup>3,4,5</sup>. To the extent that these investors recognize the potential conflicts that might arise from balancing family and venture responsibilities, it's possible that they could see family responsibilities as a distraction<sup>6</sup>.

Nevertheless, for entrepreneurs with families, there's good news: our research shows that in spite of the potential for these conflicts, the family responsibilities of entrepreneurs appear to have very little effect on their ability to accomplish important founding milestones. We drew our data from a study of US entrepreneurs who were in the process of starting a business in 2005 and 2006<sup>7</sup>. This dataset includes an indication of whether respondents accomplished 37 different founding tasks, including writing a business plan and registering the business. Our analysis of 246 entrepreneurs over a four-year period showed that, for every additional 10 hours that individuals reported spending on childcare and housekeeping each week, they only accomplished 0.58 fewer founding tasks at the end of four years. Moreover, when we narrowed the type of milestones to three critical tasks, hiring an employee, obtaining funding, and generating revenue, we found no evidence that spending more time on family responsibilities resulted in achieving fewer milestones. Investors should also note that our results did not show a significant impact of family responsibilities on the number of financial founding milestones achieved, which include generating revenue, reaching profitability for more than six months, and paying the founder a salary. Furthermore, although women reported spending about 12 more hours per week on childcare and housekeeping than men, they did not complete fewer founding milestones than men, on average. So, for all of the potential for entrepreneurs to experience work-

family conflict, our data did not suggest that the negative effects of this conflict have a substantive effect on entrepreneurs' ability to launch a venture.

Although our data precluded us from analyzing why this is the case, existing research indicates that flexibility in work schedules may indeed alleviate work-life conflict. Also, family-life can enrich the work-life of entrepreneurs through the spillover of positive mood and transferrable skills, for example<sup>8</sup>. In all, our research suggests that, in some fashion, entrepreneurs appear to be able to manage the potential for work-family conflict in the work domain, and to achieve important founding milestones. Therefore, investors considering funding an entrepreneur shouldn't rule them out simply because they have family responsibilities.

Work-life balance and role conflicts are not straightforward, and every entrepreneur will experience these in different ways. However, our preliminary findings are encouraging to entrepreneurs with families, and to those who support them.

**CONTACT:** Lauren A. Zettel; lauren.atkinson@louisville.edu; (T): +1 989.627.4111; University of Louisville; 110 W. Brandeis Ave., Louisville, KY 40208, USA.

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