A VIEW ON SECOND-CHANCE ENTREPRENEURSHIP IN FLANDERS (BELGIUM)

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ABSTRACT

It is widely acknowledged that entrepreneurs gain a unique knowledge from bankruptcy which may allow them to restart a more successful business. In accordance with this the EU recommends Member States to invest in the reactivation of bankrupt entrepreneurs. In Flanders however, it seems that entrepreneurs who have failed are often not inclined to set up a new business. Literature suggests this might be due to the negative image from which bankrupts suffer. The key question in this research is whether the negative perception associated with bankruptcies influences the degree to which one is willing to support a restart. Results from a survey among 3377 respondents show that the perception of the amount of fraudulent bankruptcies is a strong predictor of support towards a restart.

INTRODUCTION

In 2010, almost one percent of the active companies in Flanders went bankrupt (Graydon, 31 December 2010). A failure in the continuation of an enterprise leaves the entrepreneur not only with a financial hangover (i.e. unemployed and indebted) but very often with an emotional trauma as well (Blom, 2004; Engels, 2006; Shepherd, Wiklund, & Haynie, 2009). In several cases this results in personal tragedies. Entrepreneurs of Small and Medium Enterprises (SMEs) are especially vulnerable. As SMEs provide almost half of the total employment in Flanders (Rijksdienst voor Sociale Zekerheid, 2010), authorities are encouraging this kind of entrepreneurship with administrative and financial support. However, these measures seem to completely ignore bankrupts. This should be considered as a missed opportunity as entrepreneurs not only learn from their success, but as often as not, pick up a great deal from a failure (Cardon & McGrath, 1999; Knott & Posen, 2005; Shepherd, 2009). Different studies acknowledge that entrepreneurs gain a unique knowledge from bankruptcy which could in turn allow them to restart a more successful business (Ekanem & Wyer, 2007; Metzger, 2006b; Schrör, 2006; Ucbasaran, Westhead, Wright, & Flores, 2009). The question remains however, whether society hinders, allows or encourages bankrupt entrepreneurs to take a fresh start. Even though the social, economic and judicial reality varies considerably among European countries (European Commission, 2009), it seems that the stigma on bankruptcy is still going strong and could be an important threshold to restart a business after a failure or even set up a business for the first time (Burchell & Hughes, 2006; European Commission, 2011; Landier, 2005). In the United States, by contrast, failure is considered by many as an opportunity to become a more successful entrepreneur (Burchell & Hughes, 2006; Timmons & Spirelli, Nov 1, 2008). The European Commission is becoming aware of the prevailing stigma of failure and its possible consequences. They find that stigma is often accompanied by poor policy in the field of second-chance entrepreneurship and urge the EU Member States to prioritize a thorough policy of second-chance entrepreneurship (Commission of the European Communities, 2007; European Commission, 2011).
In the current study we investigate the perception of bankrupts and restarters in Flanders. Does public opinion in Flanders hold that bankruptcies are more often than not fraudulent? Does a "failed" entrepreneur deserve a second chance? And moreover, does the perception of bankruptcies influence the degree to which one is willing to support a restart? Restarters in this study are defined as entrepreneurs whose first business went bankrupt, but who, after some time, started a new company.

This paper starts off with an overview of the literature, in which we touch on the societal benefits of restarting a business and introduce the concept of bankruptcy fraud and the issue of stigma together with the dynamics of stigmatization. The second part of this article consists of an empirical study from which we draw conclusions.

THEORETICAL DEVELOPMENT

“In order to succeed one first has to experience failure. It is a common pattern that the first venture fails, yet the entrepreneur learns and goes on to create a highly successful company.”

--Timmons

As most bankrupts still maintain their entrepreneurial intentions, going bankrupt does not necessarily entail the end of an entrepreneurial career (Politis & Gabrielson, 2007; Schutjens & Stam, 2006). Moreover, available data suggests that “failed” entrepreneurs learn from their mistakes, making them generally more successful the second time (Masuda, 2010; Stam, Audretsch, & Meijaard, 2008; Ucbasarana, et al., 2009). This construes bankruptcy as an important learning opportunity (B&A Groep Beleidsonderzoek & - Advies, 1998; Cardon & McGrath, 1999; Ekanem & Wyer, 2007; Gustafsson, Näs, & Purohit, 2007). Previous research shows that the survival rate of starters who had this entrepreneurial experience is higher than the survival rate of starters without this experience (Ekanem & Wyer, 2007; Schrö, 2006). A research conducted by Ten Vergert & van der Weide (2001) reveals that a large majority of restarters believes that the launch of the new company was easier at some points than the start of the earlier company. They adopted an entirely different approach to several issues, among them better planning, getting a second opinion and accepting professional guidance (Ekanem & Wyer, 2007; Schrö, 2006; Van devoort, Jansens, & Lagrou, 1989). Even though fast growth and high revenue are not of primordial importance for second-chance entrepreneurs, research surprisingly shows that restarted companies do get higher turnover per employee and in the long-term they often become larger than the previous company (B&A Groep Beleidsonderzoek & - Advies, 1998). A study by Wijdoogen (2008) shows that bankrupt entrepreneurs learned lessons in the following domains: acquisition of resources (labour and capital), timing, accounting, network building, marketing, sales etc. In other words, failed entrepreneurs will set up a new business with increased and better know-how. Especially if they choose to restart in the same sector with similar activities, there is a high chance that the restarter becomes a better entrepreneur (Schrör, 2006). One can conclude then that a) bankrupt entrepreneurs have obtained a great deal of business experience, b) society should strive to benefit from this entrepreneurial experience and facilitate the entrepreneur to either pass on the acquired knowledge to others (e.g. giving seminars, teaching, advising, mentoring, ...) and or c) to start a new business applying the experienced learning.

Still, only few bankrupts start a new business. Available data on restarters in Flanders is nonexistent but data from Germany shows that restarters account for a little less than 3 percent of the entrepreneurs who went bankrupt (Metzger, 2006a; Wagner, 2002), possibly indicating that
bankrupt entrepreneurs face many difficulties when taking a fresh start. Ten Vergert and van der Weide (2001) find that restarters face less internal obstacles but get more external constraints. Especially in Europe, second-chance entrepreneurs are considered as risky business and are consequently less likely to get financing, licensing and advice compared with general practices in the United States (Burchell & Hughes, 2006; Cope, Cave, & Eccles, 2004; Damink, 2001). According to the Flash Eurobarometer, more than half of Europeans would not invest in a business that had previously failed (European Commission, 2007). While it is clear that overall, negative social attitudes towards business failure dominate in Europe (Burchell & Hughes, 2006; Commission of the European Communities, 2007; Peek, 2001), in the United States, risk taking is encouraged and business failure is highly tolerated, since failure is seen by many as a learning experience (Lee, Miller, Hancock, & Rowen, 2000). Also in Flanders, a recent study (Lambrecht & To, 2009) demonstrates that bankrupts are complaining about the mentality towards bankruptcy. Some bankrupt entrepreneurs confirm that they felt ashamed and marked by the social environment. They felt that no matter the cause, bankruptcy is regarded as repulsive and deceptive, with no consideration given to other possible reasons for the liquidation (Lambrecht & To, 2009). Together with the social disapproval of bankruptcies, (as it goes with public opinion) honest and dishonest bankrupts are often wrongly lumped together; there is an important distinction between the two which needs to be addressed at all levels of Flemish society. It is our intent to demonstrate this position within this paper.

A common definition of bankruptcy fraud is: “...a term which refers to the illegal exploitation of the bankruptcy system in favor of one’s personal gains. When an individual is burdened with a heavy debt, the recommended course of action is to file for bankruptcy protection which leads to successful restructuring and eventual removal of debt.” (Bankruptcy Fraud, 2006-2010) While bankruptcy is not illegal, bankruptcy fraud is a serious crime with severe penalties. Although in most cases bankruptcy involves no fraud, bankruptcy and fraud are often directly linked (Commission of the European Communities, 2007; European Commission, 2011). Even though they are spared by the court, honest bankrupts are often considered suspicious. By many they are considered as dubious and unreliable, no longer trustworthy. This could even lead to losing friends and acquaintances. In Europe, the failure of a business is either perceived as a personal failure or is associated with fraud, no matter the cause (European Commission, 2007; Commission of the European Communities, 2007; European Commission, 2011), but this is largely unjustified since fraud is only rarely (around 4 to 6%) the cause of bankruptcy in Europe (European Commission, 2011). In Flanders figures about the correct proportion of fraudulent bankruptcies are lacking, but our own research reveals that in the period 2003-2009 on average, only in 10.8 percent of the cases involved fraud. (Graydon, 31 December 2010; The Federal Police, 2011). These findings were determined by comparing bankruptcy numbers to bankruptcy related crime statistics, including crimes committed by the bankrupt entrepreneur, by a third party or by the liquidator. A bankrupt commits a crime when making an agreement without doing something in return, not responding to the liquidator or judge, selling at a loss, manipulating the bookkeeping, giving preference to creditors at the expense of the bankrupt's estate, reporting the bankruptcy too late, embezzling or hiding assets and disappeared bookkeeping, etc. (Delrue, 2006). Furthermore, fraud committed by the liquidator, such as misappropriate funds or property belonging to the bankrupt's estate, is also included (Delrue, 2006). The offender may also be a third party, when they hide, steal or remove certain assets of the company that went in liquidation (Delrue, 2006).

In this study, we investigate whether the public opinion in Flanders considers bankruptcies to be more often than not fraudulent and whether people agree that “failed” entrepreneurs deserve a second chance. Moreover, we explore whether there exists an influence from the view on bankruptcies on the degree to which one is willing to support a restart. If it turns out that the
Flemish population believes that the majority of all bankrupt entrepreneurs are fraudulent and if this perception influences the willingness to support a second chance, it will explain why a fresh start becomes very difficult for bankrupts. Since we expect that the degree to which one is willing to support a restart decreases with the degree to which one associates bankruptcy with fraud, the hypothesis of this paper is:

“Respondents who have a higher estimation of the percentage of fraudulent bankruptcies are less inclined to support a restart compared to respondents who have a lower estimation of the percentage of fraudulent bankruptcies.”

METHODOLOGY

Data Collection and Sample
A survey was conducted in Flanders to assess Flemish people’s perceptions of bankruptcies and second-chance entrepreneurship. Data was collected by means of a structured questionnaire. As not all Flemish use the internet (Belgium in 2010: 77.8% penetration), online surveys potentially distort the results. For this reason we opted for a combination of online and paper surveys. Several companies and organizations helped distribute the questionnaire by placing the link to the online questionnaire on their website or in their newsletter. Possibly, the choice of distribution channels meant a small distortion of the results, but we minimized that risk by means of involving different types of companies and organizations. Respondents were motivated to participate in the study by stressing that they could win a prize.

During three months (November 2009 to January 2010) data was collected from 3377 respondents, ages 12 till 79 (mean age = 34.17 years). The proportion male/female in the sample was not significantly different (p = .203) to the 49/51 division in the overall Flemish population. Almost half of the sample indicated secondary education as the highest level of education. This could be explained, since at the time of the survey, 31 percent of our sample consisted of students who were in the process of attaining a bachelor’s degree. Furthermore, only 3 percent finished primary school, 26 percent had a Bachelor's or graduate degree and 22 percent held a Master's degree. The occupation level varied within the sample: 31 percent were students, 25 percent were employees, 10 percent were self-employed entrepreneurs, 10 percent worked as Civil Servants, 8 percent were workers and 5 percent had an executive position at the time of the questionnaire. Twelve percent of the respondents were out of work. Economic status was measured by asking the respondents if he/she possessed a house or not: fifty nine percent of the respondents appeared to have an own property. Thirty percent of respondents grew up in a family where one of their parents was an entrepreneur and 47 percent regularly read magazines or books on business economics.

Measures

Perception of fraudulent bankruptcies - People’s perceptions of bankruptcies were measured by asking the respondents how many of all bankruptcies in Flanders they considered to be fraudulent. They had to write down the percentage they believed to be fraudulent. This was to ascertain if the Flemish population immediately associated bankruptcies with dishonesty and fraud. After asking participants to guess the amount of fraudulent bankruptcies, we asked them on what they based this percentage.
Willingness to support a second chance - The willingness to support second-chance entrepreneurship was measured by asking participants to rate statements such as: “A bankrupt must be able to restart,” “Society has to support a fresh start for bankrupts,” “The government must have a fund available to help restarters,” “Bankrupt entrepreneurs are entitled to full unemployment benefit” or “Restarters will be more successful with their new business compared to entrepreneurs who have a business for the first time.” All statements were rated on a six-point rating scale, with responses ranging from 1 (strongly disagree) to 6 (strongly agree). These five items combined defined the factor “willingness to support a restart” (α = .77) and a higher score (from 1 to 6) indicates a stronger support for a second start.

Control variables – Control variables, possibly affecting the results, had to be taken into account. The respondents’ familiarity with entrepreneurship was considered to be a potential covariate, as we expected that respondents who are more familiar with entrepreneurship would also be more willing to tolerate a second-chance than respondents who are less familiar with entrepreneurship. To assess this variable, respondents were asked whether they often read magazines or books on business economics, whether they grew up with a self-employed father or mother and whether they are convinced that they have sufficient knowledge and skills to become an entrepreneur themselves. More than half of respondents (52%) felt that they possessed sufficient knowledge and capabilities to set up a business. These three variables appear to be significantly correlated with each other (see appendix 1). We also checked whether the respondent was personally acquainted with a restarted entrepreneur. We found that only 402 respondents personally knew a restarter of which 67 percent was acquainted with a successful restarter and 33 percent personally knew an unsuccessful restarter. We expected that respondents who were personally acquainted with an unsuccessful restarter would be less willing to support a restart than respondents who were personally acquainted with a successful restarter. Finally, we also controlled for some socio-demographic and economic factors such as gender, age, education, occupation and economic status.

RESULTS

Our results revealed that people in Flanders are convinced that on average 31.1 percent of bankruptcies are fraudulent. Only 19 percent of all respondents assessed the correct (i.e. 10.8 %) or a lower percentage, meaning 81 percent of respondents are overestimating fraudulent bankruptcies demonstrating a big gap between popular perception and scientific facts. What’s more, 23 percent of our respondents believed that bankruptcies are fraudulent in more than half of the cases. Personal experiences and the media appear to be respectively the two leading factors of an overestimation of fraudulent bankruptcies in Flanders.

The primary purpose of this study was to examine the relationship of the estimated percentage of fraudulent bankruptcies on the willingness to support a restart. We expected that respondents who had a higher estimation of the percentage of fraudulent bankruptcies would be less inclined to support a restart compared to respondents who had a lower estimation of the percentage of fraudulent bankruptcies. A hierarchical regression analysis, consisting of two steps, was conducted to gain additional insight into the data and to test our main hypothesis. The first step examined the relationship of the control variables with the willingness to support a restart as the dependent variable. The second step included the estimated percentage of fraudulent bankruptcies measure. This design allowed us to examine the unique variance (change in R²) in the dependent variable explained by the estimated percentage of fraudulent bankruptcies. The results of the hierarchical regression analysis with the willingness to support a restart as the dependent variable, with the
control variables entered as the first step and the estimated percentage of fraudulent bankruptcies as the second step are presented in appendix 2. The control variable set, entered as step 1, was significantly related to the willingness to support a restart. What’s more, the estimated percentage of fraudulent bankruptcies, entered as step 2, also added significantly to the willingness to support a restart. Looking at the coefficients of the regression analyses in appendix 2, it is confirmed that the higher one estimates the percentage of fraudulent bankruptcies, the less one is willing to support a restart ($\beta = -0.332, p < .001$). The higher the economic status in life, the less one is inclined to support a restart ($\beta = -0.173, p = .002$). On the other hand, we also find a supportive factor for second-chance entrepreneurship; knowing a successful restarter leads to a significant increase in the willingness to support second-chance entrepreneurship ($\beta = 0.276, p < .001$).

Looking at it in more detail, the descriptive results show that 84 percent of respondents felt that failed entrepreneurs deserve a fresh start and 65 percent believed that society has to support a fresh start for bankrupts. Sixty nine percent agreed that a bankrupt is entitled to a full unemployment benefit and only a small majority (57%) agreed that the government should make a fund available to help restarters. When asked if restarters will be more successful than first-time entrepreneurs, 60 percent disagreed. Appendix 3 shows these five different measures of the willingness to restart combined with the estimated percentage of fraudulent bankruptcies. This table also reveals that the degree to which one is willing to support a fresh start tends to decrease with the estimated percentage of fraudulent bankruptcies. These findings show that the higher the percentage of fraudulent bankruptcies one estimates, the less one is inclined to endorse a restart for bankrupts. More specifically, the degree to which one agrees that society has to support restarters, that the government must have a fund available and that bankrupts are entitled to full unemployment benefit declines when the estimated proportion of fraudulent bankruptcies increases (see appendix 3). This opinion grows stronger when the estimated percentage of fraudulent bankruptcies increases (see appendix 3). The main hypothesis can thus be confirmed.

**CONCLUSIONS**

When compared with second-chance entrepreneurship in the United States, we see that many European countries are dealing with a negative attitude towards failure and bankruptcy (Alesina & Glaeser, 2004; Burchell & Hughes, 2006; Landier, 2005). We believe this to be a main factor for not setting up a new business after a suffered bankruptcy. Our results clearly indicate that most respondents associate bankruptcies with fraud. More specifically, we found that people in Flanders are convinced that on average 31 percent of the bankruptcies are fraudulent, while our research, based on data of The Federal Police (The Federal Police, 2011), finds that in only 10.8 percent of the cases is fraud involved. What is more, 23 percent of our sample is convinced that bankruptcies are fraudulent in more than half of the cases. This overestimate shows a big gap between popular perception and scientific facts, revealing a social norm or stigma towards entrepreneurship and failure. Moreover, this negative image is reinforced by the legal framework which imposes various restrictions, disqualifications or prohibitions on bankrupts (Armour & Cumming, 2008; European Commission, 2002; Kroese & van Woudenbergh, 2001). A bankrupt in Belgium suffers limitations on his freedom as he/she must always be immediately available to provide information and to stand trial. He/she is obliged to inform the court when moving and even a bankrupt’s mail is confiscated and read by the liquidator. Also some publication obligations of bankruptcies, imposed by law, have a detrimental effect on the recovery process and on a possible restart. In France, bankruptcy proceedings are done with discretion and are not required to be made public, while in Belgium, all bankruptcies must be published in the Belgian Bulletin of Acts and in the Netherlands there is even public access to all court records. A widespread practice among Belgian Banks is to place bankrupts on a blacklist, refusing a loan even if the bankruptcy occurred a long time ago.
Our study clearly supports that the stigma on bankruptcies is still going strong in Flanders.

Yet at first glance, our respondents felt positive about second-chance entrepreneurship. Eighty-four percent of respondents were convinced that a failed entrepreneur must be able to restart, 69 percent agreed that a bankrupt is entitled to a full unemployment benefit, 65 percent agreed that society has to support a fresh start for bankrupt entrepreneurs and 57 percent were positive about the government setting up a fund to help bankrupt entrepreneurs with a new business. However, the degree to which one is willing to support a fresh start tended to decrease with the estimated percentage of fraudulent bankruptcies. Also, the degree to which one agreed that society has to support restarters and that the government must have a fund available to help them decreased when the proportion of fraudulent bankruptcies was estimated to be higher. Moreover, 60 percent of our sample disagreed that restarters will be more successful with their new business compared to entrepreneurs who have a business for the first time. This opinion grew stronger when the estimated percentage of fraudulent bankruptcies became higher even though literature shows that restarters, when they learn from their mistakes, are clearly more successful with their new business (Ekanem & Wyer, 2007; Metzger, 2006b; Schrör, 2006; Stam, et al., 2008). The notion of a learning process associated with bankruptcy is clearly not yet established within the broader Flemish public. We believe this lack of knowledge to be a major obstacle in creating a positive climate where bankrupt entrepreneurs could set up a new and possibly prosperous business (Burchell & Hughes, 2006; Landier, 2005). In other parts of the world, we find bankrupts are more willing to restart and we believe that cultural differences are at the bottom of it (Hofstede, et al., 2004). In the United States nowadays, for example, bankruptcy is often regarded as a learning process instead of a failure (Burchell & Hughes, 2006; Damaraju, Barney, & Dess, 2010). The Flemish population should (needs to) be made aware of the mainly non-fraudulent nature of bankruptcies. The popular belief that bankruptcy is directly linked to fraud should (needs to) be adjusted. Only by shifting blame away from the bankrupt entrepreneur, will society over time develop a more positive perception towards the individual as person and a restarter.

Our results also show that being acquainted with a successful restarter has a significant positive influence on the willingness to support a restart. Nowadays the media mostly focuses on the aspect of failure or the association of fraud when giving coverage to stories of bankruptcy. This may explain the bankruptcy stigma that is so prevalent in our society. We believe that positive restarter role models can give publicity to the benefits of a second-chance policy. As such, entrepreneurs who are successfully engaged in second-chance entrepreneurship need to be put in the spotlight.

One limitation of this research is the measurement of the estimated percentage of fraudulent bankruptcies. We asked respondents to guess the amount of fraudulent bankruptcies, but when we asked on what they based their estimation, many of them could not explain their responses. However, the clear overestimation of the proportion of fraudulent bankruptcies indicates that a distorted bankruptcy image is present. A shortage of literature on second-chance entrepreneurship in Flanders is another limitation of this study. This research contributes to the under-explored field of restarting a business in Flanders. The aim of this research is to provide useful insights for further research on this matter. Because a social stigma appears to exist on bankruptcy in Flanders, we conducted a second research with the key question “Is this stigma an obstacle entrepreneurs experience in setting up a new business in Flanders.” To address this question, an extensive qualitative research is being conducted among twenty second-chance entrepreneurs in Flanders. At the moment, the motives for starting afresh are being explored, as well as the opinions that restarters experienced in the process of starting a new business. It is evident that further research has to be done in the field of second-chance entrepreneurship in Flanders. In Germany, we know
that only 3 percent of failed entrepreneurs make another attempt to establish (Metzger, 2006a). However, statistics of the percentage of second-chance entrepreneurs in Flanders are lacking. Also, what is missing in Flanders, are figures on the learning experience of bankrupts and of their success rate. As previously stated, more research has to be done in this field.

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2010: Voor het eerst sinds 2007 meer oprichtingen van nieuwe ondernemingen dan het jaar voordien: 2010 is het op twee na sterkste jaar ooit.


### Appendix 1: Descriptive Statistics and Variable Intercorrelations (N = 3377)

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Willingness to support a restart</td>
<td>3.83</td>
<td>.80</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Estimated percentage fraudulent bankruptcies</td>
<td>31.07</td>
<td>19.99</td>
<td>-.21**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Entrepreneurial family</td>
<td>.30</td>
<td>.46</td>
<td>.08*</td>
<td>-.08**</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Magazines/books on business economics</td>
<td>.47</td>
<td>.50</td>
<td>.04**</td>
<td>-.10**</td>
<td>.07**</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Sufficient entrepreneurial knowledge and skills</td>
<td>.52</td>
<td>.50</td>
<td>.09**</td>
<td>-.08**</td>
<td>.13**</td>
<td>.29**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Personally acquainted with a successful restarter</td>
<td>.67</td>
<td>.47</td>
<td>.36*</td>
<td>-.21**</td>
<td>-.01</td>
<td>-.02</td>
<td>.01</td>
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</tr>
</tbody>
</table>

**p < .01.
Appendix 2: Summary of Hierarchical Regression Analysis for Variables Predicting Willingness to Support a Restart (N = 3377)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Model 1</th>
<th></th>
<th>Model 2</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>3.308</td>
<td>.285</td>
<td>3.939</td>
<td>.283</td>
</tr>
<tr>
<td>Did the respondent grow up in an entrepreneurial family? (0 = no. 1 = yes)</td>
<td>.099</td>
<td>.103</td>
<td>.112</td>
<td>.096</td>
</tr>
<tr>
<td>Does the respondent often read magazines on business economics? (0 = no. 1 = yes)</td>
<td>.296</td>
<td>.116</td>
<td>.146*</td>
<td>.195</td>
</tr>
<tr>
<td>Is the respondent convinced that he/she has sufficient entrepreneurial knowledge and skills? (0 = no. 1 = yes)</td>
<td>.249</td>
<td>.117</td>
<td>.119*</td>
<td>.182</td>
</tr>
<tr>
<td>Is the respondent acquainted with someone who restarted a business successfully? (0 = no. 1 = yes)</td>
<td>.695</td>
<td>.106</td>
<td>.338**</td>
<td>.567</td>
</tr>
<tr>
<td>Gender (0 = man. 1 = woman)</td>
<td>.064</td>
<td>.109</td>
<td>.032</td>
<td>.048</td>
</tr>
<tr>
<td>Age</td>
<td>.002</td>
<td>.004</td>
<td>.031</td>
<td>.001</td>
</tr>
<tr>
<td>Education</td>
<td>-.019</td>
<td>.063</td>
<td>-.017</td>
<td>-.003</td>
</tr>
<tr>
<td>Occupation</td>
<td>-.021</td>
<td>.027</td>
<td>-.045</td>
<td>-.013</td>
</tr>
<tr>
<td>Owning a house (0 = no. 1 = yes)</td>
<td>-.463</td>
<td>.133</td>
<td>-.203**</td>
<td>-.396</td>
</tr>
<tr>
<td>Estimated percentage fraudulent bankruptcies</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>( R^2 )</td>
<td>.20</td>
<td></td>
<td>.30</td>
<td></td>
</tr>
<tr>
<td>( F ) for change in ( R^2 )</td>
<td>8.75**</td>
<td></td>
<td>43.53**</td>
<td></td>
</tr>
</tbody>
</table>

\*p < .05.  **p < .01.
Appendix 3: Descriptives Main Hypothesis

- A bankrupt entrepreneur must be able to restart
- Society has to support a fresh start for a bankrupt entrepreneur
- The government must have a fund available to help restarters
- Startups will be more successful with their new business compared to entrepreneurs who have a business for the first time.