

**EFFECTS OF ROLE MODELS AND FINANCING BARRIERS ON WOMEN ENTREPRENEURSHIP**

Ramdas Chandra, Huizenga College of Business and Entrepreneurship, Nova Southeastern University,  
Ft. Lauderdale, FL, U.S.A.

Ravi Chinta, Huizenga College of Business and Entrepreneurship, Nova Southeastern University, Ft.  
Lauderdale, FL, U.S.A.

Anne Fiedler, Huizenga College of Business and Entrepreneurship, Nova Southeastern University  
Ft. Lauderdale, FL, U.S.A.

[dx.doi.org/10.18374/JABE-20-1.5](https://doi.org/10.18374/JABE-20-1.5)

**ACKNOWLEDGEMENT**

We gratefully acknowledge the financial support from two research grants provided by the College of Business and Auburn University at Montgomery for this research study making this the largest survey (n=1200) thus far on women entrepreneurs in the state of Alabama.

**ABSTRACT**

*Entrepreneurship has attracted the attention of many and is seen as the economic engine that has the potential to deliver future job growth. Because of this potential, it is crucial to identify what drives entrepreneurship. Extant literature has focused on entrepreneurial wealth--sufficient collateral—as a liquidity constraint hindering small business capitalization. Our study empirically investigates the expected linkage between personal wealth constraints and intention to start a business for women entrepreneurs. Further, we examine the moderating effect of successful women role models on women entrepreneurship. Funded by a research grant, data has been collected in the state of Alabama from 1200 women intending to start a business. The data was analyzed using the Baron and Kelly (1986) methodology to assess the statistical significance of moderating variables. Our results reveal that successful role models can inspire potential entrepreneurial aspirants and significantly mitigate the lack of personal wealth and liquidity constraints that thwart business start-ups. Thus, it is important to widely share the success stories of successful entrepreneurs to potential entrepreneurs, especially those who are limited by constraints of personal wealth. We conclude our paper with implications for women entrepreneurs, policy makers and for future research.*

**Keywords:** *Women entrepreneurship; Personal wealth constraints; Women Role Models*

**1. INTRODUCTION**

While entrepreneurship has been recognized as an area of interest by academics, business specialists, governments and policy makers (Link and Strong, 2016; Jack et al., 2010; Schramm, 2006; Davidsson and Honig, 2003), female entrepreneurs are still underrepresented in enterprises of all sizes despite the fact that female entrepreneurs account for nearly one third of all businesses worldwide (ILO, 2012). Consequently, there is legitimate interest focused on exploring incentives and constraints in business start-ups for women. Among the many barriers identified in the literature, the constraints of personal wealth and liquidity together with lack of inspirational female role models have been consistent themes in the many studies done across the globe. However, there is a lack of consistency among these studies that are often done in vastly different national and economic contexts.

Jennings and Brush (2013) outline several challenges from broader entrepreneurship literature and suggest that one way to address these challenges is to conduct future research in geographically narrower contexts so as to produce specific guidelines for policy and practice. The current study is a region--focused-initiative, justified by an intensifying demand by scholars for additional focused studies that investigate the role played by entrepreneurs in regional and local economies (Agnete Alsos et al., 2013; De Bruin et al., 2007; Shane,