Table 1
Predicted signs of behavioural determinants of the family loan fraction

Explanatory variable	Altruistic hypothesis	Selfish hypothesis
ζ_j	+	0
m	+	-
z_i	-	+

Notes: The explanatory variables ζ_j, m and z_i are defined in the text.

Table 2
Descriptive statistics

Variable	Description	Mean	St.Dev.
Dependent:			
D	Dummy =1 if the entrepreneur received any family finance	0.55	0.50
PROP	Logit measure of extent of family finance	-0.02	0.81
Behavioural:			
ZETAJ	Dummy =1 if the presence of family members already in business was an important reason for business entry	0.43	0.50
MU	Dummy =1 if father in high status job	0.76	0.43
ZI	Sales turnover recorded in 1996/97 divided by entrepreneur's age at start-up (£ million)	1.13	2.97
Human capital:			
AGE	The entrepreneur's age in years at start-up	30.56	8.45
AGE2	AGE squared (in thousands)	1.00	0.56
GRAD	Dummy =1 if obtained a bachelor's or higher degree	0.53	0.50
BEXP	Dummy =1 if respondent gained business experience prior to business entry	0.56	0.50
DTRAIN	Dummy =1 if respondent had formal business training	0.47	0.50
Financial capital:			
STUP	Amount of start-up capital used (£ thousands)	144.61	513.01
SAV	Proportion of start-up capital as personal savings	0.26	0.27
BANK	Dummy =1 if respondent used bank finance at start-up	0.67	0.50
BAPP	Dummy =1 if respondent approached a bank for start-up finance	0.74	0.44

*Business sector: **

MAN	Dummy =1 if business is manufacturing	0.27	0.45
WSALE	Dummy =1 if a wholesale business	0.35	0.48
RETAIL	Dummy =1 if business is retail	0.15	0.36
TRADE	Dummy =1 if in international trade	0.38	0.49
CATER	Dummy =1 business is catering	0.20	0.40

Ethnicity:

AFR	Dummy =1 if migrated from East Africa	0.27	0.45
IND	Dummy =1 if Indian	0.40	0.49
BAN	Dummy =1 if Bangladeshi	0.20	0.40
MUS	Dummy =1 if Muslim	0.44	0.50

Cultural:

HOURS	Number of hours worked per week at start-up	83.37	26.39
CUST	Proportion of Asian customers	0.29	0.33
UKREL	Dummy =1 if the respondent has self-employed relatives in the UK	0.87	0.34
SPOU	Dummy =1 if the respondent's spouse currently works in the business	0.49	0.50
CHIL	Dummy =1 if the respondent's children currently work in the business	0.33	0.47
SIBS	Dummy =1 if the respondent's siblings currently work in the business	0.36	0.48

Miscellaneous:

SOEA	Dummy =1 if located in the South-East	0.77	0.43
DISC	Dummy =1 if discrimination in the labour market was an important reason for business entry	0.25	0.44

* The proportions in each sector need not sum to unity, since some enterprises span more than one sector.

Table 3
Regression results for the family loan fraction

Variable	(1) Participation (D_i)	(2) Participation (D_i)	(3) Extent ($PROP_i$)
ZETAJ	1.418 (0.975)	0.527 (0.368)	0.900 ** (0.201)
MU	-2.138 (1.471)	-1.611 ** (0.639)	-0.574 * (0.241)
ZI	-0.056 (0.031)		0.001 (0.001)
AGE	-0.108 (0.161)		-0.077 ** (0.027)
AGE2	0.004 (0.003)		0.002 ** (0.000)
GRAD	-0.001 (0.045)		-0.001 (0.001)
BEXP	1.578 (0.959)		-0.002 (0.160)
TRAIN	-0.002 (0.012)		-0.363 (0.256)
STUP	-0.003 (0.004)		-0.002 (0.002)
SAV	-0.056 (0.034)	-0.017 ** (0.007)	-0.006 (0.005)
BANK	-4.228 ** (1.696)	-2.093 ** (0.657)	-0.846 * (0.380)
BAPP	-2.297 (1.820)	-0.796 (0.739)	1.163 ** (0.243)
MAN	-0.119 (1.208)		-0.306 (0.207)
WSALE	1.454 (0.999)		-0.318 (0.160)
RETAIL	2.016 (1.693)	0.937 (0.657)	0.662 ** (0.200)
TRADE	-0.861 (1.231)		0.098 (0.215)
CATER	3.863 * (1.677)	1.934 ** (0.620)	-0.046 (0.279)
AFR	2.998 (1.778)	1.592 ** (0.614)	-0.935 ** (0.404)
IND	1.783 (1.825)		-1.251 * (0.508)
BAN	1.057 (2.019)		-1.013 ** (0.349)

MUS	-0.545 (0.937)		-0.765 * (0.350)
HOURS	0.046 (0.026)	0.013 * (0.006)	0.011 ** (0.004)
CUST	-0.008 (0.016)		-0.003 (0.002)
UKREL	0.003 (0.002)	0.001 (0.001)	0.000 (0.004)
SPOU	-0.594 (0.982)		0.075 ** (0.027)
CHIL	-1.300 (1.133)		-0.320 (0.199)
SIBS	0.986 (0.866)	0.681 (0.450)	-0.402 * (0.162)
SOEA	-2.480 (1.352)		-0.371 (0.244)
DISC	-0.009 (0.019)		-0.002 ** (0.000)
λ			0.264 (0.344)
LL	-18.332	-29.60	8.733
χ^2	76.229 **	53.689 **	$R^2 = 0.814$ F = 2.26 *
N	82	82	45

All variables defined in Table 2, except the sample selection term λ, defined in the text.

Absolute standard errors in parentheses. * indicates statistical significance with a Type I error of 5 per cent, and ** indicates statistical significance with a Type I error of 1 per cent. LL is the maximised value of the log-likelihood function; χ^2 is the goodness-of-fit statistic, and N is the number of observations.