Learning to Launch*

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Abstract

We document that "pedigreed" entrepreneurs, those with prior work experience at large, public firms, create startups that outperform. We link startup financial and real outcomes to founders' employment histories by combining LinkedIn profiles with VentureXpert startup data. Our sample contains 10,142 startups total, of which 6,410 were founded by pedigreed entrepreneurs. Pedigreed startups secure more financing rounds, raise larger amounts of financing, scale their workforce faster, file more patents, and have better exits. We employ a novel instrument based on M&A activity to instrument for founder pedigree and estimate the causal impact of pedigree on startup performance. We find evidence that this outperformance is consistent with investors viewing the founding team's pedigree as a signal of domain knowledge, rather than general quality.

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1 Introduction

New firm creation is important for business dynamism and competition, but entails substantial personal risks. Therefore, understanding the factors that drive successful entrepreneurship is important. A natural starting point is the founder's background. As documented in Gompers et al. (2020) and Bernstein, Korteweg, and Laws (2017), venture capitalists consider the founding team to be an important determinant of their investment decisions. A potentially salient characteristic of the founding team is the team's pedigree, the presence of prior work experience at public firms. In this paper, we examine the impact of founder pedigree on startup performance.

Multiple theories can justify basing investment decisions upon entrepreneur pedigree. When startup success depends in part upon the ability to raise subsequent rounds of funding, any characteristic thought to be desirable to later-stage investors will also be desirable to early-stage investors. We label this as a behavioral explanation because it is independent of economic fundamentals and instead relies only on the beliefs of investors. Alternatively, pedigree may be valuable because it is a signal of future successful outcomes. We label this as a rational explanation because it implies that pedigree is related to observable firm outcomes.

Within the rational framework, there is still the question as to what economic mechanism drives the relationship between pedigree and startup performance. We consider two potential mechanisms: (i) general founder ability, and (ii) industry-specific domain knowledge. The general founder ability mechanism is based on the idea that prior public firm experience reflects general human capital, which may be important for startup success regardless of industry. The industry expertise mechanism is based on the idea that founders are more productive in industries in which they have prior experience.

Distinguishing between these hypotheses is challenging because prior resume experience reflects a hiring decision made based on unobservable characteristics likely to be correlated with founder ability. Consider the example of a startup founded by ex-Google employees. According to Crunchbase, Google alumni have founded almost 900 U.S.-based companies,

of which approximately 58% have received funding.[1] For a prospective investor, the fact that an entrepreneur worked at Google is a signal he or she is smart and capable enough to make it through Google's hiring process. This selection effect makes it difficult to distinguish between the founder's ability and the experience he or she gained at Google. To address this challenge, we use an instrumental variables approach based on past mergers and acquisitions (M&A) activity. We use the fact that a founder's prior employer was acquired by a public firm as an instrument for the founder's prior public firm experience. Empirically, we find that the instrument is relevant – employees of acquired companies go on to work for the acquiring firm. The instrument satisfies the exclusion restriction as long as the acquisition was unrelated to the future-founder's ability. We argue that this is likely to be the case because acquisitions are driven by the acquirer's desire to obtain the target's assets and the contribution of an individual employee towards the value of the target's assets is likely to be small.

To study these questions, we combine resume data from LinkedIn with startup funding data from VentureXpert. Our sample consists of 10,142 unique venture-backed startups that are founded by non-serial entrepreneurs and for which we are able to identify profiles of the founding team. We identify founders with public firm experience and those who gained public firm experience through M&A by merging founder resume data with CRSP/Compustat and SDC Platinum, respectively.

Using the fraction of the founding team with public firm experience gained from M&A as an instrument described above, we estimate that a one standard deviation increase of 44 percentage points in the fraction of the founding team with public firm experience increases the number VC financing rounds by 23.7, 18.7, and 12.1 percent within 1, 3, and 5 years of founding, respectively. We find that the amount of financing received is also higher by 36.8, 46.7, and 34.8 percent over those time horizons. These results show that founding team pedigree plays a significant and causal role in initial fundraising success.[2]

1. We investigate our coverage of startups founded by ex-Google employees (and other publicly traded firms) in Table 1. Our matched dataset contains 335 startups founded by ex-Google employees, which is close to the aggregate number of around 400 such startups reported in Crunchbase.

2. Choi et al. (2021) documents that the unexpected death of a founding team member has negative impacts on subsequent startup performance. The relative importance of business and management has been studied in prior work by Kaplan, Sensory, and Strömberg (2009).

We test whether founding team pedigree translates to faster startup scaling through recruitment and higher output in innovation via patenting since startup founding. We estimate that a one standard deviation increase in the fraction of the founding team with public firm experience increases employment growth by 221, 33, and 30 percent and the number of new patent filings by 20.0, 14.3, and 11.6 percent within 1, 3, and 5 years of startup founding, respectively. These patents are also of higher quality as measured by the higher number of forward citations within 3 years of being granted.[3]

In terms of exit performance, we find that startups with a one standard deviation higher fraction of pedigreed founders are 9.3 percentage points more likely to be acquired. Such startups also have a 9.8 and 9.4 percentage points higher likelihood of being acquired at a transaction value that is two and three times the total VC investments received, respectively.

Our results have additional implications for the literature on entrepreneurship. We document that the exodus of employees from public firms to pursue entrepreneurship leads to the creation of high quality startups.[4] These cross-firm linkages between large firms and the startups founded by their former employees may be a potential explanation for the the observed pattern of innovation clusters (Porter 1998).

Our findings also have practical implications for individuals considering entrepreneurship. An individual considering future entrepreneurial activity may be more inclined to first work at a public firm based on our findings that doing so leads to better startup outcomes. While a "learning-by-doing" approach (Arrow 1962; Rosen 1972) might suggest that working at a startup is the natural way to improve your own future startup's outcomes, we find that, by first working at a public firm, not only does the prospective founder increase their chances of receiving funding, the startup itself also tends to have better outcomes.

3. We use employment and patenting activity as measures of startup scaling. In related work, Eisenhardt and Schoonhoven (1990) relates characteristics of founding teams to sales growth in U.S. semiconductor startups and finds that prior employment to be significant. Chatterji (2008) studies the role of prior industry experience in medical devices startup performance.

4. Our study examines startup outcomes conditional on the decision to become an entrepreneur. This is complementary to studies which document the determinants of entrepreneur spawning levels (Gompers, Lerner, and Scharfstein 2005) such as exposure to entrepreneurship (Babina and Howell 2018; Wallskog 2022; Kim 2022), the importance of employer finance distress for the decision to become an entrepreneur (Babina 2019), and the high quality startups created by counterfactual public firm employees (Hacamo and Kleiner 2021).

2 Data Sources and Sample Construction

We employ rich data from multiple sources to understand how non-serial entrepreneurs' past work experience affects their startups' funding and real outcomes. This section summarizes the data that we use in the analysis. A comprehensive description is in Appendix A.

We begin with a sample of venture-capital-backed startups incorporated in the United States from the VentureXpert database. We then keep the startups for which we can identify the founders' LinkedIn profiles, which we obtain through Revelio Labs. This is accomplished by fuzzy string-matching the startup names in VentureXpert to the universe of employer names on LinkedIn and filtering for only those individuals that identify themselves as founders or co-founders in their job titles. We also cross-check the identified founders with the founder names that VentureXpert provides for some startups.

We are able to identify 10,142 VC-backed startups founded between 1996 and 2017 whose founders had LinkedIn profiles (see Figure 1 for founding frequency by year). 41 percent of our sample of startups are headquartered in California, while 19 percent are located in Massachusetts and New York combined. Figure 2 shows a heat map of VC-backed startups by headquarter state.

The LinkedIn profiles contain self-reported data on, among other details, educational background and work experience. From a LinkedIn profile's past work experiences, we obtain employer names, job start and end dates, and job titles of user's present and past positions. To identify those employers that correspond to public firms, we rely on the Compustat `GVKEY` identification number assignments provided by Revelio Labs. Revelio Labs also identify each profile's gender, education level, as well as other types of past employment using the O*NET system—a standardized classification system for occupations in the U.S. economy. For educational level, we create indicators for whether an MBA and doctorate was obtained prior to founding a startup. Table 2 reports summary statistics for key startup and founding team characteristics we use in our main analysis, which include the average years of total work experience of the founding team and the fraction of founders that are female, were management consultants, earned an MBA, earned a doctorate, and earned a degree from an Ivy League university.

Our main outcome variables of interest, summarized in Table 3, are VC financing, net employment growth, and patenting activity occurring over a fixed window of time since startup founding. VC financing information is provided by VentureXpert. As VC-backed startups are a major source of innovation in the U.S. (e.g., Kortum and Lerner (2001); Decker et al. (2014); and Gornall and Strebulaev (2021)), we analyze startup innovation output through their patenting activity. Patent filing data is retrieved from the PatentsView database, which is provided by the U.S. Patent and Trademark Office (Marco et al. (2015)). Lastly, we also evaluate long-term effects of founder characteristics by looking at whether the startup has a successful exit. Successful startups usually go public or exit through M&A (e.g., Gompers et al. (2010); Ewens and Rhodes-Kropf (2015)). IPO and M&A dates are collected from Thomson Reuter's SDC Platinum and Compustat.

As we will describe in Section 3, our empirical strategy relies on variation in past work experiences induced by M&A activity. To identify those employers that correspond to private targets acquired by public firms, we fuzzy string-match a list of target firm names from Thomson Reuter's SDC Platinum to LinkedIn employer names. We manually inspect the set of matched firm names. Following prior studies, we require that the deal be in the form of a merger, an acquisition of majority interest, or an acquisition of assets.[5] The deal must also be a control bid in which the acquirer owns less than half of the target firm's outstanding shares before the deal and aims to own more than half after the deal.

Characteristics of VC-backed startups. Figure 1 plots founding year frequencies of VC-backed startups in our sample. The number of VC-backed startups ranges from 125 in 2017 to 712 in 2011. As shown in Table 2, 76 and 13 percent of the startups in our sample operate in the high tech and biotechnology industries, respectively.

Table 2 show additional summary statistics of the founders. Startups within our sample on average have 1.9 co-founders. On average, 11 percent of the founding team are female. With respect to work experience, on average 51 percent of the founding team had held positions at public firms and 9 percent were management consultants. The average founding team has about 10 years of work experience. With respect to educational background, 10

5. For example, this restriction is present in Betton, Eckbo, and Thorburn (2008) and Bessembinder, Cooper, and Zhang (2019).

percent of the founding team have MBAs, 12 percent have doctorates, and 11 percent have degrees from Ivy League universities. We also identify founders who are inventors by fuzzy-string matching founder full names and past employers with inventor and patent assignee names from the PatentsView database. We find that on average 9 percent of the founding team are associated with granted patents prior to founding their startup.

3 Empirical Methodology

We are interested in the effect of the founding team's past work experiences on startup outcomes. However, this relationship is potentially confounded by unobserved founder characteristics. It is natural to assume that high-quality founders were also high-quality employees, and were hired by public firms as a result. In this case, better startup outcomes for these founders could be due to their higher unobserved quality, rather than a causal effect of their past work experience. To address this concern, we exploit the fact that public firms acquire private firms, and that the employees of these private firms are typically hired by the acquiring public firms. This provides us with a natural source of exogenous variation in past work experience. The intuition is that if an employee became an employee of a large public firm due to M&A activity, rather than through their own merit, then the employee's past work experience is exogenous to their unobserved quality. In this case, we can use the variation in past work experience induced by M&A activity to identify the causal effect of past work experience on startup outcomes. Importantly, this strategy allows us to ascribe a causal interpretation to our regressions even absent perfect measures of human capital. This advantage notwithstanding, we still include several proxies for human capital in our regressions as controls.

Estimating Equation. To estimate the effect of the founding team's past work experiences on startup outcomes, we use the instrumental variable (IV) approach. We begin by

estimating the following equation:

$$\begin{aligned} y_i = \beta_2 \cdot \%\text{Public Firm Exp.}_i \\ + \gamma_2 \cdot \text{Startup Characteristics}_i \\ + \delta_2 \cdot \text{Founder Characteristics}_i + \varepsilon_{2,i} \end{aligned} \tag{1}$$

where y denotes one of several outcome variables related to startup performance. %Public Firm Exp. is the fraction of the founding team that have been previously employed at public firms. Startup characteristics include interacted MSA-industry-founding-year fixed effects. Founding team characteristics include the fraction of females, fraction with management consulting experience, fraction of inventors, average founder work experience (after taking the natural logarithm), fraction with MBAs, fraction with doctorates, and fraction with degrees from Ivy League universities. To address endogeneity concerns due to unobserved human capital, we instrument the endogenous variable %Public Firm Exp. using the fraction of the founding team with public firm experience gained through M&A activity, post-acquisition: $\%\text{Public Firm Exp.}^{\text{M\&A}}$. This latter variable is the fraction of the founding team who were non-executive employees at private firms that was acquired by public firms during the founders' tenure. Specifically, we estimate:

$$\begin{aligned} \%\text{Public Firm Exp.}_i = \beta_1 \cdot \%\text{Public Firm Exp.}_i^{\text{M\&A}} \\ + \gamma_1 \cdot \text{Startup Characteristics}_i \\ + \delta_1 \cdot \text{Founder Characteristics}_i + \eta_{1,i} \end{aligned} \tag{2}$$

where a 1-subscript denotes first-stage coefficients and a 2-subscript denotes second-stage coefficients. The intuition is that this was "extra" public firm work experience that the founder gained on their resume, ensuring the relevance of our instrument. As long as the acquisition of the target was unrelated to the founder's own human capital, our instrument also satisfies the exclusion restriction, making it a valid instrument.

First Stage Results. The first-stage results, presented in Table 4, demonstrate the relationship between the fraction of founders with public firm experience due to M&A on the

fraction of founders with total public firm experience prior to startup founding. In column (1), we find that the coefficient on the fraction of founders with public firm experience due to M&A equals 0.564 and is significant at the 1% level.[6] In column (2), we include startup-level controls via MSA-industry-founding year fixed effects. In column (3), we additionally include controls for founding team characteristics. The magnitude of the coefficient of the instrument remains stable around 0.5 is statistically significant at the 1 percent level. A one standard deviation increase in the fraction of founders with public firm experience due to M&A (0.23) translates into an increase of 13 percentage points in the fraction of founders with public firm experience (or 25 percent increase relative to sample average of 51%). By construction, our instrument is not weak; the Kleibergen-Paap rk Wald F-statistic equals 2,312.07.

Overall, the first-stage results indicate that the fraction of founders with public firm experience from M&A has a strong effect on the fraction of founders with any public firm experience by construction. Moreover, this effect seems to be orthogonal to the control variables considered.

The Exclusion Restriction Condition. A key assumption of our empirical strategy is that M&A activity was unrelated to the founder's own human capital. This would be violated if the acquisition of the target was done with the motivation of hiring a single individual, or if the human capital of the founder materially contributed to the value of the target. For example, Tate and Yang (2016), Lee, Mauer, and Xu (2018), Lagaras (2017), Ouimet and Zarutskie (2020), Chen, Gao, and Ma (2021), and Chen, Hshieh, and Zhang (2022) show that some acquisitions may be driven by human capital complementarities between the target and acquirer. We account for the the possibility that founders were hired previously by acquirers specifically for their talents by including several skills and experience related variables as controls in Equations (1) and (2). Moreover, this concern is mitigated through our exclusion of serial entrepreneurs who have a proven track record.

In some cases, the target may be acquired as part of the agreement to hire a founder. For

6. If the assignment to treatment was perfect and founders had no other work history besides having worked at the target firm, then we would expect a coefficient of exactly one. The coefficient is less than one due to the fact that some co-founders gained public firm experience in other ways (e.g., direct employment).

example, in 2016 Ottomotto, LLC was acquired by Uber and a stated motivation for the transaction was to have Anthony Levandowski, one of Otto's co-founders, run Uber's self-driving division. To exclude these types of transactions, in the construction of %Public Firm Exp.$^{M\&A}$ for the founders of startup i, we exclude past work experiences at firms in which the founders of startup i held executive positions at private firms that were acquired by public firms.[7]

As a robustness check, we test whether our baseline estimates differ for startups founded by employees of firms that had an initial public offering (IPO) in Section 4.4. If the founder of startup i previously worked at firm j pre- and post-IPO, this is another way in which the founder gained "extra" years at a public firm despite being hired by a private firm. We believe this is an especially demanding test because having worked at a firm that had an IPO can potentially convey a "halo" effect and be a signal of high-quality human capital. To summarize, we find no statistically significant difference in startup financial performance between IPO-derived and non-IPO-derived public firm experience and after conditioning on the target multiple of the prior M&A activity, suggesting that the activity was not driven by the then-employee's general ability, which is consistent with our exclusion restriction.

4 Effects of Founder Pedigree on Startup Outcomes

This section first presents the full-sample effects of founder pedigree on startup funding outcomes (Section 4.1). We then present the full-sample effects of founder pedigree on operating outcomes (Section 4.2). We then focus on which industries drive these results (Section 4.4). Finally, we present robustness tests (Section 4.5).

4.1 Funding Effects

Our primary measure of startup performance is VC financing activity occurring over a fixed time horizon since being founded. We use VC financing as a performance measure since VC firms seek to fund successful startups (Gompers (2022)). Table 3 presents summary statistics on VC funding. In our sample, within one year of foudning, startups secure an average of

7. We identify executive positions through job titles from LinkedIn that contain at least one of the following keywords: chief, officer, founder, ceo, cfo, cto, and coo.

0.81 rounds of venture capital financing and raise on average $5.48 million. Within 3 years of founding, the number of VC financing rounds and total amount raised increases to 1.86 and $15.21 million, respectively. Within 5 years of founding, startups have 2.64 rounds of VC financing while on average raising a total of $24.23 million.

In columns (1) through (3) of Table 5, we report the OLS estimation results of Equation (1) and find the fraction of founders with public firm experience has a statistically significant relationship with the number of VC financing rounds. A one standard deviation increase of 0.44 in the fraction of the founding team with public firm experience leads to an increase of 4.4, 4.5, and 3.2 percentage points in the number of VC financing rounds within 1, 3, and 5 years of founding, respectively.[8] These point estimates are statistically significant at the one percent level. Over the same three time horizons, we use the fraction of public firm experience due to M&A to instrument the fraction of total public firm experience in columns (4) through (6) and find that IV estimates are stronger: a one standard deviation increase in the fraction of public firm experience increases the number of VC financing rounds by 23.7, 18.7, 12.1 percent; these point estimates are statistically significant at the 1 percent level.

We find similar results for VC funding amounts. In columns (1) through (3) of Table 7, the estimated effect of the fraction of the founding team with public firm experience from Equation (1) is statistically significant at the 1 percent level within 1, 3 and 5 years of founding, respectively. A one standard deviation increase in the fraction of the founding team with public firm experience increases the amount of VC funding received by 8.2, 12.8, and 10.2 percent within 1, 3, and 5 years of founding for the average startup in our sample, respectively. Columns (4) through (6) report the IV estimates: a one standard deviation increase in the fraction of the founding team with public firm experience leads to an increase in VC financing amount by 36.8, 46.7, and 34.8 percent within 1, 3, and 5 years of founding the startup, respectively. Point estimates here are statistically significant at the 1 percent level.

An alternative econometric specification is to condition on receiving the first round from

8. With the inverse hyperbolic sine transformation of the dependent variables, our regression has the following form: $\ln(Y + \sqrt{Y^2 + 1}) = a + bX + u$. For each unit change in X, the percent change in Y is approximated by its semi-elasticity with respect to X: $\frac{\partial Y}{\partial X} \times \frac{1}{Y} = b\sqrt{1 + \frac{1}{Y^2}}$. For details, see Bellemare and Wichman (2020).

VC investors and then estimate the relationship between public firm experience and VC financing amount. In Table 10, our IV estimate in column (2) is significant at the 5 percent level: a one standard deviation increase in the fraction of the founding team with public firm experience increases the amount of VC financing by 9.1 percent. Note that startup time to receive the first round may differ.

In sum, our IV estimates suggest that founding team pedigree leads to more rounds of VC financing but also larger funding sizes.

4.2 Operational Effects

Firm-level outcomes for startups are inherently noisy due to differences in horizon and firm productivity. For this reason, our results in Tables 5, 6 and 10 are based on the funding decisions of venture capitalists. To the extent that venture capitalists make rational funding decisions taking into account their best forecast of future business outcomes, these results are informative about the expected future performance of these startups. This constitutes the so-called "rational" mechanism that pedigree can matter. An alternative hypothesis is that pedigree is a coordinating device for venture capitalists, in which early stage investors are comfortable investing in pedigreed startups because they know that late stage investors are also willing to invest in pedigreed startups. This alternative "behavioral" mechanism applies to any public information and does not require pedigree to be related to future startup outcomes.

To distinguish between these two mechanisms, we examine the impact of pedigree on innovation output as measured by patenting activity since founding and startup scaling as measured by net employment growth since founding. Finding a positive effect implies that VCs are able to predict real startup output based on pedigree information of the founding team.

Tables 7 and 8 present the innovation output results. The first row of columns (1), (2), and (3) report the estimated endogenous OLS effects of the fraction of the founding team with public firm experience on patent filings within 1, 3, and 5 years of startup founding. Over these time horizons, OLS estimates are positive but not statistically significant. The IV estimates in columns (4), (5), and (6) are statistically significant at the 1 percent level.

Specifically, we find that a one standard deviation increase in the fraction of founding team with public experience increases the number of patent filings by 20 percent with 1 year of founding, 14.3 percent within 3 years of founding, and 11.6 percent within 5 years of founding. A similar pattern emerges for the quality of those patents filed when investigating their forward citations made by other patents within 3 years of their grant date as reported in Table 8. Specifically, we find that the number of unique patent citations increases by 13.9 (statistically significant at the 1 percent level), 13.7 (statistically significant at the 1 percent level), and 11 percent (statistically significant at the 5 percent level) within 1, 3, and 5 years of startup founding, respectively.

Table 9 presents the workforce scaling results. The first row of columns (1), (2), and (3) report the estimated endogenous OLS effects of the fraction of the founding team with public firm experience on net employment growth. We find that a one standard deviation increase in the fraction of the founding team with public firm experience increases net employment growth by 66.9 (statistically significant at the 1 percent level), 9.13 (statistically significant at the 5 percent level), and 8.14 percent (statistically significant at the 10 percent level) within 1, 3, and 5 years of startup founding, respectively. The IV estimations in columns (4), (5), and (6) report a 200 (statistically significant at the 1 percent level), 33 (statistically significant at the 5 percent level), and 30.3 percent (statistically significant at the 10 percent level) increase within 1, 3, and 5 years of startup founding, respectively. While these magnitudes appear large, we note that the average headcount, excluding the founder themselves, ranges between 0.06 and 2.52 (see last row in Table 9). These findings perhaps suggest that founders, through public firm experience, bring with them social connections that allow them to find suitable team members early on in their business formation.

Overall, the results documented in this section support the rational mechanism described above. We show that pedigree can matter in predicting future startup operating performance when past performance information is not available or nonexistent.

4.3 Startup Exit

To further test the rational mechanism, we can also measure startup performance based on whether VCs are able to exit their investments, which is typically done through M&As

or IPOs. Table 11 reports the effect of the founding team pedigree on the likelihood of being acquired and going IPO. The dependent variable in columns (1) and (5) is a dummy for whether the startup is acquired. In columns (2) and (6), the dependent variable is a dummy for whether the startup is acquired at twice the total VC investments received. The dependent variable in columns (3) and (7) is a dummy for whether the startup is acquired for 3 times the total VC investment. Columns (1) through (3) report OLS estimates, while columns (5) through (7) report IV estimates. Based on IV estimates, we find that a one standard deviation increase in the fraction of founding team with public firm experience leads increases the likelihood of being acquired by 9.3 percentage points, which is statistically significant at the 5 percent level. An increase of 9.3 percentage points is a 25 percent increase relative to the sample average M&A probability of 37 percent. We also find that the likelihood of being acquired with a transaction value at least twice and three times the total VC investments received increases by 9.8 percentage points (statistically significant at the 5 percent level) and 9.4 percentage points (statistically significant at the 10 percent level), respectively. These magnitudes are economically significant as it represents 28 and 29 percent of the sample averages of 33 and 34 percent likelihood, respectively. These results suggest that founder pedigree can improve the chances of VCs making a positive return on their investments.

In terms of going public, we find that founding team pedigree offers no predictive power as shown in column (8) of Table 11, respectively. This result perhaps suggest that information derived for the founding team characteristics at startup founding is of limited value in forecasting extreme right tail outcomes.

4.4 Effects by Industry

For reasons of statistical power, our main analysis is on a pooled sample of startups founded by non-serial entrepreneurs. To account for differences in average-startup quality across industry, our main specification includes industry fixed effects (interacted with metropolitan statistical area and founding year). However, it is possible that the effect of pedigree varies by industry, which would not be captured by an industry fixed effect. To examine this possibility, we estimate our main specification using only firms in the high tech industry

(e.g., computer hardware/software, internet, etc.), the largest industry in our sample, as well as using only firms in the biotech industry (e.g., pharmaceutical, medical devices, etc.), the second largest industry in our sample. These results are presented in Tables B.1-B.4 and B.5-B.8, respectively.

The subsample results for startups in the high tech industry is comparable to the pooled sample results in Tables 5-7. As shown in the IV results in columns (4), (5), and (6) of Table B.1, a one standard deviation increase of 0.44 in the fraction of the founding team with public firm experience leads to an increase of 21.8, 17.7, and 11.6 percent in the number of VC financing rounds within 1, 3, and 5 years of founding, respectively. These point estimates are all statistically significant at the 1 percent level. In terms of funding amount, a one standard deviation increase in the share of founders with public firm experience leads to a 34.7, 46.5, and 35.6 percent increase in financing amount over 1, 3, and 5 years of founding, respectively. Similarly, these point estimates are all statistically significant at the 1 percent level (see Table B.2). The increase in the number of patent filings are also positive and statistically significant at the 1 percent level in response to founders having public firm experience. As shown in Table B.3, a one standard deviation increase in the share of founders with public firm experience increases patent filings by 20.3, 16.8, and 13.9 percent over 1, 3, and 5 years since startup founding, respectively. Lastly, Table B.4 shows that the founders' public firm experience effects are statistically significant in both the OLS and IV specifications. In the IV specifications of columns (4), (5), and (6), we see that a one standard deviation increase in the fraction of founders with public firm experience leads to net employment growth of 144.6, 40.8, and 42.8 percent within 1, 3, and 5 years of startup founding. These point estimates are statistically significant at the 1 percent level.

In contrast, the effects of public firm experience are not statistically significant for biotech startups in the IV specifications in Tables B.5-B.8. At face value, these results suggest that the time it takes to develop a viable product (e.g., medical devices, pharmaceutical drugs, etc.) is much longer than the time needed for high tech startups. Hence, founding team characteristics may be secondary to the characteristics of the product, which we do not observe. The null result for subsequent patenting could be due to the fact that having key patents in hand (e.g., on a chemical compound) is typically required before seeking VC

fundraising for biotech startups.

In sum, the subsample analysis suggests that our results are driven by high tech startups, where innovation is likely built on or derived from preexisting technologies. Public firm experience, particularly from computer hardware/software or internet-based companies, may convey additional information to investors on the viability and practicality of a startup's business idea.

4.5 Robustness Tests

Because we employ an IV approach to study the causal impact of pedigree, we need to be certain of both the relevance of our instrument as well as the fact that it satisfies the exclusion restriction. The relevance of the instrument can be seen in Table 4. As we argued in Section 3, the instrument is likely to satisfy the exclusion restriction because acquisitions are based on the acquirer's desire to acquire the target's assets or talent pool. The contribution of an individual employee towards the value of these firm-level assets is likely to be small.[9]

In Table 13 we test the exclusion restriction by examining the relationship between: (i) the multiple paid for the target firm which employed entrepreneur e, and (ii) the outcomes of entrepreneur e's startup. Specifically, we calculate the average M&A returns multiple (i.e., acquisition value divided by total VC investments received) that gave public firm experience to the founding team and estimate its interaction effects with founding team pedigree in the IV framework on VC funding activity within 1, 3, and 5 years of startup founding. We find that the fraction of the founding team with public firm experience has essentially no differential effects on the number of VC financing rounds (columns (1) through (3)) or VC financing amounts (columns (5) and (6)) given higher M&A exit multiples. In column (4), the average M&A exit multiple appears to even have a negative effect (statistically significant at the 1 percent level). These results suggest that our identifying variation is unlikely to be driven by the founding team's own human capital.

A similar exercise is conducted in Table 12 where we test whether our baseline estimates differ for startups founded by employees of firms that had an IPO. If the founding team

9. This is especially true in states like California, in which non-competes are unenforceable and thus individual employees can easily be "poached" by competitors.

member of startup i previously worked at firm j pre- and post-IPO, this is another way in which the co-founder gained additional years at a public firm despite being hired by a private firm. We calculate the fraction of the founding team that gained public firm experience through IPO and estimate its interaction effects with founding team pedigree in the IV framework on VC funding activity within 1, 3, and 5 years of startup founding. Similar to above, we find generally no statistically significant difference in VC likelihood (columns (1) through (3)) or VC funding amount (columns (4) through (6)), with the exception of column (3) in which the estimated coefficient on the interaction is negative and statistically significant at the 10 percent level.

On balance, our robustness checks suggests that our instrument is not driven by the target's human capital or innate ability of the startup's founding team.

5 Mechanisms

In this section, we examine why founder pedigree matters for startup outcomes. Two possibilities are: (i) pedigree is valuable because it signals high quality, an innate founder characteristic, and (ii) pedigree is valuable because it signals relevant experience, an acquired founder characteristic. Distinguishing between these two mechanisms is relevant for the interpretation of our results. If pedigree is valuable because it signals relevant experience, then that suggests a spillover from established firms within an industry whose employees join, gain relevant experience, and eventually leave to found high quality startups. Policies designed to encourage entrepreneurially-minded employees to work at public firms would then be expected an effect of improving the eventual startups' quality. Alternatively, if pedigree is valuable because it signals high ex-ante quality, then encouraging potential entrepreneurs to gain experience at public firms is of limited benefit.

We examine the first channel by studying the relationship between founder pedigree and startup outcomes as a function of tenure at the public firm. Specifically, we estimate the following two stage least squares regression:

$$
\begin{aligned}
y_i = \beta_2 \cdot \hat{D}(\text{Public Firm Exp.})_i \\
+ \kappa_2 \cdot \widehat{\text{Public Firm Exp.}}_i \\
+ \theta_2 \cdot \text{Startup Performance}_i \\
+ \gamma_2 \cdot \text{Startup Characteristics}_i \\
+ \delta_2 \cdot \text{Founder Characteristics}_i + \varepsilon_{2,i}
\end{aligned}
\tag{3}
$$

with first stage

$$
\begin{aligned}
\text{D(Public Firm Exp.)}_i = \beta_{11} \cdot \%\text{Public Firm Exp.}_i^{\text{M\&A}} \\
+ \kappa_{11} \cdot \text{Avg. Tenure}_i \\
+ \theta_{11} \cdot \text{Startup Performance}_i \\
+ \gamma_{11} \cdot \text{Startup Characteristics}_i \\
+ \delta_{11} \cdot \text{Founder Characteristics}_i + \eta_{11,i} \\
\text{Public Firm Exp.}_i = \beta_{12} \cdot \%\text{Public Firm Exp.}_i^{\text{M\&A}} \\
+ \kappa_{12} \cdot \text{Avg. Tenure}_i \\
+ \theta_{12} \cdot \text{Startup Performance}_i \\
+ \gamma_{12} \cdot \text{Startup Characteristics}_i \\
+ \delta_{12} \cdot \text{Founder Characteristics}_i + \eta_{12,i}
\end{aligned}
\tag{4}
$$

where D(Public Firm Exp.) is an indicator variable taking a value of 1 when at least 1 founder has had a positive number of years at public firms and 0 otherwise, and Public Firm Exp. is the number of years at public firms. These endogenous variables are instrumented by $\%\text{Public Firm Exp.}^{\text{M\&A}}$ and Avg. Tenure. The former is the fraction of the founding team with public firm experience gained through M&A, and the latter is the estimated job-matched (i.e., via O*NET job codes) average employee tenure of public firms at which founders were employed. If pedigree is valuable because it shows that the founder made it through the rigorous hiring standards of their prior employer, then we should see a positive coefficient β_2 on the instrumented D(Public Firm Exp.) in Equation (4). Alternatively, if pedigree

is valuable because it shows that the founder has relevant experience, then the amount of experience acquired is increasing in tenure. We should then see a positive coefficient κ_2 on Public Firm Exp. in Equation (4).

The estimated IV results on VC financing outcome variables are reported in Tables B.9. All else equal, we find that public firm tenure has a positive effect on VC financing. Each additional year of public firm experience beyond the first year increases the number of VC financing rounds by 12.4 (statistically significant at the 1 percent level), 8.9 (statistically significant at the 1 percent level), and 4.8 percent (statistically significant at the 10 percent level) within 1, 3, 5 years of startup founding, respectively. VC financing amount increases by 18.6, 22.1, and 14.6 percent for each additional year of public firm experience obtained by the founding team within 1, 3, and 5 years of startup founding, respectively. These findings support the hypothesis that pedigree is primarily valuable because it signals relevant experience.

Alternative Measures of Experience As additional suggestive evidence regarding the underlying economic mechanism, we examine alternative resume items that convey relevant experience. Tenure at a public firm is not the exclusive way to gain experience, and we construct variables from founders' LinkedIn profiles that capture other ways to gain experience. We calculate the fraction of founders that had any prior experience at a VC firm and the fraction of founders that had any prior experience at a management consulting firm. The former indicates familiarity with the venture capital industry, and the latter indicates broad familiarity with management. For each measure, we estimate the two stage least squares regression in Equations (1) and (2) that include the interaction between the measure and the fraction of founders with public firm experience to investigate any joint effects.

Overall, we find that management consulting is mostly irrelevant and VC industry experience increases the founders' ability to secure VC financing. Table 6 reveals that a one standard deviation increase in the fraction of founders with VC industry experience (0.19) increases VC funding amount by 8.4, 7.1 and 6.5 percent within 1 3, and 5 years of startup founding. The estimated coefficients on the fraction of founders with VC industry experience in columns 4 through 6 of Table 6 are statistically significant at the 1 percent level.

While management consulting do not appear to enhance the effects of the experience gained from public firms or vice versa (see Table B.11, we show some evidence that VC industry experience complements public firm experience. As documented in Table B.10, we find that the interaction effect of VC industry experience and public firm experience on securing VC financing to be statistically significant at the 5 percent level within 5 years of startup founding. This consistent with the idea that VC industry experience may offer founders contacts with VC firms to secure VC financing.

In sum, the results from our cross-sectional analysis over alternative measures of experience indicate that pedigree is valuable because it signals relevant experience.

Herding-based Explanations A specific manifestation of quality that can explain the positive relationship between founder pedigree and startup outcomes is that pedigree is valuable because it enables the founder to raise more money from investors. When firms are financially constrained, availability of credit itself is valuable. We call this a herding-based explanation to: (i) distinguish it from operating-relevant measures of quality and (ii) emphasize that any characteristic that leads investors to believe that the founder is skilled at fundraising can achieve the same result.[10]

To test this explanation, we estimate the following two stage least squares regression similar to Equations 1 and 2:

$$\begin{aligned} y_i &= \beta_2 \cdot \%\text{Public Firm Exp.}_i \\ &\quad + \theta_2 \cdot \text{Startup Performance}_i \\ &\quad + \gamma_2 \cdot \text{Startup Characteristics}_i \\ &\quad + \delta_2 \cdot \text{Founder Characteristics}_i + \varepsilon_{2,i} \\ \%\text{Public Firm Exp.}_i &= \beta_1 \cdot \%\text{Public Firm Exp.}_i^{\text{M\&A}} \\ &\quad + \theta_1 \cdot \text{Startup Performance}_i \\ &\quad + \gamma_1 \cdot \text{Startup Characteristics}_i \\ &\quad + \delta_1 \cdot \text{Founder Characteristics}_i + \eta_{1,i} \end{aligned} \tag{5}$$

10. More formally, when funding decisions from multiple investors exhibit strategic complementarity, then beliefs about funding availability are self-fulfilling.

Outcome variable y is VC financing activity occurring over a fixed horizon starting after the startup receives its first round of VC financing. Control variables for startup performance between founding and first round financing are included in both the first and second stages. We use the inverse hyperbolic sine transformed first round financing amount and the inverse hyperbolic sine transformed number of patents filed by the first round as additional controls. This specification tests whether, conditional on the first round of funding, the founding team's pedigree is still relevant in VC fundraising. We find that, after controlling for startup performance prior to the first round of VC investment, founding team pedigree is only marginally predictive of the likelihood of securing additional financing over the next 1, 3, and 5 years. For the IV specifications in Table 14, founders' public firm experience is only statistically significant at the 10 percent level within 5 years of receiving the first VC round (an effect of 7.76 percent per standard deviation increase in the fraction of founders with public firm experience). However, founders' public firm experience continue to play a significant role in the amount of VC financing. In columns (4), (5), and (6) of Table 15, we see that after controlling for past startup performance, a one standard deviation increase in the fraction of founders with public firm experience leads to 18.4, 23.2, and 23.3 percent larger amount of VC financing within 1, 3, and 5 years after receiving the first round of financing. In columns (5) and (6) of Table 16, the funding team's public firm experience also continue to facilitate innovations beyond the first round of VC financing: a one standard deviation increase in the fraction of founders with public firm experience increases the number of patents filed by 33.5 and 31.8 percent over 3 and 5 years after receiving its first VC round (statistically significant at the 5 percent level), respectively. Interestingly, the founding team's public firm experience do not have an impact of workforce scaling after receiving its first round of VC financing. These results are consistent with a signaling-based explanation, in which pedigree is valuable because it is a signal of a high quality startup, even when newer, more-informative signals arrive.

We acknowledge that we offer only suggestive evidence ruling out herding-based explanations. Furthermore, we acknowledge that data limitations constrain our ability to generalize our results. VentureXpert contains only startups that eventually obtained funding, and we find it likely that startups which never obtain funding differ substantially from startups that

raise at least one round of funding. Given the limitations of our data, we leave this question for future research.

6 Conclusion

We document that startups founded by pedigreed entrepreneurs outperform. This out-performance begins with funding, but extends to operating results once funded. Given the importance of new business dynamism and the large risks inherent to entrepreneurship, our findings raise the question of why pedigree leads to better firm outcomes.

Our findings suggest that the operational out-performance is driven by the better fundraising outcomes of pedigreed startups. This is consistent with pedigree being valuable because it signals that the founder is of high quality. Furthermore, we find evidence that this quality takes the form of domain-specific knowledge, rather than general business acumen.

A natural followup question to ask whether the current level of entrepreneurship by employees of public firms is efficient. The answer to this depends on the heterogeneity of employee risk attitudes towards entrepreneurship. It is possible that public firm employees are more risk averse and value the stability of large firm employment, whereas entrepreneurs are more risk tolerant. Another possibility is that public firm employees are more uncertain about the viability of their startup ideas. Both channels have implications for the design of policies to stimulate entrepreneurship and innovation, and we leave this question for future research.

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Table 1: Founder Experience at Publicly-traded Firms

This table reports the top 20 publicly-traded firms in our sample from which founders most frequently gained public firm experience.

	Firm Name	No. Founders	No. Startups
1	Microsoft	650	551
2	IBM	493	474
3	Google	447	335
4	Hewlett Packard	430	394
5	Oracle	364	295
6	Apple	272	257
7	Cisco Systems	267	227
8	AT&T	253	246
9	Intel	238	225
10	Accenture	231	213
11	Yahoo	212	184
12	Sun Microsystems	204	192
13	Motorola	164	146
14	Goldman Sachs	164	156
15	Morgan Stanley	156	150
16	AOL	129	119
17	Amazon.com	121	105
18	Procter & Gamble	86	80
19	Facebook	81	73
20	Ebay	75	61

Figure 1: Startup Frequency by Founding Year

This table reports startup founding frequency by year. The sample includes VC-backed startups in VentureXpert for which their founders are not serial entrepreneurs at the time of founding and have public LinkedIn profiles.

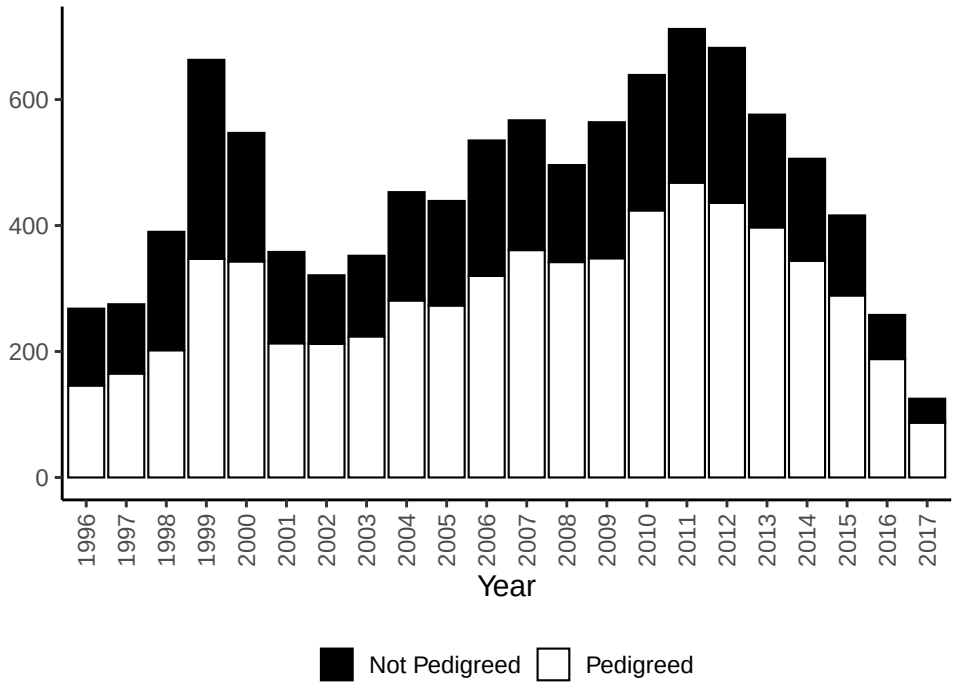

Table 2: Descriptive Statistics of Startup and Founding Team Characteristics

This table reports descriptive statistics of startup and founder characteristics during the founding year. See Table A.1 for detailed description of the variables.

	N	Mean	SD	p5	p25	p50	p75	p95
High Tech	10,142	0.76	0.43	0.00	1.00	1.00	1.00	1.00
Biotech	10,142	0.14	0.34	0.00	0.00	0.00	0.00	1.00
No. of Founders	10,142	1.89	1.27	1.00	1.00	1.00	2.00	4.00
% Female Founder	10,142	0.11	0.27	0.00	0.00	0.00	0.00	1.00
% Mgmt. Consult.	10,142	0.09	0.25	0.00	0.00	0.00	0.00	1.00
% VC Exp.	10,142	0.05	0.19	0.00	0.00	0.00	0.00	0.50
% Inventor	10,142	0.09	0.25	0.00	0.00	0.00	0.00	1.00
Work Exp. (Avg. Yrs)	10,142	10.20	5.92	2.50	6.00	9.00	13.40	21.00
% MBA	10,142	0.10	0.26	0.00	0.00	0.00	0.00	1.00
% Doctorate	10,142	0.12	0.30	0.00	0.00	0.00	0.00	1.00
% Ivy League	10,142	0.11	0.28	0.00	0.00	0.00	0.00	1.00
% Public Firm Exp.$^{M\&A}$	10,142	0.08	0.23	0.00	0.00	0.00	0.00	0.50
% Public Firm Exp.	10,142	0.51	0.44	0.00	0.00	0.50	1.00	1.00
% Public Firm Exp.^{IPO}	10,142	0.06	0.21	0.00	0.00	0.00	0.00	0.50

Figure 2: Startup Founding Frequency by Headquarter State

This table reports VC-backed startup founding frequency by U.S. state/territory. The sample includes VC-backed startups in VentureXpert for which their founders are not serial entrepreneurs at the time of founding and have public LinkedIn profiles.

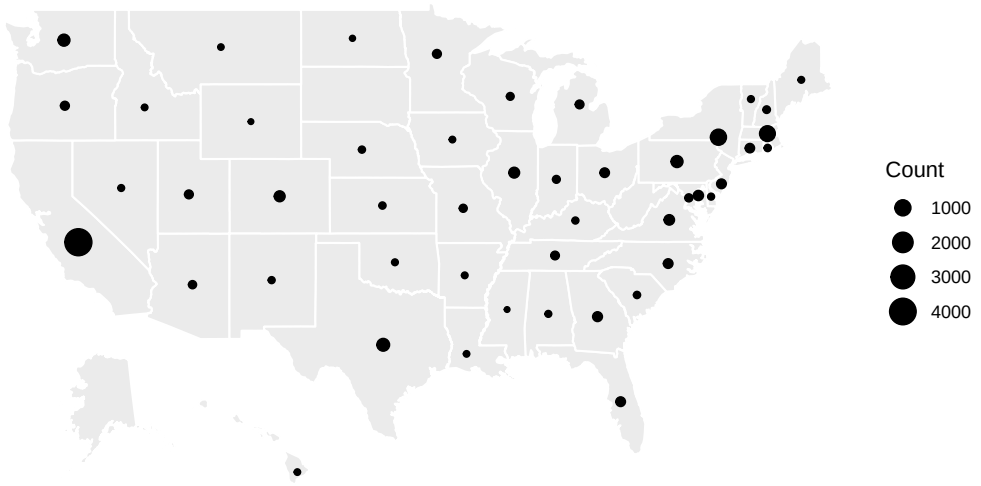

Table 3: Summary Statistics of Startup Performance

This table reports descriptive statistics of startup performance over a fixed time horizon. See Table A.1 for detailed description of the variables.

	N	Mean	SD	p5	p25	p50	p75	p95
Funding Rds 1 Yr since Found	10,142	0.81	0.97	0.00	0.00	1.00	1.00	3.00
Funding Rds 3 Yrs since Found	10,142	1.86	1.58	0.00	1.00	2.00	3.00	5.00
Funding Rds 5 Yrs since Found	10,142	2.64	2.03	0.00	1.00	2.00	4.00	6.00
Funds 1 Yr since Found ($ mm)	10,142	5.48	17.02	0.00	0.00	0.00	4.50	25.00
Funds 3 Yrs since Found ($ mm)	10,142	15.21	34.37	0.00	0.00	4.55	16.40	61.92
Funds 5 Yrs since Found ($ mm)	10,142	24.23	64.53	0.00	1.50	8.31	27.20	93.00
Patents 1 Yr since Found	10,142	0.49	2.50	0.00	0.00	0.00	0.00	3.00
Patents 3 Yrs since Found	10,142	1.51	5.96	0.00	0.00	0.00	1.00	8.00
Patents 5 Yrs since Found	10,142	2.56	9.40	0.00	0.00	0.00	2.00	13.00
3-Yr Pat. Cit. 1 Yr since Found	10,142	0.88	6.79	0.00	0.00	0.00	0.00	4.00
3-Yr Pat. Cit. 3 Yrs since Found	10,142	1.18	6.48	0.00	0.00	0.00	0.00	5.75
3-Yr Pat. Cit. 5 Yrs since Found	10,142	1.30	7.09	0.00	0.00	0.00	0.33	6.17
Net Emp. Gwth 1 Yr since Found	10,142	0.06	0.91	-1.00	-0.75	-0.07	0.67	1.79
Net Emp. Gwth 3 Yrs since Found	10,142	1.51	2.16	-1.00	-0.50	1.00	3.33	5.00
Net Emp. Gwth 5 Yrs since Found	10,142	2.52	3.17	-1.00	-0.48	1.62	5.50	7.50
Funding Rds 1 Yr since 1st Rd	10,142	1.12	1.14	0.00	0.00	1.00	2.00	3.00
Funding Rds 3 Yrs since 1st Rd	10,142	1.82	1.78	0.00	0.00	1.00	3.00	5.00
Funding Rds 5 Yrs since 1st Rd	10,142	2.23	2.29	0.00	0.00	2.00	3.00	7.00
Funds 1 Yr since 1st Rd ($ mm)	10,142	11.22	32.76	0.00	0.00	2.20	12.00	45.75
Funds 3 Yrs since 1st Rd ($ mm)	10,142	20.70	89.19	0.00	0.00	5.12	22.33	79.18
Funds 5 Yrs since 1st Rd ($ mm)	10,142	27.28	135.78	0.00	0.00	6.20	28.80	99.20
First Rd Funds ($ mm)	9,611	7.22	21.24	0.15	1.20	3.10	7.35	24.30
Net Emp. Gwth 1 Yr since 1st Rd	10,142	-0.00	0.05	0.00	0.00	0.00	0.00	0.00
Net Emp. Gwth 3 Yrs since 1st Rd	10,142	-0.00	0.07	0.00	0.00	0.00	0.00	0.00
Net Emp. Gwth 5 Yrs since 1st Rd	10,142	0.00	0.11	0.00	0.00	0.00	0.00	0.00
Acquired	10,142	0.37	0.48	0.00	0.00	0.00	1.00	1.00
Acquired 2x Inv.	10,142	0.34	0.47	0.00	0.00	0.00	1.00	1.00
Acquired 3x Inv.	10,142	0.33	0.47	0.00	0.00	0.00	1.00	1.00
IPO	10,142	0.00	0.02	0.00	0.00	0.00	0.00	0.00

Table 4: Public Firm Experience from M&A First Stage Results

This table reports variations on the first stage regression results of founders' public firm experience. Column 3 is the first stage used throughout all other tables. Observations are at the startup level. The endogenous variable is the fraction of founders who have public firm experience prior to founding their startup. The instrumental variable is the fraction of founders who gained part of their public firm experience due to M&A while at private firms. Control variables include the natural logarithm of founders' average years of work experience and the fraction of founders who are female, were management consultants, are inventors, earned an MBA, earned a Ph.D., and attended an Ivy League university. Standard errors in parentheses are clustered by industry. Asterisks denote statistical significance at the 1% (***), 5% (**), or 10% (*) level. See Table A.1 for variable definitions.

	(1)	(2)	(3)
% Public Firm Exp.$^{M\&A}$	0.564***	0.518***	0.458***
	(0.012)	(0.014)	(0.013)
% Female Founder			−0.057***
			(0.018)
% Mgmt. Consult.			−0.021
			(0.015)
% VC Exp.			−0.032
			(0.020)
% Inventor			0.129***
			(0.014)
log(Work Exp.)			0.198***
			(0.008)
% MBA			0.082***
			(0.018)
% Doctorate			−0.136***
			(0.021)
% Ivy League			0.025
			(0.025)
Constant	0.469***		
	(0.012)		
Obs.	10,142	10,142	10,142
Kleibergen-Paap rk Wald F	2,312.07	1,358.66	1,153.60
MSA-Ind-Found Yr FE	No	Yes	Yes

Table 5: Startup Funding Rounds since Founding

This table reports the OLS and IV results of regressing the number of new venture capital funding rounds on the fraction of founders with public firm experience on since startup founding. The fraction of founders who gained part of their public firm experience due to M&A while at private firms is the instrumental variable in columns 4, 5, and 6. Observations are at the startup level. The dependent variables are the inverse hyperbolic sine transformed numbers of new venture capital rounds of financing within 1, 3, and 5 years of founding in columns 1 and 4, 2 and 5, and 3 and 6, respectively. Standard errors in parentheses are clustered by industry. Asterisks denote statistical significance at the 1% (***), 5% (**), or 10% (*) level. See Table A.1 for variable definitions.

	arsinh(Rounds) by Founding Yr + t					
	OLS			IV		
	(1) $t=1$	(2) $t=3$	(3) $t=5$	(4) $t=1$	(5) $t=3$	(6) $t=5$
% Public Firm Exp.	0.063***	0.089***	0.067***	0.339***	0.375***	0.258***
	(0.016)	(0.015)	(0.014)	(0.056)	(0.061)	(0.069)
% Female Founder	−0.009	−0.029	−0.048*	0.005	−0.014	−0.038
	(0.033)	(0.024)	(0.025)	(0.031)	(0.024)	(0.024)
% Mgmt. Consult.	0.020	0.023	−0.016	0.029	0.031	−0.011
	(0.042)	(0.037)	(0.044)	(0.043)	(0.039)	(0.045)
% VC Exp.	0.190***	0.134***	0.100***	0.199***	0.144***	0.106***
	(0.025)	(0.037)	(0.031)	(0.026)	(0.038)	(0.031)
% Inventor	0.059*	0.056**	0.060**	0.016	0.012	0.031
	(0.031)	(0.026)	(0.026)	(0.034)	(0.028)	(0.025)
log(Work Exp.)	0.050***	0.066***	0.064***	−0.010	0.004	0.022
	(0.014)	(0.014)	(0.017)	(0.016)	(0.021)	(0.026)
% MBA	−0.006	0.007	0.012	−0.027	−0.015	−0.003
	(0.024)	(0.031)	(0.035)	(0.023)	(0.027)	(0.029)
% Doctorate	−0.058***	−0.051*	−0.054*	−0.018	−0.010	−0.026
	(0.021)	(0.029)	(0.027)	(0.023)	(0.029)	(0.030)
% Ivy League	0.085***	0.081***	0.050**	0.078***	0.074***	0.045*
	(0.018)	(0.023)	(0.021)	(0.020)	(0.026)	(0.024)
Obs.	10,142	10,142	10,142	10,142	10,142	10,142
MSA-Ind-Found Yr FE	Yes	Yes	Yes	Yes	Yes	Yes
Y Mean	0.81	1.86	2.64	0.81	1.86	2.64

Table 6: Startup Funding Amount since Founding

This table reports the OLS and IV results of regressing the fraction of founders with public firm experience on funding received since startup founding. The fraction of founders who gained part of their public firm experience due to M&A while at private firms is the instrumental variable in columns 4, 5, and 6. Observations are at the startup level. The dependent variables are the inverse hyperbolic sine transformed amounts of financing (millions of USD) received within 1, 3, and 5 years of founding in columns 1 and 4, 2 and 5, and 3 and 6, respectively. Standard errors in parentheses are clustered by industry. Asterisks denote statistical significance at the 1% (***), 5% (**), or 10% (*) level. See Table A.1 for variable definitions.

	arsinh(Funds) by Founding Yr + t					
	OLS			IV		
	(1) $t=1$	(2) $t=3$	(3) $t=5$	(4) $t=1$	(5) $t=3$	(6) $t=5$
% Public Firm Exp.	0.183***	0.291***	0.232***	0.823***	1.059***	0.789***
	(0.035)	(0.043)	(0.041)	(0.164)	(0.148)	(0.145)
% Female Founder	−0.036	−0.120**	−0.223***	−0.002	−0.081	−0.194***
	(0.065)	(0.059)	(0.043)	(0.061)	(0.060)	(0.040)
% Mgmt. Consult.	0.030	−0.002	−0.057	0.049	0.021	−0.040
	(0.059)	(0.072)	(0.076)	(0.059)	(0.078)	(0.080)
% VC Exp.	0.416***	0.350***	0.321***	0.437***	0.375***	0.339***
	(0.063)	(0.091)	(0.080)	(0.067)	(0.096)	(0.086)
% Inventor	0.281***	0.274***	0.275***	0.182**	0.156	0.189**
	(0.073)	(0.085)	(0.065)	(0.085)	(0.099)	(0.079)
log(Work Exp.)	0.186***	0.202***	0.178***	0.046	0.035	0.057
	(0.029)	(0.033)	(0.034)	(0.038)	(0.048)	(0.053)
% MBA	−0.045	−0.116**	−0.109	−0.094**	−0.174***	−0.152**
	(0.050)	(0.054)	(0.083)	(0.042)	(0.050)	(0.073)
% Doctorate	−0.049	−0.080	−0.049	0.044	0.032	0.032
	(0.058)	(0.068)	(0.083)	(0.063)	(0.072)	(0.089)
% Ivy League	0.193***	0.280***	0.221***	0.177***	0.261***	0.207***
	(0.050)	(0.055)	(0.044)	(0.050)	(0.058)	(0.051)
Obs.	10,142	10,142	10,142	10,142	10,142	10,142
MSA-Ind-Found Yr FE	Yes	Yes	Yes	Yes	Yes	Yes
Y Mean	5.48	15.21	24.23	5.48	15.21	24.23

Table 7: Startup Patenting since Founding

This table reports the OLS and IV results of regressing the number of newly filed patents that are eventually granted since startup founding on the fraction of founders with public firm experience. The fraction of founders who gained part of their public firm experience due to M&A while at private firms is the instrumental variable in columns 4, 5, and 6. Observations are at the startup level. The dependent variables are the inverse hyperbolic sine transformed numbers of newly filed patents that are eventually granted within 1, 3, and 5 years of founding in columns 1 and 4, 2 and 5, and 3 and 6, respectively. Standard errors in parentheses are clustered by industry. Asterisks denote statistical significance at the 1% (***), 5% (**), or 10% (*) level. See Table A.1 for variable definitions.

	arsinh(New Patents) by Founding Yr + t					
	OLS			IV		
	(1) $t=1$	(2) $t=3$	(3) $t=5$	(4) $t=1$	(5) $t=3$	(6) $t=5$
% Public Firm Exp.	0.008	0.018	0.015	0.200***	0.271***	0.245***
	(0.018)	(0.024)	(0.031)	(0.056)	(0.074)	(0.084)
% Female Founder	−0.055**	−0.181***	−0.217***	−0.045**	−0.168***	−0.205***
	(0.023)	(0.037)	(0.040)	(0.022)	(0.037)	(0.040)
% Mgmt. Consult.	−0.044*	−0.134***	−0.162***	−0.038	−0.126***	−0.155**
	(0.026)	(0.044)	(0.059)	(0.025)	(0.044)	(0.059)
% VC Exp.	−0.046	−0.032	−0.023	−0.040	−0.024	−0.015
	(0.032)	(0.047)	(0.062)	(0.032)	(0.048)	(0.064)
% Inventor	0.204***	0.407***	0.485***	0.174***	0.368***	0.450***
	(0.033)	(0.063)	(0.064)	(0.036)	(0.067)	(0.070)
log(Work Exp.)	0.010	0.025	0.011	−0.032	−0.030	−0.039
	(0.015)	(0.024)	(0.026)	(0.021)	(0.028)	(0.034)
% MBA	−0.043**	−0.059*	−0.098***	−0.058**	−0.078**	−0.116***
	(0.021)	(0.030)	(0.031)	(0.022)	(0.032)	(0.033)
% Doctorate	0.094***	0.237***	0.282***	0.122***	0.274***	0.315***
	(0.030)	(0.051)	(0.068)	(0.031)	(0.052)	(0.068)
% Ivy League	−0.018	−0.046*	−0.036	−0.023	−0.052**	−0.042
	(0.017)	(0.027)	(0.039)	(0.017)	(0.026)	(0.037)
Observations	10,142	10,142	10,142	10,142	10,142	10,142
MSA-Ind-Found Yr FE	Yes	Yes	Yes	Yes	Yes	Yes
Y Mean	0.49	1.51	2.56	0.49	1.51	2.56

Table 8: Startup Patent Quality since Founding

This table reports the OLS and IV results of regressing the number of unique forward citations (within 3 years of issuance) of newly filed patents that are eventually granted since startup founding on the fraction of founders with public firm experience. The fraction of founders who gained part of their public firm experience due to M&A while at private firms is the instrumental variable in columns 4, 5, and 6. Observations are at the startup level. The dependent variables are the inverse hyperbolic sine transformed numbers of unique forward citations within 3 years of issuance of newly filed patents that are eventually granted within 1, 3, and 5 years of founding in columns 1 and 4, 2 and 5, and 3 and 6, respectively. Standard errors in parentheses are clustered by industry. Asterisks denote statistical significance at the 1% (***), 5% (**), or 10% (*) level. See Table A.1 for variable definitions.

	arsinh(Patent Citations) by Founding Yr + t					
	OLS			IV		
	(1) $t=1$	(2) $t=3$	(3) $t=5$	(4) $t=1$	(5) $t=3$	(6) $t=5$
% Public Firm Exp.	0.009	0.004	0.005	0.209***	0.238***	0.198**
	(0.021)	(0.025)	(0.026)	(0.064)	(0.089)	(0.084)
% Female Founder	−0.077**	−0.163***	−0.185***	−0.067**	−0.151***	−0.175***
	(0.029)	(0.034)	(0.038)	(0.028)	(0.033)	(0.037)
% Mgmt. Consult.	−0.019	−0.053	−0.063	−0.013	−0.046	−0.057
	(0.036)	(0.045)	(0.052)	(0.035)	(0.044)	(0.051)
% VC Exp.	−0.016	0.004	−0.002	−0.009	0.012	0.004
	(0.042)	(0.041)	(0.044)	(0.043)	(0.043)	(0.046)
% Inventor	0.200***	0.297***	0.324***	0.169***	0.261***	0.294***
	(0.059)	(0.064)	(0.056)	(0.062)	(0.069)	(0.063)
log(Work Exp.)	−0.007	−0.005	−0.006	−0.050**	−0.055**	−0.048*
	(0.018)	(0.018)	(0.015)	(0.023)	(0.027)	(0.025)
% MBA	−0.061**	−0.071**	−0.083***	−0.076***	−0.089***	−0.098***
	(0.025)	(0.027)	(0.024)	(0.027)	(0.030)	(0.025)
% Doctorate	0.095***	0.157***	0.169***	0.124***	0.191***	0.197***
	(0.035)	(0.042)	(0.047)	(0.035)	(0.042)	(0.047)
% Ivy League	−0.012	−0.010	−0.001	−0.017	−0.016	−0.006
	(0.022)	(0.028)	(0.033)	(0.023)	(0.027)	(0.032)
Observations	10,142	10,142	10,142	10,142	10,142	10,142
MSA-Ind-Found Yr FE	Yes	Yes	Yes	Yes	Yes	Yes
Y Mean	0.88	1.18	1.30	0.88	1.18	1.30

Table 9: Startup Employment Growth since Founding

This table reports the OLS and IV results of regressing the net employment growth since startup founding on the fraction of founders with public firm experience. The fraction of founders who gained part of their public firm experience due to M&A while at private firms is the instrumental variable in columns 4, 5, and 6. Observations are at the startup level. The dependent variables are the net number of employees that joined the startup scaled by total employment within 1, 3, and 5 years of founding in columns 1 and 4, 2 and 5, and 3 and 6, respectively. Standard errors in parentheses are clustered by industry. Asterisks denote statistical significance at the 1% (***), 5% (**), or 10% (*) level. See Table A.1 for variable definitions.

	Emp. Growth by Founding Yr + t					
	OLS			IV		
	(1) $t=1$	(2) $t=3$	(3) $t=5$	(4) $t=1$	(5) $t=3$	(6) $t=5$
% Public Firm Exp.	0.091***	0.173**	0.172*	0.301***	0.625**	0.642*
	(0.028)	(0.076)	(0.088)	(0.082)	(0.269)	(0.353)
% Female Founder	−0.014	−0.063	−0.266**	−0.003	−0.040	−0.242**
	(0.042)	(0.080)	(0.122)	(0.040)	(0.072)	(0.114)
% Mgmt. Consult.	0.037	0.016	0.108	0.043	0.030	0.122
	(0.047)	(0.126)	(0.180)	(0.047)	(0.125)	(0.177)
% VC Exp.	0.141**	0.194	0.216	0.148**	0.209	0.231
	(0.070)	(0.157)	(0.217)	(0.072)	(0.163)	(0.223)
% Inventor	0.096**	0.208**	0.319*	0.064	0.139	0.247
	(0.038)	(0.098)	(0.185)	(0.040)	(0.106)	(0.209)
log(Work Exp.)	0.043**	−0.002	−0.116	−0.003	−0.100	−0.218**
	(0.018)	(0.054)	(0.079)	(0.027)	(0.077)	(0.097)
% MBA	0.002	−0.123	−0.125	−0.014	−0.157**	−0.161
	(0.055)	(0.075)	(0.125)	(0.057)	(0.076)	(0.126)
% Doctorate	0.041	0.102	0.197	0.071	0.168	0.265*
	(0.046)	(0.112)	(0.124)	(0.047)	(0.132)	(0.141)
% Ivy League	0.072	0.155**	0.209**	0.066	0.143*	0.197*
	(0.053)	(0.074)	(0.104)	(0.049)	(0.077)	(0.110)
Observations	10,142	10,142	10,142	10,142	10,142	10,142
MSA-Ind-Found Yr FE	Yes	Yes	Yes	Yes	Yes	Yes
Y Mean	0.06	1.51	2.52	0.06	1.51	2.52

Table 10: First Round Funding Size

This table reports the OLS and IV results of regressing the first round funding size of the startup on the fraction of founders with public firm experience. The fraction of founders who gained part of their public firm experience due to M&A while at private firms is the instrumental variable in column 2. Observations are at the startup level. The dependent variable is the inverse hyperbolic sine transformed first round funding size (millions of USD). Standard errors in parentheses are clustered by industry. Asterisks denote statistical significance at the 1% (***), 5% (**), or 10% (*) level. See Table A.1 for variable definitions.

	(1) OLS	(2) IV
% Public Firm Exp.	0.088***	0.205**
	(0.027)	(0.102)
% Female Founder	−0.072	−0.066
	(0.056)	(0.057)
% Mgmt. Consult.	−0.025	−0.020
	(0.051)	(0.051)
% VC Exp.	0.089	0.093
	(0.063)	(0.064)
% Inventor	0.187***	0.170***
	(0.041)	(0.047)
log(Work Exp.)	0.119***	0.093**
	(0.030)	(0.038)
% MBA	−0.087	−0.096*
	(0.053)	(0.056)
% Doctorate	0.023	0.040
	(0.055)	(0.060)
% Ivy League	0.076*	0.073*
	(0.041)	(0.040)
Obs.	9,611	9,611
MSA-Ind-Found Yr FE	Yes	Yes
Y Mean	7.22	7.22

Table 11: Startup Exit

This table reports the OLS and IV results of regressing startup exit likelihood on the fraction of founders with public firm experience since startup founding. The fraction of founders who gained part of their public firm experience due to M&A while at private firms is the instrumental variable in columns 3 and 4. Observations are at the startup level. The dependent variables are indicators for whether the startup is acquired, acquired at least one, two, and three times its total investment size, and has an initial public offering in columns 1 and 6, 2 and 7, 3 and 8, 4 and 9, and 5 and 10 respectively. Standard errors in parentheses are clustered by industry. Asterisks denote statistical significance at the 1% (***), 5% (**), or 10% (*) level. See Table A.1 for variable definitions.

	OLS				IV			
	(1) Acq.	(2) Acq. 2×	(3) Acq. 3×	(4) IPO	(5) Acq.	(6) Acq. 2×	(7) Acq. 3×	(8) IPO
% Public Firm Exp.	0.011	0.010	0.009	−0.001	0.093**	0.098**	0.094*	−0.000
	(0.011)	(0.011)	(0.011)	(0.001)	(0.045)	(0.049)	(0.056)	(0.000)
% Female Founder	−0.059***	−0.053***	−0.055***	−0.000	−0.055***	−0.048***	−0.050***	−0.000
	(0.019)	(0.019)	(0.019)	(0.000)	(0.018)	(0.017)	(0.018)	(0.000)
% Mgmt. Consult.	−0.002	0.012	0.015	0.002	0.000	0.015	0.018	0.002
	(0.013)	(0.014)	(0.012)	(0.001)	(0.013)	(0.014)	(0.012)	(0.001)
% VC Exp.	0.026	0.023	0.023	−0.001	0.029	0.026	0.026	−0.001
	(0.020)	(0.021)	(0.023)	(0.001)	(0.020)	(0.022)	(0.023)	(0.001)
% Inventor	−0.002	−0.002	0.005	0.000	−0.015	−0.016	−0.008	0.000
	(0.042)	(0.042)	(0.039)	(0.000)	(0.040)	(0.038)	(0.035)	(0.000)
log(Work Exp.)	−0.020*	−0.019	−0.019	−0.000	−0.038**	−0.039*	−0.038	−0.000
	(0.011)	(0.013)	(0.014)	(0.001)	(0.017)	(0.022)	(0.024)	(0.001)
% MBA	−0.035*	−0.026	−0.026	0.001	−0.042**	−0.033*	−0.032*	0.001
	(0.020)	(0.017)	(0.018)	(0.001)	(0.019)	(0.017)	(0.018)	(0.001)
% Doctorate	−0.008	−0.011	−0.009	−0.001**	0.004	0.002	0.004	−0.000*
	(0.020)	(0.025)	(0.024)	(0.000)	(0.024)	(0.030)	(0.030)	(0.000)
% Ivy League	0.029	0.038**	0.032	0.001	0.027	0.036**	0.029	0.001
	(0.021)	(0.017)	(0.019)	(0.001)	(0.022)	(0.018)	(0.019)	(0.001)
Obs.	10,142	10,142	10,142	10,142	10,142	10,142	10,142	10,142
MSA-Ind-Found Yr FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Y Mean	0.37	0.34	0.33	0.00	0.37	0.34	0.33	0.00

Table 12: Public Firm Experience from IPOs

This table reports the IV results of regressing startup financing on the interaction of the fraction of founders with public firm experience and the fraction of founders with public firm experience due to IPOs. The instrumental variables are the fraction of founders who gained part of their public firm experience due to M&A while at private firms and its interaction with the fraction of founders with public firm experience due to IPOs. Observations are at the startup level. The dependent variables are inverse hyperbolic sine transformed number of venture capital rounds within 1, 3, and 5 years of founding in columns 1, 2, and 3, respectively, and the inverse hyperbolic sine transformed total funds received (millions of USD) within 1, 3, and 5 years of founding in columns 4, 5, and 6, respectively. Standard errors in parentheses are clustered by industry. Asterisks denote statistical significance at the 1% (***), 5% (**), or 10% (*) level. See Table A.1 for variable definitions.

	arsinh(Rounds) in t Yrs			arsinh(Funds) in t Yrs		
	(1) $t=1$	(2) $t=3$	(3) $t=5$	(4) $t=1$	(5) $t=3$	(6) $t=5$
% Public Firm Exp.×	1.028	−2.655	−4.587*	2.514	0.176	−3.235
% Public Firm Exp.^{IPO}	(1.845)	(2.494)	(2.733)	(4.164)	(3.888)	(4.136)
% Public Firm Exp.	0.326***	0.409***	0.318***	0.790***	1.057***	0.831***
	(0.054)	(0.054)	(0.055)	(0.158)	(0.143)	(0.130)
% Public Firm Exp.^{IPO}	−1.020	2.491	4.327	−2.428	−0.218	3.023
	(1.757)	(2.400)	(2.630)	(3.976)	(3.717)	(3.954)
% Female Founder	0.004	−0.012	−0.035	−0.004	−0.081	−0.192***
	(0.031)	(0.024)	(0.025)	(0.062)	(0.060)	(0.041)
% Mgmt. Consult.	0.029	0.028	−0.016	0.052	0.021	−0.044
	(0.043)	(0.039)	(0.046)	(0.059)	(0.079)	(0.080)
% VC Exp.	0.200***	0.143***	0.105***	0.438***	0.376***	0.339***
	(0.025)	(0.039)	(0.032)	(0.067)	(0.096)	(0.084)
% Inventor	0.017	0.020	0.042	0.180**	0.158	0.198**
	(0.035)	(0.029)	(0.025)	(0.085)	(0.102)	(0.085)
log(Work Exp.)	−0.005	−0.001	0.013	0.055	0.039	0.052
	(0.016)	(0.020)	(0.023)	(0.035)	(0.048)	(0.051)
% MBA	−0.027	−0.014	−0.002	−0.094**	−0.174***	−0.151**
	(0.024)	(0.028)	(0.031)	(0.043)	(0.050)	(0.073)
% Doctorate	−0.021	−0.007	−0.020	0.039	0.030	0.035
	(0.023)	(0.029)	(0.026)	(0.062)	(0.071)	(0.085)
% Ivy League	0.080***	0.070***	0.038	0.181***	0.261***	0.202***
	(0.018)	(0.024)	(0.023)	(0.051)	(0.058)	(0.053)
Obs.	10,142	10,142	10,142	10,142	10,142	10,142
MSA-Ind-Found Yr FE	Yes	Yes	Yes	Yes	Yes	Yes
Y Mean	0.52	0.79	0.90	5.48	15.21	24.23

Table 13: Exit Multiple of M&A from which Founders gained Public Firm Experience

This table reports the IV results of regressing startup financing on the interaction of the fraction of founders with public firm experience and the average exit multiple (transaction value divided by total investments) of the M&A from which founders gained public firm experience. The instrumental variables are the fraction of founders who gained part of their public firm experience due to M&A while at private firms and its interaction with the founding team's average M&A exit multiple. Observations are at the startup level. The dependent variables are the inverse hyperbolic sine transformed number of venture capital rounds within 1, 3, and 5 years of founding in columns 1, 2, and 3, respectively, and the inverse hyperbolic sine transformed total funds received within 1, 3, and 5 years of founding in columns 4, 5, and 6, respectively. Standard errors in parentheses are clustered by industry. Asterisks denote statistical significance at the 1% (***), 5% (**), or 10% (*) level. See Table A.1 for variable definitions.

	arsinh(Rounds) in t Yrs			arsinh(Funds) in t Yrs		
	(1) $t=1$	(2) $t=3$	(3) $t=5$	(4) $t=1$	(5) $t=3$	(6) $t=5$
% Public Firm Exp.×	−0.000	−0.000	−0.000	−0.001***	−0.001	−0.001
M&A Multiple	(0.000)	(0.000)	(0.000)	(0.000)	(0.001)	(0.001)
% Public Firm Exp.	0.358***	0.417***	0.330***	0.906***	1.260***	1.064***
	(0.058)	(0.061)	(0.063)	(0.162)	(0.145)	(0.145)
M&A Multiple	0.000	0.000	−0.000**	0.000	−0.001	−0.001**
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
% Female Founder	0.006	−0.012	−0.035	0.001	−0.072	−0.183***
	(0.031)	(0.024)	(0.024)	(0.060)	(0.059)	(0.040)
% Mgmt. Consult.	0.030	0.034	−0.006	0.054	0.035	−0.021
	(0.043)	(0.039)	(0.045)	(0.060)	(0.079)	(0.079)
% VC Exp.	0.200***	0.146***	0.109***	0.442***	0.385***	0.352***
	(0.026)	(0.038)	(0.031)	(0.067)	(0.094)	(0.083)
% Inventor	0.014	0.007	0.022	0.172*	0.132	0.156*
	(0.035)	(0.029)	(0.024)	(0.087)	(0.102)	(0.082)
log(Work Exp.)	−0.014	−0.005	0.007	0.029	−0.007	−0.001
	(0.017)	(0.022)	(0.026)	(0.037)	(0.049)	(0.055)
% MBA	−0.028	−0.017	−0.006	−0.098**	−0.184***	−0.165**
	(0.023)	(0.026)	(0.029)	(0.042)	(0.050)	(0.072)
% Doctorate	−0.015	−0.004	−0.017	0.056	0.058	0.068
	(0.022)	(0.029)	(0.029)	(0.062)	(0.073)	(0.088)
% Ivy League	0.078***	0.073***	0.044*	0.176***	0.258***	0.203***
	(0.020)	(0.027)	(0.025)	(0.050)	(0.059)	(0.055)
Obs.	10,142	10,142	10,142	10,142	10,142	10,142
MSA-Ind-Found Yr FE	Yes	Yes	Yes	Yes	Yes	Yes
Y Mean	0.81	1.86	2.64	5.48	15.21	24.23

Table 14: Startup Funding Rounds since First Round Financing

This table reports the OLS and IV results of regressing the number of new rounds of venture capital financing on the fraction of founders with public firm experience since the startup received its first round of financing. The fraction of founders who gained part of their public firm experience due to M&A while at private firms is the instrumental variable in columns 4, 5, and 6. Observations are at the startup level. The dependent variables are the inverse hyperbolic sine transformed numbers of venture capital financing rounds within 1, 3, and 5 years of the startup's first round of venture capital financing in columns 1 and 4, 2 and 5, and 3 and 6, respectively. Standard errors in parentheses are clustered by industry. Asterisks denote statistical significance at the 1% (***), 5% (**), or 10% (*) level. See Table A.1 for variable definitions.

	After 1st Rd, arsinh(Rounds) by 1st Rd. Yr + t					
	OLS			IV		
	(1) $t=1$	(2) $t=3$	(3) $t=5$	(4) $t=1$	(5) $t=3$	(6) $t=5$
% Public Firm Exp.	0.015	0.030*	0.037**	0.071	0.135	0.161*
	(0.012)	(0.015)	(0.016)	(0.093)	(0.091)	(0.085)
arsinh(1st Rd Amt)	−0.036***	−0.035**	−0.040***	−0.037***	−0.037**	−0.042***
	(0.011)	(0.014)	(0.014)	(0.012)	(0.015)	(0.015)
arsinh(1st Rd Patents)	−0.029**	−0.019	−0.024	−0.028**	−0.017	−0.022
	(0.012)	(0.015)	(0.017)	(0.012)	(0.015)	(0.017)
% Female Founder	−0.021	−0.022	−0.034	−0.018	−0.017	−0.028
	(0.023)	(0.028)	(0.029)	(0.025)	(0.029)	(0.027)
% Mgmt. Consult.	−0.019	−0.032	−0.047	−0.017	−0.028	−0.042
	(0.036)	(0.040)	(0.043)	(0.038)	(0.041)	(0.044)
% VC Exp.	0.069**	0.095**	0.095**	0.071**	0.099**	0.100**
	(0.032)	(0.039)	(0.038)	(0.033)	(0.039)	(0.039)
% Inventor	0.038	0.066*	0.100***	0.030	0.051	0.082**
	(0.032)	(0.036)	(0.036)	(0.027)	(0.032)	(0.034)
log(Work Exp.)	0.033***	0.050***	0.063***	0.021	0.027	0.036
	(0.012)	(0.014)	(0.016)	(0.026)	(0.025)	(0.024)
% MBA	0.009	0.004	0.013	0.005	−0.004	0.003
	(0.021)	(0.034)	(0.035)	(0.019)	(0.032)	(0.032)
% Doctorate	−0.019	−0.043	−0.047	−0.011	−0.028	−0.029
	(0.027)	(0.032)	(0.039)	(0.031)	(0.035)	(0.040)
% Ivy League	0.004	−0.005	−0.006	0.002	−0.007	−0.009
	(0.026)	(0.029)	(0.029)	(0.028)	(0.031)	(0.031)
Obs.	9,611	9,611	9,611	9,611	9,611	9,611
MSA-Ind-Found Yr FE	Yes	Yes	Yes	Yes	Yes	Yes
Y Mean	1.12	1.82	2.23	1.12	1.82	2.23

Table 15: Startup Funding Amount since First Round Financing

This table reports the OLS and IV results of regressing venture capital funding received on the fraction of founders with public firm experience since the startup received its first round of financing. The fraction of founders who gained part of their public firm experience due to M&A while at private firms is the instrumental variable in columns 4, 5, and 6. Observations are at the startup level. The dependent variables are inverse hyperbolic sine transformed amount of venture capital financing received within 1, 3, and 5 years of the startup's first venture capital financing round in columns 1 and 4, 2 and 5, and 3 and 6, respectively. Standard errors in parentheses are clustered by industry. Asterisks denote statistical significance at the 1% (***), 5% (**), or 10% (*) level. See Table A.1 for variable definitions.

	After 1st Rd, arsinh(Funds) by 1st Rd. Yr + t					
	OLS			IV		
	(1) $t=1$	(2) $t=3$	(3) $t=5$	(4) $t=1$	(5) $t=3$	(6) $t=5$
% Public Firm Exp.	0.087*	0.121***	0.147***	0.416**	0.526***	0.528***
	(0.045)	(0.036)	(0.037)	(0.193)	(0.173)	(0.154)
arsinh(1st Rd Amt)	0.183***	0.219***	0.215***	0.178***	0.213***	0.209***
	(0.025)	(0.034)	(0.033)	(0.027)	(0.035)	(0.036)
arsinh(1st Rd Patents)	−0.057	−0.062*	−0.069*	−0.051	−0.055	−0.062*
	(0.039)	(0.033)	(0.035)	(0.037)	(0.033)	(0.035)
% Female Founder	−0.071	−0.044	−0.069	−0.055	−0.024	−0.050
	(0.062)	(0.050)	(0.054)	(0.064)	(0.049)	(0.052)
% Mgmt. Consult.	−0.095	−0.063	−0.088	−0.082	−0.047	−0.073
	(0.096)	(0.088)	(0.096)	(0.101)	(0.090)	(0.098)
% VC Exp.	0.197*	0.285**	0.310**	0.210*	0.300**	0.324**
	(0.114)	(0.119)	(0.124)	(0.117)	(0.122)	(0.126)
% Inventor	0.174**	0.263***	0.297***	0.126	0.205***	0.242***
	(0.080)	(0.071)	(0.073)	(0.088)	(0.072)	(0.076)
log(Work Exp.)	0.106***	0.093***	0.080**	0.034	0.005	−0.003
	(0.029)	(0.033)	(0.034)	(0.047)	(0.040)	(0.037)
% MBA	−0.139**	−0.171**	−0.153*	−0.165**	−0.202***	−0.183**
	(0.060)	(0.077)	(0.078)	(0.062)	(0.071)	(0.072)
% Doctorate	−0.064	−0.061	−0.052	−0.017	−0.003	0.003
	(0.073)	(0.065)	(0.075)	(0.084)	(0.072)	(0.077)
% Ivy League	0.105*	0.095	0.099*	0.096	0.085	0.089
	(0.060)	(0.058)	(0.059)	(0.066)	(0.064)	(0.065)
Obs.	9,611	9,611	9,611	9,611	9,611	9,611
MSA-Ind-Found Yr FE	Yes	Yes	Yes	Yes	Yes	Yes
Y Mean	11.22	20.70	27.28	11.22	20.70	27.28

Table 16: Startup Patenting since First Round Financing

This table reports the OLS and IV results of regressing the number of new patent filings that are eventually granted on the fraction of founders with public firm experience since receiving the first round of financing. The fraction of founders who gained part of their public firm experience due to M&A while at private firms is the instrumental variable in columns 4, 5, and 6. Observations are at the startup level. The dependent variables are inverse hyperbolic sine transformed numbers of new patent filings within 1, 3, and 5 years of founding in columns 1 and 4, 2 and 5, and 3 and 6, respectively. Standard errors in parentheses are clustered by industry. Asterisks denote statistical significance at the 1% (***), 5% (**), or 10% (*) level. See Table A.1 for variable definitions.

	After 1st Rd, arsinh(New Patents) by 1st Rd. Yr + t					
	OLS			IV		
	(1) $t=1$	(2) $t=3$	(3) $t=5$	(4) $t=1$	(5) $t=3$	(6) $t=5$
% Public Firm Exp.	0.010	0.016	0.023	0.167	0.212**	0.214**
	(0.017)	(0.019)	(0.024)	(0.101)	(0.101)	(0.095)
arsinh(1st Rd Amt)	0.030***	0.035***	0.036***	0.028**	0.032**	0.033**
	(0.010)	(0.013)	(0.013)	(0.011)	(0.013)	(0.014)
arsinh(1st Rd Patents)	0.419***	0.492***	0.506***	0.421***	0.495***	0.509***
	(0.019)	(0.022)	(0.028)	(0.020)	(0.022)	(0.027)
% Female Founder	−0.085***	−0.138***	−0.164***	−0.078***	−0.128***	−0.155***
	(0.029)	(0.038)	(0.042)	(0.028)	(0.037)	(0.041)
% Mgmt. Consult.	−0.086***	−0.123***	−0.137***	−0.080***	−0.115***	−0.129***
	(0.029)	(0.041)	(0.047)	(0.029)	(0.039)	(0.046)
% VC Exp.	0.079**	0.115**	0.140**	0.085**	0.122**	0.147**
	(0.040)	(0.053)	(0.056)	(0.041)	(0.056)	(0.058)
% Inventor	0.251***	0.297***	0.324***	0.228***	0.268***	0.297***
	(0.037)	(0.049)	(0.057)	(0.043)	(0.054)	(0.060)
log(Work Exp.)	0.017	0.017	0.012	−0.017	−0.026	−0.030
	(0.018)	(0.020)	(0.022)	(0.031)	(0.031)	(0.028)
% MBA	−0.038	−0.076**	−0.082**	−0.051*	−0.091***	−0.097***
	(0.027)	(0.029)	(0.034)	(0.026)	(0.028)	(0.034)
% Doctorate	0.133***	0.144***	0.166***	0.156***	0.172***	0.193***
	(0.036)	(0.045)	(0.048)	(0.037)	(0.045)	(0.049)
% Ivy League	−0.010	−0.003	0.008	−0.015	−0.008	0.003
	(0.024)	(0.033)	(0.042)	(0.024)	(0.032)	(0.040)
Obs.	9,611	9,611	9,611	9,611	9,611	9,611
MSA-Ind-Found Yr FE	Yes	Yes	Yes	Yes	Yes	Yes
Y Mean	1.06	2.08	2.93	1.06	2.08	2.93

Table 17: Startup Employment Growth since First Round Financing

This table reports the OLS and IV results of regressing the net employment growth since receiving the first round of financing on the fraction of founders with public firm experience. The fraction of founders who gained part of their public firm experience due to M&A while at private firms is the instrumental variable in columns 4, 5, and 6. Observations are at the startup level. The dependent variables are the net number of employees that joined the startup scaled by total employment within 1, 3, and 5 years of founding in columns 1 and 4, 2 and 5, and 3 and 6, respectively. Standard errors in parentheses are clustered by industry. Asterisks denote statistical significance at the 1% (***), 5% (**), or 10% (*) level. See Table A.1 for variable definitions.

	Emp. Growth by Founding Yr + t					
	OLS			IV		
	(1) $t=1$	(2) $t=3$	(3) $t=5$	(4) $t=1$	(5) $t=3$	(6) $t=5$
% Public Firm Exp.	−0.000	0.001	−0.004	0.001	−0.016	−0.036
	(0.002)	(0.002)	(0.003)	(0.014)	(0.019)	(0.030)
arsinh(1st Rd Amt)	−0.001	−0.001	−0.001	−0.001	−0.001	−0.001
	(0.001)	(0.001)	(0.002)	(0.001)	(0.001)	(0.002)
arsinh(1st Rd Patents)	0.002*	0.000	−0.001	0.002**	0.000	−0.002
	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)
% Female Founder	−0.003	0.004	0.005	−0.003	0.003	0.004
	(0.004)	(0.005)	(0.007)	(0.004)	(0.006)	(0.007)
% Mgmt. Consult.	0.000	−0.003	−0.006	0.000	−0.004	−0.008
	(0.003)	(0.006)	(0.008)	(0.003)	(0.006)	(0.008)
% VC Exp.	0.001	0.005**	0.009	0.001	0.005*	0.007
	(0.002)	(0.003)	(0.006)	(0.002)	(0.002)	(0.006)
% Inventor	0.001	−0.001	−0.007	0.000	0.001	−0.002
	(0.003)	(0.003)	(0.005)	(0.003)	(0.005)	(0.007)
log(Work Exp.)	−0.004**	0.000	0.001	−0.004	0.004	0.008*
	(0.001)	(0.001)	(0.002)	(0.004)	(0.004)	(0.005)
% MBA	0.001	−0.002	−0.001	0.001	−0.001	0.001
	(0.001)	(0.003)	(0.005)	(0.002)	(0.004)	(0.005)
% Doctorate	−0.004	−0.004	−0.004	−0.004	−0.007	−0.008
	(0.003)	(0.004)	(0.005)	(0.004)	(0.006)	(0.008)
% Ivy League	0.002	0.002	0.001	0.002	0.002	0.002
	(0.002)	(0.004)	(0.005)	(0.002)	(0.004)	(0.006)
Observations	9,611	9,611	9,611	9,611	9,611	9,611
MSA-Ind-Found Yr FE	Yes	Yes	Yes	Yes	Yes	Yes
Y Mean	-0.00	-0.00	0.00	-0.00	-0.00	0.00

A Data Discussion

A.1 Variable Definitions

Table A.1: Variable Definitions

Variable Name	Description
% Public Firm Exp.$^{M\&A}$	The fraction of founders with prior work experience at public firms due to M&A
%Public Firm Exp.^{IPO}	The fraction of founders with prior work experience at public firms due to IPO
M&A Multiple	The average exit multiple (transaction value divided by total investments) of M&A from which the founding team gained public firm experience
% Public Firm Exp.	The fraction of founders with prior work experience at public firms
% Female Founder	The fraction of founders who are female
% Mgmt. Consult.	The fraction of founders with prior work experience at management consulting firms
% VC Exp.	The fraction of founders with prior work experience in the venture capital industry
% Inventor	The fraction of founders who are listed as inventors of patents issued prior to founding their startup
Work Exp. (Avg. Yrs)	The founders' average years of prior work experience
% MBA	The fraction of founders who earned MBAs prior to founding their startup
% Doctorate	The fraction of founders who earned doctorates prior to founding their startup
% Ivy League	The fraction of founders who attended an Ivy League university prior to founding their startup

B Additional Tables

Table B.1: High Tech Startup Funding Rounds since Founding

This table reports the OLS and IV results of regressing the number of venture capital funding rounds since startup founding on the fraction of founders with public firm experience. The sample is restricted to startups in the high tech industry (e.g., computer hardware/software, information technology, etc.). The fraction of founders who gained part of their public firm experience due to M&A while at private firms is the instrumental variable in columns 4, 5, and 6. Observations are at the startup level. The dependent variables are inverse hyperbolic sine transformed number of venture capital financing rounds within 1, 3, and 5 years of founding in columns 1 and 4, 2 and 5, and 3 and 6, respectively. Standard errors in parentheses are clustered by industry. Asterisks denote statistical significance at the 1% (***), 5% (**), or 10% (*) level. See Table A.1 for variable definitions.

	arsinh(Rounds) by Founding Yr + t					
	OLS			IV		
	(1) $t=1$	(2) $t=3$	(3) $t=5$	(4) $t=1$	(5) $t=3$	(6) $t=5$
% Public Firm Exp.	0.065***	0.080***	0.053***	0.318***	0.356***	0.246***
	(0.013)	(0.016)	(0.014)	(0.055)	(0.054)	(0.068)
% Female Founder	−0.028	−0.042*	−0.046*	−0.016	−0.029	−0.037
	(0.034)	(0.022)	(0.025)	(0.030)	(0.021)	(0.023)
% Mgmt. Consult.	0.062	0.068*	0.026	0.076	0.083**	0.036
	(0.044)	(0.033)	(0.041)	(0.045)	(0.037)	(0.043)
% VC Exp.	0.221***	0.151***	0.109***	0.228***	0.159***	0.114***
	(0.022)	(0.034)	(0.021)	(0.024)	(0.038)	(0.023)
% Inventor	0.050*	0.077**	0.098**	0.011	0.034	0.068*
	(0.027)	(0.033)	(0.042)	(0.030)	(0.032)	(0.036)
log(Work Exp.)	0.043***	0.062***	0.061***	−0.015	−0.002	0.017
	(0.014)	(0.013)	(0.015)	(0.015)	(0.020)	(0.028)
% MBA	−0.020	−0.018	−0.012	−0.034	−0.033	−0.022
	(0.023)	(0.024)	(0.034)	(0.023)	(0.023)	(0.030)
% Doctorate	−0.052*	−0.072*	−0.082**	−0.013	−0.029	−0.052
	(0.026)	(0.042)	(0.032)	(0.026)	(0.041)	(0.032)
% Ivy League	0.071***	0.070**	0.047**	0.064**	0.062*	0.042
	(0.022)	(0.028)	(0.019)	(0.025)	(0.033)	(0.025)
Obs.	7,667	7,667	7,667	7,667	7,667	7,667
MSA-Ind-Found Yr FE	Yes	Yes	Yes	Yes	Yes	Yes
Y Mean	0.84	1.90	2.67	0.84	1.90	2.67

Table B.2: High Tech Startup Funding Amount since Founding

This table reports the OLS and IV results of regressing funding received since startup founding on the fraction of founders with public firm experience. The sample is restricted to startups in the high tech industry (e.g., computer hardware/software, information technology, etc.). The fraction of founders who gained part of their public firm experience due to M&A while at private firms is the instrumental variable in columns 4, 5, and 6. Observations are at the startup level. The dependent variables are the inverse hyperbolic sine transformed amounts of financing received within 1, 3, and 5 years of founding in columns 1 and 4, 2 and 5, and 3 and 6, respectively. Standard errors in parentheses are clustered by industry. Asterisks denote statistical significance at the 1% (***), 5% (**), or 10% (*) level. See Table A.1 for variable definitions.

	arsinh(Funds) by Founding Yr + t					
	OLS			IV		
	(1) $t=1$	(2) $t=3$	(3) $t=5$	(4) $t=1$	(5) $t=3$	(6) $t=5$
% Public Firm Exp.	0.170***	0.272***	0.220***	0.774***	1.055***	0.808***
	(0.035)	(0.045)	(0.040)	(0.162)	(0.139)	(0.157)
% Female Founder	−0.059	−0.164***	−0.234***	−0.029	−0.126***	−0.205***
	(0.064)	(0.042)	(0.043)	(0.056)	(0.043)	(0.039)
% Mgmt. Consult.	0.090	0.092	0.036	0.123*	0.135	0.068
	(0.069)	(0.084)	(0.077)	(0.072)	(0.096)	(0.086)
% VC Exp.	0.432***	0.348***	0.292***	0.449***	0.369***	0.308***
	(0.063)	(0.097)	(0.082)	(0.069)	(0.105)	(0.089)
% Inventor	0.250***	0.308***	0.329***	0.156	0.187	0.237***
	(0.083)	(0.097)	(0.064)	(0.096)	(0.113)	(0.081)
log(Work Exp.)	0.180***	0.187***	0.152***	0.040	0.006	0.015
	(0.028)	(0.028)	(0.032)	(0.036)	(0.045)	(0.064)
% MBA	−0.094**	−0.139***	−0.166**	−0.127***	−0.182***	−0.198***
	(0.044)	(0.048)	(0.080)	(0.037)	(0.041)	(0.071)
% Doctorate	−0.066	−0.157	−0.158*	0.028	−0.034	−0.066
	(0.068)	(0.094)	(0.092)	(0.072)	(0.096)	(0.095)
% Ivy League	0.165**	0.194***	0.172***	0.148**	0.172**	0.155**
	(0.062)	(0.070)	(0.052)	(0.063)	(0.080)	(0.066)
Obs.	7,667	7,667	7,667	7,667	7,667	7,667
MSA-Ind-Found Yr FE	Yes	Yes	Yes	Yes	Yes	Yes
Y Mean	5.21	14.64	23.45	5.21	14.64	23.45

Table B.3: High Tech Startup Patenting since Founding

This table reports the OLS and IV results of regressing the number of patent filings that are eventually granted since startup founding on the fraction of founders with public firm experience. The sample is restricted to startups in the high tech industry (e.g., computer hardware/software, information technology, etc.). The fraction of founders who gained part of their public firm experience due to M&A while at private firms is the instrumental variable in columns 4, 5, and 6. Observations are at the startup level. The dependent variables are the inverse hyperbolic sine transformed numbers of patents filed within 1, 3, and 5 years of founding in columns 1 and 4, 2 and 5, and 3 and 6, respectively. Standard errors in parentheses are clustered by industry. Asterisks denote statistical significance at the 1% (***), 5% (**), or 10% (*) level. See Table A.1 for variable definitions.

	arsinh(New Patents) by Founding Yr + t					
	OLS			IV		
	(1) $t=1$	(2) $t=3$	(3) $t=5$	(4) $t=1$	(5) $t=3$	(6) $t=5$
% Public Firm Exp.	0.005	0.013	0.020	0.189***	0.306***	0.289***
	(0.020)	(0.029)	(0.035)	(0.053)	(0.087)	(0.100)
% Female Founder	−0.043*	−0.138***	−0.174***	−0.034	−0.124***	−0.161***
	(0.022)	(0.027)	(0.028)	(0.022)	(0.029)	(0.030)
% Mgmt. Consult.	−0.021	−0.095***	−0.097**	−0.011	−0.079**	−0.082**
	(0.019)	(0.032)	(0.039)	(0.015)	(0.029)	(0.037)
% VC Exp.	−0.043*	−0.057	−0.047	−0.038	−0.049	−0.039
	(0.023)	(0.034)	(0.048)	(0.024)	(0.035)	(0.050)
% Inventor	0.210***	0.433***	0.505***	0.181***	0.388***	0.463***
	(0.031)	(0.056)	(0.060)	(0.035)	(0.064)	(0.070)
log(Work Exp.)	0.018	0.048**	0.031	−0.025	−0.020	−0.031
	(0.015)	(0.021)	(0.022)	(0.022)	(0.028)	(0.036)
% MBA	−0.040*	−0.075**	−0.117***	−0.050**	−0.090**	−0.132***
	(0.021)	(0.032)	(0.032)	(0.022)	(0.035)	(0.036)
% Doctorate	0.104**	0.251***	0.291***	0.133***	0.296***	0.333***
	(0.038)	(0.039)	(0.045)	(0.039)	(0.038)	(0.041)
% Ivy League	−0.014	−0.042	−0.032	−0.019	−0.050*	−0.039
	(0.018)	(0.029)	(0.043)	(0.018)	(0.026)	(0.039)
Observations	7,667	7,667	7,667	7,667	7,667	7,667
MSA-Ind-Found Yr FE	Yes	Yes	Yes	Yes	Yes	Yes
Y Mean	0.45	1.35	2.23	0.45	1.35	2.23

Table B.4: High Tech Startup Employment Growth since Founding

This table reports the OLS and IV results of regressing the net employment growth since startup founding on the fraction of founders with public firm experience. The sample is restricted to startups in the high tech industry (e.g., computer hardware/software, information technology, etc.). The fraction of founders who gained part of their public firm experience due to M&A while at private firms is the instrumental variable in columns 4, 5, and 6. Observations are at the startup level. The dependent variables are the net employees that joined the startup scaled by total employment within 1, 3, and 5 years of founding in columns 1 and 4, 2 and 5, and 3 and 6, respectively. Standard errors in parentheses are clustered by industry. Asterisks denote statistical significance at the 1% (***), 5% (**), or 10% (*) level. See Table A.1 for variable definitions.

	Emp. Growth by Founding Yr + t					
	OLS			IV		
	(1) $t=1$	(2) $t=3$	(3) $t=5$	(4) $t=1$	(5) $t=3$	(6) $t=5$
% Public Firm Exp.	0.105***	0.201**	0.218**	0.327***	0.780***	0.905***
	(0.028)	(0.081)	(0.095)	(0.083)	(0.241)	(0.313)
% Female Founder	−0.015	−0.100	−0.281**	−0.005	−0.071	−0.248**
	(0.048)	(0.078)	(0.128)	(0.046)	(0.068)	(0.116)
% Mgmt. Consult.	0.045	−0.011	0.023	0.057	0.020	0.060
	(0.049)	(0.147)	(0.207)	(0.048)	(0.145)	(0.203)
% VC Exp.	0.156*	0.183	0.132	0.162*	0.199	0.150
	(0.083)	(0.177)	(0.243)	(0.086)	(0.186)	(0.253)
% Inventor	0.090**	0.194**	0.338*	0.056	0.104	0.232
	(0.038)	(0.074)	(0.192)	(0.040)	(0.082)	(0.213)
log(Work Exp.)	0.046**	−0.001	−0.118	−0.005	−0.136*	−0.277**
	(0.018)	(0.060)	(0.089)	(0.029)	(0.078)	(0.101)
% MBA	0.039	−0.043	−0.028	0.027	−0.074	−0.065
	(0.049)	(0.074)	(0.124)	(0.049)	(0.073)	(0.120)
% Doctorate	0.021	0.037	0.112	0.056	0.128	0.219
	(0.066)	(0.176)	(0.182)	(0.067)	(0.196)	(0.197)
% Ivy League	0.019	0.076	0.122	0.013	0.060	0.103
	(0.052)	(0.092)	(0.122)	(0.047)	(0.099)	(0.136)
Observations	7,667	7,667	7,667	7,667	7,667	7,667
MSA-Ind-Found Yr FE	Yes	Yes	Yes	Yes	Yes	Yes
Y Mean	0.10	1.55	2.53	0.10	1.55	2.53

Table B.5: Biotechnology Startup Funding Rounds since Founding

This table reports the OLS and IV results of regressing the number of venture capital financing rounds since startup founding on the fraction of founders with public firm experience. The sample is restricted to startups in the biotech industry (e.g., pharmaceutical, medical devices, etc.). The fraction of founders who gained part of their public firm experience due to M&A while at private firms is the instrumental variable in columns 4, 5, and 6. Observations are at the startup level. The dependent variables are the inverse hyperbolic sine transformed numbers of venture capital financing rounds within 1, 3, and 5 years of founding in columns 1 and 4, 2 and 5, and 3 and 6, respectively. Standard errors in parentheses are clustered by industry. Asterisks denote statistical significance at the 1% (***), 5% (**), or 10% (*) level. See Table A.1 for variable definitions.

	arsinh(Rounds) by Founding Yr + t					
	OLS			IV		
	(1) $t=1$	(2) $t=3$	(3) $t=5$	(4) $t=1$	(5) $t=3$	(6) $t=5$
% Public Firm Exp.	0.064	0.140*	0.137*	0.477	0.331	0.120
	(0.108)	(0.076)	(0.067)	(0.438)	(0.546)	(0.380)
% Female Founder	0.019	−0.034	−0.120	0.047	−0.021	−0.121
	(0.096)	(0.143)	(0.113)	(0.112)	(0.164)	(0.119)
% Mgmt. Consult.	−0.136	−0.206	−0.266*	−0.167*	−0.220	−0.264*
	(0.086)	(0.154)	(0.141)	(0.086)	(0.150)	(0.136)
% VC Exp.	−0.012	0.069	0.042	−0.010	0.070	0.042
	(0.068)	(0.095)	(0.099)	(0.074)	(0.099)	(0.099)
% Inventor	0.114	0.018	−0.040	0.032	−0.020	−0.037
	(0.100)	(0.066)	(0.040)	(0.159)	(0.142)	(0.079)
log(Work Exp.)	0.100*	0.127	0.105	0.036	0.097	0.107
	(0.046)	(0.074)	(0.106)	(0.094)	(0.139)	(0.134)
% MBA	−0.058	0.040	0.019	−0.153	−0.004	0.023
	(0.070)	(0.094)	(0.087)	(0.148)	(0.169)	(0.150)
% Doctorate	−0.112**	−0.039	−0.042	−0.062	−0.016	−0.044
	(0.038)	(0.056)	(0.071)	(0.076)	(0.092)	(0.081)
% Ivy League	0.217***	0.156*	0.121	0.193***	0.145**	0.122
	(0.067)	(0.078)	(0.093)	(0.053)	(0.058)	(0.086)
Obs.	1,396	1,396	1,396	1,396	1,396	1,396
MSA-Ind-Found Yr FE	Yes	Yes	Yes	Yes	Yes	Yes
Y Mean	0.81	1.92	2.87	0.81	1.92	2.87

Table B.6: Biotechnology Startup Funding Amount since Founding

This table reports the OLS and IV results of regressing funding received since startup founding on the fraction of founders with public firm experience. The sample is restricted to startups in the biotech industry (e.g., pharmaceutical, medical devices, etc.). The fraction of founders who gained part of their public firm experience due to M&A while at private firms is the instrumental variable in columns 4, 5, and 6. Observations are at the startup level. The dependent variables are the inverse hyperbolic sine transformed amounts of financing received within 1, 3, and 5 years of founding in columns 1 and 4, 2 and 5, and 3 and 6, respectively. Standard errors in parentheses are clustered by industry. Asterisks denote statistical significance at the 1% (***), 5% (**), or 10% (*) level. See Table A.1 for variable definitions.

	arsinh(Funds) by Founding Yr + t					
	OLS			IV		
	(1) $t=1$	(2) $t=3$	(3) $t=5$	(4) $t=1$	(5) $t=3$	(6) $t=5$
% Public Firm Exp.	0.207	0.334*	0.223	0.913	0.859	0.484
	(0.231)	(0.185)	(0.203)	(0.924)	(1.515)	(1.015)
% Female Founder	−0.176	−0.228	−0.371**	−0.128	−0.193	−0.353*
	(0.208)	(0.291)	(0.167)	(0.231)	(0.357)	(0.187)
% Mgmt. Consult.	−0.068	−0.477*	−0.428*	−0.120	−0.516*	−0.447**
	(0.164)	(0.264)	(0.220)	(0.171)	(0.253)	(0.198)
% VC Exp.	0.167	0.404**	0.332	0.171	0.406**	0.334
	(0.233)	(0.158)	(0.249)	(0.219)	(0.162)	(0.258)
% Inventor	0.473**	0.186	0.055	0.333	0.082	0.003
	(0.178)	(0.134)	(0.142)	(0.276)	(0.342)	(0.257)
log(Work Exp.)	0.217	0.305	0.304	0.107	0.224	0.263
	(0.134)	(0.196)	(0.236)	(0.201)	(0.379)	(0.301)
% MBA	−0.099	−0.324	−0.179	−0.262	−0.445	−0.239
	(0.122)	(0.211)	(0.244)	(0.281)	(0.455)	(0.423)
% Doctorate	−0.114	−0.015	0.057	−0.030	0.047	0.088
	(0.099)	(0.176)	(0.249)	(0.165)	(0.292)	(0.290)
% Ivy League	0.403***	0.597***	0.351**	0.361**	0.567***	0.336**
	(0.129)	(0.117)	(0.118)	(0.145)	(0.105)	(0.112)
Obs.	1,396	1,396	1,396	1,396	1,396	1,396
MSA-Ind-Found Yr FE	Yes	Yes	Yes	Yes	Yes	Yes
Y Mean	6.62	18.26	28.66	6.62	18.26	28.66

Table B.7: Biotechnology Startup Patenting since Founding

This table reports the OLS and IV results of regressing the number of patent filings that are eventually granted since startup founding on the fraction of founders with public firm experience. The sample is restricted to startups in the biotech industry (e.g., pharmaceutical, medical devices, etc.). The fraction of founders who gained part of their public firm experience due to M&A while at private firms is the instrumental variable in columns 4, 5, and 6. Observations are at the startup level. The dependent variables are the inverse hyperbolic sine transformed numbers of patent filings within 1, 3, and 5 years of founding in columns 1 and 4, 2 and 5, and 3 and 6, respectively. Standard errors in parentheses are clustered by industry. Asterisks denote statistical significance at the 1% (***), 5% (**), or 10% (*) level. See Table A.1 for variable definitions.

	arsinh(New Patents) by Founding Yr + t					
	OLS			IV		
	(1) $t=1$	(2) $t=3$	(3) $t=5$	(4) $t=1$	(5) $t=3$	(6) $t=5$
% Public Firm Exp.	−0.043	−0.028	−0.066	−0.263	−0.376	−0.303
	(0.051)	(0.082)	(0.093)	(0.741)	(0.520)	(0.528)
% Female Founder	−0.194	−0.585***	−0.681***	−0.209	−0.609***	−0.697***
	(0.137)	(0.184)	(0.217)	(0.157)	(0.190)	(0.221)
% Mgmt. Consult.	−0.208**	−0.417**	−0.530**	−0.192*	−0.392**	−0.512**
	(0.077)	(0.138)	(0.179)	(0.087)	(0.150)	(0.187)
% VC Exp.	−0.039	0.140	0.116	−0.040	0.138	0.115
	(0.154)	(0.232)	(0.305)	(0.144)	(0.214)	(0.294)
% Inventor	0.102	0.303*	0.420**	0.145	0.372	0.466
	(0.085)	(0.156)	(0.176)	(0.186)	(0.238)	(0.269)
log(Work Exp.)	−0.038	−0.119*	−0.146*	−0.004	−0.065	−0.109
	(0.043)	(0.064)	(0.077)	(0.107)	(0.081)	(0.070)
% MBA	−0.067	0.064	0.107	−0.017	0.144	0.161
	(0.094)	(0.141)	(0.157)	(0.191)	(0.221)	(0.233)
% Doctorate	0.065	0.109	0.089	0.039	0.068	0.061
	(0.060)	(0.135)	(0.181)	(0.089)	(0.115)	(0.153)
% Ivy League	−0.049	−0.100	−0.098	−0.036	−0.080	−0.084
	(0.051)	(0.101)	(0.154)	(0.068)	(0.092)	(0.144)
Observations	1,396	1,396	1,396	1,396	1,396	1,396
MSA-Ind-Found Yr FE	Yes	Yes	Yes	Yes	Yes	Yes
Y Mean	0.76	2.49	4.58	0.76	2.49	4.58

Table B.8: Biotechnology Startup Employment Growth since Founding

This table reports the OLS and IV results of regressing net employment growth since startup founding on the fraction of founders with public firm experience. The sample is restricted to startups in the biotech industry (e.g., pharmaceutical, medical devices, etc.). The fraction of founders who gained part of their public firm experience due to M&A while at private firms is the instrumental variable in columns 4, 5, and 6. Observations are at the startup level. The dependent variables are the net number of employees that joined the startup scaled by total employment within 1, 3, and 5 years of founding in columns 1 and 4, 2 and 5, and 3 and 6, respectively. Standard errors in parentheses are clustered by industry. Asterisks denote statistical significance at the 1% (***), 5% (**), or 10% (*) level. See Table A.1 for variable definitions.

	Emp. Growth by Founding Yr + t					
	OLS			IV		
	(1) $t=1$	(2) $t=3$	(3) $t=5$	(4) $t=1$	(5) $t=3$	(6) $t=5$
% Public Firm Exp.	0.107	0.063	0.096	0.447	0.506	0.440
	(0.101)	(0.180)	(0.259)	(0.329)	(1.049)	(1.210)
% Female Founder	0.026	−0.048	−0.364	0.049	−0.018	−0.341
	(0.067)	(0.154)	(0.395)	(0.065)	(0.171)	(0.402)
% Mgmt. Consult.	−0.025	−0.153	0.008	−0.050	−0.185	−0.017
	(0.128)	(0.314)	(0.452)	(0.126)	(0.323)	(0.461)
% VC Exp.	0.001	0.210	0.258	0.003	0.212	0.260
	(0.159)	(0.544)	(0.715)	(0.178)	(0.571)	(0.734)
% Inventor	0.125	0.153	0.083	0.058	0.066	0.015
	(0.122)	(0.449)	(0.646)	(0.135)	(0.372)	(0.615)
log(Work Exp.)	−0.024	−0.069	−0.214	−0.077	−0.138	−0.267
	(0.116)	(0.277)	(0.350)	(0.131)	(0.383)	(0.409)
% MBA	−0.293**	−0.675*	−0.883	−0.372**	−0.777	−0.962
	(0.112)	(0.308)	(0.503)	(0.167)	(0.440)	(0.654)
% Doctorate	0.086	0.195	0.297	0.126	0.247	0.338
	(0.089)	(0.194)	(0.346)	(0.109)	(0.245)	(0.391)
% Ivy League	0.190	0.400*	0.574*	0.170	0.374	0.554*
	(0.111)	(0.215)	(0.298)	(0.106)	(0.213)	(0.284)
Observations	1,396	1,396	1,396	1,396	1,396	1,396
MSA-Ind-Found Yr FE	Yes	Yes	Yes	Yes	Yes	Yes
Y Mean	-0.06	1.41	2.56	-0.06	1.41	2.56

Table B.9: Public Firm Tenure

This table reports the IV results of regressing startup financing on the fraction of public firm experience and average public firm tenure. The instrumental variables are the fraction of founders who gained part of their public firm experience due to M&A while at private firms and the average job-matched employee tenure at public firms prior to their joining. Observations are at the startup level. The dependent variables are the inverse hyperbolic sine transformed number of venture capital financing rounds within 1, 3, and 5 years of founding in columns 1, 2, and 3, respectively, and the inverse hyperbolic sine transformed funds received within 1, 3, and 5 years of founding in columns 4, 5, and 6, respectively. Standard errors in parentheses are clustered by industry. Asterisks denote statistical significance at the 1% (***), 5% (**), or 10% (*) level. See Table A.1 for variable definitions.

	arsinh(Rounds) in t Yrs			arsinh(Funds) in t Yrs		
	(1) $t=1$	(2) $t=3$	(3) $t=5$	(4) $t=1$	(5) $t=3$	(6) $t=5$
1(Public Firm Exp.)	−0.647***	−0.610**	−0.298	−1.488**	−1.725**	−1.039*
	(0.242)	(0.270)	(0.223)	(0.589)	(0.657)	(0.562)
Public Firm Exp. (Yrs)	0.078***	0.078***	0.045*	0.183***	0.221***	0.146**
	(0.024)	(0.028)	(0.024)	(0.059)	(0.068)	(0.059)
% Female Founder	−0.004	−0.023	−0.044	−0.023	−0.106	−0.211***
	(0.040)	(0.031)	(0.027)	(0.082)	(0.077)	(0.051)
% Mgmt. Consult.	0.103***	0.105***	0.031	0.223***	0.231***	0.098
	(0.036)	(0.035)	(0.043)	(0.059)	(0.072)	(0.073)
% VC Exp.	0.236***	0.180***	0.127***	0.523***	0.478***	0.407***
	(0.034)	(0.049)	(0.038)	(0.098)	(0.154)	(0.125)
% Inventor	−0.032	−0.035	0.005	0.070	0.022	0.103
	(0.046)	(0.041)	(0.032)	(0.112)	(0.109)	(0.091)
log(Work Exp.)	−0.263***	−0.250**	−0.123	−0.548***	−0.683***	−0.419*
	(0.080)	(0.100)	(0.096)	(0.198)	(0.236)	(0.219)
% MBA	−0.019	−0.007	0.003	−0.075	−0.151	−0.135
	(0.033)	(0.049)	(0.043)	(0.089)	(0.120)	(0.117)
% Doctorate	0.045	0.054	0.011	0.192*	0.211**	0.152
	(0.033)	(0.033)	(0.039)	(0.102)	(0.092)	(0.112)
% Ivy League	0.129***	0.124***	0.073***	0.296***	0.403***	0.299***
	(0.030)	(0.031)	(0.021)	(0.082)	(0.088)	(0.056)
Obs.	10,142	10,142	10,142	10,142	10,142	10,142
MSA-Ind-Found Yr FE	Yes	Yes	Yes	Yes	Yes	Yes
Y Mean	0.81	1.86	2.64	5.48	15.21	24.23

Table B.10: Public Firm Experience and VC Experience

This table reports the IV results of regressing startup financing on the interaction of the fraction of founders with public firm experience and the fraction of founders with experience at venture capital firms. The instrumental variables are the fraction of founders who gained part of their public firm experience due to M&A while at private firms and its interaction with the fraction of founders with VC industry experience. Observations are at the startup level. The dependent variables are the inverse hyperbolic sine transformed number of venture capital financing rounds within 1, 3, and 5 years of founding in columns 1, 2, and 3, respectively, and the inverse hyperbolic sine transformed funds received within 1, 3, and 5 years of founding in columns 4, 5, and 6, respectively. Standard errors in parentheses are clustered by industry. Asterisks denote statistical significance at the 1% (***), 5% (**), or 10% (*) level. See Table A.1 for variable definitions.

	arsinh(Rounds) in t Yrs			arsinh(Funds) in t Yrs		
	(1) $t=1$	(2) $t=3$	(3) $t=5$	(4) $t=1$	(5) $t=3$	(6) $t=5$
% Public Firm Exp.×	−0.286	0.179	0.334*	−0.333	0.710	1.196**
% VC Exp.	(0.217)	(0.265)	(0.196)	(0.547)	(0.666)	(0.501)
% Public Firm Exp.	0.358***	0.363***	0.236***	0.845***	1.012***	0.710***
	(0.057)	(0.066)	(0.068)	(0.175)	(0.155)	(0.142)
% Female Founder	0.005	−0.013	−0.037	−0.003	−0.079	−0.192***
	(0.030)	(0.024)	(0.024)	(0.060)	(0.060)	(0.041)
% Mgmt. Consult.	0.029	0.032	−0.010	0.049	0.022	−0.039
	(0.043)	(0.039)	(0.046)	(0.060)	(0.078)	(0.080)
% VC Exp.	0.356***	0.046	−0.076	0.619*	−0.013	−0.315
	(0.115)	(0.140)	(0.111)	(0.316)	(0.382)	(0.307)
% Inventor	0.015	0.013	0.033	0.181**	0.159	0.195**
	(0.034)	(0.028)	(0.025)	(0.085)	(0.100)	(0.079)
log(Work Exp.)	−0.011	0.004	0.023	0.046	0.037	0.059
	(0.016)	(0.021)	(0.026)	(0.038)	(0.048)	(0.051)
% MBA	−0.028	−0.014	−0.002	−0.095**	−0.172***	−0.148**
	(0.023)	(0.027)	(0.030)	(0.042)	(0.050)	(0.074)
% Doctorate	−0.017	−0.010	−0.027	0.045	0.030	0.028
	(0.023)	(0.029)	(0.030)	(0.063)	(0.072)	(0.089)
% Ivy League	0.080***	0.072***	0.043*	0.179***	0.256***	0.199***
	(0.020)	(0.026)	(0.024)	(0.050)	(0.059)	(0.050)
Obs.	10,142	10,142	10,142	10,142	10,142	10,142
MSA-Ind-Found Yr FE	Yes	Yes	Yes	Yes	Yes	Yes
Y Mean	0.81	1.86	2.64	5.48	15.21	24.23

Table B.11: Public Firm Experience and Management Consulting

This table reports the IV results of regressing startup financing on the interaction of the fraction of founders with public firm experience and the fraction of founders with experience at management consulting firms. The instrumental variables are the fraction of founders who gained part of their public firm experience due to M&A while at private firms and its interaction with the fraction of founders with consulting experience. Observations are at the startup level. The dependent variables are the inverse hyperbolic sine transformed number of venture capital financing rounds within 1, 3, and 5 years of founding in columns 1, 2, and 3, respectively, and the inverse hyperbolic sine transformed funds received within 1, 3, and 5 years of founding in columns 4, 5, and 6, respectively. Standard errors in parentheses are clustered by industry. Asterisks denote statistical significance at the 1% (***), 5% (**), or 10% (*) level. See Table A.1 for variable definitions.

	arsinh(Rounds) in t Yrs			arsinh(Funds) in t Yrs		
	(1) $t=1$	(2) $t=3$	(3) $t=5$	(4) $t=1$	(5) $t=3$	(6) $t=5$
% Public Firm Exp. ×	0.134	0.302	0.235	0.338	0.122	−0.260
% Mgmt. Consult	(0.171)	(0.190)	(0.257)	(0.567)	(0.465)	(0.694)
% Public Firm Exp.	0.329***	0.351***	0.240***	0.796***	1.049***	0.809***
	(0.056)	(0.062)	(0.063)	(0.157)	(0.146)	(0.132)
% Female Founder	0.005	−0.015	−0.039	−0.004	−0.081	−0.193***
	(0.031)	(0.024)	(0.024)	(0.059)	(0.059)	(0.041)
% Mgmt. Consult.	−0.042	−0.129	−0.135	−0.130	−0.043	0.098
	(0.122)	(0.120)	(0.147)	(0.313)	(0.255)	(0.379)
% VC Exp.	0.199***	0.143***	0.106***	0.436***	0.375***	0.340***
	(0.026)	(0.040)	(0.032)	(0.068)	(0.096)	(0.086)
% Inventor	0.017	0.015	0.033	0.185**	0.157	0.187**
	(0.035)	(0.028)	(0.025)	(0.084)	(0.096)	(0.077)
log(Work Exp.)	−0.011	0.002	0.021	0.044	0.034	0.058
	(0.016)	(0.022)	(0.028)	(0.037)	(0.048)	(0.054)
% MBA	−0.028	−0.016	−0.004	−0.095**	−0.175***	−0.151**
	(0.023)	(0.025)	(0.028)	(0.041)	(0.050)	(0.073)
% Doctorate	−0.019	−0.012	−0.028	0.042	0.031	0.034
	(0.023)	(0.030)	(0.030)	(0.061)	(0.073)	(0.089)
% Ivy League	0.077***	0.072***	0.044*	0.175***	0.260***	0.208***
	(0.020)	(0.026)	(0.024)	(0.051)	(0.058)	(0.052)
Obs.	10,142	10,142	10,142	10,142	10,142	10,142
MSA-Ind-Found Yr FE	Yes	Yes	Yes	Yes	Yes	Yes
Y Mean	0.81	1.86	2.64	5.48	15.21	24.23