

THE INFLUENCE OF LOW-INCOME HOUSEHOLDS: SOCIAL COHESION
ENTREPRENEURSHIP FORMALIZATION MODERATED BY FAMILY SUPPORT, RISK
PROPENSITY, AND LOCUS OF CONTROL

by

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ABSTRACT

JANICE WISE. The Influence of Low-Income households: Social Cohesion and Entrepreneurship Formalization Moderated by Family Support, Risk propensity, and Locus of Control (Under the direction of DR. FRANZ KELLERMANNNS)

Poverty is a global problem dating back to the early nineteen hundred. Issues, such as income inequalities, food insecurities, poor education, lack of good health care, and housing challenges haven often been highlighted in research. The plight of low-income households remains an important topic. Prior research shows entrepreneurship as a possible answer but how could low-income households take advantage of the opportunity that entrepreneurship provides? Researchers have also shown that a high percentage of low-income households engage in informal entrepreneurship because of the low cost of entry. Not all low-income household that are entrepreneurs' practice in the informal sector. Thus, what are factors that contribute to low-income households' participation in the formalization of entrepreneurship? This dissertation empirically investigates the relationship between social cohesion and the degree of entrepreneurship formalization of low-income households. It further studies the moderating variables family support, risk propensity, and locus of control. The findings suggests that social cohesion has a substantial influence on the degree of entrepreneurship formalization, but family support and locus of control do not moderate the relationship. However, risk propensity has a significant negative effect on the relationship between social cohesion and the degree of entrepreneurship formalization.

DEDICATION

To memory of my mother Azalee Williams, who always encourage me to never give-up,
“you can do it”.

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LIST OF ABBREVIATIONS

AFDC	Aid to Families with Dependent Children
ASPE	Assistant Secretary for Planning and Evaluation
HUD	Housing and Urban Development

CHAPTER 1: RESEARCH OVERVIEW

“Poverty is a critical issue for the world with the numbers of people living at the base of the pyramid declining only slightly over time. Market-based solutions such as entrepreneurship offer the best opportunity to create substantial and significantly positive change within poverty settings.”

-Bruton, Ketchen, and Ireland, 2013, p.688

“...entrepreneurs are neither wholly formal nor wholly informal but rather, somewhere in-between these two extremes in terms of their level of formalization, with most being largely informal rather than largely formal.”

-Williams and Shahid, 2016, p.18

1.1 Background

"In the 1960s, the US federal government developed an income base method for determining where a household would be designated as low-income Duncan, Magnuson, and Votruba-Drzal (2017, p. 414), a method used today. Government programs that are designed for low-income households uses annual median income for eligibility (Rajan, 2020). In 2020, this figure was \$26,200 based on a family of four (Amadeo & Scott, 2020). In 2021, the figure is \$26,500 for a family of four (Amadeo & Scott, 2020). By comparison, the United States median income for 2020 was \$65,778 (Before, It's, & News, 2020). This is a fundamental difference of \$52,300 between low-income and non-low-income households. Importantly, income inequality of low-income households causes other inequalities to continue to exist, such as sub-standard living conditions and poor health care (Dauda, 2017; Desmond & Western, 2018).

Unemployment, welfare dependency, and lack of income to pay bills or purchase essential household goods are ongoing issues (Saegert & Evans, 2003; Small & Newman, 2001; William Julius, 1985). In 2014, over 15 million children in the United States lived in low-income households, which means a likelihood of these children experiencing poor education, food insecurities, and housing instabilities, compared to non-low-income households (Duncan et al., 2017). Other research, dating back to the 1800s, has recognized the challenges that low-income

households faced daily. Government programs to lessen or alleviate these issues (e.g., the Poor Law of the 1800s), have failed to make a significant improvement (S. Webb & Webb, 1909). It has been noted that one out of ten of the world's urban population lives in poverty (Addo, 2016).

1.2 Research Objective

This quantitative study proposes to increase scientific knowledge and understanding of low-income households and entrepreneurship by examining the degree of entrepreneurship formalization. I evaluate the literature and perform empirical analysis on low-income households' social cohesion, family support, risk propensity, and locus of control utilizing institutional theory for possible connections.

Institutional theory explains the relationship between social structures and behaviors based on two institutions, formal and informal (N. Williams & Vorley, 2015). As North (2016) states,

Institutions are the rules of the game of a society or more formally are the humanly devised constraints that structure human interaction. They are composed of formal rules (statute law, common law, regulations), informal constraints (conventions, norms of behavior, and self-imposed rules of behavior), and the enforcement characteristics of both. (p. 3).

Furthermore, institutional theory explains how individuals' beliefs and action are guided and shaped by institutions (Al-Mataani, Wainwright, & Demirel, 2017; Matos & Hall, 2020). As a result, this theory is used to explain the impact institutions have on low-income households' activities, formal or informal ((Al-Mataani et al., 2017; A. Anderson, Harbi, & Brahem, 2013) (Fadahunsi & Rosa, 2002).

This study empirically examined low-income households' entrepreneurial behavior by analyzing the relationship between social cohesion and the degree of entrepreneurship formalization, using family support, risk propensity, and locus of control as moderators. The construct of social cohesion has been identified from previous research as representing low-income households' attitude toward institutions regarding social systems that have been shown to impact choices (Blackburn & Ram, 2006; Escandon-Barbosa, Urbano-Pulido, & Hurtado-Ayala, 2019; Nikolaou, Ierapetritis, & Tsagarakis, 2011). In like manner, family support represents emotional bonds between household members, such as values, trust, and beliefs (Xu, Kellermanns, Jin, & Xi, 2020; Zellweger, Kellermanns, Eddleston, & Memili, 2012). Risk propensity is attitude toward risk; less risk aversion is considered a needed attribute for entrepreneurs' success (Marques, Ferreira, Ferreira, & Lages, 2013; Zhao, Seibert, & Hills, 2005). Locus of control consists of two levels, internal and external. An individual with internal control takes responsibility for positive and negative outcomes; an individual with external control blames others for outcomes (Ishak, Omar, & .Moen, 2015; Kerr, Kerr, & Xu, 2017).

My foremost objective is to review, synthesize, and expose limitations in the literature relating to low-income households' participation in entrepreneurship with an emphasis on the influence of institutions. Through this process, I hope to obtain information on the relevance and predictability of institutional theory in low-income households' degree of entrepreneurship formalization.

1.3 Research Questions

My research uses institutional theory to make a generalized statement about low-income households' degree of entrepreneurship formalization. I propose a direct relationship between social cohesion and the degree of entrepreneurship formalization, with family support, risk

propensity, and locus of control as moderators that strengthen or weaken that relationship. I address the following research questions:

How does low-income households' social cohesion influence the degree of entrepreneurship formalization?

How do family support, risk propensity, and locus of control of entrepreneurs, who are living in low-income households, moderate the relationship between social cohesion and degree of entrepreneurship formalization?

1.4 Contributions

Contributions will be made to the literature on low-income households, entrepreneurship, and institutional theory and to understanding the challenges that are faced by low-income households such as income inequalities, lack of proper health care, food insecurities, and housing issues (Cohen & Dawson, 1993; Kanbur, 1991; Mayer & Jencks, 1989; Ren, 2019; Wilson, 1985). However, low-income households' literature is limited based on their reaction to well-being shortcomings, for example, when a Google Scholar search is performed on "*low-income households' reaction to inequality*", the search returned topics on: *has consumption inequality mirrored income inequality?* (Aguiar & Bils, 2015), *Monetary policy and household inequality* (Ampudia et al., 2018), *Inequalities in non-communicable diseases and effective responses* (Di Cesare et al., 2013), and *A theory of persistent income inequality* (Durlauf, 1996).

With this research providing potential insights into this phenomenon, I hope to fill the gap in the literature regarding factors that impact low-income households' entrepreneurship activities, such as the degree of entrepreneurship formalization. Although the focus is on low-income households and their degree of entrepreneurship formalization, the moderators of family

support, risk propensity, and locus of control will be examined for their impact on the relationship between social cohesion and the degree of entrepreneurship formalization.

This research adds to the body of entrepreneurship literature by examining the degree of entrepreneurship formalization literature by providing potential enablers that impact low-income households' entrepreneurial practices, formal or informal. Prior research has recognized the importance of entrepreneurship to low-income households (Angelsen et al., 2014; Chetty, Hendren, & Katz, 2016). But literature on the factors that impact their entrepreneurship choices such as the degree of entrepreneurship formalization are limited. However, research has focused on practices of entrepreneurship operating in the formal or informal sector (Al-Mataani et al., 2017; Desai, 2011; McElwee, Smith, & Somerville, 2011; Pisani & Yoskowitz, 2006; Smith & McElwee, 2013; Sutter, Bruton, & Chen, 2019; J. W. Webb, Khoury, & Hitt, 2020; C. Williams & Gurtoo, 2011). Prior research has noted that low-income households more often will elect formal entrepreneurial behaviors, when individuals have received entrepreneurial training, education, and/or funding (Chang, Memili, Chrisman, Kellermanns, & Chua, 2009; Desai, 2011; Sutter et al., 2019). Low-income households' circumstances can coerce them into informal entrepreneurship behaviors out of necessity (Pisani & Yoskowitz, 2006); (Al-Mataani et al., 2017; Crump, Hill, & Hardin, 2019; Smith & McElwee, 2013; C. Williams & Gurtoo, 2011). Therefore, identifying factors associated with determining low-income households' entrepreneurial behavior is critical.

I contribute to institutional theory literature, by using the theory to make assumptions about low-income households' decision based on formal and informal institutions. The theory separates institutions into two categories, formal rules and regulation, and informal norms and beliefs (J. W. Webb, Bruton, Tihanyi, & Ireland, 2013; J. W. Webb et al., 2020) Using social

cohesion as an independent variable where it represents low-income households trust and beliefs which could be viewed as common social norms in institutional social structures (Blackburn & Ram, 2006; Escandon-Barbosa et al., 2019; Katarzyna & Agata, 2018) to generalize based on institutional theory that social cohesion in low-income households will affect their entrepreneurship choices, formal or informal. Institutional theory allows that assumption to be made, therefore the use of institutional theory in this dissertation contributes to the theory important of being able to make assumption without performing analysis. Scott (2005) discussed the impact of institutions on low-income households' decision-making processes. The decision process has several levels: regulative, which deals with the legal system of institutions; normative, which addresses an individual's behavior, and cognitive recognizes the value of individuals (Henisz & Levitt, 2011). As Scott (2005) states, "...Rational individuals work individually or collectively to design and enact rule-based frameworks in order to protect or advance their interests" (p. 10). The institutional environment consists of informal constraints and formal government regulations, which make up institutional theory (North, 1986),

There has been little research that has considered the impact of institutions on low-income households.

1.5 Organization of Dissertation

Chapter 1 introduces the theoretical focus (i.e., institutional theory) through which I examine the impact on the relationship between social cohesion and the degree of entrepreneurship formalization as moderated by family support, risk propensity, and locus of control. It also comprises research objectives and questions and the intended contributions. Chapter 2 is divided into three sections. The first section contains the literature selection (i.e., social cohesion, family support, risk propensity, locus of control, and entrepreneurship). The

second section outlines the theoretical foundation (i.e., institutional theory), while the third section discusses the research model and hypotheses development. Chapter 3 outlines the research method, including the survey instrument and approach, sample, measures, and data analytics. Chapter 4 reports the results of the analysis. Chapter 5 concludes with a discussion of the results, an overall assessment of appropriateness, and future research opportunities of the factors that determine low-income households' entrepreneurial activities.

CHAPTER 2: LITERATURE REVIEW

The first section provides definitions and the second provides a theory overview. The third section consists of a context overview and the fourth provides the characteristics of the literature review. Finally, building from the review and seeking to address the gaps, the last section presents a research model and development of hypotheses.

2.1 Definitions

Adenutsi (2009) referred to low-income households as individuals living in poverty, defined as "... a state of absolute economic deprivation in which the individual cannot independently have access to the basic human life-sustaining essentials such as food, clothing, protection, and housing" (p. 5). Globally, low-income households live on an income of less than US\$1.25 per day (Dauda, 2017). Although studies have shown that there is no single definition for low-income households, lack of income has been used over the years, along with living conditions such as poor health status and food insecurity (Dauda, 2017; Desmond & Western, 2018; Duncan et al., 2017). Here, I used low income as determined by living in government subsidized housing, which is based on household income. Table 2.1 shows the median-level incomes over the past ten years for the United States, North Carolina, and Charlotte, North Carolina compared to that of households living in government housing.

Table 2. 1 Comparing HUD low-income to median income

Author	Year	Low-Income	Median Income	
			Charlotte, NC	NC US
Before It's News, 2020	2020			\$65,778
World Population Review, 2020	2020		\$52,413	
World Population Review, 2020	2020		\$60,886	
Amadeo & Scott, 2020	2020	\$26,200		
DQYDJ, 2020	2019			\$63,030
FY 2019 State Income Limits, 2019	2019		\$66,200	
Burns, 2020	2019		\$62,765	
Miller, 2020	2019	\$25,750		
Department of Numbers ,2020	2018		\$62,068	\$53,855 \$61,937
Semega, Kollar, Creamer, & Mohanty, 2019	2018	\$25,465		
Department of Numbers ,2020	2017		\$62,647	\$54,038 \$61,807
Semega, Kollar, & Fontenot, 2018	2017	\$24,858		
Department of Numbers ,2020	2016		\$62,763	\$52,937 \$60,291
Semega, Kollar, & Fontenot, 2017	2016	\$24,339		
Department of Numbers ,2020	2015		\$58,120	\$50,697 \$59,116
Semega, Kollar, & Proctor, 2016	2015	\$24,036		
Department of Numbers ,2020	2014		\$56,854	\$49,430 \$56,969
DeNavas-Walt & Proctor, 2015	2014	\$24,000		
Department of Numbers ,2020	2013		\$55,336	\$49,565 \$56,415
DeNavas-Walt & Proctor, 2014	2013	\$23,624		
Department of Numbers ,2020	2012		\$57,492	\$49,471 \$56,288
ASPE, 2012	2012	\$23,050		
Department of Numbers ,2020	2011		\$56,696	\$49,138 \$56,507
ASPE, 2011	2011	\$22,350		
Department of Numbers ,2020	2010		\$58,227	\$50,006 \$57,762
ASPE, 2010	2010	\$22,050		

The degree of entrepreneurship formalization is the degree to which an entrepreneur undertakes informal entrepreneurial activities, where informal entrepreneurial activities refer to activities that occur outside of government legislation (Pisani & Yoskowitz, 2006; Colin C Williams, Adom, & Horodnic, 2020; Colin C. Williams & Shahid, 2016). In other words, entrepreneurs can abide by all legal requirements to where they operate fully in the formal economy, whereas other entrepreneurs might to varying degrees circumvent various legal requirements (i.e., once entrepreneurs might circumvent registration requirements only (J. W. Webb et al., 2020), whereas another entrepreneur might circumvent registration, tax, property rights, and potentially other legal requirement (Thai & Turkina, 2014; Justin W. Webb, Ireland, & Ketchen, 2014).

I define social cohesion, independent variable as the attitude of a group like low-income households' confidence in institutions which shape their belief and social norms (Denney, Kimbro, Heck, & Cubbin, 2017; Schiefer & van der Noll, 2017; Vergolini, 2011). Additionally, "A cohesive society works towards the well-being of all its members, fights exclusion and marginalization, creates a sense of belonging, promotes trust, and offers its members the opportunity of upward mobility" (Fonseca, Lukosch, & Brazier, 2019).

I define family support involves assisting an entrepreneur with advising, reducing obligations or duties in the households, and structuring family life to meet their work needs (Chang et al., 2009; Neneh, 2017; Orthner, Jones-Sanpei, & Williamson, 2004). Besides non-financial support, family support can be demonstrated through financial support such as working in the business for little to no pay (Kimmitt, Muñoz, & Newbery, 2020).

What defines a family? In this dissertation, I use family and household interchangeably. However, family and household are sometimes definite differently, for instance, Amato (2019)

states, “a family is a group of two people or more (one of whom is the householder) related by birth, marriage, or adoption and residing together” (p. 2). Additionally, family is described “As defined by the Census Bureau for statistical purposes, a household consists of all the persons who occupy a housing unit (house or apartment), whether they are related to each other or not. If a family and an unrelated individual, or two unrelated individuals, are living in the same housing unit, they would constitute two family units, but only one household (Jacoben, 2020, p. 1)

Risk propensity continues to be a topic of interest with risk aversion representing the willingness to take regular or consistent work with less variable pay oppose to riskier higher pay and less risk aversion, the willingness to take variable pay for the possibilities of large gains (Jagelka, 2020; Tyszka, Cieślik, Domurat, & Macko, 2011; Zhao et al., 2005). However, in this research Stewart and Roth (2001) perspective on entrepreneurs’ risk propensity will be utilized, “...entrepreneurs appear predisposed toward taking more risks. If the entrepreneur's principal purpose is profit and growth, then the individual's propensity for risk taking appears markedly higher than those who are more current income-oriented...” (p. 150).

An entrepreneur’s’ locus of control is significant for business, which is represented here as an individual’s behavioral decisions based on their belief of having internal or external locus of control. According to Asante and Affum-Osei (2019),

Individuals with an internal locus of control believe that the outcome of an event, to a greater extent, is influenced by their actions or behaviors. On the other hand, individuals with an external locus of control believe that the outcomes of an event are largely out of their control. (p. 1).

These definitions provide an anchor and direction for this study, given the fact that each variable has been defined in a slightly different manner by other researchers.

2.2 Theory

Every theory should contain three necessary elements: the “what,” the “how,” and the “why” (Whetten, 1989). “What” seeks to describe the phenomenon and the associated factors in a comprehensive but parsimonious way; “how” describes the relationship between the factors; and “why” explains the rationale underlying the selected factors and their proposed relationship (Reay, Jaskiewicz, & Hinings, 2015; Welter, Baker, & Wirsching, 2019; Whetten, 1989). While theories should be generalizable, they often suffer from boundary conditions and limitations (Whetten, 1989). A theory should also include boundary constraints that provide contextual limits of its propositions by evaluating the “who,” the “where,” and the “when” (Whetten, 1989).

This dissertation considers institutional theory as organized by the theoretical elements of “what,” “how,” and “why.” Following the overview, I transition the element of “where” specific to low-income households to assess the theory’s strength and generalizability with contextual considerations. I refer to low-income households’ context as social cohesion and the degree of entrepreneurship formalization, as moderated by family support, risk propensity, and locus of control.

2.2.1 *Institutional Theory*

Institutional theory (i.e., the “what”) is one of the most widely used theories in entrepreneurship (J. W. Webb et al., 2020) (Justin W. Webb et al., 2014; Colin C. Williams & Shahid, 2016). It examines the relationship between institutions' social structure and an entrepreneur’s behavior (Autio & Fu, 2015; North, 1986; Scott, 2005). When explaining formal institutions, laws and regulations become the area of concentration that constitute legal behaviors to move the economy in a direction of growth with citizens contributing for the betterment of everyone (Ren, 2019; J. W. Webb et al., 2020; N. Williams & Vorley, 2015). Therefore,

institutional strength is about monitoring and enforcement by institutions, formal or informal, where informal institutions represent norms, belief, and culture that govern individuals or groups behaviors (Webb, Tihanyi, Ireland, & Sirmon, 2009; Webb, Bruton, Tihanyi, & Ireland, 2013; Webb, Ireland, & Ketchen, 2014; Welter, Smallbone, & Pobol, 2015). Sometime the informal institution is referred to as the demonstration of a weak institution (Williams & Vorley, 2015). The institutional theory explains the social, economic, and political environments which is based on the agglomeration of laws, the constitution, property rights, sanctions, customs, traditions, and codes of conduct which can be sum up as formal rules and informal constraints (North, 2016).

Also, institutional theory is used to explain our society operations from our daily personal choices to the business choices which are driven by coercive normative, and mimetic (Glover, Champion, Daniels, & Dainty, 2014). However, explaining the detail aspect of the formal and informal make-up of institutional theory can become complex, because it interwind with the formal and informal economy. The formal and informal institutional theory sometime can be difficult to separate because of the dynamic of the two, for example the hidden and passive entrepreneurship can be viewed from two perspectives, the economic perspective which deals with society imposes formal and informal legal and/or legitimate economic activity and sociological perspective that believe cognitive limitations and human behaviors are driven by shared culture, and social norms (Al-Mataani et al., 2017).

This theory indicates that institutions rules and regulations pertaining formal or informal entrepreneurship activities shape culture, belief, and common norms of low-income households (Autio & Fu, 2015; Williams & Shahid, 2016). As such, institutions will enforce rules and regulations to limit entrepreneurship activities in the informal sector (Autio & Fu, 2015; Desai, 2011; Escandon-Barbosa, Urbano-Pulido, & Hurtado-Ayala, 2019).

The “how” of institutional theory highlights the components of formal and informal institutions that guide a society business transactions and behaviors (Webb, Khoury, & Hitt, 2020; Ren, 2018), Williams and Vorley (2015). When, formal and informal institutions are not aligned, business decisions are more toward the informal sector, theory suggest that the incongruence between formal and informal institutions creates the potential for an informal economy (Webb, Tihanyi, Ireland, & Sirmon 2009; Williams & Shahid, 2016; Williams & Vorley, 2015).

Additionally, the theory indicates, institutions have two options for reducing informal entrepreneurship behaviors (Acs, Desai, & Klapper, 2008; Acs & Szerb, 2007). The first is to create a governance structure that concentrates on closing the gap between formal and informal institutions and examining the rules and regulations impact on business actions (North, 1986, 1989, 1993).

The “why” is pressures to comply with societal expectations of what is deemed socially acceptable (Webb, Bruton, Tihanyi, & Ireland, 2013; Webb, Ireland, & Ketchen, 2014; Webb, Tihanyi, Ireland, & Sirmon, 2009). But there are different groups within society that are characterized by different definitions of what is socially acceptable. In some cases, what some groups consider to be socially acceptable differs from what is prescribed by formal institutions, and these cases refer to institutional incongruence (Jimenez, Puche-Regaliza, Jiménez-Eguizábal, & Alon, 2017) (Ramadani, Bexheti, Dana, & Ratten, 2019; Smith & McElwee, 2013). Therefore, individuals face different pressures regarding what is socially acceptable. Underlying assumption of institutional theory is conceptualized by the institutional model: (1) embedded institutions, (2) institutional environment, (3) institutions which govern transactions, and (4) behaviors (Andrews-Speed, 2016; Scaraboto & Fischer, 2012; Scott, 2005). This model assumes

that individuals will seek to optimize their own utility. In the institution-entrepreneur relationship, an entrepreneur position is to maximize their profits (A. Anderson et al., 2013; Leonard, 2000; Colin C. Williams, 2009). However, institutional theory assumes entrepreneurs will instead behave opportunistically because of self-serving. Figure 2.1 is a modified version of institutional theory model (Andrews-Speed, 2016).

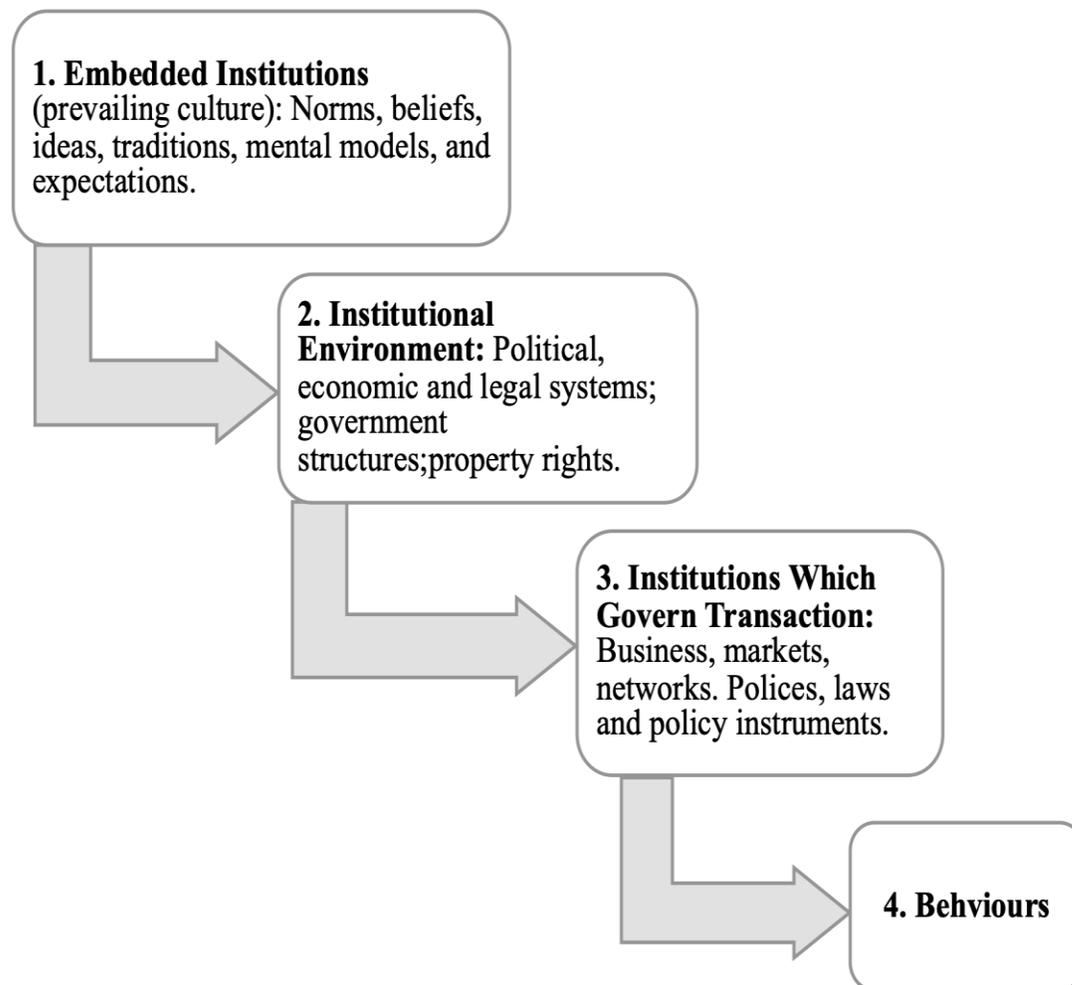


Figure 2. 1 Institutional Theory (Modified after Andrews-Speed, 2016)

2.2.2 Summary

The essential theoretical elements of *what*, *how*, and *why* (Whetten, 1989) are addressed by institutional theory. Which is refer to the incongruence between formal and informal.

2.3 Context

Although the social and economic conditions of low-income households are deemed the most prevalent and oldest topic (S. Webb & Webb, 1909), their plight are recognized internationally by developed and developing countries, where income inequalities, food insecurities, poor physical and mental health, little to no education, to housing issues (Dauda, 2017; Kanbur, 1991; Saegert & Evans, 2003; Sutter et al., 2019). However, scholarly investigation on low-income household's personal dynamics that determine their entrepreneurship practices are considerably less common and relatively recent (A. Anderson et al., 2013) (Autio & Fu, 2015; Backhaus & Ebner, 2005), such as social cohesion, family support, risk propensity and locus of control. With research on low-income household's dynamics still in the early stages, guidelines for researchers are imperative. Importantly, research in this realm should describe why low-income households are in the present state, how are there situation unique, and how and under what conditions can their situation be changed (Adenutsi, 2009; Bruton, Ahlstrom, & Si, 2015; Floro & Bali Swain, 2013). Accordingly, institutions are credited with creating an environment that causes income inequalities, lack of quality education and health care (Katarzyna & Agata, 2018; N. Williams & Williams, 2011) and entrepreneurship is credited with providing an avenue for wealth and job creations (Desai, 2011; Ojo, Nwankwo, & Gbadamosi, 2013). Considering these findings and the use of institutional theory, the assumption could be made that social cohesion influences the degree of entrepreneurship formalization in low-households, moderate by family support, risk propensity, and locus of control.

2.4 Characteristics of the Literature Review

I searched electronic databases such as Academic Search Complete, Google Scholar, J. Murrey Atkins Library, and Wildcat using search terms such as: *low-income households and entrepreneurship, entrepreneurship formalization, social cohesion, family support, risk propensity, and locus of control.*

This search yielded 89 articles, which were reviewed to determine appropriateness for inclusion. Articles span more than three decades (1985 through 2020); article types were equally divided between conceptual and empirical, with the most being surveys. Table 2.2 provides a list of the authors and journals of these articles.

As shown in Table 2.2, 67 articles were published in mainstream management journals, such as *Entrepreneurship & Regional Development, Entrepreneurship Theory and Practice, Family Business Review, Journal of Business Research, Journal of Developmental Entrepreneurship, Journal of Family Business Strategy, Journal of Small Business & Entrepreneurship, and World Development.*

Table 2. 2 Research Foundation Articles

Authors	Year	Journal	Article Type	Design
Velilla, Molina, & Ortega,	2020	A Fuzzy-Set Analysis	Empirical	qualitative Comparative Analysis
Jagelka,	2020	A Structural Approach	Empirical	questionnaire
Webb et al.,	2009	Academy of Management Review		
Rotter,	1990	American Psychologist	Conceptual	
Autio & Fu,	2015	Asia Pacific Journal of Management		
Bruton, Ahlstrom, & Si,	2015	Asia Pacific Journal of Management	Conceptual	
Laney,	2013	Center for an Urban Future	Empirical	
Jenson,	2010	Commonwealth Secretariat	Conceptual	
Frankham, Richardson, & Maguire,	2020	Community Mental Health Journal	Empirical	survey data
Lindner,	2018	Discourse and Communication for Sustainable Education		
Dun & Bradstreet, Inc.,	2020	Dun & Bradstreet, Inc.	Conceptual	
Katarzyna & Agata,	2018	Economics & Sociology	Empirical	qualitative survey
Leitch, Hazlett, & Pittaway,	2012	Entrepreneurship & Regional Development	Conceptual	
Ojo, Nwankwo, & Gbadamosi,	2013	Entrepreneurship & Regional Development		
Welter Smallbone, & Pobol,	2015	Entrepreneurship & Regional Development		
Wierenga,	2020	Entrepreneurship & Regional Development	Empirical	
Williams & Shahid,	2016	Entrepreneurship & Regional Development		
Blackburn & Ram,	2006	Entrepreneurship and Regional Development	Conceptual	
Keh, Der Foo, & Lim,	2002	Entrepreneurship Theory and Practice	Empirical	questionnaire
Kellermanns & Eddleston,	2004	Entrepreneurship Theory and Practice	Conceptual	
Williams, Martinez-Perez, & Kedir,	2017	Entrepreneurship Theory and Practice		
Douglas & Shepherd,	2002	Entrepreneurship Theory and Practice,	Empirical	questionnaire
Gough, Langevang, & Namatovu,	2014	Environment and Urbanization	Empirical	Participatory methods
Hudcová, E., Chovanec, & Moudrý,	2018	European Countryside	Empirical	qualitative methodology/semi- structured and in-depth interviews
Jimenez et al.,	2017	European Journal of International Management		

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(Continued) Table 2.2 Research Foundation Articles

Authors	Year	Journal	Article Type	Design
Al-Mataani, Wainwright, & Demirel,	2017	European Management Review	Al-Mataani, Wainwright, & Demirel,	2017
Chang, Memili, Chrisman, Kellermanns, & Chua,	2009	Family Business Review	Empirical	questionnaire
Kellermanns, Eddleston, Barnett, & Pearson,	2008	Family Business Review	Empirical	surveys
Orthner, D. K., Jones-Sanpei, H., & Williamson,	2004	Family Relations	Empirical	surveys
Adenutsi	2009	Glisten Strategic Solutions	Conceptual	Theoretical
Mulunga & Yazdanifard,	2014	Global Journal of Management and Business Research	Empirical	secondary sources
Anderson, Jack, & Dodd,	2016	In Entrepreneurial Process and Social Networks	Empirical	interviewed
Desai,	2011	In Entrepreneurship and economic Development		
Miller, Lee, Chang, & Le Breton-Miller,	2013	In Handbook of Research on Family Business,	Empirical	questionnaire
Ramadani et al.,	2019	Informal Ethnic Entrepreneurship		
Terziev, Bencheva, Stoeva, & Georgiev,	2020	International E-Journal of Advances in Social Sciences	Empirical	surveys
Marques, Ferreira, Ferreira, & Lages,	2013	International Entrepreneurship and Management Journal,	Empirical	questionnaire
Crump, Hill, & Hardin,	2019	International Journal of Business and Economic Development		
Smith & McElwee,	2013	International Journal of Business and Globalisation		
Manaf,	2017	International Journal of Economics and Financial Issues,	Empirical	quantitative
McElwee, Smith, & Somerville,	2011	International Journal of Rural Criminology		
Nikolaou, Ierapetritis, & Tsagarakis,	2011	International Journal of Sustainable Development & World Ecology	Empirical	SWOT analysis
Williams & Vorley,	2015	International Small Business Journal		
Zhao, Seibert, & Hills,	2005	Journal of Applied Psychology,	Empirical	questions
Ajzen,	2002	Journal of Applied Social Psychology	Conceptual	
Xu, Kellermanns, Jin, & Xi,	2020	Journal of Business Research	Empirical	diary data,
Asante & Affum-Osei,	2019	Journal of Business Research,	Empirical	survey data

Continues next page

(Continued) Table 2.2 Research Foundation Articles

Authors	Year	Journal	Article Type	Design
Aidis & Van Praag	2007	Journal of Business Venturing		
Aldrich & Cliff,	2003	Journal of Business Venturing	Conceptual	
Thai & Turkina,	2014	Journal of Business Venturing		
Scott,	2010	Journal of Change Management		
Ndedi,	2009	Journal of Contemporary Management	Conceptual	
Williams & Krasniqi,	2018	Journal of Developmental Entrepreneurship		
Williams, Adom, & Horodnic,	2020	Journal of Developmental Entrepreneurship		
Halvarsson, Korpi, & Wennberg,	2018	Journal of Economic Behavior & Organization	Empirical	Two literatures/regression
Kareen,	2015	Journal of Economic Behavior & Organization	Empirical	
Backhaus & Ebner,	2005	Journal of Economic Studies	Conceptual	
Mehtap, Ozmenekse, & Caputo,	2019	Journal of Entrepreneurship in Emerging Economies	Empirical	qualitative analysis/ semi-structured, in-depth interviews
Zellweger, Kellermanns, Eddleston, & Memili,	2012	Journal of Family Business Strategy	Empirical	mail-surveys
Williams & Gurtoo,	2011	Journal of Global Entrepreneurship Research		
North,	1986	Journal of Institutional and Theoretical Economics		
Kumar, Al, Ibrahim, & Yusoff,	2018	Journal of International Studies,	Empirical	quantitative/cross-sectional
Galvin, Randel, Collins, & Johnson,	2018	Journal of Organizational Behavior,	Conceptual	
Holahan, & Moos,	1985	Journal of Personality and Social Psychology	Empirical	surveying
Hurst & Lusardi,	2004	Journal of Political Economy		
Somerville, Smith, & McElwee,	2015	Journal of Rural Studies		
Williams,	2009	Journal of Small Business & Entrepreneurship	Empirical	
Williams,	2009	Journal of Small Business & Entrepreneurship		
Minhas & Sindakis,	2020	Journal of the Knowledge Economy	Conceptual	
Williams & Williams,	2011	Local Economy	Empirical	in-depth follow-up interviews
Ishak, Omar, & Moen,	2015	Mediterranean Journal of Social Sciences	Empirical	questionnaires

Continues next page

(Continued) **Table 2.2 Research Foundation Articles**

Authors	Year	Journal	Article Type	Design
Kerr, Kerr, & Xu,	2017	National Bureau of Economic Research	Empirical	questionnaires
Smith,	2009	People and Places in the Global Economy		
Al Mamun & Ibrhim,	2018	Social Sciences	Empirical	Cross-sectional
Al Mamun, Thurasamy, & Fazal,	2021	Socio-Economic Planning Sciences	Empirical	Cross-sectional
Webb, Ireland, & Ketchen,	2014	Strategic Entrepreneurship Journal		
Escandon-Barbosa, Urbano-Pulido, & Hurtado-Ayala,	2019	Sustainability	Empirical	GEM survey
Bates, Jackson III, & Johnson Jr.	2007	The Annals of the American Academy of Political and Social Science	Empirical	qualitative, in-depth interviews
Gentry & Hubbard,	2004	The BE Journal of Economic Analysis & Policy	Empirical	Cross-sectional
Anderson, Harbi, & Brahem,	2013	The International Journal of Entrepreneurship and Innovation		
Williams,	2008	The International Journal of Entrepreneurship and Innovation		
Mamun el al.,	2016	The journal of Developing Areas	Empirical	quantitative/cross-sectional
Leonard,	2000	The Journal of the Development Studies Association		
Scott,	2005	The Process of Theory Development		
Webb, Khoury, & Hitt,	2020	Theory and Practice		
Crump, Hill, & Taylor,	2017	Washington Business Research Journal		
Floro & Swain,	2013	World Development	Empirical	Quantitative/Urban poor household survey data
Williams, Shahid, & Martinez,	2016	World Development		
Ahmed & Nwankwo,	2013	World Journal of Entrepreneurship, Management and Sustainable Development.	Conceptual	

2.4.1 *Institutional Theory and Entrepreneurship Formalization*

Thirty-four articles grounded in institutional theory within the context of the degree of entrepreneurship formalization served as the basis for the review. The degree of entrepreneurship formalization articles citing the influential theory works (e.g., Webb, Bruton, Tihanyi, & Ireland, 2013; Webb, Ireland, & Ketchen, 2014; Webb, Khoury, & Hitt, 2020; Williams, Adom, & Horodnic, 2020) were also reviewed to determine appropriateness for inclusion. To be considered for inclusion, the theoretical underpinning for the conceptual or the empirical model had to be institutional theory. Table 2.3 provides an alphabetical list and findings of these articles.

As shown in Table 2.3, 27 articles were published in mainstream management journals, such as *Academy of Management Review*, *Asia Pacific Journal of Management*, and *International Journal of Business and Economic Development*; in entrepreneurship journals, such as *Entrepreneurship & Regional Development*, *Journal of Developmental Entrepreneurship*, and *The International Journal of Entrepreneurship and Innovation*; and in entrepreneurship formalization outlets, such as *Journal of Institutional and Theoretical Economics*, *Theory and Practice*, and *World Development*.

The articles span more than three decades (1986 through 2020). Institutional theory has migrated into the degree of entrepreneurship formalization literature; that is, the influence of institutions on entrepreneurs' decisions to pursue opportunities that may be considered informal entrepreneurship based on formal institutions or legitimate based on informal institutions (Justin W Webb, Tihanyi, Ireland, & Sirmon, 2009).

Institutional theory has been a prominent lens in entrepreneurship research, specifically, the degree of entrepreneurship formalization (J. W. Webb *et al.*, 2013; Colin C. Williams &

Krasniqi, 2018; Colin C. Williams & Shahid, 2016). The articles focus on the unique characteristics of institutional theory's asymmetric relationship between formal and informal institutions, the two forms of institutions are present at the same time but based on the entrepreneurship practices, one may be more noticeable than the other (Webb, Tihanyi, Ireland, & Sirmon, 2009; Welter, Smallbone, & Pobol, 2015; Williams & Vorley, 2015).

Table 2. 3 Institutional Theory Research and The Degree of Entrepreneurship Formalization

Authors	Journal	Finding
Aidis & Van Praag (2007)	Journal of Business Venturing	The experience of illegal entrepreneurship and the performance of companies are positively linked for entrepreneurs who have started completely new legal companies.
Al-Mataani et al. (2017)	European Management Review	In line with the informal entrepreneurship literature, the continued existence of hidden activities is enhanced by the weak governance. Also, features such as institutional voids and the weak execution of laws that allow for opportunity recognition and exploitation within the informal economy.
Anderson et al. (2013)	The International Journal of Entrepreneurship and Innovation	Informal entrepreneurship occurs as an opportunity created by the context or circumstances. Economic development could be achieved through formal or informal approaches
Autio & Fu (2015)	Asia Pacific Journal of Management	The institutional framework affects decisions as to whether to pursue entrepreneurial opportunities. The potential of various types of entrepreneurial activities (formal or informal).
Crump et al. (2019)	International Journal of Business and Economic Development	Firms in the informal sector cannot take full advantage of market support institutions and access to capital is considerably limited.
Crump et al. (2017)	Washington Business Research Journal	Some cities have a greater intensity in informal economic participation based on minority populations
Desai (2011)	In Entrepreneurship and economic Development	Entrepreneurship can manifest in different ways—even in the same country under different economic systems.
Escandon-Barbosa et al. (2019)	Sustainability	Social capital is involved in the relationship between formal and informal institutions, and entrepreneurial activity.
Jimenez et al. (2017)	European Journal of International Management	Political discretion discourages the creation of formal businesses because fewer restrictions
Leonard (2000)	The Journal of the Development Studies Association	Three aspects of the informal economy: reciprocity between households, informal self-employment and informal paid employment, the ways in which low-income households attempt to insure their economic livelihoods in the absence of formal employment opportunities.
McElwee et al. (2011)	International Journal of Rural Criminology	Entrepreneurship is widely known as a vital driver of economic development and growth.
North (1986)	Journal of Institutional and Theoretical Economics	Institutional are known for rules, regulations, and behavioral based on belief, common social norms, trust.

Continues next page

(Continued) **Table 2.3 Institutional Theory Research and The Degree of Entrepreneurship Formalization**

Authors	Journal	Finding
Ojo et al. (2013)	Entrepreneurship & Regional Development	The informal economy is sometimes viewed as a means of generating income.
Ramadani et al. (2019)	Informal Ethnic Entrepreneurship	Religion and culture play a significant role in entrepreneurship.
Scott (2005)	The Process of Theory Development	Institutional theory is the process through which structures, including models, rules, standards, and routines, become authoritative directives for social behavior.
Scott (2010)	Journal of Change Management	Institutionalization does not overlook the question of what happened, but it deals primarily with the question of how things happen.
Smith (2009)	People and Places in the Global Economy	Criminality and entrepreneurship are interconnected areas of human activity that transcend lawful and illegal economies.
Smith & McElwee (2013)	International Journal of Business and Globalisation	Criminal entrepreneurs take advantage of the political, social and cultural aspects of any society. Therefore, wherever a legitimate and legal enterprise is found, it is not uncommon to find criminal elements that are parasitic.
Somerville et al. (2015)	Journal of Rural Studies	The legality or illegality of an activity depends to some extent on the context within which it occurs. An activity can be illegal or criminal, but permissive (tolerated by the community).
Thai & Turkina (2014)	Journal of Business Venturing	Formally registered enterprises can engage in illegal activities, while the activities of informal enterprises can be fully legal.
Webb et al. (2013)	Journal of Business Venturing	Institutional polycentrism had a positive relationship with informality in mature and emerging contexts.
Webb et al. (2014)	Strategic Entrepreneurship Journal	Incoherent policies and limited engagement between government agencies have introduced uncertainty that has encouraged street vendors to operate informally.
Webb et al. (2020)	Theory and Practice	Institutions do more than meet the most basic needs of a society, but they also serve as constraints [and incentives] humanly designed to structure human interactions.
Webb et al. (2009)	Academy of Management Review	The incompatibility between formal and informal institutions creates the possibility of an informal economy.
Welter et al. (2015)	Entrepreneurship & Regional Development	Informal entrepreneurship happens out individuals' previous experiences, knowledge, and their contacts. Research has shown informal operations in deprived areas are more socially oriented and affluent area are more commercially oriented.
Williams (2008)	The International Journal of Entrepreneurship and Innovation	The drivers of necessity and opportunity are embodied in the justifications of most informal entrepreneurs.

Continues next page

(Continued) **Table 2.3 Institutional Theory Research and The Degree of Entrepreneurship Formalization**

Authors	Journal	Finding
Williams (2009)	Journal of Small Business & Entrepreneurship	This research highlights that many entrepreneurs operated unregistered off-the-books enterprises.
Williams & Krasniqi (2018)	Journal of Developmental Entrepreneurship	At a minimum, half of all venture at international level is unregistered as an effect of the unsymmetrical correlation between the laws and regulations of formal institutions and the unspoken socially exchanged rules of informal institutions.
Williams & Shahid (2016)	Entrepreneurship & Regional Development	As a result, the level of asymmetry or incompatibility between formal and informal institutions determines the level of informal entrepreneurship.
Williams et al. (2020)	Journal of Developmental Entrepreneurship	Enterprise manages at different levels of informality, they comply with formal rules and regulation's part, but not all, such as registering their business, registering for tax purposes, or maintaining formal accounts.
Williams et al. (2017)	Entrepreneurship Theory and Practice	Registered enterprises started as an unregistered business with long spans of operating unregistered, have significantly increased annual sales, employment, and productivity growth rates comparable with those that registered from the start.
Williams et al. (2016)	World Development	The primary predictors of informality are the characteristics of the entrepreneur, rather than their reasons or the formal and informal rules and regulations of the institution. Lower degrees of informality are associated with women, who are older, and educated.
Williams & Gurtoo (2011)	Journal of Global Entrepreneurship Research	There are several explanations for women's participation in street entrepreneurship, the explanations depend on the population, but income is one of the main reasons.
Williams & Vorley (2015)	International Small Business Journal	The asymmetry continues as informal institutions hinder entrepreneurship. To reduce these asymmetries, it is necessary to develop and align formal and informal institutions.

2.4.2 *Low-Income Households and Entrepreneurship Formalization*

Nineteen articles grounded within the context of low-income households and the degree of entrepreneurship formalization are presented in Table 2.4. Articles citing the influence of entrepreneurship on low-income households (Adenutsi, 2009; Bruton et al., 2015; Floro & Bali Swain, 2013; Halvarsson, Korpi, & Wennberg, 2018; Kareem, 2015; Mehtap, Ozmenekse, & Caputo, 2019) were reviewed to determine appropriateness for inclusion. To be considered for inclusion, the conceptual or empirical model had to be related to low-income households and entrepreneurship. Table 2.4 provides an alphabetical list and the characteristics of these articles.

As shown in Table 2.4, one conceptual article and 12 empirical articles were published in mainstream management journals, such as *Asia Pacific Journal of Management*, *World Development*, *Journal of Economic Behavior & Organization*, *International Journal of Economics and Financial Issues*, *Entrepreneurship & Regional Development*, and *Journal of Small Business & Entrepreneurship*. In the broadest sense, the literature can be grouped by article type; namely, conceptual (2 articles) and empirical (17 articles).

The articles span more than a decade (2004 through 2020); six articles were based on a cross-sectional design. The findings range from entrepreneurial households' wealth and income (Wierenga, 2020) to the nomological validity that revealed a positive effect of low-income households' entrepreneurial index on entrepreneurial competency (Al Mamun, Thurasamy, & Fazal, 2021). Additional findings include entrepreneurship's significance to low-income households; for instance, entrepreneurship has been viewed as leading to income empowerment and poverty reduction and mitigating the risk of food shortages (Adenutsi, 2009; Floro & Swain, 2013). Entrepreneurial choices, however, are not always viewed as positive activities. (Crump et al., 2019; Gottschalk, 2010; Laney, 2013). Some low-income household individuals decide to

operate in the informal economy. Face-to-face interviews with 600 individuals have shown that over 50% of entrepreneurs operate wholly unregistered off-the-books businesses (Colin C. Williams, 2009). Other studies have shown that low-income households participating in informal entrepreneurship, some due to the lack of resource and other because of opportunities (Pisani & Yoskowitz, 2006; Velilla, Molina, & Ortega, 2020; Wierenga, 2020). Nevertheless, entrepreneurship practices of low-income households could be formal or informal depending on the situation and location, which is refer to as the degree of entrepreneurship formalization (Clark & Drinkwater, 2000; Pisani & Yoskowitz, 2006) The challenges that low-income households face when pursuing entrepreneurship in the formal sector, including financial issues and lack of basic entrepreneurship education (Gough, Langevang, & Namatovu, 2014; Manaf, 2017; Mehtap et al., 2019). When entrepreneurs operate between the formal and informal sector, for example, they follow business registration rule but do not pay all their tax, they are practicing a degree of entrepreneurship formalization (Pisani & Yoskowitz, 2006; C. C. Williams et al., 2020; Colin C. Williams, Martinez–Perez, & Kedir, 2017).

The degree entrepreneurship formalization of low-income households depends on the situation, it could be because of their social and economic issues (Autio & Fu, 2015; Offer, 2012). For instance, more than 20% of children in Canada and 16% in the United States are impoverished. Poverty restricts low-income households' options substantially, including schooling, clothing, food, and transportation choices (McIntyre, Officer, & Robinson, 2003), and impacts relationships resulting from limited resources (Offer, 2012). McIntyre, Offer, and Robinson (2003) described the emotional impact of poverty on low-income households as feelings of helplessness, deprivation, guilt, and judgment. Internationally, poverty alleviation for low-income households has been and is still one of the most difficult challenges in history,

dating back to the Poor Law of the 1800s (Webb & Webb, 1909). Nevertheless, entrepreneurship have been contributed to helping to alleviate poverty of low-income households (Acs & Szerb, 2007; Acs, Desai, & Klapper, 2008). Informality can serve as a steppingstone to the formal economy (Bennett, 2010; Piperopoulos, Kafouros, Aliyev, Liu, & Au, 2021).

Entrepreneurs often start their ventures in the informal economy to avoid formalization costs (i.e., registering the business; acquiring appropriate licenses and certifications, etc.) (Crump et al., 2019; Fadahunsi & Rosa, 2002; Siqueira, Webb, & Bruton, 2016), until the entrepreneurs deem their ventures as viable businesses (Bennett & Estrin, 2007). While allowing the individual entrepreneurs a steppingstone, informality can have negative socioeconomic outcomes, such as lost tax revenue, unfair competition with formalized firms, and products that are not required to meet established standards (Omri, 2020; Thai & Turkina, 2014). Therefore, it is important to understand the influences on entrepreneurs' decision to operate in the informal economy and what might allow entrepreneurs to transition to the formal economy (Fredström, Peltonen, & Wincent, 2020). Given the vulnerable position of individuals living in low-income households, I seek to understand entrepreneurship formalization as the key outcome in my model.

However, this dissertation will investigate social cohesion as factor in determining the degree of entrepreneurship formalization in low-income households with family support, risk propensity, and locus of control as moderators.

Table 2. 4 Low-Income Households and the Degree of Entrepreneurship Formalization Research

Authors	Journal	Article Type	Sample	Design	Finding
Adenutsi (2009)	Glisten Strategic Solutions	Conceptual		Theoretical	Entrepreneurship drives economic growth and development through income, accountability, and poverty reduction in an economy.
Al Mamun, Thurasamy, & Fazal (2021)	Socio-Economic Planning Sciences	Empirical	403 micro-entrepreneurs	Cross-sectional	Economic validity has shown a positive impact of entrepreneurial competence among low-income households.
Al Mamun & Ibrahim (2018)	Social Sciences	Empirical	450 micro-entrepreneurs	Cross-sectional	Individual from an economic vulnerability that receive financial support, entrepreneurship training, including the length of time spend in the program, have a positive effect on household income.
Al Mamun & Ibrahim (2018)	Societies	Empirical	450 micro-entrepreneurs	Cross-sectional	Economically vulnerable households have experienced less growth in micro-enterprises.
Autio & Fu (2015)	Asia Pacific Journal of Management	Empirical		Cross-sectional	Entrepreneurship formal or informal practices are the effect of institutions quality Also, low-income households can improve their financial situation through entrepreneurship.
Bates, Jackson III, & Johnson Jr. (2007)	The Annals of the American Academy of Political and Social Science	Empirical	62 African American	qualitative, in-depth interviews	Self-employment is an increasingly prevalent activity among Hispanic families with low economic incomes.

Continues next page

(Continued) **Table 2.4 Low-Income Households and The Degree of Entrepreneurship Formalization Research**

Authors	Journal	Article Type	Sample	Design	Finding
Bruton, Ahlstrom, & Si (2015)	Asia Pacific Journal of Management	Conceptual			Entrepreneurship provides opportunities for poor people that otherwise would not have been realized.
Clark & Drinkwater (2000)	Labour Economics				Minority group normally are pushed into entrepreneurship due economic situations, but have challenges securing or access to financial capital which lead to informal financial arrangements.
Crump (2013)	Washington Business Research Journal	Conceptual		exploratory study	Even though there are more benefit from operating in the formal economy, low-income entrepreneurs have more reason for operating in the informal economy.
Crump, Hill, & Taylor (2017)	Washington Business Research Journal	Empirical		exploratory study	Minorities operate in both the formal and informal sector but depend on the business it could be in one direction. Such as hair care, music, or automotive repair entrepreneurial various, but the food industry is more formal operation.
Desai (2009)	Journal of Conflict Resolution	Empirical		World Bank Group Entrepreneurship Survey data and OECD data	Going from informal to formal entrepreneurship could be difficult because the skill learned in the informal sector might not be transferable to the formal sector
Floro & Swain (2013)	World Development	Empirical	Collected in 14 predominantly slum communities	Quantitative/Urban poor household survey data	Low-income urban households can reduce the risk of food scarcity by selecting a business activity that generates income.

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(Continued) **Table 2.4 Low-Income Households and The Degree of Entrepreneurship Formalization Research**

Authors	Journal	Article Type	Sample	Design	Finding
Gentry & Hubbard (2004)	The BE Journal of Economic Analysis & Policy	Empirical		Cross-sectional	Entrepreneurial households have a significant portion of household wealth.
Gottschalk (2010)	International Business and Entrepreneurship	Conceptual			Informal entrepreneurship could be legitimate and illegitimate.
Gough, Langevang, & Namatovu (2014)	Environment and Urbanization	Empirical	Quantitative/qualitative/survey 400 young people	Participatory methods	The main challenge facing entrepreneurs is the lack of adequate education in entrepreneurship.
Halvarsson, Korpi, & Wennberg (2018)	Journal of Economic Behavior & Organization	Empirical		Two literatures/regression	The independent labor force increases income dispersion by expanding the lower distribution.
Kareem (2015)	Journal of Economic Behavior & Organization	Empirical	sample size of One hundred (100)		The link between entrepreneurship and poverty reduction is significant.
Kumar, Al, Ibrahim, & Yusoff (2018)	Journal of International Studies,	Empirical	800 low-income household heads	quantitative/cross-sectional	A significant difference exists across districts in distribution of entrepreneurial orientation, such as the level of education, occupation, experience
Laney (2013)	Center for an Urban Future	Empirical	55 neighborhoods		A Low-income individual normally engaged informal entrepreneurial activities for economic reasons.

Continues next page

(Continued) **Table 2.4 Low-Income Households and The Degree of Entrepreneurship Formalization Research**

Authors	Journal	Article Type	Sample	Design	Finding
Manaf (2017)	International Journal of Economics and Financial Issues,	Empirical	1176 microcredit scheme participants	quantitative	Entrepreneurs should have a basic business background to succeed.
Mamun el al. (2016)	The journal of Developing Areas	Empirical	421 micro-entrepreneurs	quantitative/cross-sectional	Becoming accustomed to standards and sharing similar goals and values, strengthens an entrepreneur's cognitive capital.
Mehtap, Ozmenekse, & Caputo (2019)	Journal of Entrepreneurship in Emerging Economies	Empirical	14 females	qualitative analysis/ semi-structured, in-depth interviews	Female informal entrepreneurs tend to be motivated by both opportunity and need. Generating profits and contributing to household income appears to be their primary reason.
Velilla, Molina, & Ortega (2020)	A Fuzzy-Set Analysis	Empirical	106 countries	qualitative Comparative Analysis	Certain differences in the conditions that lead individuals to become entrepreneurs, according to income levels and gender.
Wierenga (2020)	Entrepreneurship & Regional Development	Empirical	four grassroots entrepreneurs from India who founded an enterprise to sell their self-developed innovations		It is understandable that low-income entrepreneurs are motivated by opportunity, by opting to become entrepreneurs, or by necessity because there are no other opportunities.
Williams (2009)	Journal of Small Business & Entrepreneurship	Empirical	600 face-to-face interviews		This research highlights that many entrepreneurs operated unregistered off-the-books enterprises.

2.4.3 *Social cohesion and the degree of entrepreneurship formalization*

Sixteen articles grounded within the context of social cohesion and the degree of entrepreneurship formalization are presented in Table 2.5. Articles citing the influence of social cohesion on the degree of entrepreneurship formalization research (Blackburn & Ram, 2006; Escandon-Barbosa et al., 2019; Jenson, 2010; Leitch, Hazlett, & Pittaway, 2012; Ndedi, 2009; Nikolaou et al., 2011; N. Williams & Williams, 2011) were reviewed to determine appropriateness for inclusion. To be considered for inclusion, the conceptual or empirical model had to be related to social cohesion and entrepreneurship. Table 2.5 provides an alphabetical list and the findings of these articles.

As shown in Table 2.5, five conceptual articles and three empirical articles were published in mainstream management journals, such as *Entrepreneurship & Regional Development*, *Journal of Economic Studies*, *Journal of Political Economy*, *Economics & Sociology*, *Entrepreneurship and Regional Development*, *Journal of Contemporary Management*, *Sustainability*, and *World Journal of Entrepreneurship, Management and Sustainable Development*. In the broadest sense, literature can be grouped by article type; namely, conceptual (nine articles) and empirical (seven articles).

The articles span more than a decade (2004 through 2020); 50% are conceptual and a little less than 50% are empirical. The findings range from policy implications, which undermine entrepreneurship that is embedded in institutions, to society's impact on entrepreneurship (Backhaus & Ebner, 2005). Social cohesion represents the collective view of society, which is the social and physical context in which people establish or acquire businesses. In any society, entrepreneurship is important for generating economic growth (Ndedi 2009).

This research builds on existing knowledge in the fields of social cohesion as it relates to

group-level feeling of trust and common social norm toward institutions or societal structures (Bottoni, 2018; Friedkin, 2004; Schiefer & van der Noll, 2017). According to A. R. Anderson, Jack, and Dodd (2016),

Trust is a governance structure that resides in the social relationship between and among individuals and cognitively is based on heuristic rather than calculative processing...

Trust is fundamentally a social process, since these psychological mechanisms and expectations are emergent features of a social structure that creates and reproduces them through time. (p. 10)

Social cohesion in a group, such as low-income households' common social norm and trust in institutions are shape by institutions structure (Demireva & McNeil, 2015; Denney et al., 2017; Schiefer & van der Noll, 2017), which could be displayed as a group, such as low-income households reacting to a perception or a notable dilemma (Forrest & Kearns, 2001; Lochner, Kawachi, & Kennedy, 1999; Thompson, 2003). Some examples are the lack of significant economic reforms that can drive growth through entrepreneurship (Ahmed & Nwankwo, 2013; Backhaus & Ebner, 2005; Blackburn & Ram, 2006), and inequalities, which limit the fair access to attain equal income for all society, distribution of will provide an overview of social cohesion impact on low-income households' degree of entrepreneurship formalization.

The context is low-income households; the phenomenon is their degree of entrepreneurship formalization using institutional theory as the foundation for the theoretical framework. Institutional theory will explain the connection between social cohesion and the degree of entrepreneurship by its multidimensional dynamic, formal, and informal institutions (C. Williams & Gurtoo, 2011; Colin C. Williams, Shahid, & Martínez, 2016; N. Williams & Vorley, 2015). These institutions form the guideline for business transactions, which determine

acceptable behavior (Ahmed & Nwankwo, 2013; Backhaus & Ebner, 2005; Nikolaou et al., 2011). For example, institutions determine or are responsible for the level and quality of social resources, such as education, wage rate, health care, childcare, and housing (Schiefer & van der Noll, 2017; Terziev, Bencheva, Stoeva, & Georgiev, 2020). When groups (e.g., low-income households) or individuals living in deprived urban neighborhoods (DUNs) perceive that their needs are not being met (e.g., inadequate financing, unfavorable entrepreneurship policies, lack of available entrepreneurship training (Katarzyna & Agata, 2018; N. Williams & Williams, 2011), social exclusion and disaffection can result (Blackburn & Ram, 2006).

According to Wickes et al. (2019), the social cohesion that exists as a result of social exclusion and disaffection can lead to unsocial behavior, local problems, and crimes associated with informal entrepreneurship. Informal entrepreneurship is estimated to account for approximately 17% of GDP in developed economies and approximately 40% of GDP in developing economies (Anderson, Harbi, & Brahem, 2013). Consequently, low-income households are more likely to engage in informal entrepreneurship (Crump, Hill, & Hardin, 2019; Williams & Shahid, 2016)

Institutional theory allows the assumption to make that social cohesion impacts the degree of entrepreneurship formalization.

Table 2. 5 Social Cohesion and the Degree of Entrepreneurship Formalization Research

Authors	Year	Journal	Article Type	Design	Finding
Ahmed & Nwankwo,	2013	World Journal of Entrepreneurship, Management and Sustainable Development.	Conceptual		Important economic reforms: improve macroeconomic management, establish a climate conducive to private investment, liberalize markets and expand the space for entrepreneurship to stimulate strong and inclusive growth.
Backhaus & Ebner,	2005	Journal of Economic Studies	Conceptual		Policies that support entrepreneurship must consider the differentiation of entrepreneurial functions and their real drivers, by reconsidering the economic manifestations of their institutional anchoring.
Blackburn & Ram,	2006	Entrepreneurship and Regional Development	Conceptual		Entrepreneurs from economically challenging areas can benefit from economic strategies, that create jobs through entrepreneurship.
Escandon-Barbosa, Urbano-Pulido, & Hurtado-Ayala,	2019	Sustainability	Empirical	GEM survey	Informal institutions' social capital has inhabitants' social conditions perceived as trust in institutions, trust in social networks, and norms or rules of behavior that impact results.
Hudcová, E., Chovanec, & Moudrý,	2018	European Countryside	Empirical	qualitative methodology/se mi-structured and in-depth interviews	Social entrepreneurs, like some farmers, serve the general economic interest.
Hurst & Lusardi,	2004	Journal of political Economy			When institutions rules and regulations are reform toward uplifting entrepreneurs and localities, some areas will not benefit because of the level of informal entrepreneurship.

Continues next page

(Continued) **Table 2.5 Social Cohesion and the Degree of Entrepreneurship Formalization Research**

Authors	Year	Journal	Article Type	Design	Finding
Jenson,	2010	Commonwealth Secretariat	Conceptual		High levels of social capital are displayed in low-income communities where informal child is provided to working mothers.
Katarzyna & Agata,	2018	Economics & sociology	Empirical	qualitative survey	Unequal distribution of income, unequal access to education and health, and threatened social exclusion of vulnerable groups. These factors reflect inequality at large.
Leitch, Hazlett, & Pittaway,	2012	Entrepreneurship & Regional Development	Conceptual		Entrepreneurs' growth has come from social capital within the households, which is valuable in business development. This networking system could bring information from other sources.
Lindner,	2018	Discourse and Communication for Sustainable Education			As entrepreneurs keep our economy and society vibrant by implementing new ideas, our society needs people with entrepreneurial skills.
Minhas & Sindakis,	2020	Journal of the Knowledge Economy	Conceptual		Social cohesion practiced by entrepreneurial allows collaboration and allows for a more efficient allocation of resources.
Mulunga & Yazdanifard,	2014	Global Journal of Management and Business Research	Empirical	secondary sources	Social inclusion, the process of improving opportunities, is about creating, or re-establishing social bonds. Fostering the access of all citizens to social activities, income, institutions, social protection and support and care programs and services.

Continues next page

(Continued) Table 2.5 Social Cohesion and the Degree of Entrepreneurship Formalization Research

Authors	Year	Journal	Article Type	Design	Finding
Nikolaou, Ierapetritis, & Tsagarakis,	2011	International Journal of Sustainable Development & World Ecology	Empirical	SWOT analysis	Institutional, structural, social, and economic factors can perform a vital role in whether entrepreneurs invest in new entrepreneurship ventures associated with natural resources.
Terziev, Bencheva, Stoeva, & Georgiev,	2020	International E-Journal of Advances in Social Sciences	Empirical	surveys	The social economy makes a significant contribution to job creation, sustained growth and a more equitable distribution of income and wealth.
Ndedi,	2009	Journal of Contemporary Management	Conceptual		Society is the social and physical environment in which people create or buy companies. In any society, entrepreneurship is key to generating economic growth for the social and economic well-being of the population
Williams & Williams,	2011	Local Economy	Empirical	in-depth follow-up interviews	Entrepreneurship in deprived urban neighborhoods (DUNs) is a key area for development policy. Factors have been identified in those areas such as fears of not getting finance, followed by a perceived lack of skills or knowledge, lack of ideas, lack of knowledge about support, fear of debt and concerns about loss of job protection.

2.4.4 Family Support

Search terms utilized for family support were: “family behaviors,” “the means? of family support,” “family support in business,” and “the type of family support.” The search yielded thousands of articles; to tailor my scope, I also included “family stress in business,” “transformations in family business,” “financial challenges,” “control issues,” and “communication.” After review, I focused my attention on the 10 articles that I deemed most informative for the purposes of this study. Table 2.6 provides an alphabetical list and findings of these articles.

As shown in Table 2.6, seven articles were published in mainstream management journals, such as *Entrepreneurship Theory and Practice*, *Family Business Review*, *Family Relations*, *Journal of Business Research*, *Journal of Business Venturing*, and *Journal of Family Business Strategy*. The articles span more than three decades (1985 through 2020).

Scholars who have studied family support from a business and personal viewpoint have found that the feelings of family members toward each other generally remain unchanged because of core values, beliefs due to years of socialization, and intimate relationships (Justin W. Webb, Pryor, & Kellermanns, 2015). Family support is sometimes referred to as a social system in which fundamental views remain the same, such as emotional bonds consisting of beliefs, values, and attitudes (Chang et al., 2009; Leung, Mukerjee, & Thurik, 2020; Zellweger et al., 2012). According to Kellermanns and Eddleston (2004) family support is “a social system that takes care of its members and develops emotional bonds and a sense of loyalty and responsibility among its members” (p. 215). In addition to emotional bonds there are two other equally important dimensions of family support, financial and instrumental. Financial support is when family members provide or invest funds into the business; instrumental support is when family

members provide feedback and give advice (Leung et al., 2020; Neneh, 2017; Zhu, Burmeister-Lamp, & Hsu, 2017).

Conceptual and empirical research on family support ranges from questionnaire surveys to in-depth interviews of family members. Given these points, the empirical studies included in this review investigated the competitive advantage that family firms display by leveraging their social system to create a positive business image (Zellweger et al., 2012). Additionally, high levels of family support could have a positive effect on reducing stress levels (Xu, Kellermanns, Jin, & Xi, 2020).

As the literature has shown the importance of family support, I use family support as a moderator of the relationship between social cohesion and the degree of entrepreneurship formalization. Therefore, based on research outcomes and institutional theory, I argue that the emotional bonds of family support, coupled with social cohesion of the family group's (i.e., low-income household) perspectives on society's institutions, will strengthen the relationship between social cohesion and the degree of entrepreneurship formalization.

Table 2. 6 Family Support Research

Authors	Year	Journal	Article Type	Sample	Design	Finding
Aldrich & Cliff,	2003	Journal of business venturing	Conceptual			Historical transformations in family formulas and the roles and relationships of family members can influence, the emergence and recognition of entrepreneurial opportunities, business creation decision and resource.
Anderson, Jack, & Dodd,	2016	In Entrepreneurial Process and Social Networks	Empirical	12 entrepreneurs	interviewed	Entrepreneurs composed usefulness of family members in the operation of the company. This was often the case, even where family members did not formally participate in the business.
Chang, Memili, Chrisman, Kellermanns , & Chua,	2009	Family Business Review	Empirical		questionnaire	The social relationship that developed in the family has influence on opportunity, recognition, venture creation decision, and the process of resource.
Holahan & Moos,	1985	Journal of personality and Social Psychology	Empirical	267 families	surveying	Family support plays a role in establishing how difference influences a family business accomplishment.
Kellermanns & Eddleston,	2004	Entrepreneurship theory and Practice	Conceptual			Family support plays an important role in determining how the impact of conflict effect family firm's performance.

Continues next page

(Continued) Table 2.6 Family Support Research

Authors	Year	Journal	Article Type	Sample	Design	Finding
Kellermanns, Eddleston, Barnett, & Pearson,	2008	Family Business Review	Empirical	232 family firms	surveys	Corporate entrepreneurship has outcome variables like financial performance in family businesses and nonfamily businesses in general.
Kimmitt, Munoz, & Newbery,	2020	Journal of Business Venturing	Empirical	166 Farm Households	questionnaire	Financial support to entrepreneurs sometime come from family member working in the business for little to no pay.
Miller, Lee, Chang, & Le Breton-Miller,	2013	In Handbook of Research on Family Business,	Empirical	271 independent companies	questionnaire	Relationships of community and connection will be more common in FBs than in non-FBs.
Orthner, Jones-Sanpei, & Williamson,	2004	Family relations	Empirical	151 low-income families	surveys	Relational strengths, including interaction, conflict resolution, and social support predict an optimistic outcome for low-income households.
Xu, Kellermanns, & Xi,	2020	Journal of Business Research	Empirical	63 entrepreneurs	diary data,	Increased degrees of family support reduce the relationship among monetary stress and welfare indicators but exacerbate the relationship among workload stressor and welfare indicators.
Zellweger, Kellermanns, Eddleston, & Memili,	2012	Journal of Family Business Strategy	Empirical	179 firms participated	mail-surveys	Building a family firm image, the unique family influences on the firm can be leveraged to create a competitive advantage for family firms.

2.4.5 Risk Propensity

Search terms utilized for risk propensity were: “risk attitude,” “risk aversion,” “business risk,” and “entrepreneurship risk.” The search yielded thousands of articles; to tailor my scope, I included “individual risk attitude,” “individual risk levels,” “business risk,” and “internal and external risk.” After a review, I focused my attention on the six articles that I deemed most informative for the purposes of this study. Table 2.7 provides an alphabetical list and finding of these articles.

As shown in Table 2.7, four articles were published in mainstream management journals, such as *Entrepreneurship Theory and Practice*, *International Entrepreneurship and Management*, and *Journal of Applied Psychology*. The articles span more than a decade (2001 through 2020).

Scholars who have studied risk propensity from a business and personal viewpoint view the outcomes as generally the same, because risk propensity is an individual’s tendency to engage in or avoid risky situations (Das & Teng, 2001; Douglas & Shepherd, 2002; Zhao et al., 2005). Hence, entrepreneurs’ risk propensity is demonstrated in one or two ways with a risk aversion attitude representing not to seek out risk or engage in risky business including the willingness to take less pay with a steady income instead of incurring risk for the possibility of earning higher income (Douglas & Shepherd, 2002; Jagelka, 2020; Kerr et al., 2017). On the other hand, entrepreneurs have and need less risk aversion which allows them to identify and/or create opportunities that would enable maximalization of profit (Keh, Der Foo, & Lim, 2002; Kerr et al., 2017; Zhao et al., 2005). According, Tyszka et al. (2011) disagree with other research about entrepreneurs having less aversion, entrepreneurs do not display riskier attitude than non-entrepreneurs. Nevertheless, Dun & Bradstreet, Inc.

(2020), risk may be financial (that which threatens a business's financial growth and profitability); operational (that which disrupts a business's ability to function, either temporarily or indefinitely); compliance (failure to follow industry regulations); and global (conducting business outside of the home country).

Prior research indicates that less risk aversion for entrepreneurs of low-income households were linked to opportunity recognition and business success (Kumar, Al, Ibrahim, & Yusoff, 2018; Marques et al., 2013). Additionally, it is believed that entrepreneurs with less risk aversion is comfortable in risky situation and perceive normal risky situation as less risky (Zhao, Seibert, & Hill, 2005).

As the literature has shown the importance of risk propensity, I chose risk propensity to represent the second of the three moderators in this dissertation. Considering institutional theory, I argue that the risk propensity of low-income household members will strengthen the relationship between social cohesion and the degree of entrepreneurship formalization.

Table 2. 7 Risk Propensity

Authors	Year	Journal	Article Type	Sample	Design	Finding
Al Mamun, Nawi, & Zainol,	2016	Mediterranean Journal of Social Sciences	Empirical	197 informal micro-entrepreneurs.	cross-sectional design	Risk taking attitude of low-income households' entrepreneurs are crucial for them to take advantage of opportunity that has the possible of generating income
Douglas & Shepherd,	2002	Entrepreneurship theory and practice	Empirical	300 alumni of an Australian university	questionnaire	Individuals consider risk, independence, and income when evaluating alternative career options, but will choose income first.
Dun & Bradstreet, Inc.	2020	Dun & Bradstreet, Inc.	Conceptual			The risk could be an internal attitude or external that are measurable, but business risk is internal and external depending on the situation. Where internal business risk could be operational risk that deal with the function, either temporarily or indefinitely, or financial risk, external where a business's financial growth and profitability are threatened.
Jagelka,	2020	A Structural Approach	Empirical	1,224 Canadian citizens	questionnaire	People less interested in risk choose the safest option - Each person's "tipping point" indicates their risk aversion.
Keh, Der Foo, & Lim,	2002	Entrepreneurship theory and practice	Empirical		questionnaire	Illusion of control and belief in the law of small numbers is connected to how entrepreneurs evaluate opportunities.

Continues next page

(continued) Table 2.7 Risk Propensity

Authors	Year	Journal	Article Type	Sample	Design	Finding
Kumar, Ibrahim, & Yusoff,	2018	Journal of International Studies	Empirical	800 low-income household	cross-sectional approach	Low-income households risk propensity is link recognized opportunity and successful Education, gender, and age are vital.
Marques, Ferreira, Ferreira, & Lages,	2013	International Entrepreneurship and Management Journal	Empirical	367 respondents	questionnaire	Risk propensity allows individuals to identify and/or create opportunities and innovations, deploy resources that enable them to derive maximum benefits from those innovations.
Stewart, & Roth,	2001	Journal of applied psychology	Empirical	1,093 Studies	psychometric meta-analysis	Entrepreneurs are predisposed to taking risk but level of risk that is taken could depend on the outcome of profit and growth or income oriented. The finding shows that entrepreneurs do not displays riskier attitude than non-entrepreneurs, perhaps entrepreneurs are more risk aversion than non-entrepreneurs because they have more to lose.
Tyszka, Cieřlik, Domurat, Macko,	2011	Journal of Socioeconomics	Empirical	117 entrepreneurs and 120 non-entrepreneurs		
Zhao, Seibert, & Hills,	2005	Journal of applied psychology	Empirical	265 master of business administration students	questionnaire	People who have a high-risk propensity incline to feel more relaxed in risky situations and, in fact, objectively perceive the same situation as less risky than others.

2.4.6 Locus of Control

Search terms utilized for locus of control were: “self-control,” “individual behaviors,” “unfavorable attitude,” “action influences,” “entrepreneur’s business decisions,” and “attribute of locus control.” The search yielded thousands of articles; to tailor my scope, I included “behavioral control,” “positive and negative control,” and “entrepreneurship and control belief.” After a review, I focused my attention on the seven articles that I deemed most informative for the purposes of this study. Table 2.8 provides an alphabetical list and finding of these articles.

As shown in Table 2.8, five articles were published in mainstream management journals, such as *American Psychologist*, *Journal of Applied Social Psychology*, *Journal of Business Research*, and *Journal of Organizational Behavior*. The articles span three decades (1990 through 2020).

Scholars have explored locus of control by studying internal and external locus of control. A person with an internal locus of control believes that success and failure depend on the amount of effort invested and that they can control their destiny. On the other hand, people who have an external locus of control believe that their destiny is determined by chance or chance and not in their control (Galvin, Randel, Collins, & Johnson, 2018; Ishak et al., 2015; Spector, 1982), external is when an individual believes that outcomes are outside their control (Ajzen, 2002; Asante & Affum-Osei, 2019; Kerr et al., 2017).

Locus of control continues to be a topic of interest that is studied either conceptually or empirically, including questionnaire surveys and in-depth interviews of individuals. Galvin et al. (2018) empirical study highlighted that locus of control could be a determination of various work-related outcomes, motivation, and work attitude.

As the literature has shown the importance of locus of control, I chose locus of control to represent the last moderator in this dissertation. Thus, the locus of control attitude of low-income households' entrepreneurs provides them with the believe that they have or do have control over their situation based on internal and external locus of control (Galvin, Randel, Collins, & Johnson, 2018; Ishak, Omar, & Moen, 2015; Spector, 1982). Considering institutional theory, I argue that the locus of control of low-income household members will strengthen the relationship between social cohesion and the degree of entrepreneurship formalization.

Table 2. 8 Locus of Control

Authors	Year	Journal	Article Type	Sample	Design	Finding
Ajzen,	2002	Journal of applied social psychology	Conceptual			Perceived behavioral control must integrate self-efficacy and carefully selected control elements to ensure high internal coherence.
Asante, E. A., & Affum-Osei,	2019	Journal of Business Research,	Empirical	270 aspiring entrepreneurs	survey data	An individual with an internal locus of control is more likely to identify entrepreneurial possibilities.
Frankham, Richardson, & Maguire	2020	Community Mental Health Journal	Empirical	104 participants	survey data	Where Internal or external control of locus, both could be positive and/or negative in relationships to opportunities recognition.
Galvin, Randel, Collins, & Johnson,	2018	Journal of Organizational Behavior,	Conceptual			Locus of control key predictor of different work-related outcomes: professional attitudes, motivation, and behavior.
Ishak, Omar, & Moen,	2015	Mediterranean Journal of Social Sciences	Empirical	87 natural farming	questionnaires	Entrepreneurial practices can be seen as social entrepreneurs whose high level of control has been researched for their ability to exploit opportunities.
Kerr, Kerr., & Xu,	2017	National Bureau of Economic Research	Empirical		questionnaires	Internal locus of control conceptualizes that their own decisions control their lives and external locus of control believe controlling factors are coincidence.
Rotter,	1990	American psychologist	Conceptual			The locus of control may be internal or external, the extent to which a person believes they have control over their outcome.

2.5 Research Model and Hypotheses Development

First, I introduce my conceptual model based on the premises of institutional theory. I then discuss my constructs (social cohesion, family support, risk propensity, locus of control, the degree of entrepreneurship formalization) and their relationship with institutional theory. Finally, I develop my hypotheses on the relationship between social cohesion and the degree of entrepreneurship formalization, as moderated by family support, risk propensity, and locus of control.

2.5.1 *Research model*

Figure 2 represents my conceptual model, in which I utilize institutional theory to explain the connection between the constructs. North (2016) highlighted the formal and informal perspectives of institutional theory by recognizing that it explains social behaviors and that the economic environment influences those social behaviors. Furthermore, North (1991) referred to formal institutional theory as explaining formal rules and to informal institutional theory as providing informal constraints. My conceptual model represents institutional theory because it contains the construct that demonstrates formal and informal institutional theory by the degree of entrepreneurship formalization, which operates either through a strong institution's infrastructure (formal) or an institution's lack of clear rules and regulations (informal). Although Williamson and North's (year) perspective on institutions appears to be different, both scholars capture the role of norms, custom, and businesses in interactions and transactions. My conceptual model represents norms, customs, beliefs, resource allocation, employment, the economy, and social behaviors. My conceptual model represents norms, customs, beliefs, resource allocation, employment, the economy, and social behaviors. I seek to address the gaps revealed in the literature review and provide synthesis. Extant studies investigate entrepreneurship as growing

the economy by providing wealth creation or by alleviating low-income households' poor social, economic, and political environment.

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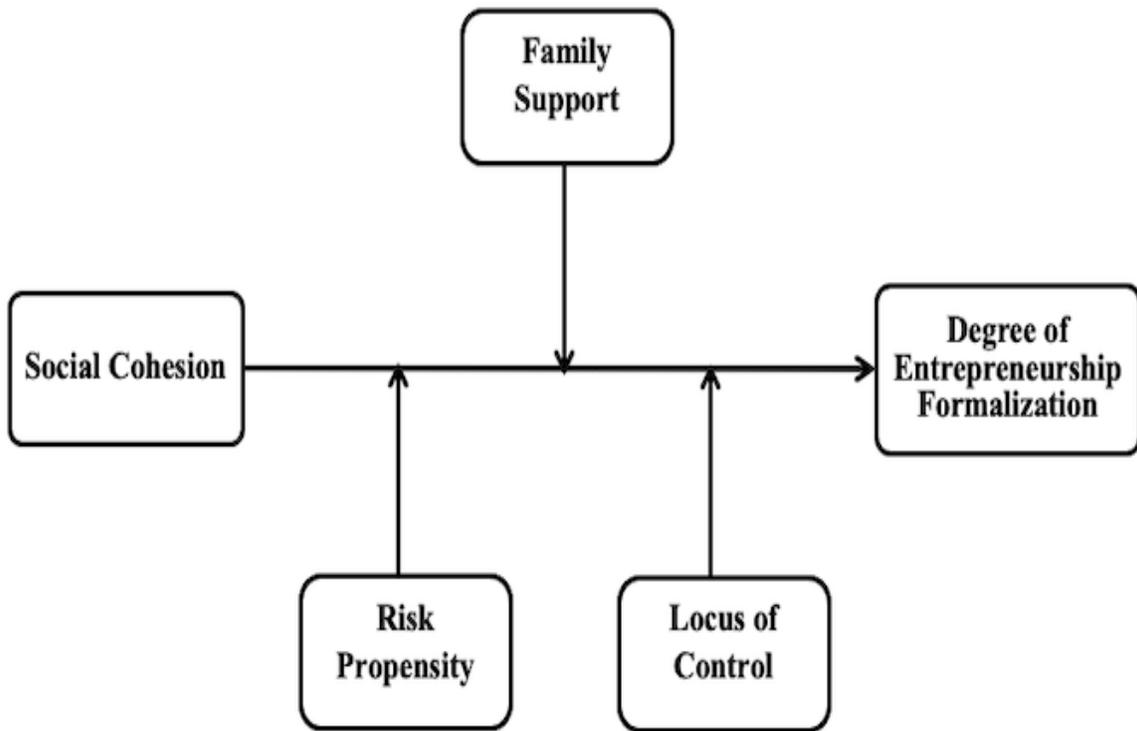


Figure 2. 2 Conceptual Model

2.5.2 Hypotheses Development

Table 2. 9 Hypothesized Relationships

Social cohesion and the degree of entrepreneurship formalization	
H1	Social cohesion within low-income households is positively associated with the degree of entrepreneurship formalization.
Social cohesion is moderated by family support and the degree of entrepreneurship formalization	
H2	Increasing family support strengthens the positive relationship between social cohesion and the degree of entrepreneurship formalization.
Social cohesion is moderated by risk propensity and the degree of entrepreneurship formalization	
H3	Increasing risk propensity strengthens the positive relationship between social cohesion and the degree of entrepreneurship formalization.
Social cohesion is moderated by locus of control and the degree of entrepreneurship formalization	
H4	Increasing internal locus of control strengthens the positive relationship between social cohesion and the degree of entrepreneurship formalization.

Social cohesion and the degree of entrepreneurship formalization

The independent variable, social cohesion, reflects low-income households' perspective on several levels: (a) micro (the density of social relation between families and communities, such as interpersonal trust and social support); (b) meso (participation, such as openness of sharing valuable information for the common good of households and communities); and (c) macro (legitimacy of institutions, the trust the household has in institutions) (Denney et al., 2017; Friedkin, 2004; Schiefer & van der Noll, 2017). As Denney et al. (2017) state, "Where distrust pervades ... are places where social resources have difficulty taking hold..." (p. 2).

Academic scholars have described social cohesion as solidarity and togetherness (Demireva & McNeil, 2015). Factors that strengthen a household's perceptions of society include: (a) attitudes, norms, trust, a sense of belonging, willingness to participate and help (Friedkin, 2004; Schiefer & Van der Noll, 2017); (b) behaviors, interpersonal ties, and network (Bottoni, 2018); (c) sharing information and responsibility (Goh, Ling, Huang, & Liew, 2019); and (d) working together to resolve problems (Wickes, Zahnnow, Corcoran, & Hipp, 2019). Therefore, I argue that low-income households' decisions depend on their perception of social cohesion (Chan, To, & Chan, 2006; Denney et al., 2017; Goh et al., 2019), which encompasses all three levels (i.e., micro, meso, and macro).

As has been noted in prior empirical and conceptual research on social cohesion, communities with high levels of social capital will provide resources to individuals (Jenson, 2010). The social and economic factors of structural institutions can be critical to entrepreneurs' decisions (Nikolaou et al., 2011). Certain government policies may create barriers for individuals living in DUNs, such as fear of not being able to secure financing, not having the proper business knowledge to be successful, and losing job security, if entrepreneurship endeavors are pursued

(N. Williams & Williams, 2011). Because of the impact of formal and informal institutions structure on low-income households' attitude toward social justice, that is displayed as trust and culture norms, social cohesion which effect their degree of entrepreneurship formalization (Backhaus & Ebner, 2005; Escandon-Barbosa, Urbano-Pulido, & Hurtado-Ayala, 2019). Therefore, if institutions geared entrepreneurship programs to attract low-income households by providing access to financial capital (Clark & Drinkwater, 2000), or entrepreneurship training programs which have shown to be positive for low-income households (Al Mamun & Ibrahim, 2018). The results of these institution endeavors could be less informal entrepreneurial activities. I argue that social cohesion for low-income households is significant in determining the degree of entrepreneurship formalization (Ajzen, 2002).

The study of social cohesion in the literature recognizes that family support could enhance the degree of entrepreneurship formalization. The institutional theory point outs how beliefs, culture, and norms toward the institutional structure determines the degree of entrepreneurship formalization.

I expect a positive relationship between social cohesion and the degree of entrepreneurship formalization because social cohesion potentially provides entrepreneurs with resources to support their entrepreneurial ventures that can offset the cost of formalization (Chan et al., 2006). Additionally, social cohesion can potentially provide a safety net to entrepreneurs who may have fail, allowing some level of comfort to take risks and make the investments (e.g., in formalization) needed to operate effectively (Lochner & Kennedy, 1999). Social cohesion might reflect broader trust among individuals, and with institutions more generally (Bonfim, Silva, Prado, & Abib, 2018; Bottoni, 2018), to where entrepreneurs believe they can gain benefits from formalizing their ventures (Colin C. Williams et al., 2017). However, as social

cohesion declines, individuals must rely on their own resources to support their ventures and any potential safety net to absorb failures, making them more wary to invest in their ventures and likely to skirt extra costs associated with formalization (Escandon-Barbosa et al., 2019; Mulunga & Yazdanifard, 2014). Therefore, lower social cohesion might reflect lower levels of institutional trust in society, entrepreneurs will perceive less benefits of complying with institutional requirements that leads them to be characterized by lower levels of formalization (Terziev et al., 2020; N. Williams & Williams, 2011). In summary, I hypothesize:

Hypothesis 1 (H1): Social cohesion within low-income households is positively associated with the degree of entrepreneurship formalization.

The study of social cohesion in the literature recognizes that family support could enhance the degree of entrepreneurship formalization.

Family support moderates the relationship between social cohesion and entrepreneurship formalization

Households' success incorporates life cycles of experiences that create a bond of trust, understanding, and communication (Orthner et al., 2004). Part of households' communication involves sharing the decision-making process (Aldrich & Cliff, 2003). Furthermore, households represent a social system with levels of cohesion, that could be individualistic or views as collectivistic (Kellermanns & Eddleston, 2004). Understanding a household's dynamic enables family support to be analyzed and understood. Family support is one of the most widely used mean of support, especially for households and entrepreneurial endeavors which could be divided into two categories: (1) emotional (i.e., intangible) support of household members which exemplifies support through behaviors or attitudes by creating a feeling of belonging, closeness, and trust and (2) instrumental (i.e., tangible) support provided by household members that is

recognized as measurable support that can be seen or relief of a perceived burden in entrepreneurial activities, such as, helping with entrepreneurial activities, investing financially, completing certain tasks (Leung, Mukerjee, & Thurik, 2020). A body of evidence accumulated over three decades encompasses both categories of family support that can be acknowledge as a stabilizer in challenging circumstances due to households exposure to the social, economic, and political environment (Aldrich & Cliff, 2003; Holahan & Moos, 1985; Jaskiewicz, Heinrichs, Rau, & Reay, 2016; Leung et al., 2020; Orthner et al., 2004; Reay et al., 2015; Small & Newman, 2001; Zellweger et al., 2012). More specifically, family support is the source that provides a household with strength and resilience under all occasions (Orthner, Jones-Sanpei, Williamson, 2004).

Family support moderating influences proposes to strengthen the relationship between social cohesion and the degree of entrepreneurship formalization. Based on Chang et al. (2009) family support is a dimension of social capital which represents the interactive relationship between household members resulting in a trusting and supporting environment enabling entrepreneurs to pursue entrepreneurial activities. Indeed, prior research has shown that family support fosters trust, provide information, and problem-solving among family members (Aldrich & Cliff, 2003; Neneh, 2017; Webb, Pryor, & Kellermanns, 2015). The extend of family support within the family unit is likely to play an essential role in entrepreneurial process, which is influenced by family norms, level of trust, and beliefs within the family unit (Kellermanns & Eddleston, 2004; Jaskiewicz, Heinrichs, Rau, & Reay, 2016; Neneh, 2017). Therefore, family support moderating the relationship between social cohesion and the degree of entrepreneurship could strengthen or weaken the relationship between social cohesion and entrepreneurship formalization (Anderson, Jack, & Dodd, 2016; Chang, Memili, Chrisman, Kellermanns, & Chua,

2009; Holahan & Moos, 1985).

At low level of family support is likely to weaken the relationship between social cohesion and the degree of entrepreneurship formalization. Low-level of family support influences the dynamic of the family unit (Wickes, Zhnow, Corcoran, & Hipp, 2019). Without family support, important processes that unfold in the family and could help the fledging firm are not facilitated. For example, it may result in lower levels information sharing amongst family member and problem-solving with family member (Ahmed Islam, & Usman, 2020; Anderson, Jack, & Dodd, 2016; Webb, Pryor, & Kellermanns, 2015). Furthermore, at lower levels of family support, entrepreneurs need to draw more upon their own individual resources, and their resulting perception of resource scarcity can heighten the perception of risks and reduce investments into formalization (Kimmitt et al., 2020).

Conversely, high level of family support is likely going to strengthen the relationship between social cohesion and the degree of entrepreneurship formalization. Higher level of family support provides tangible support in the form of advice and feedback to entrepreneurs which might even buffer against the negative side effect of lower of social cohesion (Neneh, 2017). Additionally, beyond entrepreneurs' broader networks and the benefits that they accrue from social cohesion, higher levels of family support can provide a complementary source of resources that facilitate necessary venture investments that are likely to increase formalization levels (Anderson, Jack, & Dodd, 201).

Taken together, I expect an increasing family support strengthens the positive relationship between social cohesion and the degree of entrepreneurship formalization because higher levels of family support can provide a complementary source of resources that facilitate

necessary venture investments that are likely to increase formalization levels. In summary, I hypothesize:

Hypothesis 2 (H2): Increasing family support strengthens the positive relationship between social cohesion and the degree of entrepreneurship formalization.

Risk propensity moderates the relationship between social cohesion and entrepreneurship formalization

Risk propensity, my second moderating variable, is argued to positively moderate the relationship between social cohesion and the degree of entrepreneurship formalization. Dun & Bradstreet, Incorporated (2020) considers a risk as any events that threaten the going concern of a business that could be either internal or external. Internal risk comprises (1) operational risk referring to any function disruptions either temporarily or permanently; or (2) compliance risk when a business fails to adhere to a regulation or regulations. The external risks represent (1) financial risk, threats to the business growth and profitability; or (2) global risk deals with business that is conducted with other countries or on foreign territory.

For the purpose of this dissertation, risk propensity refers to an entrepreneur's attitude toward risk, which determines their decision toward taking or avoiding (Das & Teng, 2001). Research on risk propensity of entrepreneurs defines it as the ability to handle risk in a matter that will extract maximum benefits (Marques, Ferreira, Ferreira, & Lages, 2013). Zhao et al. (2005) relate risk propensity to an individual's judgement of his or her physiologic state of mind while pursuing a perceived opportunity. Risk-takers according to researchers can be classified into two categories: (1) risk aversion (i.e., low risk propensity) when an entrepreneur invests in less risky opportunities regardless of low pay-off or if an entrepreneur is faced with two choices one of which is riskier, he or she will probability pick the less riskier of the two; and (2) low

degree of risk aversion (i.e., high risk propensity), the more riskier an opportunity appears the higher risk propensity and the lower risk aversion or an entrepreneurs level of comfortable does not decrease in making risky decisions (Douglas & Shepherd, 2002; Jagelka, 2020; Kerr, Kerr, & Xu, 2017; Zhao, Seibert, & Hills, 2005).

Risk propensity is an important trait for entrepreneurs, as evaluating e opportunities with anticipated risk will determine their investment and general entrepreneurial behavior (Caliendo & Kritikos, 2011). Therefore, individual with higher risk propensity is more likely to embrace higher levels of risk with the associated higher returns (Lehrer & Schmid, 2019; Zhao, Seibert, & Hills, 2005). Low-income households with higher levels of risk tolerance, can thus be likely to over-proportionally benefit from risk associated with entrepreneurship (Caliendo & Kritikos, 2011).

Because prior research has shown a risk propensity attitude can impact an individual judgement, especially, in pursuing entrepreneurial opportunity, an individual with high-risk propensity tends to be more comfortable dealing with situation of risk (Douglas & Shepherd, 2002; Zhao, Kerr, Kerr, & Xu, 2017; Seibert, & Hills, 2005), the attitudes of being part of society impact low-income households' behavior (Chan & Chan, 2006; Kim & Kawachi, 2017; Schiefer & Van der Noll, 2017). Thus, risk propensity is likely to moderate the relationship between social cohesion and the degree of entrepreneurship formalization by changing the dynamic within the family generated by social cohesion regarding to entrepreneurial decision and their formalization (Al Mamun, Nawi, & Zainol, 2016; Douglas & Shepherd, 2002; Zhao, Selbert, & Hills, 2005).

Low-income household, which are experiencing social and economic inequalities, such as struggling to pay bills, poor quality of housings, and lack of basic resources (Al-Mamun &

Ibrahim, 2018; Brewer & Gardiner, 2020; Desmond & Wester, 2018;), that exhibit higher levels of risk propensity are more likely to overcome their lack of trust in institutions and engage in more formal entrepreneurial behavior (Anderson, Harbi & Brahem, 2013; North, 1986; Ojo, Nwankwo, & Gbadamosi, 2013). Risk propensity has furthermore the potential of affecting an entrepreneur's opportunity attitude. Higher risk propensity may result in more willingness to exploit the opportunity and thus a higher likelihood that the business becomes more formalized (Keh, Der Foo, & Lim, 2002). As higher levels of social cohesion, this will likely have an amplifying effect leading to more formalization. Accordingly, I hypothesize:

Hypothesis 3 (H3): Increasing risk propensity strengthens the positive relationship between social cohesion and the degree of entrepreneurship formalization.

The next section examines the relationship of locus of control as a moderator of social cohesion and the degree of entrepreneurship.

Locus of control moderates the relationship between social cohesion and the degree of entrepreneurship formalization

Locus of control was introduced by Julian B Rotter (1966) based on the social learning theory, meaning "a reinforcement acts to strengthen an expectation that a particular behavior or event will be followed by that reinforcement in the future" (p. 2). Julian B. Rotter (1990) underlying presumptions is that "the unit of investigation for the study of personality is the interaction of the individual and his or her meaningful environment. Behavior in different situations will be different, although there may be a gradient of generalization from one situation to another" (p. 491). Although there is a large body of literature on locus of control, there remains similarity in the definitions, which describes the individual behavior's impact by the belief of how he/she can exert control over his/her fate where it be internal or external

(Frankham, Richardson, & Maguire, 2020; Galvin et al., 2018; Ishak et al., 2015; Spector, 1982; Strong & Gore, 2020; Yang & Weber, 2019). The locus of control is essential for entrepreneurs. A believe of strong internal control suggest that they have control over business related outcomes (e.g., operationally, financially, globally, and compliance), and ultimately lead to the believe that business performance can be enhanced (Asante & Affum-Osei, 2019; Ishak, Omar, & Moen, 2015). As state before, the perceived source of control over choices could be either internal or external locus of control (Strong & Gore, 2020). The decision-making process indicates an entrepreneur's perception of whether an event is under or out of his or her control (Yang & Weber, 2019).

Specifically, Asante and Affum-Osei (2019) conceptualized internal locus of control as a behavior's belief that can be influence by an entrepreneur's own ability, effort, and/or skills; similarly, Ishak et al. (2015) relate internal locus of control to a believe that an entrepreneur has control over their destiny. Thus, at strong internal locus of control, an entrepreneur is likely to believe that the negative consequences of low social cohesion can be overcome, leading to higher levels of formalization. At increasing level of social cohesion, a positive antecedent for formalization, this effect is likely reinforced.

Conversely, external locus of control is an unfavorable behavioral belief that attributes control to outside forces (Ajzen, 2002; Spector, 1982). The outside forces are believed to be randomly controlled such as chance or luck (Yang & Weber, 2019; Strong & Gore, 2020; Kerr, Kerr, & Xu, 2017). Indeed, Frankham, Richardson, and Maguire (2020) argue that external locus of control behavior belief put entrepreneurs at the merc of others. Thus, at low levels of social cohesion, little formalization (or entrepreneurial behavior) is expected. Even at increasing levels of social cohesion and the associated positively assessment of the underlying institutions,

fledging entrepreneurs are likely to be less inclined to formalize their business (van Wijk, Zietsma, Dorado, de Bakker, & Martí, 2019; Colin C. Williams & Shahid, 2016). Therefore, I hypothesize the following:

Hypothesis 4 (H4): Increasing internal locus of control strengthen the positive relationship between social and the degree of entrepreneurship formalization.

CHAPTER 3: METHODOLOGY

The goal of this dissertation is to provide evidence of the influence that social cohesion, the independent variable, has on low-income households' degree of entrepreneurship formalization, the dependent variable, as moderated by family support, risk propensity, and locus of control. The intent is to investigate whether specific construct levels play a significant role in the outcome of the predictable variable.

This chapter provides a detailed account of the methodology used to test the model and the hypotheses. First, I present an overview of the research study and explain the decision to apply the chosen research method. Next, I discuss the survey instrument used to collect the data, the survey approach, and the sample framing. Finally, I describe the data analysis process, including the diagnostic and bias test that was conducted prior to testing the hypotheses.

3.1 Overview

The current study proposes the use of quantitative methods (Colin C. Williams & Shahid, 2016). This approach consists of a quantitative survey, which is a common approach in empirical research to test for the statistical relationship between variables through data collected from individuals (N. Williams, Huggins, & Thompson, 2020). Also, this mean of collecting data is consistent with previous quantitative research (e.g., Shahid, & Martinez, 2016).

3.2 Survey Instrument

Quantitative surveys have several inherent strengths: (a) measuring unobservable data, (b) remotely collecting data, (c) an unobtrusive nature and the ability to respond at one's convenience, (d) reaching certain population groups, (e) access to large sample surveys, and (f) economical survey research (Bhattacharjee, 2012). Hence, it is an appropriate approach for data

collection for this type of empirical research. According to Bhattacharjee (2012), collecting data via survey is an age-old method,

Surveys were conducted as early as Ancient Egypt, survey as a formal research method was pioneered in the 1930-40s by Paul Lazarsfeld to examine the effect of the radio on the political opinion formation of the United States. This method has since become an immensely popular method for quantitative research in the social sciences. (p. 73)

Survey research involves standardization in collecting data from participants on their thoughts, behaviors, and preferences (Lock & Seele, 2015). Bhattacharjee (2012) divided into quantitative survey research two major categories. The first, questionnaires, is the most common method, and can be performed in several ways: (a) self-administered mail-in surveys, (b) group-administered surveys, where participants meet at a particular location to complete the survey and the surveyor can answer questions or provide clarity on requirements, and (c) online surveys, which are conducted via the Internet using an interactive format that requires participants to respond the questionnaire and, once completed, return via e-mail. The second quantitative survey option is interviews, which more personable. Interviews have several administration options: (a) face-to-face, where the interviewer works directly with participants to ask questions and record their responses; (b) focus group (or group), where a small group of participants are interviewed together at a particular location and the interviewer is the facilitator of the group (not recommended for descriptive or explanatory research); and (c) telephone, where interviewers contact potential participants by telephone, typically based on a random selection of people from a telephone directory, to ask a standard set of survey questions.

Survey presentation is just as important as collecting data. The style and language must be appropriate for the audience that will be responding to the survey; that is, personalizing and

structuring questions based on the perceived mindset of the audience (Neumann et al., 2020). Bhattacharjee (2012) addressed the content of questions and wording of surveys and recommended questions that are clear, understandable, and geared toward the identified participants. Negative and unclear questions should be avoided. Negative and unclear questions should be avoided, as well as bias-related questions and those with double meanings. Survey questions should neither be too general nor too detailed and should not be asked in a presumptuous manner.

Bhattacharjee (2012) also suggested starting with non-threatening questions, such as age, gender, and education level. Critically, the survey design should be respectful of participants' time.

3.2.1 Survey Approach

I utilized survey methodology as my research design and the software statistical package, SPSS, as the statistical procedure to test my hypotheses. Due to Covid-19, I conducted multiple quantitative surveys to collect data from low-income households, consisting of face-to-face interviews, mail surveys (Neumann et al., 2020), and Qualtrics electronic data sampling. The survey contained questions about gender, age, family size, and education level. I included previously validated measurement Scales to capture low-income households' degree of entrepreneurship formalization.

I administered paper-pencil, face-to-face surveys, using the spatially stratified sampling technique of N. Williams et al. (2020) used this technique in their research with a population size of 1,000 houses. Therefore, I used the spatially stratified sampling technique in conducting my surveys with a population size of 2,165 from five different low-income communities. I conducted surveys by interviewing every 10th household, if there was no response and/or an

interview was refused, then the 11th household was visited and so on. This research used every fifth house, if there was no answer or an individual refused to participate in the survey, the next was asked to be surveyed. This process continued for ten days for a total of 141 surveys. The spatially stratified sampling technique was appropriated for this social science empirical research; therefore, I concluded that this was an appropriate method for my dissertation.

To be sure of a minimum sample size, I utilized a G-Power analysis program for a number to conduct tests, such as correlation and regression analyses, on data from low-income households. G-Power sample size for one predictor is at least 56 participants (Figure 3.1).

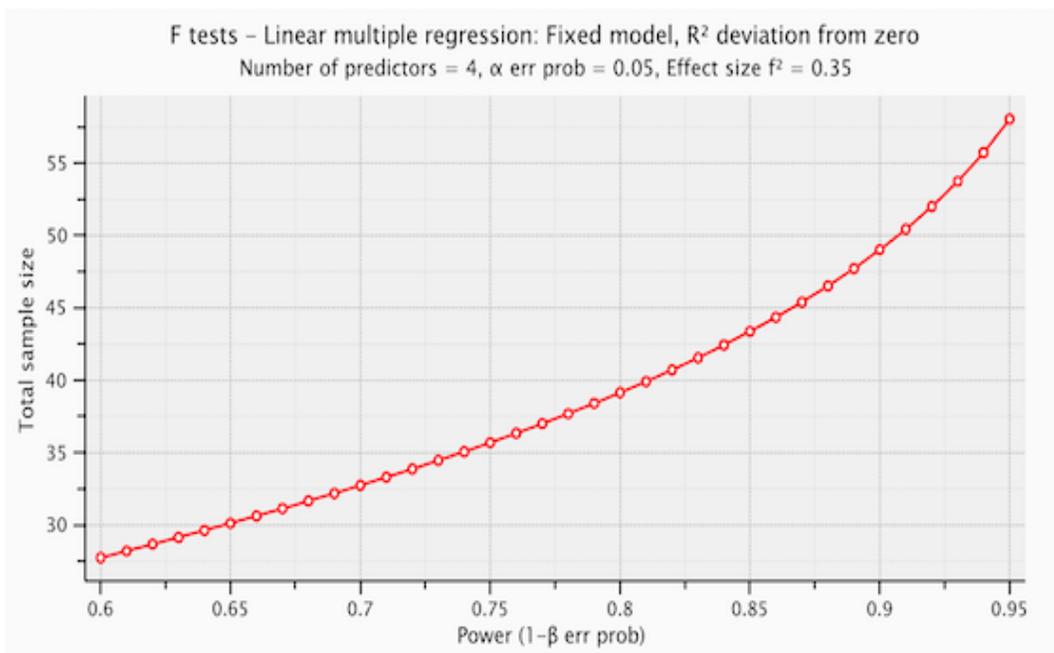


Figure 3. 1 Sample Size

The survey participation was entirely voluntary for legal age adult(s), which consisted of 85 questions, approximately 20-25 minutes to complete. The survey package included: a cover letter on UNCC letterhead and a survey for completion for participants. The consent form was the first document in the package. Once participants had read and confirmed that they have understood the information, they were asked to print, date, and sign their name to show voluntarily agree to participate in the survey. If they voluntarily agreed, they were provided with a questionnaire. It was iterated that they could discontinue the survey at any time. Additionally, online media, advertizing to low-income households allowed for identifying low-income communities. Each community identified, include the number of units in that community to determine the number of units that surveyed

The following section provide detail of the sampling frame.

3.3 Sample

I surveyed males and females of various ages and education levels living in low-income apartments in North Carolina, according to Affordable Housing Online, (2020). The websites that advertised to low-income households resulted in twenty-three communities with 2,165 units. I identified five low-income communities to include in my data collection process out of the twenty-three communities. Additionally, at least five communities were part of my data collection to reduce sampling error.

3.4 Measures

The survey for this study utilized established and modified scales for each variable. An expert panel reviewed the questionnaire. Each of the independent and dependent scales is described below, as well as moderating scales.

This section provides measurement scales for constructs that were utilized in the study. First is the measurement scale for the independent variable, social cohesion, followed by the dependent variable, the degree of entrepreneurship formalization. Next are measurement scales for the moderator variables of family support, risk propensity, and locus of control.

3.4.1 Dependent Variable

The degree of entrepreneurship formalization, the dependent variable examines the reasons of individuals from low-income households' for participating in entrepreneurial activities. The seven items related to compliance with government rules and regulations (Justin W. Webb et al., 2014; C. C. Williams et al., 2020) were measured using 7-point Likert-type scale (*Strongly Disagree* = 1 to *Strongly Agree* = 7) (Table 3.1).

Table 3. 1 The Degree of Entrepreneurship Formalization

Measurement	Statement	Author
If you are engaged in any entrepreneurial activity, please indicate the extent to which you agree with the following statements (Strongly Disagree=1, to Strongly Agree=7)	I have all appropriate licenses and certifications to operate my business. I fully comply with tax laws. I fully comply with social security laws. I fully comply with property rights laws (e.g., regarding counterfeit products, etc.). I fully comply with labor laws (e.g., regarding paying overtime, employing undocumented workers, etc.). I fully comply with environmental regulations. I fully comply with other laws and regulations (i.e., import laws, internet regulations; health and safety laws, for example, Food, Drug, and Cosmetic Act, cosmetology health and safety standards, childcare regulations, etc.).	Justin W. Webb et al. (2014)

3.4.2 Independent Variable

Social cohesion, the independent variable, describes the solidarity and togetherness in a relationship (Demireva & McNeil, 2015). The five items related to trust and norms of reciprocity (Lochner & Kennedy, 1999) were measured using a 7-point Likert-type scale (*Strongly Disagree* = 1 to *Strongly Agree* = 7) (Table 3.2).

Table 3. 2 Social Cohesion

Measurement	Statement	Author
Indicate the extent to which you agree or disagree with the following statement measure: confidence in the social benefit system, perceived intergroup tensions, perceived quality of public services, and alienation. (Strongly Disagree=1, to Strongly Agree=7)	I have confidence in the social benefit system. I have confidence in the social security system. I have confidence in government subsidized housing programs. My perception of the tension level between poor and rich people is low. My perception of the tension level between management and workers is low. My perception of the tension level between men and women is low. My perception of the tension level between old and young people is low. My perception of the tension level between different racial and ethnic groups is low. I perceive the quality of education in the public service sector to be fair. I perceive the quality of public transport to be fair. I perceive the quality of social services to be fair. I perceive the quality of social security to be fair. To get ahead nowadays I need to do some things that are not correct. I feel left out of society. Good luck is more important than hard work for success. Life is so complicated that I can hardly find my way.	Vergolini (2011)

3.4.3 Moderators

Family Support

Family support measures support provided during the venture development stage, such as the willingness to share and reduce workload (Chang et al., 2009). A four-item questionnaire was used to measure the construct on a 7-point Likert-type scale (*Extremely Unlikely* =1 to *Extremely Likely*=7) (Table 3.3

Table 3. 3 Family Support

Measurement	Statement	Author
Indicate the extent to which you agree or disagree with the following statements, (Strongly disagree=1, to Strongly agree=7).	Family members would support me in starting a business or support me in my business. Family members would volunteer to do things for me so that I would have more time to work on my business. Family members would help me in efforts to start my own business. Family members would reduce my heavy workload, while I attempt to start my business or in my business.	Chang et al. (2009)

Risk Propensity

Risk propensity measures an individual’s behavior as influenced by trait, task, cognitive, and situational factors (Zhao et al., 2005). The six-item questionnaire was measured on a 7-point Likert-type scale (*Disagree Completely*=1 to *Agree Completely*=7) (Table 3.4).

Table 3. 4 Risk Propensity

Measurement	Statement	Author
Indicate the extent to which you agree or disagree with the following statements, (Strongly disagree=1, to Strongly agree=7).	I enjoy the excitement of uncertainty and risk. I am willing to take significant risk if the possible rewards are high enough. I am not willing to take risks when choosing a job or a company to work for. I prefer a low risk/high security job with a steady salary over a job that offers high risk and high reward. I prefer to remain on a job that has problems that I know about rather than take the risks of working at a new job that has unknown problems even if the new job offers greater rewards. I view risk on a job as a situation to be avoided at all costs.	Zhao et al. (2005)

Locus of Control

Locus of control explores personality traits via internal and external factors. Individuals with a locus of internal control believe that success and loss of earnings depend on how much effort is required and that they can control their outcome. At the same time, those who have an external locus of control believe that their future is determined by others or that good fortune is beyond their control (Levenson, 1973). Responses were measured using twenty-four items on a 7-point Likert -type scale (*Strongly Disagree*=1 to *Strongly Agree*=7) (Table 3.5).

Table 3. 5 Locus of Control

Measurement	Statement	Author
<p>Indicate the extent to which you agree or disagree with the following statements, (Strongly disagree=1, to Strongly agree=7).</p>	<p>Whether or not I get to be a leader depends mostly on my ability.</p> <p>To a great extent my life is controlled by accidental happenings.</p> <p>I feel like what happens in my life is mostly determined by powerful people.</p> <p>Whether or not I get into a car accident depends mostly on how good a driver I am.</p> <p>When I make plans, I am almost certain to make them work.</p> <p>Often there is no chance of protecting my personal interests from bad luck.</p> <p>When I get what I want, it is usually because I'm lucky.</p> <p>Although I might have good ability, I will not be given leadership responsibility without appealing to those in positions of power.</p> <p>How many friends I have depends on how nice a person I am.</p> <p>I have often found that what is going to happen will happen.</p> <p>My life is chiefly controlled by powerful others.</p> <p>Whether or not I get into a car accident is mostly a matter of luck.</p> <p>People like myself have very little chance of protecting our personal interests when they conflict with those of strong pressure groups.</p> <p>It is not always wise for me to plan too far ahead because many things turn out to be a matter of good or bad fortune.</p> <p>Getting what I want requires pleasing those people above me.</p> <p>Whether or not I get to be a leader depends on whether I am lucky enough to be in the right place at the right time.</p> <p>If important people were to decide they did not like me, I probably would not make many friends.</p> <p>I can pretty much determine what will happen in my life.</p> <p>I am usually able to protect my personal interests.</p> <p>Whether or not I get into a car accident depends mostly on the other driver.</p> <p>When I get what I want, it's usually because I worked hard for it.</p> <p>In order to have my plans work, I make sure that they fit in with the desires of people who have power over me.</p> <p>My life is determined by my own actions.</p> <p>It is chiefly a matter of fate whether I have a few friends or many friends.</p>	<p>Levenson (1973)</p>

3.4.4 Control Variables

This dissertation considers previously established relationships as controls. By adding a control variable in the model, the influence of the pre-specified relationship is accounted for prior to testing the findings. The control variables were selected based on institutional theory,

human capital theory, opportunity versus necessity, motivation-related theories, and resource allocation theory. I expected that these variables would hold constant during my analysis to validate my correlations. I used the controls of age and gender (Colin C. Williams & Krasniqi, 2018; Colin C. Williams & Shahid, 2016), education level, marital status, and work status (Coduras, Saiz-Alvarez, & Ruiz, 2016), races, currently receive food stamps, and aid-to families with dependent children (AFDC) (Restivo & Lanier, 2015) and health (Kushel, Gupta, Gee, & Haas, 2006). Gender was used to control for differences between males and females. Table 3.6 contains the control variable measurements.

Table 3. 6 Control Variables

Name	Measurement	Author
Race Currently Receive Food Stamps Currently Receive Aid to Families with Dependent Children (AFDC)	African American 1=yes, 0=No Categorical variable with value 1=Yes, 0=No Categorical variable with value 1=Yes, 0=No	Restivo and Lanier (2015)
Age Gender	Continuous variable 1=male, 0=female	C. C. Williams et al. (2020); (Colin C. Williams & Shahid, 2016)
Educational Marital Status Work Status	Categorical variable: 1= (12 th grade or less), 2= (Graduated high school or equivalent), 3= (Some college no degree), 4= (Associate degree), 5= (Bachelor’s degree), 6= (Post-graduate degree) Dummy Variable: Single=1, otherwise=0 Divorced=1, otherwise=0 Dummy variable: 1=homemaker, otherwise=0; 1=unemployed, otherwise=0; 1=self-employment, otherwise=0; 1=full-time employee, otherwise=0	Coduras et al. (2016)
Health Indicate the extent to which you agree or disagree with the following statements, (strongly disagree=1, strongly agree=7).	My job is more stressful than I had ever imagined. I fear that the amount of stress in my job will make me physically ill. I generally have trouble falling sleep. I generally have trouble staying (including waking up too early). I generally wake-up several times during the night. I generally wake-up after my usual amount of sleep feeling tired and worn out.	(Kushel et al., 2006)

3.5 Data Analysis

Data were collected from participants at a single point in time using self-reported scales; therefore, common method variance was a concern.

For this quantitative study, I used a cross-sectional correlational design instead of a longitudinal design because of time constraints. Longitudinal studies collect data repeatedly from the same subjects over time, often focusing on a smaller group of individuals who are connected by a common trait, while cross-sectional studies collect data from many subjects at a single point in time, which was more suitable for my research (Stone, Bleibaum, & Thomas,

2020). I analyzed data using ordinary least-squares regression as the statistical method. This type of analysis estimates the relationship between one or more independent variables (i.e., social cohesion) and a dependent variable (the degree of entrepreneurship formalization), as well as the moderator variables of family support, risk propensity, and locus of control.

All tests were conducted with the latest version of IBM SPSS Statistics 26 software. Furthermore, several steps were taken in the analysis and interpretation of the data. First, I did a preliminary analysis to find out if there was missing or incomplete data (Creswell & Creswell, 2017), then I conducted bias tests to evaluate whether the variance was attributed to the method rather than the measure (Creswell & Creswell, 2017; Podsakoff, MacKenzie, Lee, & Podsakoff, 2003; Podsakoff, MacKenzie, & Podsakoff, 2012). I performed a descriptive analysis on the data for the independent and dependent variables. Additionally, I performed regression diagnostic tests before testing the research model and hypotheses. Diagnostic tests were conducted to ensure that the data met the assumptions of randomness, normality, linearity, and homoscedasticity. The statistical significance of each hypothesis and whether the results supported the hypothesis was verified. All results appear in tables in Chapter 4.

CHAPTER 4: RESULT

This chapter shows the quantitative results from testing the hypothesized relationships in the research model. In general, this first analysis describes the sample, highlights the missing data, checks the sample bias, and evaluates the scales that measure each construction in this process. Next, descriptive statistics and bivariate correlation analysis were also conducted, followed by regression results from hypothesis tests.

4.1 Preliminary Analysis

The participants in the survey were individuals, 18 years of age or older, living in government-subsidized housing; they were randomly identified using North Carolina's housing authorities' communities list. Of the original 2,165 participants, 467 individuals were asked to participate in the survey. Of these 467 individuals, 141 started the survey, with 121 completing it. The completion rate of 85.82% and the response rate of 25.91 are summarized in Table 4.1 (initial list of participants and participants contacted).

Table 4. 1 Summary of Survey Respondents

Initial List of Field Surveys	Field Surveys Contacted	Field Surveys Started	Surveys Completed	Completion Rate	Response Rate
2165	467	141	121	85.82%	25.91

Prior to data analysis, I checked for missing data by performing a missing value analysis in SPSS to determine the valid number of cases to be used in the statistical analysis. Hence, the sample is random; lack of a response may not be random (i.e., respondents refused to answer a question). Therefore, understanding missing data is important since it may impact the sample size and lead to biased or erroneous results (Hair, Black, Babin, Anderson, & Tatham, 2010). There were minimal missing data in my sample and no observable patterns of missing values. As such, the listwise deletion approach and mean replacement were used to preserve the sample

size for the correlation and regression analysis (Allison, 2001), resulting in 121 valid cases appropriate for use.

Furthermore, missing, or incomplete data evaluated because of common method bias, which can occur when the same individual providing the measure of the predictor is the same person providing the criterion variable (Podsakoff et al., 2012). Since it was not possible to obtain data from all low-income households in North Carolina, common method bias was a potential problem. I performed a test on major construct levels (Podsakoff & Organ, 1986), including items for the dependent variable (degree of entrepreneurship formalization), the independent variable (social cohesion), and the moderating variables of family support, risk propensity, and locus of control. Also, one control variable was included in the test (health). Overall, 79% of the variance was explained in an exploratory factor analysis (EFA). The first factor explained only 26.43%, thus suggesting that common method bias was not a problem.

Finally, I evaluated the multi-item scales by assessing scale reliability as measured by the coefficient alpha (Tavakol & Dennick, 2011; Thanasegaran, 2009). According to Vaske, Beaman, and Sponarski (2017),

Cronbach’s alpha is perhaps the most common estimate of internal consistency of items in a scale. Alpha measures the extent to which item responses (answers to survey questions) correlate with each other. In other words, α estimates the proportion of variance that is systematic or consistent in a set of survey responses.” (p. 165).

The formula for computing α is (N = the number of survey items in the scale; σ_x^2 = the variance of the observed total scores; and $\sigma_{Y_i}^2$ = the variance of item i for person y): $\alpha =$

$$\frac{N}{N-1} \left(\frac{\sigma_x^2 - \sum_{i=1}^N \sigma_{Y_i}^2}{\sigma_x^2} \right).$$

The scales that were evaluated included degree of entrepreneurship formalization, social cohesion, family support, risk propensity, and locus of control. Alpha value can range from 0 to 1, with unacceptable values less than .70 (Thanasegaran, 2009) As a rule of thumb for interpreting alpha or Likert scale questions, $\alpha \geq 0.9$ internal consistency is excellent; $0.9 > \alpha \geq 0.8$ internal consistency is good; $0.8 > \alpha \geq 0.7$ internal consistency is acceptable; $0.7 > \alpha \geq 0.6$ internal consistency is questionable; $0.6 > \alpha \geq 0.5$ internal consistency is poor; and $0.5 > \alpha$ internal consistency is unacceptable (Tavakol & Dennick, 2011). According to Hair et al. (2010), for exploratory research, construct reliability needs to meet or exceed the 0.7 threshold. In this study, all five constructs exhibited reliability levels exceeding 0.7, as shown in Table 4.2. To establish the dependent variable, I used EFA to analyze the shared or common variances among items and variances and those that were unique (Hair et al., 2010).

Table 4. 2 Scale Items

Construct	Items	Factor Loading	Alpha
Dependent Variable			
Degree of Entrepreneurship Formalization			0.960
	DE1 I have all appropriate licenses and certifications to operate my business.	0.608	
	DE2 I fully comply with tax laws.	0.841	
	DE3 I fully comply with social security laws.	0.885	
	DE4 I fully comply with property rights laws (e.g., regarding counterfeit products, etc.).	0.928	
	DE5 I fully comply with labor laws (e.g., regarding paying overtime, employing undocumented workers, etc.).	0.913	
	DE6 I fully comply with environmental regulations.	0.909	
	DE7 I fully comply with other laws and regulations (i.e., import laws, internet regulations; health and safety laws, for example, Food, Drug, and Cosmetic Act, cosmetology health and safety standards, childcare regulations, etc.).	0.918	
Independent Variables			
Social Cohesion			0.928
	SC1 I have confidence in the social benefit system.	0.789	
	SC2 I have confidence in the social security system.	0.832	
	SC3 I have confidence in government subsidized housing programs.	0.750	
	SC4 My perception of the tension level between poor and rich people is low.	0.822	
	SC5 My perception of the tension level between management and workers is low.	0.836	
	SC6 My perception of the tension level between men and women is low.	0.844	
	SC7 My perception of the tension level between old and young people is low.	0.820	
	SC8 My perception of the tension level between different racial and ethnic groups is low.	0.736	
	SC9 I perceive the quality of education in the public service sector to be fair.	0.712	
	SC10 I perceive the quality of public transport to be fair.	0.738	
	SC11 I perceive the quality of social services to be fair.	0.789	
	SC12 I perceive the quality of social security to be fair.	0.794	
	SC13 To get ahead nowadays I need to do some things that are not correct.	0.641	
	SC14 I feel left out of society.	0.622	
	SC15 Good luck is more important than hard work for success.	0.800	

	SC1 6	Life is so complicated that I can hardly find my way.	0.843
Moderating Variables			
Family Support			0.966
	FS1	Family members would support me in starting a business or support me in my business	0.868
	FS2	Family members would volunteer to do things for me so that I would have more time to work on my business.	0.942
	FS3	Family members would help me in efforts to start my own business,	0.939
	FS4	Family members would reduce my heavy workload, while I attempt to start my business or in my business	0.884
Risk Propensity			0.717
	RP1	I enjoy the excitement of uncertainty and risk.	0.722
	RP2	I am willing to take significant risk if the possible rewards are high enough.	0.726
	RP3	I am not willing to take risks when choosing a job or a company to work for.	0.605
	RP4	I prefer a low risk/high security job with a steady salary over a job that offers high risk and high reward.	0.826
	RP5	I prefer to remain on a job that has problems that I know about rather than take the risks of working at a new job that has unknown problems even if the new job offers greater rewards.	0.828
	RP6	I view risk on a job as a situation to be avoided at all costs.	0.769
Locus of Control			0.833
	LOC 1	Whether or not I get to be a leader depends mostly on my ability.	0.686
	LOC 3	Whether or not I get into a car accident depends mostly on how good a driver I am.	0.669
	LOC 4	When I make plans, I am almost certain to make them work.	0.707
	LOC 9	How many friends I have depends on how nice a person I am.	0.747
	LOC 18	I can pretty much determine what will happen in my life.	0.589
	LOC 19	I am usually able to protect my personal interests.	0.813
	LOC 21	When I get what I want, it's usually because I worked hard for it.	0.716
	LOC 23	My life is determined by my own actions.	0.796

4.2 Descriptive Statistics and Correlation Analysis

After testing for bias in the sample, descriptive statistics and bivariate correlation analysis was performed, showing the means and standard deviations generated for all independent, dependent, and control variables (see Table 4.3). Of the survey participants, 80% were African Americans living in affordable housings; 64% were single. On average, 22% of participants were unemployed, with 52% receiving food stamps. Average age was 38 years old.

There were significant correlations among most variables. For example, the control variable, health, correlated significantly with social cohesion and risk propensity; age correlated with self-employment; unemployment correlated with family support; and African American correlated with locus of control. Further, the moderating variables of family support and locus of control correlated with social cohesion, the independent variable, and with the degree of entrepreneurship formalization, the dependent variable. The strongest correlations were between degree of entrepreneurship formalization and social cohesion; between risk propensity and social cohesion; and between locus of control and degree of entrepreneurship formalization, social cohesion, family support, and risk propensity.

While some variables were correlated, the highest observed variance inflation factor (VIF) equaled 3.48, and the highest value of the condition index equaled 6.72. The VIF measures collinearity among the variables. Values exceeding 10, I indicate multicollinearity. All values in this study were below the VIF threshold of 10, thus alleviating multicollinearity concerns (Hair et al., 2010)). According to Hair et al. (2009), a collinearity problem exists when the condition index above the threshold of 30 accounts is 0.90 or above for two or more variables. Here, the condition index was through 19 reiterations in Model 4: therefore, collinearity was not a problem.

Table 4. 3 Descriptive Statistics and Bivariate Correlations

	Mean	Std. Deviation	1	2	3	4	5	6	7
1 Single	0.64	0.483							
2 Divorced	0.14	0.349	-.535**						
3 African American	0.8	0.4	.141	0.022					
4 Homemaker	0.22	0.276	.102	-0.035	-0.077				
5 Unemployment	0.32	0.418	.034	0.012	0.167	-0.161			
6 Self-Employment	0.32	0.469	.007	-0.024	0.033	-.207*	-.370**		
7 Full Time Employment	0.17	0.38	-.243**	0.066	-0.155	-0.138	-.246**	-.316**	
8 Age	38	11.214	-.190*	.266**	0.149	.182*	0.157	-0.123	0.002
9 Education	2.513	1.211	-.355**	0.164	-.295**	.096	-.244**	-0.037	.257**
10 Food Stamp	0.52	0.502	.306**	-.183*	0.145	.168	0.157	0.060	-.390**
11 *AFDC	0.17	0.86	-0.035	0.172	0.096	-0.058	0.152	0.011	-0.088
12 Health	3.323	1.821	.069	-0.159	0.002	-0.10	0.002	-0.128	0.053
13 Social Cohesion	3.65	1.504	-0.046	0.004	0.064	-0.050	0.050	-0.128	-0.027
14 Family Support	4.71	2.185	.109	-0.049	0.021	-0.094	-.185*	.288**	0.019
15 Risk Propensity	3.75	1.394	.018	-0.113	0.027	-0.093	-0.175	0.070	0.111
16 Locus of Control	4.9	1.372	-0.064	-0.114	-.179*	-0.043	-0.145	0.051	0.142
17 Entrepreneurship Formalization	5.163	2.161	-0.096	0.008	-0.042	-0.10	0.071	-0.134	0.014

	8	9	10	11	12	13	14	15	16
1 Single									
2 Divorced									
3 African American									
4 Homemaker									
5 Unemployment									
6 Self-Employment									
7 Full Time Employment									
8 Age									
9 Education	.094								
10 Food Stamp	-.157	-.244**							
11 *AFDC	.154	-0.002	.185*						
12 Health	-.131	0.014	0.136	-.119					
13 Social Cohesion	-.012	-0.072	0.043	.046	.289**				
14 Family Support	-.215*	0.132	-0.076	-0.070	-0.067	0.116			
15 Risk Propensity	-0.081	0.056	-0.057	-0.021	.271**	.504**	.205*		
16 Locus of Control	-0.020	0.130	-0.083	-0.100	0.156	.496**	.244**	.582**	
17 Entrepreneurship Formalization	-0.089	.181*	-0.020	-0.006	0.103	.405**	.188*	0.098	.259**

n=121 Listwise

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

*AFDC - Aid to Families with Dependent Children

4.3 Regression Results

The hypotheses were tested via hierarchical regression analysis using four models; results for each of the constructs were related to the dependent variable. Table 4.4 provides regression results for the degree of entrepreneurship formalization variable. In all models, the study controlled for single, divorced, African American, homemaker, unemployed, self-employment, age, education, food stamps, AFDC, and health. In Model 1, education was significant, and positivity related to the degree of entrepreneurship formalization ($\beta=0.207$, $p<.05$). The model was not significant with an adjusted $R^2 = -0.013$. Model 2 tested for Hypothesis 1; entering the independent variable, social cohesion, produced two significant relationships ($\beta=0.421$, $p<.01$). The control variable, education, was significant and positively related to the degree of entrepreneurship formalization? ($\beta=0.249$, $p<.05$). The model was significant ($p<.01$) with an adjusted $R^2 = 0.150$, which suggests that social cohesion impacts the degree of entrepreneurship formalization. In the model, affective social cohesion and the degree of entrepreneurship formalization were positively related; therefore, Hypothesis I was supported.

Model 3 added the moderator variables. Only risk propensity showed a negative effect ($\beta=0.218$, $p<.05$). The other two moderators did not have a significant main effect. The overall model had an adjusted $R^2 = 0.177$.

Model 4 tested for the interaction effects (H2 to H4). Only the interaction of social cohesion and family support had a significant negative relationship with the degree of entrepreneurship formalization ($\beta=0.201$, $p<.05$), the interactions of Hypotheses 3 and 4 were not significant and interaction of Hypotheses 2, 3, and 4 provided no support (see Figure 4.1).

Figure 4.1 shows that the relationship between affective social cohesion and lineal family support changes direction based on the degree of family support. There was a neutral

relationship between affective social cohesion and high levels of lineal family support and a positive relationship between affective social cohesion and low levels of lineal family support. By including the interaction term in the model, the study captured relationships that change based on the value of another variable.

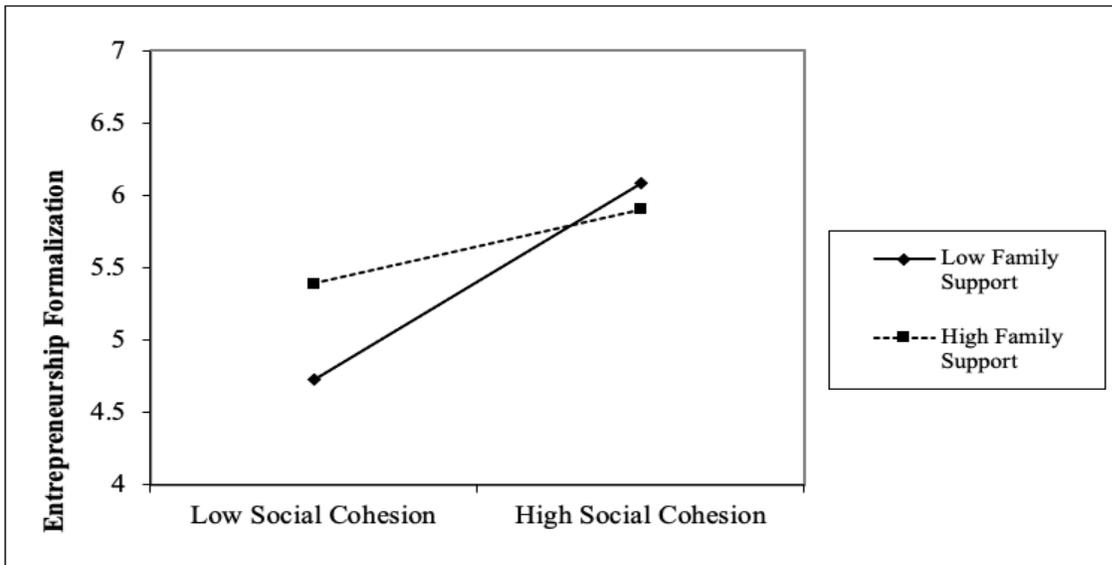


Figure 4. 1 Affective Family Support and Social Cohesion

Table 4. 4 Regression Analysis

Dependent Variable - Degree of Entrepreneurship Formalization				
Variables	Model 1	Model 2	Model 3	Model 4
	β	β	β	β
Controls				
Single	-0.092	-0.037	-0.061	-0.073
Divorced	-0.031	-0.023	-0.036	-0.037
African American	0.033	0.168	0.035	0.026
Homemaker	-0.024	0.158	0.003	0.035
Unemployed	0.060	0.108	0.075	0.070
Self-Employment	-0.149	-0.064	-0.109	-0.132
Full-Time Employment	-0.100	-0.040	-0.055	-0.043
Age	-0.141	-0.143	-0.124	0.091
Education	0.207*	0.249*	0.218*	0.183
Food Stamp	-0.021	-0.015	-0.016	-0.006
AFDC	0.010	-0.253	0.002	-0.045
Health	0.073*	-0.526	0.00	-0.036
Independent Variable				
Social Cohesion		0.421**	0.426**	0.467**
Moderating Variables				
Family Support			0.146	0.120
Risk Propensity			-0.225**	-0.205*
Locus of Control			0.134	0.085
Interaction Effects				
Social Cohesion *Family Support				-0.211**
Social Cohesion *Risk Propensity				0.014
Social Cohesion *Locus of Control				-0.046
R	0.297	0.492	0.535	0.573
R Square	0.088	0.242	0.287	0.328
Adjusted R Square	-0.013	0.150	0.177	0.201
R Square Change	0.088	0.154**	0.045*	0.041*
F	0.869	21.701**	2.178**	2.062**

Standardized regression coefficients shown

*Significant at the 0.05 level

**Significant at the 0.01 level

4.4 Conclusion

Table 4.5 summarizes the analyses of the hypothesized relationships and results. Of the four hypotheses in this dissertation, one was fully supported and three were not supported.

Table 4. 5 Hypothesized Relationships and Results

Degree of Entrepreneurship Formalization		
H1	Social cohesion within low-income households is positively associated with the degree of entrepreneurship formalization	Supported
The Moderating Role of Family Support		
H2	Increasing family support strengthens the positive relationship between social cohesion and the degree of entrepreneurship formalization.	Not Supported
The Moderating Role of Risk Propensity		
H3	Increasing risk Propensity strengthens the positive relationship between social cohesion and the degree of entrepreneurship formalization.	Not Supported
The Moderating Role of Locus of Control		
H4	Increasing internal locus of control strengthens the positive relationship between social cohesion and the degree of entrepreneurship formalization.	Not Supported

CHAPTER 5: DISCUSSION AND CONCLUSIONS

I begin with an overview of the study and research questions followed by a review and discussion of the findings from the tests of the hypothesized relationships in the research model. After describing the contributions, I address limitations and offer suggestions for future research. Finally, I conclude by providing answers to the research questions.

5.1 Overview

This study's primary purpose was to understand low-income households' degree of entrepreneurship formalization by examining social cohesion and the moderating factors of family support, risk propensity, and locus of control. Low-income households, which are the most economically vulnerable segment of the population, are exposed to permanent and temporary exogenous events that have a high possibility of affecting household income, health, and housing (Al Mamun & Ibrahim, 2018; Dauda, 2017; Desmond & Western, 2018). For years, entrepreneurship has been viewed as a vehicle to help low-income households improve their social and economic situation (Bruton et al., 2015; Marti & Mair, 2009; Pathak & Muralidharan, 2018). According to Carter (2011), entrepreneurs represent over 80% of the 1% wealthiest households (Carter, 2011). Nevertheless, entrepreneurship is not always viewed in a positive light; it can be practiced formally, informally, or somewhere in between. Formal entrepreneurship is when entrepreneurs operate within the realm of government; informal means operating outside the government's realm (Ramadani et al., 2019; C. Williams & Gurtoo, 2011; Colin C. Williams et al., 2016). Prior research has shown that low-income household individuals participate in all three forms of entrepreneurship (Autio & Fu, 2015; Dencker, Bacq, Gruber, & Haas, 2021; Laney, 2013). Researchers have focused on informal entrepreneurship when referencing the entrepreneurial practices of individuals from low-income households (Crump et

al., 2019; Crump, Hill, & Taylor, 2017; Kareem, 2015). Crump et al. (2019), who investigated why people choose the informal option," received the following responses,

... because they are undercapitalized, and because they perceive themselves as targets of discriminatory practices in the formal labor market; to reduce risks associated with formal employment such as demotion or dismissal; to gain dignity and autonomy that they believe cannot easily be attained in formal employment... (p. 17)

I explored low-income households' degree of entrepreneurship formalization by examining how low-income households' social cohesion influences the degree of entrepreneurship formalization and how family support, risk propensity, and locus of control within low-income households positively moderate the relationship between social cohesion and the degree of entrepreneurship formalization.

5.2 Research Findings

The study yielded mixed findings. The data partially supported the conceptual model. The first hypothesis in the model evaluated the impact of social cohesion on the degree of entrepreneurship formalization. The other three hypotheses evaluated the moderation roles of family support, risk propensity, and locus of control on the relationship between social cohesion and the degree of entrepreneurship formalization.

Hypothesis 1, which proposed that social cohesion within low-income households is positively associated with the degree of entrepreneurship formalization, was supported. Thus, the attitudes and norms of low-income households affect the degree of entrepreneurship formalization. As stated earlier, Vergolini (2011) referred to social cohesion as "a state of affairs concerning the interactions among members of society characterized by a set of attitudes and norms and taking place inside the different domains of associate human life" (p. 3).

Hypotheses 2,3, and 4 were tested to see if the moderators strengthened the relationship between social cohesion and the degree of entrepreneurship formalization. Hypothesis 2 proposed that family support positively moderated the relationship between social cohesion and the degree of entrepreneurship formalization. I did not find a significant moderating effect in my data analysis, although prior research has suggested that family support influences business preparedness and start-up decisions, both directly and indirectly (Chang et al., 2009). Family support has been considered an independent variable with two dimensions, emotional and instrumental. While emotional support is viewed as a positive resource, instrumental support (e.g., financial) is viewed as negative (Leung et al., 2020). It is possible that my result is an artifact measurement. Indeed, other researchers have found that significant family support influences entrepreneurial well-being when measured with two dimensions (Xu et al., 2020).

Hypothesis 3, which proposed that risk propensity has a positive moderating effect on the relationship between social cohesion and the degree of entrepreneurship formalization, was not supported. Nevertheless, a significant negative moderating effect exists, which means that risk propensity negatively impacts the relationship between social cohesion and the degree of entrepreneurship formalization. Thus, risk propensity does not enhance the relationship between social cohesion and the degree of entrepreneurship formalization.

Hypothesis 4, which suggested that locus of control positively enhances the relationship between social cohesion and the degree of entrepreneurship formalization, was not supported. Although prior research has found locus of control to have a positive effect on entrepreneurship (Asante & Affum-Osei, 2019; Kusumawijaya, 2019; Ndofirepi, 2020), my findings did not support a positive moderating effect of locus of control on the relationship between social cohesion and the degree of entrepreneurship formalization.

My moderators' hypotheses were not supported for various reasons such as, measurement, sample that was perhaps biased, and theory. First, measuring family support using the 2-Way Social Support Scale and Family-to-Business Support Scale designed for measuring family support within entrepreneurship by focusing on questions like, "Today, there is someone from my family that I can talk to about my business"; "Today, when I'm frustrated by my business, there is someone from my family that can try to understand"; "Today, there is someone from my family who would offer the following to me", and "Today, there is someone from my family that can give me useful feedback about my ideas concerning my business" (Xu et al., 2020). Additionally, Xu et al. (2020) research used the family embeddedness theory and social exchange theory with a sample size of 61 entrepreneurs collected over 14 days, with a significant positive result with family support as a moderating the relationship between entrepreneurial stressors and entrepreneurial well-being.

Second, risk propensity measuring scale could have made a difference, Table 5.1 is a scale designed to measure risk propensity based on the theory of achievement motivation not on risk taking (Meertens & Lion, 2008). Below is Table 5.1 and Table 3.4 to compare the two scales, Table 3.4 was used in this dissertation data measurement.

Table 5.1 Hypothesized Relationships and Results

Measurement	Statement	Author
Indicate the extent to which you agree or disagree with the following statement. Please do not think too long before answering; usually your first inclination is also the best one. (totally disagree=1, totally agree=9) (risk avoider=1, risk seeker=9)	Safety first. I do not take risks with my health. I prefer to avoid risks. I take risks regularly. I really dislike not knowing what is going to happen. I usually view risks as a challenge. I view myself as a ...	Meertens and Lion (2008)

Table 3.4. Risk Propensity

Measurement	Statement	Author
Indicate the extent to which you agree or disagree with the following statements, (strongly disagree=1, strongly agree=7).	I enjoy the excitement of uncertainty and risk. I am willing to take significant risk if the possible rewards are high enough. I am not willing to take risks when choosing a job or a company to work for. I prefer a low risk/high security job with a steady salary over a job that offers high risk and high reward. I prefer to remain on a job that has problems that I know about rather than take the risks of working at a new job that has unknown problems even if the new job offers greater rewards. I view risk on a job as a situation to be avoided at all costs.	Zhao et al. (2005)

Third, locus of control, one research conducted a more intended research measuring only locus of control using longitudinal data collection process (Millar & Shevlin, 2007). In performing empirical research, the complete process will determine the outcome. Even though, theory will explain the connection between the constructs and the literature review will provide the background information on constructs, the data analysis will provide result. The results may or may not be explained by the theory, measurement, or sample used.

5.3 Contribution

This study sought to fill the research gap in the low-income households, entrepreneurship, and institutional theory literature by directly examining how social cohesion, family support, risk propensity, and locus of control influence or impact the relationship between low-income households' social cohesion and the degree of entrepreneurship formalization. The empirical analysis suggests that the social cohesion of low-income households has a positive impact on the degree of entrepreneurship formalization. Nonetheless, family support, risk propensity, and locus of control did not positively or negatively affect the outcome of the relationship. Additionally, education, a control variable, positively influenced the correlation

between low-income households' social cohesion and the degree of entrepreneurship formalization.

The quantitative evidence presented here contributes to the entrepreneurship literature, particularly as to the degree of entrepreneurship formalization of low-income households (Colin C. Williams & Shahid, 2016; N. Williams & Williams, 2011). This study has the potential of demonstrating to policymakers, educational institutions, and low-income communities that investing and providing funds for entrepreneurship training could lead low-income households to operate more in the formal sector. According to Laney (2013), the entrepreneurial activities of low-income households are typically in the informal sector.

Additionally, the evidence from my research adds to institutional theory by allowing assumptions to be made about the impact of institutions on low-income households' social cohesion and the degree of entrepreneurship formalization. Those assumptions show evidence of being true, which contributes to institutional theory by showing that formal and informal institutions play a role in decision making.

5.3 Limitation and Future Research

5.3.1 Limitation

Although this study has several limitations, these limitations provide avenues for future research. The first limitation was studying low-income households' degree of entrepreneurship formalization using cross-sectional data, which provides only a snapshot of time and tends to overestimate the rate of change (Burt, Hanley, & Boyd, 2017). Additionally, the design has limited predictability, and the outcome is simultaneously assessed. There is generally no evidence of a temporal relationship between exposure and outcome. Therefore, without longitudinal data, it is impossible to establish a true cause-and-effect relationship. Longitudinal

designs, however, can lead to erroneous inferences when the timeframe chosen does not match the phenomenon's timeframe in question (Spector, 2019).

Another limitation that occurred was from systematic bias. For instance, five low-income housing communities were surveyed, but all were in Greensboro, North Carolina (selection bias). While 141 surveys were collected, 20 had to be discarded because of the percent of missing answers (non-response bias). In addition, another potential bias was response bias, or social desirability response bias, that occurs in self-reported surveys. This kind of bias can be detected and minimized using the social desirability scale (van de Mortel, 2008). While this procedure was not utilized here, I encourage its use in future studies.

The study's small sample size was also an area of concern. A sample size rule of thumb could be used to determine the difference between a small or large sample sizes. For example, the smaller the population, the larger the sample size. For a small population (less than 500), you need at least 50% for the sample; for a large population (over 5,000), you need at least 17% to 27%; if the population exceeds 250,000, the required sample size increases to between 1,060 and 1,840 observations (World Supporter, 2021). A small sample size means that results may not be generalizable (Sarıkaya Solak, Yöndem, & Cicin, 2020). Although 141 individuals from low-income households participated in the surveys, only 121 surveys were included after a missing data analysis was performed from an identified population of 2,165. According to Hair et al. (2010),

... Exceedingly small samples have so much sampling error that identification of all, but the largest differences is improbable. Very large sample sizes increase the statistical power so that any difference, whether practically relevant or not, will be considered statistically significant. However, most research situations fall somewhere in between these extremes,

meaning the researcher must consider the impact of sample sizes on the results, both at the overall level and on a group-by-group basis. (p. 555)

I encourage future studies to expand on my sample size, even though the power analysis indicated a sufficient sample size.

5.3.2 Future Research

Besides recommendations to address the methodological limitations (e.g., larger sample size, longitudinal approach, respondents from different cities and states), additional research possibilities exist. Specifically, researchers could investigate the integration of institutional theory on different outcome variables. For example, individuals from low-income households would be asked about their desire to participate in entrepreneurship to move out of subsidized housing and their perceived challenges to becoming a formal entrepreneur. Furthermore, it may also be appropriate to consider entrepreneurship intention rather than the degree of entrepreneurship formalization. Accordingly, I encourage researchers to use family support as an independent variable while expanding the scope of the dependent variable.

Other moderators of the relationship between social cohesion and the degree of entrepreneurship formalization could be investigated. For example, low-income household individuals may feel socially and politically included in or excluded from policies that affect their social and economic conditions. Another direction of low-income household entrepreneurship research could focus on the perceived benefit from participating in formal or informal entrepreneurship (Small & Newman, 2001; Smith & McElwee, 2013; Sutter et al., 2019) For example, research has supported low-income households' informal entrepreneurship participation due to their social and economic conditions (A. Anderson et al., 2013; Crump et al.,

2019; Colin C. Williams & Shahid, 2016). Determining additional context-specific antecedents for low-income households is therefore warranted.

Researchers could also consider incorporating additional theoretical lenses to explain the relationship between social cohesion and the degree of entrepreneurship formalization. For example, the relationship between low-income households and entrepreneurship could be better explained by Schumpeter's theory; that is, "take advantage of any market opportunity" ... "unusually, sometimes excessively, confident," "highly tolerant of risk," willing..." (Caliendo & Kritikos, 2011, p. 1). Thus, researchers could evaluate opportunity recognition or opportunity evaluation in low-income environments (see also Scheaf, et al., 2020).

In summary, my dissertation investigated factors (e.g., social cohesion, family support, risk propensity, and locus of control) that impact low-income households' entrepreneurial behaviors. Potential areas of research include improving the method employed in this study, such as taking a longitudinal or in-depth qualitative approach or investigating different outcome variables, including objective measures of low-income households' business decisions.

5.4 Conclusion

I investigated the impact of low-income households' social cohesion on the degree of entrepreneurship formalization, as moderated by family support, risk propensity, and locus of control. Through an exhaustive review, synthesis of low-income households and entrepreneurship, and an empirical test using primary data gathered from low-income communities, I can sufficiently address the research questions guiding my dissertation.

My first question asked," How does low-income households' social cohesion influence the degree of entrepreneurship formalization?" My review of low-income households, entrepreneurship, and institutional theory, coupled with my empirical study results, allows me to

answer” yes” to this question. Institutional theory [services – explains?] the intended purpose of low-income households' behavior and the outcome of their entrepreneurship activities. My second research question asked,” How do (a) family support, (b) risk propensity, and (c) locus of control within low-income households positively moderate the relationship between social cohesion and the degree of entrepreneurship formalization?” The literature shows that institutional theory considers family support, risk propensity, and locus of control as moderators, but my empirical study does not support their effect as moderators. In summary, I have provided a foundation for researchers to further explore the relationships that have been outlined and suggested in this dissertation

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APPENDIX

Informed Consent Form

INFORMED CONSENT FORM



UNC CHARLOTTE

BELK COLLEGE of BUSINESS

9201 University City Boulevard, Charlotte, NC 28223-0001

Consent to Participate in a Research Study

To investigate the factors that would determine low-income households individuals' entrepreneurial formalization.

Dear Participant,

You are invited to participate in a study as a part of the requirements for a Doctor of Business Administration at the University of North Carolina at Charlotte.

PURPOSE OF THE STUDY

The purpose of this study is to investigate the factors that would enable low-income households to remove themselves out of poverty or improve their social and economic condition through entrepreneurship.

ELIGIBILITY

You are eligible to participate in this study if you are an individual living in affordable housing and 18 years of age or older.

PARTICIPATION

Your participation in this is entirely voluntary. You may choose to quit the survey at any time without explanation. If you decide to participate, you will be asked to complete four scales and the demographic questionnaire. All scales and the demographic questionnaire are merged into one survey that includes 85 items. Your participation will take approximately 25 to 30 minutes.

BENEFITS & RISKS

You will receive no direct benefits from participating in this study. However, your participation will contribute to empower entrepreneurship and low-income households' literature, training, and practice. Your participation will help to understand more about the important of entrepreneurship to low-income households. There are little to no risks in participating in this study. However, the possible discomforts of the study are minimal. You may feel a little uncomfortable responding to some sensitive questions.

CONFIDENTIALITY

Your survey responses and participation will be confidential. There will be no identifying information about you and all answers will be collected anonymously. All data will be download and enter in a statistical software for analysis.

INCENTIVE

Participants who complete the face-to-face survey will receive a \$5 Walmart or Amazon gift card.

CONTACT

If you have further questions or concerns about your rights as a participant in this study contact the Office of Research Compliance at (704)687-1871 or uncc-irb@uncc.edu. If you have questions concerning the study, contact the principal investigator Janice Wise, at (336)392-0171 or by email at jwise26@uncc.edu or my Responsible Faculty Dr. Franz Kellermanns by email at fkellerm@uncc.edu.

Janice Wise
Doctoral Candidate
Belk College of Business
University of North Carolina at Charlotte

Dr. Franz Kellermanns
Dissertation Chair
Belk College of Business
University of North Carolina at Charlotte

CONSENT TO PARTICIPATE

Please select your choice below. You may print a copy of this consent form for your records. Clicking on the “Yes” button indicates that

- You have read the above information
- You voluntarily agree to participate and proceed to the survey questions

Yes

No

Entrepreneurship Formalization Survey

A researcher from University of North Carolina at Charlotte is studying entrepreneurship formalization. The questions below have no right or wrong answers – we are interested in what most accurately describes your decisions and your business. Your response will assist in the further development of low-income households' entrepreneurship research and understanding. All responses are confidential. ***This survey should be answered by individuals: 18 years old or older and living in affordable housing.***

NOTE: Throughout this survey, we are only referring to individuals living in affordable housing.

Section 1: We are interested in your entrepreneurial activities. Entrepreneurial activity is anything that you engage in independently that generates income, including (but not limited to) babysitting, selling food, cutting grass, hair stylist, etc. Please answer the questions below. If you answer “yes”, please continue or “no” skip to section 3.

Do you engage in entrepreneurial activities? Yes/No
 Are the entrepreneurial activities your main source of income? Yes/No

When did you start your entrepreneurial activities? _____ Month _____ Year

Section 2: We are interested in your engagement in any entrepreneurial activity as indicated above. Please indicate your level of agreement with each of the statements below (1 = Strongly disagree; 7= Strongly agree).

	Does not apply	Strongly Disagree	1	2	3	4	5	6	Strongly Agree
I have all appropriate licenses and certifications to operate my business.		1	2	3	4	5	6	7	
I fully comply with tax laws.		1	2	3	4	5	6	7	
I fully comply with social security laws.		1	2	3	4	5	6	7	
I fully comply with property rights laws (e.g., regarding counterfeit products, etc.).		1	2	3	4	5	6	7	
I fully comply with labor laws (e.g., regarding paying overtime, employing undocumented workers, etc.).		1	2	3	4	5	6	7	
I fully comply with environmental regulations.		1	2	3	4	5	6	7	
I fully comply with other laws and regulations (i.e., import laws, internet regulations; health and safety laws, for example, Food, Drug, and Cosmetic Act, cosmetology health and safety standards, childcare regulations, etc.).		1	2	3	4	5	6	7	

We are interested in your reasons for pursuing entrepreneurial activities. Please indicate your level of agreement with each of the statements below (1 = Strongly disagree; 7= Strongly agree).



	Strongly Disagree	1	2	3	4	5	6	Strongly Agree
I saw an attractive opportunity.	1	2	3	4	5	6	7	
I prefer being my own boss.	1	2	3	4	5	6	7	
Need to get a job.	1	2	3	4	5	6	7	
Need additional income.	1	2	3	4	5	6	7	

Section 3: In this section we are interested in your perception of society. Please indicate your level of agreement with each of the statements below (1 = Strongly disagree; 7= Strongly agree).

	Strongly Disagree	1	2	3	4	5	6	Strongly Agree
I have confidence in the social benefit system.	1	2	3	4	5	6	7	
I have confidence in the social security system.	1	2	3	4	5	6	7	
I have confidence in government subsidized housing programs.	1	2	3	4	5	6	7	
My perception of the tension level between poor and rich people is low.	1	2	3	4	5	6	7	
My perception of the tension level between management and workers is low.	1	2	3	4	5	6	7	
My perception of the tension level between men and women is low.	1	2	3	4	5	6	7	
My perception of the tension level between old and young people is low.	1	2	3	4	5	6	7	
My perception of the tension level between different racial and ethnic group is low.	1	2	3	4	5	6	7	

I perceive the quality of education in the public service sector to be fair.	1	2	3	4	5	6	7
I perceive the quality of public transport to be fair.	1	2	3	4	5	6	7
I perceive the quality of social services to be fair.	1	2	3	4	5	6	7
I perceive the quality of social security to be fair.	1	2	3	4	5	6	7
To get ahead nowadays I need to do some things that are not correct.	1	2	3	4	5	6	7
I feel left out of society.	1	2	3	4	5	6	7
Good luck is more important than hard work for success.	1	2	3	4	5	6	7
Life is so complicated that I can hardly find my way.	1	2	3	4	5	6	7

Section 4: In this section we are interested in your family support. Please indicate your level of agreement with each of the statements below (1 = Strongly disagree; 7= Strongly agree).

	Strongly Disagree						Strongly Agree
	1	2	3	4	5	6	7
Family members would support me in starting a business or support me in my business	1	2	3	4	5	6	7
Family members would volunteer to do things for me so that I would have more time to work on my business.	1	2	3	4	5	6	7
Family members would help me in efforts to start my own business,	1	2	3	4	5	6	7
Family members would reduce my heavy workload, while I attempt to start my business or in my business	1	2	3	4	5	6	7

Section 5: In this section we are interested in how you feel about your risk preferences. Please indicate your level of agreement with each of the statements below (1 = Strongly disagree; 7= Strongly agree).

	Strongly Disagree						Strongly Agree
	1	2	3	4	5	6	7
Whether or not I get to be a leader depends mostly on my ability.	1	2	3	4	5	6	7
To a great extent my life is controlled by accidental happenings.	1	2	3	4	5	6	7
I feel like what happens in my life is mostly determined by powerful people.	1	2	3	4	5	6	7
Whether or not I get into a car accident depends mostly on how good a driver I am.	1	2	3	4	5	6	7
When I make plans, I am almost certain to make them work.	1	2	3	4	5	6	7
Often there is no chance of protecting my personal interests from bad luck.	1	2	3	4	5	6	7
When I get what I want, it's usually because I'm lucky.	1	2	3	4	5	6	7
Although I might have good ability, I will not be given leadership responsibility without appealing to those in positions of power	1	2	3	4	5	6	7
How many friends I have depends on how nice a person I am.	1	2	3	4	5	6	7
I have often found that what is going to happen will happen.	1	2	3	4	5	6	7
My life is chiefly controlled by powerful others.	1	2	3	4	5	6	7
Whether or not I get into a car accident is mostly a matter of luck.	1	2	3	4	5	6	7
People like <u>myself</u> have very little chance of protecting our personal interests when they conflict with those of strong pressure groups.	1	2	3	4	5	6	7
It's not always wise for me to plan too far ahead because many things turn out to be a matter of good or bad fortune.	1	2	3	4	5	6	7
Getting what I want requires pleasing those people above me.	1	2	3	4	5	6	7
Whether or not I get to be a leader depends on whether I'm lucky enough to be in the right place at the right time.	1	2	3	4	5	6	7
If important people were to decide they didn't like me, I probably wouldn't make many friends.	1	2	3	4	5	6	7
I can pretty much determine what will happen in my life.	1	2	3	4	5	6	7
I am usually able to protect my personal interests.	1	2	3	4	5	6	7
Whether or not I get into a car accident depends mostly on the other driver	1	2	3	4	5	6	7
When I get what I want, it's usually because I worked hard for it.	1	2	3	4	5	6	7
In order to have my plans work, I make sure that they fit in with the desires of people who have power over me.	1	2	3	4	5	6	7
My life is determined by my own actions.	1	2	3	4	5	6	7
It's chiefly a matter of fate whether or not I have a few friends or many friends.	1	2	3	4	5	6	7

What is your highest level of education? 12th grade or less Graduated high school or equivalent Some college, no degree Associate degree Bachelor's degree Post-graduate degree

What is your work status? (circle all that apply) Student Homemaker Unemployed Self-Employment Part-Time Employment Full-Time Employment

How much of your household income (including wages, government subsidies, ...) is from entrepreneurial efforts _____ %

Do you receive food stamps? Yes/No

Currently receive AFDC (Aid to families with dependent children)? Yes/No

Are you currently employed? Yes/No **How many hours do you work?** _____

Since when do you have the job? _____ Month _____ Year

Since when do you live in affordable housing? _____ Month _____ Year

Your Age: _____ years



Thank you very much for your participation!

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Survey Summary

On Thursday, January 21, 2021, around noon, I solicited my initial face-to-face pen and pencil survey, a perfect day to collect all the 139 surveys. This day, I was looking forward to meeting the people in the neighborhood, talking to them about my survey, and how their participation will further the study of entrepreneurship. I conducted the surveys during the Conroviris pandemic. Therefore, protective gear was needed which comprised a mask, face shield, gloves, hand sanitizer, pencils for each participant, a clip broad, and a plastic shoulder bag to carry extra supplies.



The ideal survey ended with the first door, second door, third, fourth, and fifth with the reply “I am not interested in taking a survey,” “what are you selling,” “why are you asking me about entrepreneurship” or “who are you with.” After about an hour of knocking on doors and getting turn down, a tape playing in my head, you are running out of time, you got to get this survey completed. Creativity set in, the next door, the first words came out of my mouth, I have a \$5 gift card to present you if you could please take a few minutes and take this survey. I am not with any government agencies, and the information you provide is simply for my research. I

collected 29 surveys that day. Over the next eight days, 141 surveys were collected from five government subsidized housing communities.

Being able to conduct a field survey provided personal insight that confirmed articles after articles on the conduction of government housing subsidized living. At first glance, the communities seem well maintenance with clean sidewalks, grass cut, no abandon cars, and the kids laughing and playing. But I had the opportunity of talking with several residences, who will remain nameless for confidentiality that shared their feelings and pointed out some concerns for the current condition of the neighborhood which I will paraphrase:

“I am not attending or filling out anything, people always coming in this neighborhood making empty promises and pretending to care but their actions speak louder than words, for example, this place was support to be renovated but all they done was put in cheap windows, removed all screen doors, painted all the doors black, and removed the basketball courts, now the young people have no place to go. We cannot open out front door for fresh. I am only here because I had to get custody of my daughters.”

This person did participate in the survey, but I listen for about an hour to this tenant disappointment with the condition of neighborhood.

“Sure, I will complete the survey, I am glad that someone is interested in my opinion. I cut hair; this is my clipper. Our voices need to be heard; I am extremely interested in entrepreneurship.”

“I have been in this neighborhood for years off and on, I was a drug addict but now I am clean. I have seemed this neighborhood go down over the years with increase crime. Young people killing one another over nothing. I sell dinner plates but only to a select few. Learning about entrepreneurship, I think is helpful for this community.”

Unfortunately, one day it was raining and cold, but I made a commitment to go out every day until my survey numbers were achieved. This one community appeared to be well maintained from the street but units off the street, needed repairs with obvious deteriorating foundation, standing water over inch in front of some units which made it difficult to approach the door without getting your feet completely soar. I did have on rain boot that enable me to continue my survey.

The purpose of this write-up is to highlight the need for entrepreneurship education in low-income communities which have been shown from my research to increase the opportunity of low-income households to improve their social and economic condition.