

6-7-2014

## THE GREAT RECESSION OF 2008-2009 AND REGIONAL ENTREPRENEURSHIP: IDENTIFYING CULTURAL RESILIENCE FACTORS (SUMMARY)

Martin Obschonka

*Friedrich Schiller University Jena, Germany, martin.obschonka@uni-jena.de*

Michael Stuetzer

*Ilmenau University of Technology, Germany*

Samuel D. Gosling

*University of Texas at Austin, USA*

Peter Jason Rentfrow

*University of Cambridge, UK*

Jeff Potter

*Atof Inc., Cambridge, USA*

---

### Recommended Citation

Obschonka, Martin; Stuetzer, Michael; Gosling, Samuel D.; Rentfrow, Peter Jason; and Potter, Jeff (2014) "THE GREAT RECESSION OF 2008-2009 AND REGIONAL ENTREPRENEURSHIP: IDENTIFYING CULTURAL RESILIENCE FACTORS (SUMMARY)," *Frontiers of Entrepreneurship Research*: Vol. 34 : Iss. 14 , Article 11.

Available at: <https://digitalknowledge.babson.edu/fer/vol34/iss14/11>

This Summary is brought to you for free and open access by the Entrepreneurship at Babson at Digital Knowledge at Babson. It has been accepted for inclusion in Frontiers of Entrepreneurship Research by an authorized editor of Digital Knowledge at Babson. For more information, please contact [digitalknowledge@babson.edu](mailto:digitalknowledge@babson.edu).

≈ SUMMARY ≈

**THE GREAT RECESSION OF 2008-2009 AND REGIONAL ENTREPRENEURSHIP:  
IDENTIFYING CULTURAL RESILIENCE FACTORS**

*Martin Obschonka, University of Jena, Germany*  
*Michael Stuetzer, Ilmenau University of Technology, Germany*  
*Samuel D. Gosling, University of Texas at Austin, USA*  
*Peter Jason Rentfrow, University of Cambridge, UK*  
*Jeff Potter, Atof Inc., Cambridge, USA*

**Principal Topic**

The economic recession of 2008-2009 is widely regarded as the worst economic collapse since the Great Depression. The present study focuses on regional resilience factors that may have offered some “protection” from the slowdown in economic activity during this crisis. Drawing from the entrepreneurial-culture approach (Audretsch & Keilbach 2004; Davidsson & Wiklund 1997) and psychological research suggesting a personality-based measure of entrepreneurial culture (Obschonka et al., 2013), we examine whether a prevalent regional entrepreneurial culture predicts a smaller decline in regional startup rates during the crisis, above and beyond the effect of economic resilience factors.

**Method**

We analyze data from the Gosling-Potter-Project from the US (N= 1,112,537) and the BBC-Psychology-Project from the UK (N=425,800). Personality was collected at the Big Five level (E:extraversion, C:conscientiousness, O:openness, A:agreeableness, N:neuroticism), employing the Big Five Inventory (44 items; John & Srivastava 1999). To compare different regional measures of an entrepreneurial culture, we aggregate both the single Big Five Traits and the configural entrepreneurial personality profile (high values in E,C,O; low values in A,N within the person; Obschonka et al., 2013) (366 MSA's in the US; 366 LAD's in the UK). The change in the region's entrepreneurial vitality is measured by the percentage of change in the region's startup rate between 2007 and 2009. The regional economic resilience factors are: economic diversity, human capital, relative size of the financial sector, and degree of inclusion into international trade.

**Results and Implications**

In both the US and the UK, regions with lower neuroticism and a higher entrepreneurial personality profile showed a significantly smaller decline in the local startup rate during the crisis. High openness also had a buffering effect, but only in the UK. These effects were robust when controlling for the set of economic resilience factors. Taken together, these results provide support for the entrepreneurial-culture approach by illustrating the relevance of cultural, non-economic regional factors for the region's entrepreneurial vitality under difficult macro-economic conditions such as economic shocks.

**CONTACT:** Martin Obschonka; martin.obschonka@uni-jena.de; (T): +49 (0)3641 9 45-922; (F): +49 (0)3641 945202; Center for Applied Developmental Science, University of Jena, Semmelweisstr. 12, D-07743 Jena, Germany.