

Startup Experience, Venture Capital Experience, and First-time Venture Fund Performance

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September 9, 2021

Abstract

We study the sources of cross-sectional variation in the performance of first-time venture capital (VC) fund partners. We find that, relative to partners with startup experience, partners with VC experience are 25 percent more likely to invest in successful deals or start a follow-on fund. We investigate three potential mechanisms for this finding. Our tests do not support the hypotheses that partners with VC experience make riskier investments or have better deal-selection skills. Consistent with a network effect, we show that the higher success rate for partners with VC experience primarily comes from joining successful syndicates, not from leading successful deals. Our results suggest that a background in venture capital is an important channel for the success of first-time venture funds.

JEL classification:

Keywords: Venture Capital, PitchBook, First-time Funds, Private Equity

* We thank Amiyatosh Purnanandan, Daniel Garrett, Paul Decaire, Brittany Lewis, Sam Antill, Caitlin Gorbach, Rebecca DeSimone, Michael Wittry, and seminar participants at the University of Michigan for helpful comments. We also thank Murray Green and Avril Prakash for excellent research assistance. We appreciate the financial support of the Mitsui Center, which greatly facilitated our research efforts.

I. Introduction

Prior work has shown substantial persistence in venture fund performance. [Kaplan and Schoar \(2005\)](#) show that general partners who outperform the industry in one fund are also likely to outperform in their next fund. [Ewens and Rhodes-Kropf \(2015\)](#) show that the performance of the fund is largely driven by the individual venture partners. Their estimates show that the partners' human capital is two to five times more important than the VC firm's organizational capital in explaining performance. These findings suggest that limited partners who gain early access to funds with top-performing individual venture founders can earn superior returns for many years.

In this paper we examine which specific attributes of first-time venture capital (VC) fund founders explain investment success. Specifically, we test whether first-time funds formed by founders with past venture capital experience are more successful than funds formed by founders with operating experience.¹ Anecdotal evidence suggests that startup founders prefer VC partners who have startup experience. For example, Brian Chesky, the founder of Airbnb [claims](#) that his firm only takes money from VC founders who have started a company because these VC firms know how to add value. In a [survey](#) of startup founders by TechCrunch, an online newspaper focusing on high tech and startup companies, 80% of the founders' preferred venture capitalists had started a company before founding a VC firm.

From [Gompers et al. \(2020\)](#), we know that VC funds create value through deal sourcing, deal selection, and post-investment monitoring and support services. A first-time venture fund founder with existing relationships within the VC industry (think of a spin-off manager from a so-called "mega-fund") might have better networks through

¹ We define operating experience as previous employment as a founder of a startup, and VC experience as previous employment as a partner-level executive with decision-making power at a VC firm. For example, we classify [XSeed Capital](#) as having neither venture capital nor operating experience because Micheal Borrus, who founded the firm in 2006, had neither worked in a decision making role at a VC firm nor started his own company, according to PitchBook's records and our search of public web pages.

which to source deals and raise capital for a fund. However, a first-time founder with prior startup experience might be better at deal selection (due to better intuition for identifying viable startup founders) and post-investment value-add, especially if she funds companies in the same industry in which she previously worked.

Besides the combination of attributes that explain first-time venture fund performance, these funds are important to study because of their role in the VC funding landscape. First-time funds might be more willing to invest in ideas that more established VCs decline to fund because these ideas do not fit the established norms of VC-funded projects. For example, Closed Loop Capital, a first-time fund, wrote the first VC check for Beyond Meat, which went public in 2019, and Union Square Ventures, another first-time fund, wrote the first check for Etsy, which went public in 2015, after more established VCs had passed on the chance to invest in these companies. Figure 1 shows the importance of first-time funds by showing that they wrote the first VC check in about 25 of the 100 largest IPOs from 2010 to 2021. In today's market capitalization, the companies in this figure, who got their first check from a first-time fund, are worth \$738 billion dollars.

Several recent trends in private markets may have altered the combination of skills that are important for success in venture capital. For example, there has been a rise in intermediaries such as business accelerators and angel groups that fund and mentor early-stage businesses, see, for example, [Kerr et al. \(2014\)](#), [Lerner and Nanda \(2020\)](#), [Gonzalez-Uribe and Leatherbee \(2018\)](#), [Hochberg \(2016\)](#), and [Cohen and Hochberg \(2014\)](#). [Lerner and Nanda \(2020\)](#) also note that the investment preferences of mega-funds such as SoftBank's Vision Fund and Sequoia Capital Growth Fund III might shape the investment patterns of early-stage investors. Given the large investments these funds make in their portfolio companies, their decision to back a given company could define which early-stage investors win or lose.

The effects of these trends on our subject are hard to predict ex ante. Accelerators could help founders with VC experience to select better deals, but they might also

reduce the network advantage of these founders. Mega-funds, on the other hand, seem likely to back companies in which the early-stage investors are alumni of their previous funds or past employees. If this is the case, it would give first-time founders with venture capital experience a leg up.

To examine which skills are important for success in venture capital, we use Pitchbook to identify founders of new venture capital firms formed between 2006 and 2017. Throughout, we define VC experience as previous employment as a partner-level executive with decision-making power at a VC firm, and define operating experience as previous employment as a founder of an operating firm. We find that relative to fund founders with startup experience, founders with VC experience are 25 percent more likely to invest in successful deals or to start a follow-on fund. We investigate three potential mechanisms for this finding.

First, founders with a background in venture capital could simply make riskier investments. Although these investments are more likely to fail, limited partners who care about the most memorable successful investments could gravitate to them, irrespective of overall fund risk. Thus, riskier investments by founders with venture capital experience might increase both the proportion of successful exits and the probability of raising a follow-on fund. However, we do not find support for this hypothesis, as founders with a background in venture capital are no more likely to invest in companies that fail—our indicator for investment riskiness—than founders with operating experience are.

Second, founders with a background in venture capital may have obtained their previous experience because of their superior deal selection skill. To test this hypothesis, we look for measurable investment skill; specifically, we examine whether founders with VC experience are more likely to lead deals and whether the deals they lead are more successful, relative to founders with operating experience. We do not find support for this hypothesis, as founders with a background in venture capital are neither more likely to lead deals nor to lead more successful deals.

Third, founders with past venture capital experience could have access to more potentially successful deals because of connections they developed at their previous employer. In this case, the increased likelihood of a profitable exit would be driven by the frequency with which the founders are invited to syndicated investments in firms that other investors identify as superior. We find that founders with VC experience are indeed better able to access deals by connected firms, as they themselves come from connected firms with high degree and eigen-vector centrality.

It is difficult to completely separate the effects of investment skill from connections made through previous VC experience, especially because knowing which syndicate to join might itself be an indicator of investment skill. Nonetheless, given our evidence on the investment performance of deals led, we conclude that our evidence largely supports the third explanation as the most plausible driver of better investment performance for first-time founders with VC experience.

Our findings contribute three ways to the literature on the attributes of individual venture capital partners that are related to investment success. Examining first-time funds that were raised between 1980 and 1998, [Zarutskie \(2010\)](#) finds that funds that were run by managers with VC or startup experience have a greater fraction of portfolio company exits. [Dimov et al. \(2007\)](#) show that fund founders with finance expertise make fewer early-stage investments than founders without such expertise. Our first contribution to this literature is to extend this line of inquiry by showing how the relationship between venture capital human capital and success has changed over time. Second, contrary to [Zarutskie \(2010\)](#), we find no relationship between experience as an entrepreneur and future success. We find that only experience in venture capital is robustly related to future success. Third, we uncover a mechanism through which experience in venture capital affects success: we show that first-time firms run by founders with VC experience are more likely to join successful syndicates, and that these founders are spawned by connected venture firms.

We also contribute to the literature on the effects of networks in venture cap-

ital. Because entrepreneurs have discretion over who funds them, venture capital managers, unlike mutual fund and hedge fund managers (who mostly invest in public markets), may have access to “proprietary deal flow” (investment opportunities available to some but not all managers), and this access may be greatest for well-connected managers (Hsu, 2004). Consistent with this, Hochberg et al. (2007) shows that better-networked venture capital firms are more likely to succeed. We build on her findings by showing that this network effect is related to the success of first-time venture capital funds. Specifically, we show that first-time fund founders with VC experience syndicate deals with better-networked VC firms, and that the network effect explains venture spawning.

Our work is also closely related to work by Gompers et al. (2005) showing that new entrepreneurs come from venture-backed companies. Unlike that paper, we focus on the determinants of new venture firm spawning and show, for the first time, that connected VC firms spawn new VC founders who are likely to be successful. Our findings are consistent with a recent theory, by Akerlof and Holden (2016), that founders with more connections are more likely to lead successful projects by leveraging their connections. We also contribute the literature on which factors drive cross-sectional variation in private equity fund returns (Kaplan and Schoar (2005)). We show that VC fund founders with a background in venture capital are likely to have better outcomes, and that this likely results from their access to proprietary deal flow arising from their previous experience in the VC industry.

More generally, our study is also related to the literature on manager characteristics that forecast future success. Two branches of this literature are directly relevant: CEO performance evaluation and mutual fund performance evaluation. The CEO performance evaluation literature broadly shows that manager identities matter (see, e.g., Bertrand and Schoar (2003)) and that manager characteristics and behaviors forecast future firm performance (see, e.g., Malmendier and Tate (2009), Kaplan et al. (2012), and Bandiera et al. (2020)). While these studies rely on detailed data on manager

behaviors, we contribute to this literature by combining data on manager characteristics with information on idea sourcing. We observe deals led and syndicated by the first-time VC firms, allowing us to track the likely sources of ideas to the VC partners or outside investors. This allows us to isolate the effect of investment selection from the benefits of network connections in a way that is novel to the literature.

While much of the mutual fund performance literature has focused on fund characteristics and trading behaviors that forecast future success (see the recent survey in [Berk et al. \(2020\)](#)), certain manager characteristics, such as educational background, have received significant attention, as in [Chevalier and Ellison \(2003\)](#) and [Gottesman and Morey \(2006\)](#). [Huang et al. \(2015\)](#) and [Chen et al. \(2018\)](#) have also linked managers' past work experience to differences in investment style and performance. Similar to our findings, [Cohen et al. \(2008\)](#) find that mutual fund managers perform better when they invest in firms where they have board connections. However, [Cohen et al. \(2008\)](#) link these connections to information transfer, while in the VC setting—our setting—connectedness may give rise to not only information on, but also the opportunity to invest in, superior deals. Our setting also differs from the mutual fund manager literature in that our focus is on first-time VC fund founders. This focus allows us to more cleanly isolate the effect of background experience from that of on-the-job learning.

II. Data and Results

A. Sample Construction

Our sample contains all first-time venture capital fund founders in the Pitchbook database from 2006 to 2017.² We keep first-time venture capital funds that are located in the United States and are not missing data on founding year and fund size.

² We keep all executives with the founder keyword in their title.

Next, we hire research assistants to search public web pages for information about the work history of these fund founders. We also collect information about the fund founder’s race, the schools they attended, the degrees they obtained, and their gender. Most importantly for our analysis, we collect information about whether, before starting the fund, the first-time fund founders worked in an operating role or had previous venture capital experience. We define operating experience as previous employment as a founder of a startup, and VC experience as previous employment as a partner-level executive with decision-making power at a VC firm.

Our final sample comprises 1,298 first-time firm and fund founders, who started 422 firms between 2006 and 2017. We stop our sample in 2017 to allow enough time for a firm to start a follow-on fund or get a portfolio company exit, our key measures of success.

B. Descriptive Statistics

Table 1 shows summary statistics for our sample of first-time fund founders and the funds they started. Panel A shows the individual characteristics of the founders, and Panel B aggregates the individual information to the fund level.

[Insert Table 1 About Here.]

From Panel A, we see that about 24 percent of founders have past venture capital experience, 25 percent have operating experience, 14 percent are female, 2 percent are black, 40 percent hold an MBA, 16 percent hold a Ph.D., 65 percent have an arts degree, master’s degree, or bachelor of arts degree, 14 percent graduated from a foreign university, and 62 percent graduated from a top-20 university (based on the U.S. News 2021 rankings of business schools).³

³ The top 20 universities include Stanford University, University of Pennsylvania (Wharton), Northwestern University (Kellogg), University of Chicago (Booth), Massachusetts Institute of Technology (Sloan), Harvard University, University of California–Berkeley (Haas), Columbia University,

Panel B shows the characteristics of first-time funds. Seventy-three percent of all first-time founders in our sample start a follow-on fund. The first-time founders lead about 27 percent of the deals (portfolio company investments) in which the first-time fund participates. Fewer first-time funds have at least one founder with venture capital or private equity experience (*VC exp*) (44 percent) than have at least one founder with operating experience (*Operating exp*) (52 percent). Thirty-one percent of funds have at least one female founder, and 5 percent have at least one black founder. Seventy percent have at least one founder with an MBA, and 34 percent have at least one founder with a Ph.D. The average first-time fund raises about \$62 million and uses it to invest in about 15 deals, for an average of about \$4 million per deal, and leads one in every four deals in which it invests.

Table 2 summarizes the characteristics of deals by first time funds, separating deals by founders with only VC experience (Column (A)), founders with only operating experience (Column (B)), both types (Column (C)), and neither type (Column (D)). The remaining columns present t-statistics for a test of difference in means between Columns (A)-(C) and Column (D). Several differences are notable and will inform our later analysis. First, deals by founders with only VC experience are more likely to end in success (IPO or acquisition) and equally likely to end in failure, relative to founders with neither experience type, a point we investigate in detail in the next section. Second, founders with VC experience are more likely to invest in older firms, less likely to invest in seed stage deals, and more likely to invest in later stage deals, while the reverse is true of founders with only operating experience. Third, founders with VC experience are more likely to invest in syndicated deals. Together, these three facts suggest that founders with VC experience are more likely to be invited to

Yale University, New York University (Stern), University of Virginia (Darden), Dartmouth College (Tuck), Duke University (Fuqua), University of Michigan (Ross), Cornell University (Johnson), University of California (Anderson), University of Southern California (Marshall), University of Texas (McCombs), Carnegie Mellon University (Tepper), University of North Carolina (Kenan-Flagler), and University of Washington (Foster).

syndicated deals at a later stage with a higher probability of success. This suggests a possible mechanism—superior connections—that would explain why founders with VC experience are more likely to invest in successful deals. We further investigate this possibility below. Finally, founders with VC experience tend to invest in larger, higher valuation deals with higher investor ownership. This, too, is consistent with their being involved in later-stage and syndicated deals.

[Insert Table 2 About Here.]

III. Empirical analysis

In this section we provide the main empirical analysis of the paper. We test whether founder background is related to future investment success and evaluate several possible mechanisms that may explain the observed differences: investment risk, deal-selection skill, and connections.

A. Founder Background and Future Performance

In this subsection we test whether the background experience of first-time fund founders is related to future fund success. We examine how this experience impacts the likelihood of a profitable portfolio exit, then how it affects the probability of raising a follow-on fund.

A.1. Is founder background related to future investment success?

We begin our empirical analysis by testing whether a founder’s background is related to the future success of their investments. The first test is a direct evaluation of the performance impact of the founder’s background. Since VC portfolio outcomes are driven by the most profitable exits, we test whether background is related to the fraction of portfolio firms that exit via initial public offering, merger, or acquisition. We estimate the following cross-sectional regression by OLS:

$$\begin{aligned}
\text{Percent IPO or M\&A}_i = & \beta_1 \text{VC exp}_i + \beta_2 \text{Operating exp}_i & (1) \\
& + \beta_3 \text{VC exp}_i \times \text{Operating exp}_i \\
& + \sum_{v=1}^N \gamma_v (\text{Founder and Fund characteristics})_{iv} \\
& + \eta_t + \epsilon_i.
\end{aligned}$$

A unit of observation, i , is a first-time venture capital fund founder that started a fund between 2006 and 2017, located in the United States, with the requisite data on fund size and fund founders. The dependent variable is *Percent IPO or M&A*, the total number of portfolio exits via IPO or M&A divided by the total number of portfolio companies in the firm’s portfolio.

The main explanatory variables of interest are *VC exp*, an indicator that equals one if a first-time fund founder has past VC experience; *Operating exp*, an indicator that equals one if a first-time fund founder has startup experience; and an interaction of venture and operating experience for first-time funds that have founders with both venture and operating experience.

Founder characteristics include indicators for first-time funds with at least one female founder, black founder, founder with an MBA degree, founder with a Ph.D., founder with an arts degree, founder who attended a foreign university, and founder who attended a top-20 university. Fund characteristics also include the log size of the fund. All regressions further include founding and vintage year fixed-effects.

Table 3 shows the relationship between founder experience and the fraction of successful portfolio exits. In Column (1), we see that founders with venture capital or private equity experience have 7.7 percent more of their portfolio firms exit profitably. This is about one-third of the base rate of profitable exits, which is just over 22 percent. In Column (2), we see that there is no relationship between having at

least one founder with operating experience and profitable exits. In Column (3), when we include other control variables and the previous experience variables, we see that past venture experience is the founder experience that is most significantly related to profitable portfolio exits. In Column (4), this remains the case after we include an interaction term for funds with founders with both operating and venture capital experience; the coefficient on venture capital experience remains statistically significant and economically large.

[Insert Table 3 About Here.]

We confirm the main results of Table 3 at the deal level in Table 4. We test whether success, an indicator variable for exit via IPO or acquisition, is related to founder background and deal characteristics at the deal level by running the following OLS regression:

$$\begin{aligned}
 I(IPO \text{ or } M\&A)_i = & \beta_1 VC \text{ exp}_i + \beta_2 \text{Operating exp}_i & (2) \\
 & + \beta_3 VC \text{ exp}_i \times \text{Operating exp}_i \\
 & + \sum_{v=1}^N \gamma_v (\text{Deal characteristics})_{iv} \\
 & + \eta_t + \epsilon_i.
 \end{aligned}$$

A unit of observation, i , is a deal conducted by a first-time venture capital fund founder that started a fund between 2006 and 2017, located in the United States, with the requisite data on fund founders and deal characteristics. The dependent variable, $I(IPO \text{ or } M\&A)$, is an indicator for the deal exiting via IPO, merger, or acquisition. The main explanatory variables of interest are the same as in Table 3, but the additional controls are deal-level characteristics, including the stage of the investment (an indicator for early or later stage deals, with seed stage the omitted

category), an indicator for whether the investment is in a PE hub (Massachusetts, New York, or California), the firm age at the time of the deal, and indicator variables for the firm's industry.

Table 4 shows the relationship between founder experience and firm outcomes at the deal level. In Column (1), we see that founders with VC experience are more likely to invest in deals that end in IPO, merger, or acquisition, consistent with the results in Table 3. In Column (2), we see that operating experience is unrelated to deal level success. Column (3) confirms the results of Columns (1) and (2) while including both VC and operating experience in the regression. Column (4) shows that the effect of VC experience on future deal success remains statistically significant and economically large when we include a variety of deal-level characteristics. Column (4) also shows that later stage deals are more likely to end in IPO, merger, or acquisition. Greater participation in and access to later stage deals could account for part of the increased success rate of founders with VC experience (observed in Table 2), but even when these deal characteristics are held fixed, VC experience has an economically large impact on deal success rates. Together, the results of Table 4 confirm that founders with VC experience are more likely to invest in successful deals, and suggest that this increased likelihood is not wholly driven by investments in later-stage deals.

[Insert Table 4 About Here.]

A.2. Is founder background related to starting a follow-on fund?

Despite having lower success rates in Tables 3 and 4, founders with operating experience could still invest in more profitable deals, especially since their deals tend to be in earlier stages (as shown in Table 2). If this is the case, then investors would tend to reward these founders, increasing the founders' likelihood of starting a follow-on fund or the size of their follow-on funds. Our coarse measures of success in the previous subsection might mask the fact that founders with startup experience have fewer but larger exits. Therefore, as another measure of fund success, we test whether

the founder’s background is related to the probability of starting a follow-on fund. We estimate the following cross-sectional regression by OLS:

$$\begin{aligned}
 I(\textit{Start follow-on fund})_i = & \beta_1 \textit{VC exp}_i + \beta_2 \textit{Operating exp}_i & (3) \\
 & + \beta_3 \textit{VC exp}_i \times \textit{Operating exp}_i \\
 & + \sum_{v=1}^N \gamma_v (\textit{Founder and Fund characteristics})_{iv} \\
 & + \eta_t + \epsilon_i.
 \end{aligned}$$

The main dependent variable is *Start follow-on fund*, an indicator that equals one if a fund founder starts a follow-on fund. Seventy-three percent of all first-time fund founders start a follow-on fund. The test sample and main explanatory variables and controls are the same as in equation 1.

Table 5 shows the relationship between founder experience and the probability of starting a follow-on fund. As we see in Column (1), funds with at least one founder with past venture experience are 16 percent more likely to start a follow-on fund. This represents a 22 percent increase relative to the unconditional mean probability of starting a follow-on fund of 73 percent. In Column (2) we see that there is no relationship between having at least one founder with operating experience and the likelihood of starting a follow-on fund. In Column (3), when we include other control variables and the two previous explanatory variables, we see that past venture experience is the type of founder experience that is most significantly related to starting a follow-on fund. This remains the case in Column (4) after we include an interaction term for funds with founders with both venture and operating experience.

[Insert Table 5 About Here.]

In sum, Tables 3 and 5 suggest that, relative to other founders, founders with

venture capital experience are more likely to invest in firms that ultimately have profitable exits, which increases their likelihood of starting follow-on funds.

B. Why is founder background related to future performance?

In this subsection, we investigate the core mechanism behind the better performance of founders with past venture capital or private equity experience. We entertain three possible mechanisms.

First, founders with a background in venture capital could make riskier investments. Although such investments may be more likely to fail, they may also be more likely to achieve huge success. Survey evidence indicates that limited partners care about the most memorable successful investments, irrespective of overall fund risk. Thus, riskier investments by founders with venture capital experience might increase both the proportion of successful exits and the probability of raising a follow-on fund ([Gompers et al. \(2020\)](#)).

Second, founders could have gained their previous venture capital or private equity experience because they are superior investors who possess high latent investment skill. Successful, highly connected firms may have hired these individuals because of this skill. This same skill would let these individuals select companies with superior portfolios once they founded their own investment firms.

Third, founders with venture capital experience could have access to more potentially successful deals because of the connections they developed at their previous employer. If this is the case, then the increased likelihood of a profitable exit is driven by the frequency with which the founders are invited to syndicated investments in firms that other investors have identified as superior.

It is difficult to completely separate the effects of investment skill from connections made from previous VC experience, especially because knowing which syndicate to join might itself be an indicator of investment skill. However, our rich data structure

allows us to provide evidence that supports the third explanation as the most plausible primary driver of improved investment performance.

B.1. Is founder background related to future investment failures?

To investigate the possibility that founders with a VC background have more successful exits simply because they make riskier bets, we reverse the methodology in Table 3; that is, we investigate the relationship between founder background and the fraction of unsuccessful exits. Our rationale for doing this is that, if founders with previous VC experience have more successful exits wholly because they invest in riskier ventures, their fraction of failed investments should be higher as well. We estimate the following cross-sectional regression by OLS:

$$\begin{aligned}
 \text{Percent Failures}_i = & \beta_1 \text{VC exp}_i + \beta_2 \text{Operating exp}_i & (4) \\
 & + \beta_3 \text{VC exp}_i \times \text{Operating exp}_i \\
 & + \sum_{v=1}^N \gamma_v (\text{Founder and Fund characteristics})_{iv} \\
 & + \eta_t + \epsilon_i.
 \end{aligned}$$

The main dependent variable is *Percent Failures*, the total number of portfolio investments where the firm failed or went bankrupt, divided by the total number of portfolio companies in the fund’s portfolio. We hired research assistants to manually verify the operating status of all companies, and found that 9 percent of all companies had failed by July 2020. The test sample and main explanatory variables and controls are the same as in equation 1.

Table 6 shows the relationship between founder experience and the fraction of unsuccessful portfolio exits. In Column (1), we see that founders with venture capital experience have 0.7% fewer of their portfolio firms exit unprofitably, which is neither statistically nor economically significant. In Column (2), we see that there is

no relationship between having at least one founder with operating experience and unprofitable exits. In Column (3), when we include other control variables and the previous experience variables, we see that past venture capital experience remains unrelated to unprofitable portfolio exits. In Column (4), this remains the case when we include an interaction term for funds with founders with both VC and operating experience. Overall, Table 6 suggests that the larger number of successful exits for founders with previous VC experience is not driven by their investment in riskier ventures, since, if this had been the case, they would have also had a higher fraction of failed investments.

[Insert Table 6 About Here.]

B.2. Do founders with venture capital experience have superior deal selection skills?

Next, we test whether founders with a background in VC have higher investment success because they have superior investment skill. To assess this, we first test whether founders with a background in VC are more likely to lead the deals they invest in. Our rationale for doing this is that leading the deal—as opposed to being invited into it—is correlated with identifying the investment opportunity (i.e., deal sourcing), which is a sign of investment skill. Then, we test whether deals led by founders with VC experience are more likely to be successful. For this test we also use PitchBook data, which identifies which VC firm led the deal.

B.2.1 Founder experience and deals led

We test whether the founder’s background is related to the number of deals they lead by estimating the following cross-sectional regression by OLS:

$$\begin{aligned}
\left(\frac{\# \text{ Deals Led}}{\# \text{ Deals Participated}}\right)_i \times 100 = & \beta_1 \text{VC exp}_i + \beta_2 \text{Operating exp}_i & (5) \\
& + \beta_3 \text{VC exp}_i \times \text{Operating exp}_i \\
& + \sum_{v=1}^N \gamma_v (\text{Founder and Fund characteristics})_{iv} \\
& + \eta_t + \epsilon_i.
\end{aligned}$$

All explanatory and control variables are the same as in the previous subsections. Table 7 shows the results from estimating equation 5. We see, in Column (1), that there is no relationship between having venture capital experience and the fraction of deals led by first-time venture capital firms. This result suggests that the superior performance of first-time funds whose founders have VC experience is not a result of better deal sourcing, assuming that the firm leads the deals it sources.

[Insert Table 7 About Here.]

In Column (2), we see that funds whose founders have operating experience are about 5 percent more likely to lead the deals they start. Given the unconditional mean of leading a deal of 25 percent, this suggests that funds whose founders have operating experience lead nearly one out of every three of the deals they invest in. In Column (3) we see similar effects as in Columns (1) and (2), with similar point estimates on founders with operating experience, although the results are no longer statistically significant. In Column (4), when we include an indicator for firms whose founders have both operating and venture capital experience, we see that founders with venture capital experience are 5 percent less likely to lead the deals they participate in.

Assuming that funds are more likely to lead deals they source themselves, the results of this subsection suggest that the relationship between founders with a VC background and successful exits is unlikely to be driven by the founders' superior deal

sourcing. However, the deals they do lead might be more likely to succeed, which would still support the deal sourcing hypothesis. We investigate this possibility next.

B.2.2 Are deals led by founders with VC experience more successful?

To investigate whether the investment success of founders with venture capital experience is a result of leading successful syndicates, we repeat the analysis in Table 3 but restrict the successful deals to only those led by the founder’s investment firm. That is, we estimate the following cross-sectional regression by OLS:

$$\begin{aligned}
 \text{Percent IPO or M\&A Lead}_i = & \beta_1 \text{VC exp}_i + \beta_2 \text{Operating exp}_i & (6) \\
 & + \beta_3 \text{VC exp}_i \times \text{Operating exp}_i \\
 & + \sum_{v=1}^N \gamma_v (\text{Founder and Fund characteristics})_{iv} \\
 & + \eta_t + \epsilon_i.
 \end{aligned}$$

The main dependent variable is *Percent IPO or M&A Lead*, the number of deals led by the founder’s investment firm that resulted in exits via IPO or M&A divided by the total number of deals in the founder’s firm’s portfolio. All explanatory and control variables are the same as in the previous subsections.

Table 8 shows the relationship between founder experience and the fraction of successful deals led. In Column (1), we see that the founder’s VC experience only marginally positively impacts the likelihood of leading successful deals. This is in contrast to the strong relationship between VC experience and participating in or leading successful deals that we observe in in Table 3. In Column (2), we see a similarly small, but negative, impact of founder’s operating experience on leading successful deals. In Column (3), we find that adding more control variables removes the statistical significance of VC experience on leading successful deals. In Column

(4), we show that including a control for firms whose founders have both VC and operating experience attenuates the statistical significance of both the effect of VC experience and the effect of operating experience.

[Insert Table 8 About Here.]

Overall, the economic and statistical impact of VC (or operating) experience on leading successful deals is small and generally insignificant, especially when compared to the strong effect of VC experience on participating in successful deals. This suggests that the increased performance of founders with VC experience shown in Table 3 is driven primarily by deals in which the founders participated as syndicate partners, not by deals they identified and led themselves.

B.3. Is founder background related to joining more connected syndicates?

We next investigate the hypothesis that founders with VC experience add value through connections they developed during their experience in venture capital. Specifically, we test whether the founder’s background is related to the quality of syndicates in which she participates. We do this by estimating the following cross-sectional regression by OLS:

$$\begin{aligned}
 \text{Degree Centrality of Syndicate partners}_i = & \beta_1 \text{VC exp}_i + \beta_2 \text{Operating exp}_i & (7) \\
 & + \beta_3 \text{VC exp}_i \times \text{Operating exp}_i \\
 & + \sum_{v=1}^N \gamma_v (\text{Founder and Fund characteristics})_{iv} \\
 & + \eta_t + \epsilon_i.
 \end{aligned}$$

Degree Centrality of Syndicate Partners is the average degree centrality of all other venture capitalists that participated in deals with our sample of first-time fund founders. The intuition behind degree centrality is that an important venture capi-

talist is likely to have syndicated deals with a large number of other VC firms. This measure is calculated as follows:

$$C_{deg}(i) = \frac{d_i}{N - 1} \quad (8)$$

Where i stands for a VC firm, d_i is the degree of VC i , which represents the number of unique VC firms it has syndicated deals with, and N is the number of unique VC firms syndicating deals over a given time period. In our sample, degree centrality counts the number of unique syndicate partners of a venture capital firm over the five-year window preceding the deal, divided by the total (possible) number of syndicate pairs that could have been formed over that five-year window. We show that our results are robust to other measures of VC connections, as in [Hochberg et al. \(2007\)](#).

Table 9 shows the top ten most connected VC firms each year from 2005 to 2019. When a row is missing a rank in a given year, that means the firm was not amongst the top ten most connected firms in that year. The table shows that, indeed, degree centrality measures what it is intended to capture, as established VC firms such as Kleiner Perkins and Sequoia Capital have a high degree of centrality.

[Insert Table 9 About Here.]

Table 10 shows the results from estimating equation 7. In Column (1), we see that funds with at least one founder with venture capital experience invest alongside more-connected VC firms than do firms whose founders lack VC experience. Firms with VC experience invest with syndicate partners that have 0.15 higher degree centrality. Relative to the unconditional mean degree centrality of 0.64, this represents a 25-percent increase in centrality for syndicate partners of funds with VC experience. In Column (2), we see that funds whose founders have operating experience are no more likely to invest in connected VCs than other funds are. In Column (3), we see that the relationship between founders with past VC experience and the level of connectedness

of their syndicate partners continues to hold even when we add controls such as fund size. Column (4) shows that the relationship between founders with VC experience and the likelihood of investing alongside more-connected VC firms is not driven by founders with both operating and VC experience.

[Insert Table 10 About Here.]

The results of this subsection support the hypothesis that first-time funds whose founders have a background in venture capital are more successful because they invest alongside connected players who might have access to superior deal flow.

B.4. Where do founders with past VC experience come from?

If connections developed at the previous employer lead to syndicate participation and thus serve as a vector for success among founders with VC experience, then we would also expect to find that new VC funds tend to be spawned by highly connected VC firms.

To investigate this possibility, we construct the network of venture capital deals in the Pitchbook database. In this network, a bilateral link is formed between two investment companies whenever they participate in the same deal. Using the resulting network to measure the eigenvector centrality and degree centrality of the investment companies, we investigate whether centrality and various fund characteristics impact the likelihood of spawning a new venture capital firm. Specifically, we regress an indicator variable for spawning a new fund in a given year, $I(\text{Spawned new VC})$, on the eigenvector or degree centrality of the spawning investment firm and the characteristics of the firm's latest fund, as follows:

$$I(\text{Spawned new VC})_{it} = \beta_1 \text{Centrality}_{it} + \sum_{v=1}^N \gamma_v (\text{Fund characteristics})_{ivt} + \eta_t + \epsilon_i \quad (9)$$

A unit of observation, i at time t , is an investment fund located in the U.S., with the requisite data on fund characteristics. The main dependent variable is $I(\text{Spawned new VC})$, an indicator for whether the investment firm spawned a new venture capital firm in a given year.

The main explanatory variables of interest are the eigenvector and degree centrality of the investment firm. We compute the centrality of the investment firm by constructing the network of VC firms in Pitchbook, where a bilateral link is formed whenever two firms participate in the same deal. We compute the eigenvector and degree centrality of the firm on a rolling five-year basis using these network links, forming the dependent variables *Eigen Centrality* and *Degree Centrality* for investment firm i at time t .

The fund characteristics of interest include the industry Herfindahl-Hirschman Index (HHI) of the current fund's investments, a measure of the industry dispersion among the investment firms, fund size, fund age, exits in the last three years via mergers or acquisitions, exits in the last three years via initial public offering, and an indicator for the fund type (private equity, venture capital, or corporate venture capital). All regressions include year fixed effects.

Table 11 shows the relationship between firm centrality, fund characteristics, and the likelihood of spawning a new venture capital firm. In Columns (1) and (2), we see that eigenvector centrality and degree centrality both have large and statistically significantly positive effects on the probability of spawning a new VC firm. In Columns (3) and (4), we show that these effects are largely unchanged by the inclusion of the fund-level control variables. HHI of the most recent fund's investments contributes positively to the likelihood of spawning a new VC firm, consistent with the hypothesis that investors tend to leave firms with highly specific industry focus, as examined for firm spawning in [Gompers et al. \(2005\)](#). Successful exits over the last three years, both M&As and IPOs, predict an increased likelihood of spawning a VC firm, consistent with new VC firms raising capital on the back of investment success at their prior

firm. In sum, Table 11 shows that new VC firms tend to be spawned by other, highly connected firms.

[Insert Table 11 About Here.]

For completeness we also investigate the characteristics of operating firms that spawn VC firms. To examine this, we utilize the network of venture capital deals in the Pitchbook universe to measure the centrality of the operating firms as the average centrality of the VC firms participating in their funding rounds, computing the average eigenvector and degree centrality of the funding VC firms. We then estimate the following regression to determine the impact of the funding VC firms' centrality on the operating firm's likelihood of spawning a new VC firm:

$$I(\text{Spawned new VC})_i = \beta_1 \text{Centrality}_i + \sum_{v=1}^N \gamma_v (\text{Firm characteristics})_{iv} + \eta_k + \epsilon_i \quad (10)$$

A unit of observation, i , is an operating firm, located in the U.S., with the requisite data on firm characteristics. The main dependent variable is $I(\text{Spawned new VC})$, an indicator for whether the operating firm spawned a new venture capital firm. The main explanatory variables of interest are the eigenvector and degree centrality of the operating firm within the network of VC firms in Pitchbook, measured as the average centrality of the VC firms that have funded the operating firm. The firm characteristics of interest include the amount of funding raised from VC firms, the firm age, and indicator variables for whether the firm was acquired or engaged in an IPO. All regressions include industry, k , fixed effects.

Table 12 presents the relationship between operating firm centrality in the network of VC firms and the likelihood of spawning a new VC firm. In Columns (1) and (2) we see that operating firms funded by more central VC firms are more likely to spawn new

VC firms. In Columns (3) and (4) we see that this remains the case in the presence of additional firm level controls. Columns (3) and (4) also show that operating firms that have raised more funding from VC firms and operating firms that have been acquired by another firm are also more likely to spawn a new VC firm. In sum, the operating firms that spawn new VC firms, in general, are successful in exiting, funded by central VC firms, and adept at raising VC funding. Together, these facts suggest that VC firms with operating experience come from successful and well-connected operating firms, so it is not ex ante obvious that they would ultimately invest in less successful deals.

[Insert Table 12 About Here.]

In summary, the evidence from Tables 3-12 reveals several novel facts about venture capital firm founders. Founders with VC experience are more likely to start follow-on funds and invest in more successful deals, and they do not experience a corresponding increase in the number of unsuccessful deals. The founders' successful deals tend to be ones in which they participate as syndicate members, not ones they lead. Finally, founders with VC experience tend to come from, and to invest alongside, highly connected firms.

Together, these facts suggest that founders with VC experience exploit connections they developed at their prior firm to gain access to higher-quality syndicated deals, leading to greater investment success. While we cannot rule out the possibility that these founders also have superior investment skill, their connections from the previous employer or investment firm appear to be a robust driver of their success. We expand these conclusions in the next subsection by looking at whether first-time funds with VC experience leverage their connections to create larger funds and attract institutional limited partners.

C. Does founder background affect fundraising and the type of limited partners investing in first-time funds?

Given our finding that first-time fund founders with a background in venture capital are more likely to succeed, we next investigate whether this higher probability of success is reflected in the size of their funds and the types of investors that participate in them. Essentially, we test whether sophisticated investors are able to anticipate which first-time funds will be successful.

C.1. Is founder background related to raising a larger fund?

We test whether founders' background is related to the size of the fund they raise by estimating the following cross-sectional regression via OLS:

$$\begin{aligned} \ln(\text{Fund Size})_i = & \beta_1 \text{VC exp}_i + \beta_2 \text{Operating exp}_i \\ & + \beta_3 \text{VC exp}_i \times \text{Operating exp}_i \\ & + \sum_{v=1}^N \gamma_v (\text{Founder and Fund characteristics})_{iv} \\ & + \eta_t + \epsilon_i. \end{aligned} \tag{11}$$

All explanatory and control variables are the same as in the previous subsections. Table 13 shows the results from estimating equation 11. From Column (1), we see that funds whose founders have a VC background raise 0.7 percent more than the base level. From Column (2), we see that funds whose founders have operating experience do not raise more than the base level. In Column (3), we see that the relationship between fund founders with a VC background and fund size survives after we include several characteristics of first-time fund founders, including race, gender, and education attainment.

[Insert Table 13 About Here.]

These results show that fund founders with a background in venture capital indeed raise more than other fund founders, suggesting that investors expect them to leverage their experience for investment success.

C.2. Is founder background related to the types of investors that participate in a first-time funds?

Finally, we test the hypothesis that fund founders with a VC background can leverage their connections to attract institutional limited partners in their first-time funds. Our null hypothesis is that, compared to fund founders with startup experience, fund founders with a VC background are less likely to attract high-net-worth investors and non-institutional capital. To test this hypothesis, we estimate the following cross-sectional regression via OLS:

$$\begin{aligned} \left(\frac{\# \text{ High-net-worth investors}}{\# \text{ All investors}}\right)_i = & \beta_1 \text{VC exp}_i + \beta_2 \text{Operating exp}_i & (12) \\ & + \beta_3 \text{VC exp}_i \times \text{Operating exp}_i \\ & + \sum_{v=1}^N \gamma_v (\text{Founder and Fund characteristics})_{iv} \\ & + \eta_t + \epsilon_i. \end{aligned}$$

All explanatory and control variables are the same as in the previous subsections. Our sample is smaller than in previous sections because we observe the investors in only 155 funds, less than half of our sample of first-time funds. Table 14 shows the results from estimating equation 14. In Columns (1)–(3), we do not find any evidence to support our hypothesis. Column (4) provides some indirect support for our hypothesis by showing that high-net-worth investors are more likely to invest in first-time funds started by founders with operating experience only. In sum, these findings suggest that founders with operating experience are less likely to attract institutional

investors, relative to first-time fund founders with venture capital experience.

[Insert Table 14 About Here.]

IV. Conclusion

In this paper, we investigate whether the background of first-time venture capital fund founders is related to investment success. We begin by showing that founders who have a background in venture capital are more likely to make successful investments and raise follow-on funds than founders with operating experience. To determine why this is the case, we investigate three possible mechanisms.

First, founders with a background in venture capital may simply make riskier investments. Although such investments are more likely to fail, they are also more likely to succeed in grand fashion. Given survey evidence that limited partners care about the most memorable successful investments irrespective of overall fund risk, riskier investments by founders with venture capital experience might increase both the proportion of successful exits and the probability of raising a follow-on fund ([Gompers et al. \(2020\)](#)). However, we do not find any support for this hypothesis, as founders with a background in venture capital are just as likely to invest in companies that fail—our measure of riskiness—as founders with operating experience are.

Second, founders may have obtained previous venture capital or private equity experience because they are superior investors who possess high latent skill. We test this hypothesis by looking at whether founders with VC experience are more likely to lead deals and whether the deals they lead are more successful than those led by founders with operating experience. We do not find support for this hypothesis, as founders with a VC background are neither more likely to lead deals nor to lead more successful deals.

Third, we investigate the possibility that founders with past VC experience have access to more potentially successful deals because of connections they developed at

their previous employer. In this case, the increased likelihood of a profitable exit is driven by the frequency with which they are invited to syndicated investments in firms that other investors identify as superior. We find that founders with VC experience are in fact better able to access deals by connected firms, as they themselves come from connected firms with high degree and eigen-vector centrality.

We conclude by showing some suggestive evidence that investors anticipate that founders with VC experience will do well, as these founders raise larger first-time funds than founders with startup experience. We also show that founders with startup experience are more likely to attract high-net-worth individuals, rather than institutions such as pension funds and insurance companies, as their limited partners.

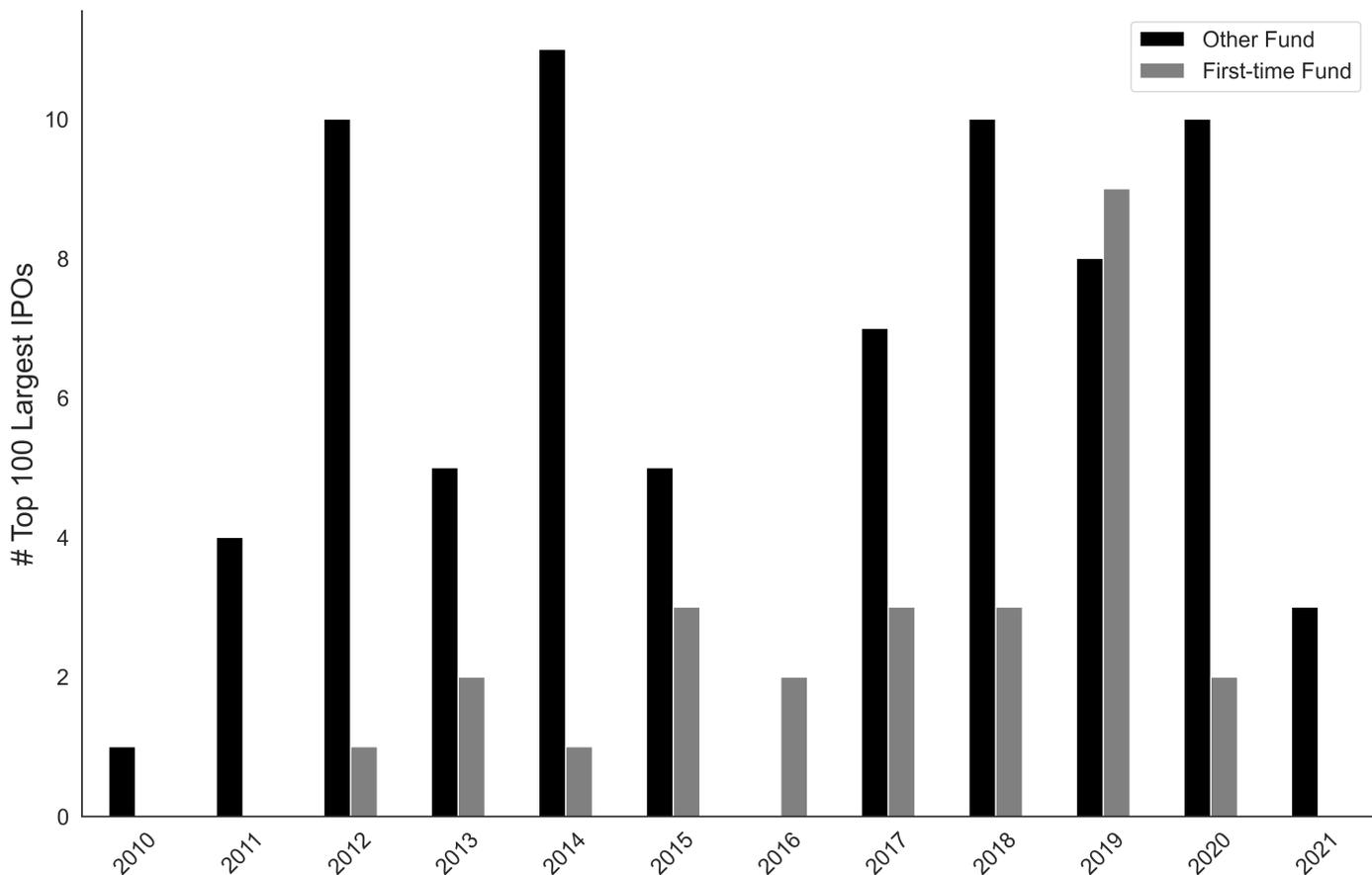


Figure 1: First-time Funds as Earliest Investors in the 100 Largest IPOs

This figure plots the largest IPOs between 2010 and 2021 by whether the company in the IPO got its first check from a first-time fund. To plot this figure, we first collected the 100 largest IPOs between 2010 and 2021 by market capitalization at IPO. Next, we gathered information on the age of VCs that wrote the company its first check. We then averaged the age of the VCs that wrote the first check, where age is the difference between the year the venture firm was founded and the year of the IPO firm’s first VC check. We assigned large IPOs to first-time funds if the average age of the VCs that wrote the first check is less than or equal to five years. Each year, the figure plots the number of large IPOs in which the first check was written by first-time versus older funds.

Table 1: Characteristics of startup firms and investors

This table reports summary statistics of first-time venture fund founders and the funds they created. Panel A shows characteristics of the founders, and Panel B shows characteristics of the funds. Our data is from Pitchbook. Our sample comprises first-time venture capital funds formed between 2006 and 2017. *Follow-on Fund* is an indicator that equals one if a founder starts a follow-on fund and zero otherwise. *VC exp* is an indicator that equals one if a fund founder has venture capital experience before starting the fund and zero otherwise. *Operating exp* is an indicator that equals one if a fund founder has startup experience, either as a founder or a senior executive. *Female*, *Black*, *MBA*, *Ph.D.*, *Arts Degree*, *Foreign University*, and *Top 20 University* are indicator variables that equal one if a founder has a given characteristic and zero otherwise. When we aggregate founder-level characteristics at the fund level, we take the maximum value for each characteristic. For example, at a fund level, *VC exp* is an indicator that equals one if at least one founder has venture capital experience.

Panel A: Founder Characteristics						
	N	Mean	Std Dev.	25%	50%	75%
VC exp (%)	1,298	24				
Operating exp (%)	1,298	25				
Female (%)	1,298	14				
Black (%)	1,298	2				
MBA (%)	1,298	40				
Ph.D. (%)	1,298	16				
Arts Degree (%)	1,298	65				
Foreign University (%)	1,298	14				
Top 20 University (%)	1,298	62				
Panel B: Fund Characteristics						
VC exp (%)	422	44				
Operating exp (%)	422	52				
Female (%)	422	31				
Black (%)	422	5				
MBA (%)	422	70				
Ph.D. (%)	422	34				
Arts Degree (%)	422	87				
Foreign University (%)	422	30				
Top 20 University (%)	422	85				
Follow-on Fund (%)	422	73				
Fraction IPO/MA (%)	422	24.88	22.97	0.00	21.42	40.00
Fraction Failures (%)	422	10.36	14.67	0.00	6.25	17.19
Fund size (\$ Millions)	422	62.46	93.87	10.00	25.00	66.89
Deal Count	422	14.99	18.08	5.00	11.00	18.00
Fraction of deals led (%)	422	26.99	23.43	9.33	21.58	40.00

Table 2: Characteristics of Deals

This table reports summary statistics of deals by first-time funds in the PitchBook database with data on founding partners and deal characteristics that raised a first fund between 2006 and 2017. A unit of observation is a deal. The table reports separate statistics for deals by firms run by founding partners with past VC experience in Column (A), past operating experience in Column (B), past VC and operating experience in Column (C), and neither past VC nor operating experience in Column (D). $I(\text{Acquired})$ is an indicator for exit via merger or acquisition, $I(\text{IPO})$ an indicator for exit via IPO, and $I(\text{Success})$ an indicator for exit via either M&A or IPO. $I(\text{PE Hub})$ is an indicator that equals one for firms headquartered in California, Massachusetts, or New York. $I(\text{Founder CEO})$ is an indicator that equals one if the CEO and is one of the firm founders. $I(\text{Syndicated})$ is an indicator that equals one if the deal is syndicated. $I(\text{Senior Liquidation})$ and $I(\text{Redemption Rights})$ are indicators that equal one if the deal includes senior liquidation and redemption rights, respectively. $I(\text{Seed Round})$, $I(\text{Early Stage})$, and $I(\text{Later Stage})$ are indicators that equal one if the deal is at those respective stages. Columns (A-D), (B-D), and (C-D) report the t-statistics for a difference in mean between Columns (A) and (D), (B) and (D), and (C) and (D), respectively.

	VC	Operating	Both	None	t-test		
N	1,991	1,022	1,079	2,520			
	A	B	C	D	A-D	B-D	C-D
	Mean	Mean	Mean	Mean			
I(Success)	0.31	0.28	0.30	0.27	1.91*	0.27	1.03
I(Acquired)	0.26	0.24	0.24	0.24	0.89	-0.11	-0.06
I(IPO)	0.06	0.05	0.06	0.04	1.86*	0.39	1.68*
I(Failed)	0.09	0.10	0.10	0.09	0.21	0.92	0.66
Firm Age	4.68	3.87	4.33	4.41	2.31**	-3.99***	-0.55
I(PE Hub)	0.70	0.72	0.77	0.67	1.47	2.31**	4.81***
I(Founder CEO)	0.97	0.98	0.97	0.97	0.38	2.13**	-0.22
I(Syndicated)	0.94	0.91	0.95	0.91	3.40***	-0.25	3.73***
Deal Size (\$ Millions)	17.51	9.20	22.18	12.00	3.72***	-2.39**	4.11***
Pre-money Valuation (\$ Millions)	157.80	56.94	190.79	78.20	1.78*	-0.93	2.20**
I(Senior Liquidation)	0.41	0.35	0.40	0.38	1.70*	-1.34	1.22
I(Redemption Rights)	0.07	0.05	0.05	0.06	1.38	-0.50	-1.10
Percent Acquired (%)	26.26	26.21	25.50	26.75	-0.98	-0.93	-2.17**
Investor Ownership (%)	47.39	41.02	45.14	44.71	3.28***	-3.77***	0.47
I(Seed Round)	0.29	0.39	0.32	0.34	-3.25***	2.51**	-1.25
I(Early Stage)	0.44	0.47	0.44	0.45	-0.90	1.11	-0.46
I(Later Stage)	0.27	0.14	0.24	0.21	4.09***	-4.38***	1.69*
Business Products and Services	0.10	0.11	0.12	0.12	-1.78*	-0.67	-0.20
Consumer Products and Services	0.16	0.26	0.16	0.18	-1.49	3.92***	-1.18
Energy	0.01	0.00	0.01	0.02	-2.08**	-2.97***	-2.20**
Financial Services	0.03	0.02	0.02	0.02	0.33	-1.40	-0.69
Healthcare	0.13	0.12	0.10	0.12	0.24	-0.44	-1.56
Information Technology	0.57	0.49	0.58	0.52	2.59***	-1.47	2.77***
Materials and Resources	0.01	0.01	0.01	0.01	-1.32	-0.56	-0.77

Table 3: Which fund founders invest in successful firms?

This table investigates the relationship between a first-time fund founder’s experience and the fraction of their portfolio that successfully exits. Our sample is first-time funds from Pitchbook for which we were able to gather the requisite data on founders’ previous employment and education. The sample includes firms formed between 2006 and 2017. A unit of observation is a first-time fund. The dependent variable, *Percent IPO or M&A*, is the number of portfolio firms that exit via initial public offerings, mergers, or acquisitions divided by the total number of portfolio firms. *VC exp* is an indicator that equals one if a founder has venture capital experience before starting the fund and zero otherwise. *Operating exp* is an indicator that equals one if a fund founder has startup experience, worked for a public company in an operating role, or has consulting experience. *Female*, *Black*, *MBA*, *Ph.D.*, *Arts Degree*, *Foreign University*, and *Top 20 University* are indicator variables that equal one if a founder has a given characteristic and zero otherwise. All regressions include founding year and vintage year fixed effects. We cluster standard errors, which we report in parentheses, by VC firm (or fund, since we are studying first-time funds). *** $p < 0.01$ denotes significance at the 1% level, ** $p < 0.05$ denotes significance at the 5% level, and * $p < 0.10$ denotes significance at the 10% level.

Dependent Variable:	Percent IPO or M&A			
	(1)	(2)	(3)	(4)
VC exp	7.748*** (1.928)		5.748*** (2.082)	5.048* (3.004)
Operating exp		0.656 (1.866)	-0.389 (1.916)	-0.972 (2.350)
VC exp × Operating exp				1.349 (3.765)
Female			0.757 (2.062)	0.730 (2.071)
Black			2.431 (4.231)	2.554 (4.197)
MBA			3.212 (2.594)	3.241 (2.618)
Ph.D.			2.223 (2.119)	2.203 (2.119)
Arts Degree			0.582 (2.795)	0.589 (2.800)
Foreign University			-1.988 (1.928)	-2.007 (1.928)
Top 20 University			-3.049 (2.698)	-3.023 (2.696)
Ln(Fund size)			2.345*** (0.669)	2.330*** (0.670)
Adjusted R ²	0.33	0.30	0.34	0.34
# Firms	422	422	422	422
Observations	422	422	422	422
Founding Year And Vintage FE?	X	X	X	X

Table 4: Which fund founders invest in successful firms? – Deal Level

This table investigates the relationship between a first-time fund founder’s experience and the fraction of their deals that successfully exit. Our sample is deals done by first-time fund founders from Pitchbook for which we are able to gather the relevant data on stage, location, age, and industry. The sample includes deals done by firms formed between 2006 and 2017. A unit of observation is a deal. The dependent variable, $I(IPO \text{ or } M\&A)$, is an indicator that equals one for deals that exit via initial public offerings, mergers, or acquisitions. $VC \text{ exp}$ is an indicator that equals one if a founder has venture capital experience before starting the fund and zero otherwise. $Operating \text{ exp}$ is an indicator that equals one if a fund founder has startup experience. $I(Later \text{ Stage})$ and $I(Early \text{ Stage})$ are indicators that equal one if the deal is at the Later Stage or Early Stage, respectively. $I(PE \text{ Hub})$ is an indicator that equals one for firms headquartered in California, Massachusetts, or New York. The remaining indicator variables, $I(Business \text{ Products and Services})$, $I(Consumer \text{ Products and Services})$, etc. are indicator variables that equal one if the firm is in the relevant industry. All regressions include deal year and vintage year fixed effects. We cluster standard errors, which we report in parentheses, by VC firm (or fund, since we are studying first-time funds). $***p < 0.01$ denotes significance at the 1% level, $**p < 0.05$ denotes significance at the 5% level, and $*p < 0.10$ denotes significance at the 10% level.

Dependent Variable:	I(IPO or M&A) × 100			
	(1)	(2)	(3)	(4)
VC exp	5.989*** (1.610)		5.997*** (1.620)	4.848** (1.916)
Operating exp		0.262 (1.837)	-0.136 (1.770)	0.139 (2.258)
VC exp × Operating exp				-0.339 (3.285)
I(Later Stage)				10.342*** (2.325)
I(Early Stage)				4.232*** (1.223)
I(PE Hub)				4.621*** (1.562)
Ln(Firm Age)				1.558 (1.808)
I(Business Products and Services)				0.052 (7.003)
I(Consumer Products and Services)				3.306 (6.794)
I(Energy)				-0.127 (8.849)
I(Financial Services)				6.677 (8.862)
I(Healthcare)				7.043 (6.993)
I(Information Technology)				3.733 (6.596)
Adjusted R ²	0.15	0.15	0.15	0.16
# Firms	431	431	431	431
Observations	6,612	6,612	6,612	6,612
Deal Year And Vintage FE?	X	X	X	X

Table 5: Who starts a follow-on fund?

This table tests the hypothesis that first-time venture capital funds whose founders have VC experience are more likely to start follow-on funds than other first-time VC funds are. Our sample is first-time funds from Pitchbook for which we were able to gather the requisite data on founders' previous employment and education. The sample includes firms formed between 2006 and 2017. A unit of observation is a first-time fund. The dependent variable, ($I(\text{Starting a follow-on fund})$), is an indicator that equals one if the firm starts a follow-on fund and zero otherwise. $VC\ exp$ is an indicator that equals one if at least one of the fund founders has venture capital experience prior to starting the fund and zero otherwise. $Operating\ exp$ is an indicator that equals one if at least one founder has startup experience, worked for a public company in an operating role, or has consulting experience. $Female$, $Black$, MBA , $Ph.D.$, $Arts\ Degree$, $Foreign\ University$, and $Top\ 20\ University$ are indicator variables that equal one if at least one founder has the characteristic in question and zero otherwise. All regressions include founding year and vintage year fixed effects. We cluster standard errors, which we report in parentheses, by VC firm (or fund, since we are studying first-time funds). $***p < 0.01$ denotes significance at the 1% level, $**p < 0.05$ denotes significance at the 5% level, and $*p < 0.10$ denotes significance at the 10% level.

Dependent Variable:	I(Start follow-on fund)			
	(1)	(2)	(3)	(4)
VC exp	0.158*** (0.043)		0.125*** (0.047)	0.132** (0.066)
Operating exp		0.032 (0.046)	0.001 (0.046)	0.006 (0.062)
VC exp \times Operating exp				-0.013 (0.084)
Female			0.106** (0.048)	0.107** (0.048)
Black			0.021 (0.104)	0.020 (0.105)
MBA			0.012 (0.065)	0.011 (0.065)
Ph.D.			0.025 (0.046)	0.025 (0.046)
Arts Degree			0.003 (0.087)	0.003 (0.087)
Foreign University			0.010 (0.048)	0.010 (0.048)
Top 20 University			0.074 (0.076)	0.074 (0.076)
Ln(Fund size)			0.013 (0.015)	0.013 (0.015)
Adjusted R ²	0.07	0.04	0.07	0.07
# Firms	422	422	422	422
Observations	422	422	422	422
Founding Year And Vintage FE?	X	X	X	X

Table 6: Which fund founders invest in unsuccessful firms?

This table investigates the relationship between a first-time fund founder's experience and the fraction of their portfolio resulting in unsuccessful exits. Our sample is first-time funds from Pitchbook for which we were able to gather the requisite data on founders' previous employment and education. The sample includes firms formed between 2006 and 2017. A unit of observation is a first-time fund. The dependent variable, *Percent Failures*, is the number of portfolio firms with an unprofitable exit divided by the total number of portfolio firms. *VC exp* is an indicator that equals one if a founder has venture capital experience before starting the fund and zero otherwise. *Operating exp* is an indicator that equals one if a fund founder has startup experience, worked for a public company in an operating role, or has consulting experience. *Female*, *Black*, *MBA*, *Ph.D.*, *Arts Degree*, *Foreign University*, and *Top 20 University* are indicator variables that equal one if a founder has a given characteristic and zero otherwise. All regressions include founding year and vintage year fixed effects. We cluster standard errors, which we report in parentheses, by VC firm (or fund, since we are studying first-time funds). *** $p < 0.01$ denotes significance at the 1% level, ** $p < 0.05$ denotes significance at the 5% level, and * $p < 0.10$ denotes significance at the 10% level.

Dependent Variable:	Percent Failures			
	(1)	(2)	(3)	(4)
VC exp	-0.701 (1.301)		0.259 (1.440)	1.381 (2.022)
Operating exp		1.573 (1.410)	2.404 (1.486)	3.337* (1.954)
VC exp \times Operating exp				-2.160 (2.703)
Female			-0.840 (1.315)	-0.796 (1.325)
Black			-2.066 (1.553)	-2.264 (1.557)
MBA			-0.584 (1.897)	-0.630 (1.903)
Ph.D.			-3.784** (1.575)	-3.753** (1.574)
Arts Degree			-2.320 (2.342)	-2.332 (2.344)
Foreign University			0.967 (1.403)	0.998 (1.403)
Top 20 University			1.050 (1.997)	1.009 (1.997)
Ln(Fund size)			-1.138** (0.473)	-1.112** (0.471)
Adjusted R ²	0.19	0.19	0.21	0.21
# Firms	422	422	422	422
Observations	422	422	422	422
Founding Year And Vintage FE?	X	X	X	X

Table 7: Which fund founders lead more deals?

This table tests the hypothesis that first-time venture capital funds run by founders with previous VC experience are more likely to lead more syndicated funding rounds than other funds are. Our sample is first-time funds from Pitchbook for which we were able to gather the requisite data on founders' previous employment and education. The sample includes firms formed between 2006 and 2017. A unit of observation is a first-time fund. The dependent variable is the fraction of syndicated deals that the first-time fund leads times a hundred. *VC exp* is an indicator that equals one if at least one of the fund founders has venture capital experience prior to starting the fund and zero otherwise. *Operating exp* is an indicator that equals one if at least one founder has startup experience, worked for a public company in an operating role, or has consulting experience. *Female*, *Black*, *MBA*, *Ph.D.*, *Arts Degree*, *Foreign University*, and *Top 20 University* are indicator variables that equal one if at least one founder has the characteristic in question and zero otherwise. All regressions include founding year and vintage year fixed effects. We cluster standard errors, which we report in parentheses, by VC firm (or fund, since we are studying first-time funds). *** $p < 0.01$ denotes significance at the 1% level, ** $p < 0.05$ denotes significance at the 5% level, and * $p < 0.10$ denotes significance at the 10% level.

Dependent Variable:	$\frac{\# \text{ Deals Led}}{\# \text{ Deals Participated}} \times 100$			
	(1)	(2)	(3)	(4)
VC exp	-0.888 (2.300)		-3.415 (2.407)	-5.436* (3.217)
Operating exp		4.536* (2.381)	3.880 (2.511)	2.198 (3.433)
VC exp \times Operating exp				3.894 (4.558)
Female			-0.992 (2.669)	-1.070 (2.656)
Black			-8.847** (4.132)	-8.491** (4.137)
MBA			0.425 (3.397)	0.507 (3.422)
Ph.D.			-0.613 (2.585)	-0.670 (2.583)
Arts Degree			5.736 (4.512)	5.757 (4.535)
Foreign University			-1.131 (2.509)	-1.186 (2.511)
Top 20 University			0.169 (4.019)	0.243 (4.020)
Ln(Fund size)			1.985** (0.853)	1.939** (0.856)
Adjusted R ²	0.01	0.02	0.03	0.03
# Firms	422	422	422	422
Observations	422	422	422	422
Founding Year And Vintage FE?	X	X	X	X

Table 8: Which fund founders invest in successful deals they lead?

This table investigates the relationship between a first-time fund founder's experience and the fraction of fraction of the founder's portfolio that experiences successful exits from deals led by the founder's investment firm. Our sample is first-time funds from Pitchbook for which we were able to gather the requisite data on founders' previous employment and education. The sample includes firms formed between 2006 and 2017. A unit of observation is a first-time fund. The dependent variable, *Percent IPO or M&A Led*, is the number of portfolio firms, from deals led by the founder's firm, that exited via initial public offerings, mergers, or acquisitions, divided by the total number of portfolio firms. *VC exp* is an indicator that equals one if a founder has venture capital experience before starting the fund and zero otherwise. *Operating exp* is an indicator that equals one if a fund founder has startup experience, worked for a public company in an operating role, or has consulting experience. *Female*, *Black*, *MBA*, *Ph.D.*, *Arts Degree*, *Foreign University*, and *Top 20 University* are indicator variables that equal one if a founder has a given characteristic and zero otherwise. All regressions include founding year and vintage year fixed effects. We cluster standard errors, which we report in parentheses, by VC firm (or fund, since we are studying first-time funds). *** $p < 0.01$ denotes significance at the 1% level, ** $p < 0.05$ denotes significance at the 5% level, and * $p < 0.10$ denotes significance at the 10% level.

Dependent Variable:	Percent IPO or M&A Led			
	(1)	(2)	(3)	(4)
VC exp	2.247* (1.340)		1.833 (1.452)	1.644 (2.211)
Operating exp		-1.792* (1.076)	-2.027* (1.191)	-2.184 (1.379)
VC exp \times Operating exp				0.364 (2.530)
Female			-1.444 (1.455)	-1.452 (1.485)
Black			1.100 (2.000)	1.133 (2.048)
MBA			1.577 (1.483)	1.585 (1.497)
Ph.D.			-0.916 (1.248)	-0.922 (1.263)
Arts Degree			0.637 (1.626)	0.639 (1.625)
Foreign University			-0.318 (1.386)	-0.323 (1.388)
Top 20 University			0.565 (1.569)	0.572 (1.575)
Ln(Fund size)			0.201 (0.448)	0.197 (0.441)
Adjusted R ²	0.01	0.00	-0.00	-0.00
# Firms	422	422	422	422
Observations	422	422	422	422
Founding Year And Vintage FE?	X	X	X	X

Table 9: Which firms are most connected?

For each year from 2005 to 2020, this table lists the ten most connected investors that syndicated a deal with at least one of our first-time founders. For each venture firm that participated in any deal with one of our first-time funds, we calculate the measures of connections from [Hochberg et al. \(2007\)](#), using the entire history of syndicated investments in the Pitchbook database from 2000 to 2020. We calculate *Degree Centrality* by counting the number of unique syndicate partners of a venture capital firm over a rolling five-year window, divided by the total number of possible syndicate pairs that could have been formed over that five-year window. The rankings are very similar for all other measures of connection we compute, such as *In degree*, *Out degree*, and *Eigen Vector* centrality.

Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Investor Name															
3i Group	8	7	6	6	4										
500 Startups							4	6	7	7	8	7	7	6	6
Accel		4				3	4	4	4	4	3	3	3	3	3
Andreessen Horowitz									5	5	4	4			
Apax Partners	4	4	4	3	3										
Battery Ventures						3									
Bessemer Venture Partners						3					3				
David McClure								4	4	4		3			
Draper Fisher Jurvetson Management			5	5	4	4	4	4	4						
FJ Labs													3	3	3
First Round Capital								4	4	4			3		
GV										5	5	4	4	4	
General Catalyst											3	3	3	3	3
Index Ventures														3	
Intel Capital	9	8	7	7	6	6	5	5	4	4					
J.P. Morgan	5	4	4	3											
Khosla Ventures														3	3
Kleiner Perkins				4	4	4	5	5	5	5	4				3
New Enterprise Associates	7	6	5	4	4	4	4	4	4	4	4	4	4	4	4
Oak Investment Partners		4			3										
Plug and Play Tech Center													4	4	4
Silicon Valley Angels							4	5	6	5	5	4	4		
Saad AlSogair												3			
Saints Capital	5		4												
Sequoia Capital															3
The Carlyle Group	4	4	4	4	3	3	3								
The Goldman Sachs Group	5	4	5	5	4	4	3								
Venrock	5														
Western Technology Investment	5	5	5	5	4	4	4	4							
Y Combinator											4	4	4	4	4

Table 10: Whom do new fund founders syndicate deals with?

This table tests the hypothesis that first-time venture capital funds run by founders with previous venture capital experience are more likely to syndicate deals with connected VCs than other funds are. Our sample is first-time funds from Pitchbook for which we were able to gather the requisite data on founders' previous employment and education. The sample includes firms formed between 2006 and 2017. A unit of observation is a first-time fund. The dependent variable, *Degree Centrality*, is the average of all syndicate partners. Degree centrality counts the number of unique syndicate partners of a venture capital firm over the five-year window preceding the deal, divided by total number of possible syndicate pairs that could have been formed over that five-year window. *VC exp* is an indicator that equals one if at least one of the fund founders has venture capital experience prior to starting the fund and zero otherwise. *Operating exp* is an indicator that equals one if at least one founder has startup experience, worked for a public company in an operating role, or has consulting experience. *Female*, *Black*, *MBA*, *Ph.D.*, *Arts Degree*, *Foreign University*, and *Top 20 University* are indicator variables that equal one if at least one founder has the characteristic in question and zero otherwise. All regressions include founding year and vintage year fixed effects. We cluster standard errors, which we report in parentheses, by VC firm (or fund, since we are studying first-time funds). *** $p < 0.01$ denotes significance at the 1% level, ** $p < 0.05$ denotes significance at the 5% level, and * $p < 0.10$ denotes significance at the 10% level.

Dependent Variable:	Degree Centrality of Syndicate partners			
	(1)	(2)	(3)	(4)
VC exp	0.151*** (0.048)		0.113** (0.051)	0.145** (0.071)
Operating exp		0.077 (0.056)	0.064 (0.054)	0.091 (0.076)
VC exp × Operating exp				-0.062 (0.097)
Female			0.147** (0.059)	0.148** (0.059)
Black			0.056 (0.065)	0.050 (0.067)
MBA			0.061 (0.062)	0.060 (0.062)
Ph.D.			-0.086 (0.052)	-0.085 (0.052)
Arts Degree			-0.161** (0.076)	-0.161** (0.076)
Foreign University			0.018 (0.054)	0.019 (0.055)
Top 20 University			0.064 (0.063)	0.063 (0.064)
Ln(Fund size)			0.027* (0.015)	0.027* (0.015)
Adjusted R ²	0.17	0.16	0.20	0.20
# Firms	422	422	422	422
Observations	422	422	422	422
Founding Year And Vintage FE?	X	X	X	X

Table 11: Which funds spawn new venture capital firms?

This table investigates the relationship between the centrality of a fund in the network of venture capital firms and the fund's likelihood of spawning a new fund. Our sample is all funds listed in the Pitchbook database. The dependent variable, $I(\text{Spawned New VC})$, is an indicator variable that equals one if the fund spawned a new venture capital firm in a given year. We construct measures of network centrality using the past five years of data based on the network of deals in which the fund participated, where a bilateral link is formed whenever two funds participate in the same deal. *Eigen Centrality* is the eigenvector centrality of the investment firm in this network. *Degree Centrality* is the degree centrality of the investment firm in this network. *HHI* is the HHI index of the industries in which the fund invested, a measure of investment dispersion across industries. *Fund Size*, *Fund Age*, *Last Three Years Mergers*, and *Last Three Years IPOs* are fund-level controls for the spawning fund, its total capital commitments, its age in years, the number of exits via merger in the last three years, and the number of exits via IPO in the last three years, respectively. *Private Equity*, *Venture Capital*, and *Corporate VC* are indicator variables that equal one if the spawning fund is of a given fund type. All regressions include year fixed effects. We cluster standard errors, which we report in parentheses, by firm. *** $p < 0.01$ denotes significance at the 1% level, ** $p < 0.05$ denotes significance at the 5% level, and * $p < 0.10$ denotes significance at the 10% level.

Dependent Variable:	I(Spawned new VC)			
	(1)	(2)	(3)	(4)
Eigen Centrality	0.073*** (0.004)		0.058*** (0.004)	
Degree Centrality		0.333*** (0.022)		0.261*** (0.022)
HHI			0.005*** (0.001)	0.005*** (0.001)
Ln(Fund Size)			0.002 (0.001)	0.002* (0.001)
Ln(Fund Age)			-0.012*** (0.003)	-0.018*** (0.003)
Ln>Last three years mergers)			0.022*** (0.003)	0.027*** (0.003)
Ln>Last three years ipos)			0.011*** (0.003)	0.011*** (0.003)
Private Equity			-0.007* (0.004)	-0.010*** (0.004)
Venture Capital			-0.005 (0.006)	0.008 (0.005)
Corporate VC			-0.014** (0.007)	-0.005 (0.007)
Adjusted R ²	0.38	0.38	0.39	0.40
# Firms	8218	8218	8203	8203
Observations	8284	8284	8269	8269
Year FE?	X	X	X	X

Table 12: Which operating firms spawn new venture capital firms?

This table investigates the relationship between the centrality of the funds that finance an operating firm in the network of venture capital firms and the operating firm's likelihood of spawning a new fund. Our sample is all operating firms listed in the Pitchbook database. The dependent variable, $I(\text{Spawned New VC})$, is an indicator variable that equals one if the operating firm spawned a new venture capital firm. We construct measures of network centrality using the past five years of data based on the network of deals in which the funds participated, where a bilateral link is formed whenever two funds participate in the same deal. *Eigen Centrality* is the average eigenvector centrality of the investment firms in this network that financed the operating firm. *Degree Centrality* is the average degree centrality of the investment firms in the network that financed the operating firm. *Funding Raised* is the total funding raised from VC firms by the operating firm. *Firm Age* is the age of the operating firm as of 2021. $I(\text{Acquired})$ and $I(\text{IPO})$ are indicator variables that equal one if the operating firm was acquired or engaged in an IPO, respectively. All regressions include industry fixed effects. We report standard errors in parentheses. *** $p < 0.01$ denotes significance at the 1% level, ** $p < 0.05$ denotes significance at the 5% level, and * $p < 0.10$ denotes significance at the 10% level.

Dependent Variable:	I(Spawned new VC)			
	(1)	(2)	(3)	(4)
Eigen Centrality	0.099*** (0.011)		0.075*** (0.011)	
Degree Centrality		0.057*** (0.008)		0.041*** (0.008)
Ln(Funding Raised)			0.095*** (0.012)	0.106*** (0.013)
Ln(Firm Age)			0.009 (0.006)	0.002 (0.006)
I(Acquired)			0.086*** (0.017)	0.082*** (0.017)
I(IPO)			0.037 (0.037)	0.039 (0.037)
Adjusted R ²	0.00	0.00	0.00	0.00
# Firms	219803	219803	219803	219803
Observations	219803	219803	219803	219803
Industry FE?	X	X	X	X

Table 13: Which first-time fund founders raise larger funds?

This table tests the hypothesis that first-time venture capital funds run by founders with previous venture capital experience are likely to raise larger funds than are other first-time VC funds. Our sample is first-time funds from Pitchbook for which we were able to gather the requisite data on founders' previous employment and education. The sample includes firms formed between 2006 and 2017. A unit of observation is a first-time fund. The dependent variable, $\text{Ln}(\text{Fund Size})$, is the log amount of funding the fund raised. VC exp is an indicator that equals one if at least one of the fund founders has venture capital experience prior to starting the fund and zero otherwise. Operating exp is an indicator that equals one if at least one founder has startup experience, worked for a public company in an operating role, or has consulting experience. Female , Black , MBA , Ph.D. , Arts Degree , $\text{Foreign University}$, and Top 20 University are indicator variables that equal one if at least one founder has the characteristic in question and zero otherwise. All regressions include founding year and vintage year fixed effects. We cluster standard errors, which we report in parentheses, by VC firm (or fund, since we are studying first-time funds). *** $p < 0.01$ denotes significance at the 1% level, ** $p < 0.05$ denotes significance at the 5% level, and * $p < 0.10$ denotes significance at the 10% level.

Dependent Variable:	Ln(Fund Size)			
	(1)	(2)	(3)	(4)
VC exp	0.714*** (0.151)		0.512*** (0.154)	0.298 (0.217)
Operating exp		0.256 (0.158)	0.040 (0.153)	-0.136 (0.204)
VC exp \times Operating exp				0.407 (0.292)
Female			0.205 (0.179)	0.196 (0.179)
Black			-0.784** (0.389)	-0.743* (0.390)
MBA			0.282 (0.238)	0.290 (0.237)
Ph.D.			0.169 (0.168)	0.162 (0.168)
Arts Degree			0.440 (0.289)	0.440 (0.288)
Foreign University			0.514*** (0.175)	0.506*** (0.174)
Top 20 University			0.159 (0.216)	0.166 (0.217)
Adjusted R ²	0.07	0.02	0.12	0.12
# Firms	422	422	422	422
Observations	422	422	422	422
Founding Year And Vintage FE?	X	X	X	X

Table 14: Which investors participate in first-time funds?

This table tests the hypothesis that first-time venture capital funds run by founders with previous venture capital experience are more likely to raise funds from institutional investors than are other first-time VC funds. Our sample is first-time funds from Pitchbook for which we were able to gather the requisite data on founders' previous employment and education. The sample includes firms formed between 2006 and 2017. A unit of observation is a first-time fund. The dependent variable is the fraction of limited partners (LPs) that are high-net-worth investors. *VC exp* is an indicator that equals one if at least one of the fund founders has venture capital experience prior to starting the fund and zero otherwise. *Operating exp* is an indicator that equals one if at least one founder has startup experience, worked for a public company in an operating role, or has consulting experience. *Female*, *Black*, *MBA*, *Ph.D.*, *Arts Degree*, *Foreign University*, and *Top 20 University* are indicator variables that equal one if at least one founder has the characteristic in question and zero otherwise. All regressions include founding year and vintage year fixed effects. We cluster standard errors, which we report in parentheses, by VC firm (or fund, since we are studying first-time funds). *** $p < 0.01$ denotes significance at the 1% level, ** $p < 0.05$ denotes significance at the 5% level, and * $p < 0.10$ denotes significance at the 10% level.

Dependent Variable:	$\frac{\# \text{ High-net-worth investors}}{\# \text{ All investors}} \times 100$			
	(1)	(2)	(3)	(4)
VC exp	-1.824 (4.224)		2.577 (4.546)	5.902 (5.075)
Operating exp		5.073 (3.630)	6.485 (3.934)	9.697* (5.558)
VC exp \times Operating exp				-5.529 (6.855)
Female			-2.466 (3.862)	-2.193 (3.843)
Black			-2.720 (6.215)	-3.528 (6.489)
MBA			-5.893 (6.807)	-6.311 (6.951)
Ph.D.			-4.910 (3.754)	-4.942 (3.759)
Arts Degree			-4.683 (14.456)	-4.742 (14.555)
Foreign University			6.132 (4.455)	6.059 (4.427)
Top 20 University			0.702 (7.449)	0.454 (7.449)
Ln(Fund size)			-3.085* (1.790)	-2.905* (1.739)
Adjusted R ²	0.02	0.03	0.06	0.06
# Firms	155	155	155	155
Observations	155	155	155	155
Founding Year FE?	X	X	X	X

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