Index

Banking industry, 3, 59-77, 98 Business plans, 8, 17 Capital and liquidity, 62 in minority businesses, 160-164 and R&D, 99-107 and social ventures, 138-141 startup, 160, 161 Cash flow, 98–100, 108 Certification hypothesis, 10, 11 Citizenship, 13 Commercialization, 17, 18 Competition in banking, 60, 61, 64–68, 72 and existing technology, 14 from imitators, 108, 109 and market value, 102-104 Cournot duopoly model, 96, 108, 109 Credit and business formation, 74-77 demand for, 69, 70 and information asymmetry, 3-7 and minorities, 63, 169 sources of, 62-65 and wealth, 191, 192, 202, 203 Distribution constraint, 126-131, 147 Earnings of minority women, 156-160, 164-166,

or minority women, 156–160, 164–166, 169–173 and returns to capital, 160–164 of self-employed minorities, 38, 39, 154, 157–160, 172, 173 time and, 166–173 of white men, 158, 169 Education, 32, 204 Employee Retirement Income Security Act, 7, 8 Employers, 71, 195, 196, 202 Equity, 174 ERISA, 7, 8 Establishments, vs. firms, 71

Federal government (US) and bank solvency, 69 and certification hypothesis, 10, 11 and nonprofits, 129, 135, 147 and pharmaceutical industry, 83-95 and program distortions, 12, 13 and R&D spillovers, 11, 12 set-aside programs of, 174 and venture capital, 9-18 Fees for services, 130, 139 Financing of for-profit social ventures, 139-141, 147 liquidity and, 62, 63 of nonprofits, 137-139 and wealth, 191, 192 Firms, vs. establishments, 71 Flexibility, 15-18 Food and Drug Administration (US), 85, 86,89 Foundations, 138-140, 147 Fund disbursement, 9

Germany, 2, 62 Gini coefficient, 185 Grants, 138–140, 147

Hatch-Waxman Act, 88–95, 107, 108 Health care, 24, 25, 39–43, 51, 87, 105–108, 140 Health insurance, 1–45 Health status, 1–51 Herding, 10 Herfindahl-Hirschmann Index, 68, 71, 72 High-technology firms, 3–10, 102

Imitation, 96, 97, 107–109 Inequality and entrepreneurship, 191, 192, 200-202 inter-vs. intra-group, 202, 204 measures, 185, 186, 197-204 taxation, 186-190 and wage-earners, 202-204 Innovation, 96, 97, 107–109, 139, 192, 193 Intellectual property, 11, 12 Interest rates, 3, 64, 65 Intermediaries, 7-9 Internet companies, 10 Investment and information, 2-7 in minority businesses, 160-164 in nonprofit sector, 129-132 Q theory, 99-105 in R&D, 99, 102-108

Job creation, 196, 197, 202

Kefauver-Harris Amendment, 85, 86, 107 Kuznets curve, 192

Legal problems, 16 Lending, reduced-form, 67–77 Leveraged transactions, 99 Limited partnerships, 7, 8 Liquidity constraints, 62, 63 Lobbying, 12

Management, 3, 8, 16, 17 Market value and cash flow, 98 and competition, 102–104 of firms, 99–107 in high-technology industries, 3 and mergers, 98, 99 in pharmaceutical industry, 102–105 and R&D investment, 99–108 and stock price, 99 Medicare, 106, 107 Mergers, 66, 98, 99 Mobility, upward, 153, 173

New businesses and banks, 61–65, 74–77 initial investment and, 160, 161

market entry by, 134 nonprofit, 115-124 New Drug Approvals, 103, 104 New molecular entities, 103, 104, 107, 108 Nonprofit sector, 115-141, 147 Organizational density, 136, 137 Patents, 89, 90 Pension funds, 7, 8 Personal assets, 62, 191, 192 Pharmaceutical industry, 83-95, 99-108 Piggybacking, 16 Pre-commercial research, 17, 18 Prescription Drug User Fee Act, 86, 107 Price controls, 105–107 Profit and nonprofit organizations, 126, 127, 130 and R&D investment, 101, 108, 109 and social ventures, 124, 125, 139-141, 147 and wealth, 191, 192 Prudent man rule, 7, 8 Real estate, 160-164, 182, 183 Regulatory capture, 12 Research and development and health care, 105-107 investment and, 96 and market value, 99-105 and profitability, 101, 108, 109 spillovers, 11, 12, 96, 109 Returns to capital, 160–164 Risk in banking, 3, 68, 69, 74 and imitation, 96 and nonprofits, 138 SBIC, 1, 2 SBIR, 2, 12, 13 Self-employment, 155, 202 and age, 33, 35 and entrepreneurship, 193 and health, 1-25, 32-35 history of, 172, 194-196 and hours of work, 39 and income, 38, 39, 154 and job creation, 196, 197, 202 minorities and, 38, 39, 153-160, 167, 168, 172, 173 minority women and, 156-160, 164-166, 169 - 173

Index

and personal assets, 62 and transition decisions, 33-35, 45-51 and wealth distribution, 202 Set-aside programs, 174 Skills, 204 Small Business Innovation Research, 2, 12, 13 Small Business Investment Company, 1, 2 Social ventures, 124, 125, 132, 133, 139-141, 147 Spillovers, 11, 12, 96, 109 Stock market, 3, 101 Success, predictors of, 62 Supreme Court (US), 174 Syndication, 8, 9 Taxation of income, 1-23 local and state, 182, 183 of nonprofits, 126-131, 147 and wealth, 186-191 Tax avoidance, 182-191 Theil entropy, 185-189, 199-204 Tobin's Q, 99-105 Uncertainty, 15 Underachievers, 15-17 Urban areas, 136, 137, 199 Utility maximization, 125, 126, 130-133 Venture capital, 1-18 Wage earners, 202-204 Wealth and credit, 191 inequality and, 185, 186, 197-204 and self-employment, 191, 192, 195-204 Welfare reform, 135-137 Women and business equity, 174 and health insurance, 35 health status of, 32, 38 self-employed minority, 156-160, 164-166, 169-173