

**Relationship between Entrepreneurship and Household Wealth:
Does Full-time, Part-time Entrepreneurship Activity Matter?**

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Theory and evidence regarding the relationship between entrepreneurship and household wealth is inconclusive. Cost of resources theory suggests full-time entrepreneurs save more than part-time entrepreneurs to finance their business ventures. But, part-time entrepreneurs may be able to access business resources through salaried employment, increasing their opportunity to build wealth. The 1994 and 1999 waves of the Panel Study of Income Dynamics are used to investigate the effects of full-time vs. part-time entrepreneurship on household financial status. In cross-sectional analysis of factors affecting household wealth, part-time entrepreneurs had significantly more wealth than full-time entrepreneurs; age had a curvilinear effect and income a linear effect. Over time, however, no significant difference in household wealth was found between full-time and part-time entrepreneurs.

Endnotes

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