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### **ABSTRACT**

Firms shape public policy not only from the outside through lobbying and campaign contributions, but also from the inside when business owners hold public office. We study this channel using a novel dataset that links state legislators' personal financial disclosures to bill sponsorship records across 26 U.S. states from 2009 to 2023. The disclosures allow us to observe business ownership during legislative service and to distinguish entrepreneurs, defined as legislators who both own and actively manage a firm, from passive shareholders and employees. Applying a large language model to bill text, we classify legislation as pro-business and identify a subset of pro-entry bills that reduce barriers facing new firms. Entrepreneurs are a substantial presence in state legislatures, accounting for over 40 percent of legislators, and their representation varies primarily across states rather than within states over time. Although entrepreneurs do not sponsor more bills overall, they initiate a greater share of bills as first or sole primary sponsor. They also do not appear to be generic advocates for business. Relative to legislators with other business ties, entrepreneurs are no more likely to sponsor pro-business bills or bills endorsed by state Chambers of Commerce. Instead, they selectively advance pro-entry legislation, especially bills related to deregulation and innovation rather than antitrust or access to capital. These findings document an important channel through which entrepreneurs shape the policy environment for entrepreneurship from within political institutions.

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# 1 Introduction

Public policies shape business outcomes because regulations, taxes, subsidies, and other "rules of the game" create opportunities and constraints for firms and shape the markets for labor and capital. The private sector seeks to influence policy through non-market strategy, using channels such as lobbying and campaign contributions (Ansolabehere, de Figueiredo, & Snyder Jr, 2003; de Figueiredo & Tiller, 2001; Dorobantu, Kaul, & Zelner, 2017; Richter & Werner, 2017), to achieve their objectives. While the focus of this literature has primarily been on firms advocating for policies that advance business objectives, those who actually create and advance policy, namely elected officials, are often presented as one-dimensional characters, maximizing campaign contributions or mechanically responding to stakeholder pressure and political connections. However, these decision-makers may have professional experience that shapes their attitudes towards business, potentially predisposing them to support or oppose specific kinds of legislation that impact business. Analogously, the political science and political economy literature have long explored how the backgrounds of legislators, including their socio-economic status (Carnes, 2012; Carnes & Lupu, 2023), undergraduate institution affiliation (Chatterji, Kim, & McDevitt, 2018), gender (Chattopadhyay & Duffo, 2004; Reingold, 2000), or religion (Haider-Markel, 1999; Yamane & Oldmixon, 2006) shape their decisions in office. We build on this literature to explore how the entrepreneurial background of legislators influences their legislative behavior and sponsorship of legislation favorable to business and entrepreneurship. Notably, we distinguish between general business experience and entrepreneurial experience, given the unique conditions faced by individuals launching a new business versus those who manage existing organizations. We seek to understand whether the distinctive experience of entrepreneurship leads to distinct legislative behavior, including the number and nature of bills sponsored.

We assemble a novel dataset that links state legislators, their entrepreneurial backgrounds, and the legislation they introduce. We collect first-hand information on employment and business ownership from annual personal financial disclosures (PFDs) filed by current and former state legislators across 26 states. For each business affiliation disclosed while a legislator is in office, we record detailed information, including the business name, description, address, nonprofit status, the legislator's role within the organization, and ownership status. Using these records, we classify legislators as entrepreneurs when they simultaneously hold ownership stakes in a business and occupy top management positions. We also construct additional measures of business affiliation, such as passive shareholders and employment-based ties, which serve as controls in the analyses. These data are merged with legislator-level demographic and political information, including gender, party affiliation, legislative chamber, and electoral district.

We then link legislators to the bills they sponsor as primary sponsors using comprehensive legislative records, resulting in a complete corpus of legislative bills introduced in the sampled states between 2009 and 2023, along with the sponsor information and the full text of all documented versions of each bill. This structure allows us to observe which legislators sponsor which bills over

time during their service. Our primary analyses focus on bills introduced by legislators as primary sponsors. We construct measures of legislators' sponsorship behavior, including the number of bills they sponsor as primary sponsors, the number of bills they sponsor as first sponsors, and the share of bills they sponsor as first sponsors. To classify the orientation of the proposed bills, we apply a large language model to categorize bill documents as pro-business or pro-entry and construct multiple measures capturing the number, share, and average score of such bills sponsored by each primary sponsor. We complement these classifications with data on bills supported by state Chambers of Commerce, which provide an external benchmark for legislation aligned with general business interests. These measures characterize legislative behaviors of state legislators and the policy agendas they bring forward in state legislatures.

Drawing on the final dataset that links state legislators' entrepreneurial backgrounds to their lawmaking activities, we uncover patterns in what entrepreneurs do as elected officials. Although entrepreneurs do not sponsor more bills overall, they are significantly more likely to initiate legislation as first primary sponsors, indicating a greater propensity to originate policy proposals rather than join existing efforts. Interestingly, we find no evidence that entrepreneurs act as broad representatives of business interests: they are no more likely than other legislators to propose general pro-business bills as primary sponsors. However, entrepreneurs disproportionately introduce pro-entry legislation that lowers barriers to entrepreneurship. Importantly, this focus is selective. Rather than supporting all policies that could facilitate entry, legislators with entrepreneurial backgrounds focus on proposing deregulation and innovation legislation, instead of antitrust or access to capital. These findings suggest that entrepreneurs in public office are distinctive from other legislators, even those with business experience. They act "entrepreneurially" by targeting institutional frictions that create entry barriers, rather than by advocating on behalf of the broader business community or for antitrust and capital access agendas.

Our results contribute to the literature on entrepreneurship, non-market strategy, and political economy. First, we extend the entrepreneurship literature into the political domain by examining how entrepreneurial experience and identity shape how entrepreneurs act as public officials. Similar to other work that has documented what makes entrepreneurs different from other individuals (Alvarez & Busenitz, 2001; Begley & Boyd, 1987; Camerer & Lovo, 1999; Fauchart & Gruber, 2011; Gruber & MacMillan, 2017; Hegde & Tumlinson, 2021; Kerr, Kerr, & Xu, 2018), we provide detailed evidence on how entrepreneurs approach their work distinctively in a new domain: electoral politics. These differences manifest in the kinds of policies they advance, which could have important implications for the business environment.

Our work also contributes to the growing non-market strategy literature by connecting legislators' business experience to the policy outcomes that ultimately shape firm performance. Our findings demonstrate another channel through which the private sector shapes the public sector, looking from the "inside-out", rather than the traditional view that explores how firms shape government from the "outside-in".

Finally, we also contribute to the political economy literature by distinguishing how entrepreneurs

impact the institutional environment in ways distinct from those of traditional business interests. These results are important for scholars who seek to understand how market and political institutions co-develop to shape national economies. This literature has argued that the allocation of talent within an economy is crucial for economic growth and competitiveness (Acemoglu, 1995; Murphy, Shleifer, & Vishny, 1991). While this typically refers to allocation across sectors, it can also encompass how they engage in the political process. For example, recent work contrasting the backgrounds of policymakers in the U.S. and China (Wang, 2025) suggests that differences in the proportions of engineers relative to lawyers can affect economic growth. Our findings provide an important connection between entrepreneurial experience and legislative proposals that informs this body of work.

## 2 Motivation

### 2.1 A New Source of Influence

Firms engage in both market and non-market strategies to create value (Baron, 1995a, 1995b). The non-market environment, consisting of social, political, and institutional elements, establishes the "rules of the game" that govern firm strategy. To respond to or influence the non-market environment, firms must engage with non-market actors, such as politicians, regulators, and activists (Bonardi, Holburn, & Vanden Bergh, 2006; Dorobantu et al., 2017; Mellahi, Frynas, Sun, & Siegel, 2016).

One stream in the non-market strategy literature emphasizes the linkages between politicians and businesses (Wei, Jia, & Bonardi, 2023). Research on corporate political connections (CPC) documents a wide spectrum of relationships through which firms and officeholders become intertwined: revolving-door careers that move individuals between public office and the private sector (Katic & Kim, 2024); interpersonal ties between executives and politicians (Guo, Huy, & Xiao, 2017; Li & Zhang, 2007; Peng & Luo, 2000; Zhu & Chung, 2014); and symbolic events, such as firms hosting visits by high-ranking government officials (Schuler, Shi, Hoskisson, & Chen, 2017). One type of political connection that is particularly relevant to our paper is the "interlocking political tie," in which current business leaders hold or previously held government positions, or current politicians hold or previously held roles in business (Faccio, 2006; Zheng, Singh, & Mitchell, 2015). These ties can be especially significant because the same individual operates in both arenas, thereby bridging institutional boundaries and facilitating influence from both directions (Lester, Hillman, Zardkoohi, & Cannella, 2008).

Existing research on corporate political ties, largely shaped by data availability and empirical contexts, has concentrated on board members and senior corporate executives, while giving little attention to the political engagement of self-employed business owners and entrepreneurs. This omission is consequential. Entrepreneurs might be more likely to represent the interests of new entrants rather than incumbents, and their participation in politics has the potential to reshape the non-market environment in ways that directly affect entrepreneurial activities.

## 2.2 The Business Background of Legislators

The idea that legislators’ personal backgrounds influence their politics is not new; it can be traced back to at least Aristotle, who theorized about the role of a legislator’s wealth in moderating their political decision-making across the socioeconomic classes in ancient Athens (Aristotle, 2013). Contemporary research builds on these insights, observing how the personal backgrounds of politicians can have significant impacts on their legislative behavior (Besley, 2005; Kingdon, 1989; Levitt, 1996). Across a wide range of cross-cutting identities and experiences, including race (Canon, 1999; Whitby & Krause, 2001), gender (Chattopadhyay & Duflo, 2004; Reingold, 2000), religion (Haider-Markel, 1999; Yamane & Oldmixon, 2006), wealth (Griffin & Anewalt-Rensburg, 2013; Stacy, 2025), education (Chatterji et al., 2018), and profession (Carnes, 2012; Dreher, Lamla, Lein, & Somogyi, 2009), studies consistently find that who legislators are shapes what they do in office.

Since Derge (1959) finds that legislators with legal experience pass more bills than those without legal experience, the role of occupations in legislative outcomes has received increasing attention (Carnes, 2012; Costa & Pereira, 2025; Dreher et al., 2009; Francis & Bramlett, 2017; Hemingway, 2022; Makse, 2019). Legislators’ professional experiences build expertise in specific policy areas, which is crucial for policymaking. A recent study of local councilors in Germany finds that across fourteen different occupational topics (e.g., macroeconomy, healthcare, agriculture, education, environment, etc), occupational background has a significant impact on issue representation in parliamentary questions (Velimsky, Block, Gross, & Nyhuis, 2025). Canadian cabinets with more ministers from profit-oriented occupations (e.g., business or farm ownership) spend less on social services, while those with more non-profit or working-class ministers spend more (Borwein, 2022). Studies focused on particular occupations have also supported this relationship: Medical physicians are more likely to sponsor medical bills in legislatures (Fountaine, Shepherd, & Skinner, 2024); insurers will tend to promote the interests of insurers (Hansen, Carnes, & Gray, 2019); and legislators with backgrounds in real estate development “increase approved housing units” (Ouasbaa, Solé-Ollé, & Viladecans-Marsal, 2025). In the United States, the fact that state legislators often hold professional occupations outside the legislature leads to the concept of legislative professionalism. The legislative professionalism of a state legislature, as measured by the Squire Index, which considers session length, salary, and staff support, helps determine whether legislators treat office-holding as a part-time or full-time profession (Squire, 1992, 2007, 2017, 2024). Correspondingly, Maddox (2004) finds a negative correlation between outside careers and legislative professionalism, as “longer sessions crowd out outside careers.”

Business affiliations are a specific type of professional background that encompasses corporate executives, shareholders, and business owners. Politicians with these backgrounds are characterized by running and operating businesses or by owning shares in them. Witko and Friedman (2008) define businesspeople in Congress broadly based on pre-office business experience, reflecting a diverse group of bankers, owners of real estate companies, and higher-level management, and finds that such members of Congress devote greater attention to business-oriented policy areas and sponsor more pro-business legislation. Using the Congressional Biographical Directory, Keena and Knight-Finley

(2025) classify business background as “relevant career experiences in the business world before coming into office,” and find that “senators with prior careers in business tend to be less effective as legislators”. Similarly, Babenko, Fedaseyeu, and Zhang (2023) find that business executives tend to vote for legislation supported by corporate interests and against legislation supported by labor unions. Cross-national studies also find that business backgrounds have significant impacts on legislative outcomes: In Russia, politicians with business experience increase infrastructure spending, but “do not prioritize investments in human capital” (Szakonyi, 2021). A survey of 2,000 MPs across 14 countries in Europe and Israel finds a correlation: legislators from business backgrounds, including owners, managers, bankers, and consultants, are less opposed to inequality and prefer a smaller government role than their service-sector counterparts (Hemingway, 2022). In a study across 18 Latin American legislatures, Carnes and Lupu (2015) also find a correlation that legislators from business backgrounds are more likely to prefer little or no state role in key policy areas than working-class legislators.

Our paper focuses on a specific business background among state legislators: entrepreneurs who found, own, and actively manage their businesses while in office. Compared with prior literature focusing on the broad concept of business background and on how businesspeople differ from the working-class and professional politicians in legislative office, we argue that entrepreneurial experience differs in important ways from other forms of business affiliation. Business owners and corporate managers face distinct governance incentives, risk exposures, and relationships with political institutions, yet prior work has rarely distinguished entrepreneurs from employees or passive shareholders. Moreover, existing research on legislator backgrounds emphasizes prior experience, while giving less attention to ongoing ties with businesses. We contend that contemporaneous business ownership during legislative service is particularly interesting, as it creates an active and sustained connection between private interests and public policymaking that is more likely to shape policy behavior than historical affiliations alone. Furthermore, prior literature mostly studies national legislative bodies, but we argue that this research setting risks neglecting an important policymaking arena and entrepreneurial representation: state legislatures, where elected lawmakers are more likely to be business owners than in Congress, given the nature of “citizen legislatures” in most states. Leveraging personal financial disclosures filed by state legislators, we can observe business ownership and employment separately over time, which enables us to clearly distinguish between business ownership and other forms of business affiliation while state legislators are in office.

## 2.3 Entrepreneurs in Political Office

There has been limited research studying how the self-employed and entrepreneurs behave in elected office. Kirkland (2021) finds that mayors who are business owners do not significantly change the total level of public spending, but affect the distribution of the spending with a shift away from housing and community development towards road infrastructure. However, focusing on city council members in California, Beach and Jones (2016) find no evidence that experience as entrepreneurs has a causal impact on total spending, the distribution of spending, or unemployment outcomes.

Another study of mayors in Brazil finds that electing business owners reduces municipal revenue and spending, but has a slightly positive effect on private employment (Martinez, 2024).

A few studies on business owners in politics find that business owners and entrepreneurs tend to exhibit rent-extraction orientations after entering office. For instance, business owners in Thai politics are found to shape public policy to increase market share of their private firms by cutting tax and license fees, securing contract opportunities, and creating market entry barriers (Bunkanwanicha & Wiwattanakantang, 2009). Similarly, in China, Feng, Johansson, and Zhang (2015) find that entrepreneurs' political participation is linked to improved firm performance through lower effective tax rates, increased government subsidies, and preferential access to regulated industries. Parallel evidence from Russia and Mozambique also shows that business owners who enter politics bring benefits to their own businesses through gaining access to bureaucrats (Jones, Schilling, & Tarp, 2021; Szakonyi, 2018). In contrast, a study of Chinese entrepreneur-legislators finds that while entrepreneurial backgrounds shape informal and individual strategic interactions with the state to reduce predation, they do not lead to significant legislative outcomes on a wider public policy scale (Hou, 2019).

Why might entrepreneurs behave differently from other elected officials? Entrepreneurship scholars have examined the personal attributes of individual entrepreneurs (Kerr et al., 2018). They conclude that individuals who exhibit overconfidence (Camerer & Lovallo, 1999) have lower risk aversion (Cramer, Hartog, Jonker, & Van Praag, 2002), and maintain higher motivation (Stewart Jr. & Roth, 2007), are more likely to become entrepreneurs than others. Research has also found that other factors, such as having a more hard-driving and aggressive personality (Begley & Boyd, 1987) and having a more internal locus of control (Evans & Leighton, 1989), and a higher level of ability to discern opportunities and organize resources for entrepreneurial activities (Alvarez & Busenitz, 2001), are the main differences between entrepreneurs and non-entrepreneurs. Political scientists have recognized similar entrepreneurial traits and behaviors in political contexts: entrepreneurial politicians are those who change the direction and flow of policies, which are usually innovative and unexpected (Schneider & Teske, 1992).

Beyond personality differences, entrepreneurs may see themselves as having a distinct identity (Fauchart & Gruber, 2011). This entrepreneurial identity, defined as entrepreneurs' subjectively construed understandings of who they are, is particularly relevant to behaviors of entrepreneurs (Gruber & MacMillan, 2017). In particular, the social identity theory (Tajfel, 1978; Turner, Brown, & Tajfel, 1979) has influenced entrepreneurship research to consider not only entrepreneurs' economic self-interest but also their concern for known and unknown others in a social group as a cause of their behaviors (Fauchart & Gruber, 2011; Powell & Baker, 2014, 2017). Therefore, as a member of a larger community, entrepreneurs may be more sympathetic to potential new entrants than incumbent businesses, analogous to how women or working-class representatives are more responsive to the concerns of constituents with similar backgrounds (Carnes & Lupu, 2023). In this case, entrepreneurs might favor policies that support new innovation, expand access to capital, or provide more flexibility in educational requirements.

Our paper goes beyond the performance implications of private businesses when their owners sit in legislative office. Building on the extant entrepreneurship literature, we believe that entrepreneurs possess unique traits and identities that will distinguish them from their non-entrepreneurial colleagues in political office. In the legislative context, specifically, these traits and identity could lead to more initiatives to introduce legislation and a willingness to support proposals that benefit the community with a similar social identity.

To explore whether entrepreneurs in state legislatures behave differently from non-entrepreneurs in terms of their productivity and policy preferences, we focus on their primary sponsorship of legislative bills. We pay special attention to discerning between bills that support business in general versus those that specifically relate to entrepreneurship. In the next section, we explain how we constructed this novel dataset, which allows us to document, for the first time, the presence of entrepreneurs in U.S. state legislatures and classify the legislative bills they introduce as primary sponsors.

## 3 Data and Method

### 3.1 Data Sources

#### 3.1.1 The Personal Financial Disclosures of State Legislators

To identify entrepreneurs in state legislatures, we document the business backgrounds of state legislators, leveraging their personal financial disclosure (PFD) forms.<sup>1</sup> PFDs are forms required for elected officials or election candidates as part of state-level procedural requirements on transparency, accountability, and conflict of interest. The information to be disclosed in PFDs varies by state, but these forms typically require legislators to report their employers, business interests, financial assets, and properties. With the help of many research assistants, we hand-code these PFDs to extract legislators’ business affiliations.

We skip two U.S. states, Michigan and Idaho, because they do not require PFD filings. Due to the cost of obtaining records from the states, we skip four states: Minnesota, Missouri, North Dakota, and Texas. We skip another six states — Illinois, Indiana, New Hampshire, Nevada, Oklahoma, and Vermont — because the PFDs do not include enough information to determine a legislator’s specific business affiliation, such as being a passive stockholder, an employee, or an active entrepreneur. We also exclude Nebraska because the legislature in that state has a different structure with a single chamber and hence may operate in a distinct way. In the remaining 37 states, we obtain 26, taking into account the costs and feasibility of acquiring the data: Alabama, Alaska, Arizona, California, Delaware, Florida, Georgia, Hawaii, Iowa, Kansas, Kentucky, Louisiana, Maine, Massachusetts, Mississippi, Montana, New Jersey, New Mexico, New York, Ohio, South Carolina, South Dakota, Utah, West Virginia, Wisconsin, and Wyoming. Based on current-year data, these

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<sup>1</sup>These disclosures are referred to by different names across states, such as Financial Disclosure Statement, Statement of Economic Interests, or Conflict of Interest Statement.

states represent 71.2% of the population across all states and 71.9% of GDP.

All 26 states require sitting legislators to file PFDs annually. Different states have different periods for which they have these PFDs digitized and publicly available. The earliest year of availability across all states is 2005, while the latest year is 2024. On average, we obtain 14.1 years of personal financial disclosure forms per state. Ohio and Kansas have the longest data span, at 20 years, while South Dakota has the shortest, at 4 years.

We focus on the employment and business interests sections of the PFDs to obtain information on state legislators' affiliated businesses. We identify each business disclosed in the form and code their names, including the business location, business description, whether it is a non-profit, the legislator's role in the business, and whether the person owns the business. We also record the year span during which a specific business appears in the disclosure. We exclude disclosed affiliations with government agencies, ownership of real property, and ownership of financial assets, such as bank accounts, retirement accounts, mutual funds, trusts, and publicly traded stocks. The statutory disclosure requirements for affiliated businesses in personal financial disclosures of public officials across the 26 states are available in Appendix C.

### **3.1.2 State Legislators and Legislative Office Turnovers**

We obtain our legislator data from VoteSmart, a non-profit organization founded in 1992 and maintaining comprehensive records on state-level candidates and elections. Using the VoteSmart API, we extract the list of all candidates who ran for state legislative offices and the elections they ran in, including those who lost. For each state legislative election, we obtain the candidate's gender and party affiliation at the time of the election, the district they ran in, and the office they ran for (the state Senate or the House of Representatives). VoteSmart contains all the states for which we have PFDs and all the years of coverage in our data. We focus only on the PFDs filed while a legislator is in office, defined as all the years during which he or she is an elected official rather than an election candidate. Note that we might not observe all PFDs filed by a legislator while he or she is in office, due to availability constraints. Instead, our strategy is to focus on the available PFDs during the years the filer serves as a legislator.

### **3.1.3 Legislative Bills and Primary Sponsors**

We compile comprehensive data on legislative bills across all 26 states from 2009 to 2023 through LegiScan. LegiScan provides detailed tracking of every version of state legislative bills as it progresses through the legislative process, including the introduced and proposed version (the initial draft submitted for consideration), amendments subsequently adopted, the engrossed version (the version passed by one chamber), the enrolled version (the version approved by both chambers), and the passed or enacted version (the final version signed into law). This complete archival record allows us to systematically observe the legislative process and measure the policy agendas introduced at the state level. The full text of each bill version (i.e., the bill document) is available in the database.

We also obtain the sponsor information through LegiScan. We link the bills in our sample to information about their sponsors — i.e., the legislators who introduce the proposed legislation. We further identify the primary sponsors of the proposed bills, who are the first or first few legislators to introduce the legislation. Additional sponsors (often known as cosponsors) can be added throughout the legislative process, whereas primary sponsors take ownership of the bill and advance it.

This paper focuses on primary sponsors and the bills they introduce during legislative sessions, as they are the lead legislators responsible for initiating and advancing bills. Using the unique identifiers of VoteSmart candidates and the start year of the legislative session, we link the primary sponsors of each bill to the legislator information in the VoteSmart database, along with their business affiliations from their personal financial disclosures, as described in Sections 3.1.2 and 3.1.1.

### 3.1.4 Chamber of Commerce Legislative Priorities

We also collect legislative priorities from state-level Chambers of Commerce (CoC) as a benchmark to our classification of pro-business legislation, which is described later in Section 3.2.3. A state’s Chamber of Commerce is an advocacy group to represent business interests in that state. It provides a unified voice to promote pro-business policies and influence legislation on issues such as taxes, regulations, and workforce development, working with state leaders to create a better business climate for employers and business owners. Many state CoCs issue their legislative priorities annually, including positions on specific legislative bills, usually labeled “support” or “oppose”. We obtain information on CoC legislative priorities for the states in our sample, when available, and merge the CoC-priority bills into the LegiScan records using bill numbers to identify legislative proposals supported by the state Chambers of Commerce.<sup>2</sup>

## 3.2 Variable Construction

Our data consists of all legislators from the 26 states during the years they are in office, including information on their demographics, legislative offices, affiliated businesses, and the bills they sponsor each year. We focus on primary sponsors of bills and aggregate the sample to the primary sponsor-year level, resulting in 20514 primary sponsor-year observations. We also create a variety of primary sponsor-year level variables as described below.

### 3.2.1 Identifying Entrepreneurs Among State Legislators

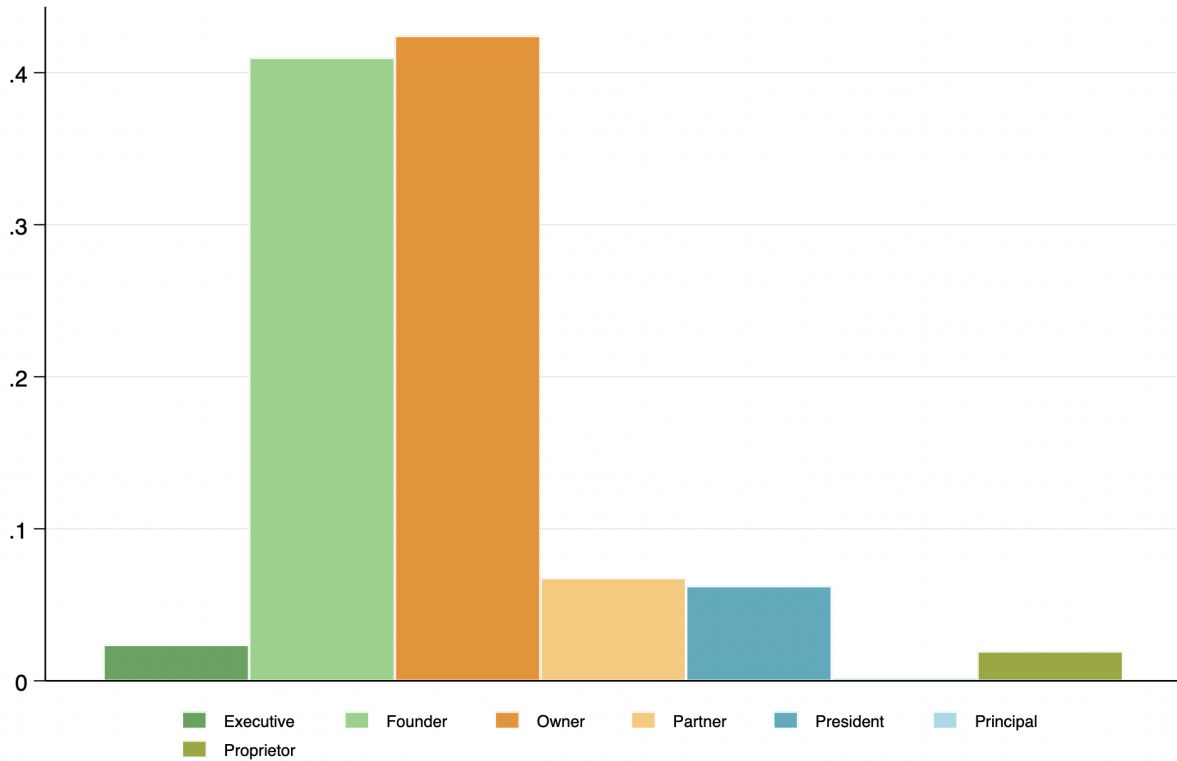
We determine whether a legislator is an entrepreneur by both their business ownership and employment status. A legislator is coded as an *Entrepreneur* if the legislator owns interests in a for-profit business and also holds one of the seven top-management titles in the business: executive, founder, owner, partner, president, principal, or (sole) proprietor. Our goal in using both ownership interests

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<sup>2</sup>These states with Chamber of Commerce legislative priorities available are: Alabama, Alaska, Arizona, California, Delaware, Florida, Georgia, Iowa, Kansas, Kentucky, Louisiana, Maine, Montana, New Jersey, New Mexico, New York, Ohio, South Carolina, Utah, West Virginia, and Wisconsin.

and job title is to capture business owners who are also active managers of their firms, excluding passive shareholders or non-owner employees. Figure 1 reports the distribution of business titles among legislators classified as entrepreneurs. The concentration of observations among founders and owners gives us confidence that our classification captures individuals with meaningful entrepreneurial roles in businesses.

**Figure 1:** The Business Titles of Entrepreneurs in State Legislatures



*Notes:* This figure shows the distribution of entrepreneurs in state legislatures across seven business titles: executive, founder, owner, partner, president, principal, and proprietor.

We construct three additional binary indicators. We define a *Shareholder* as a stockholder of a for-profit business, who does not hold a top management position. While we recognize that entrepreneurs are shareholders by definition, we believe it is important to distinguish between operating and non-operating owners in this context, as entrepreneurs are not merely shareholders but also active operators of their businesses. A legislator is coded as a *For-profit Employee* if, in a given year, they work for a for-profit business without any ownership stake. Conversely, legislators are coded as a *Non-profit Employee* if they are employed by a non-profit organization (which, by definition, has no shares of stock). Note that although these categories of business affiliations are mutually exclusive at the business level, a particular legislator can have multiple types of affiliations with different businesses. In Appendix E, we show that entrepreneurs are a substantial presence in these legislatures, and this representation varies far more across states than within states over time.

Next, we define three indicators on the legislators’ gender, party affiliation, and legislative chamber: *Female* indicates whether a legislator is coded as female in the gender variable in VoteSmart; *Republican* indicates whether a legislator ran as a Republican in the election before entering the office, as recorded by VoteSmart; *Senator* indicates whether a legislator holds an office in the state senate and not in the house of representatives.

### 3.2.2 Measuring Bills Introduced by Primary Sponsors

We next consider bills introduced by individual legislators who are primary sponsors. Primary sponsors are those who introduce the bill, and typically also take responsibility for guiding it through the legislative process. Some states allow multiple primary sponsors for a bill. As the bill moves through the legislative process, other legislators may sign on as cosponsors to show support for the legislation. When published, the primary sponsors are listed prior to cosponsors on the bill. If there are multiple primary sponsors, the one listed first is the lead primary sponsor. Using bill sponsorship records from LegiScan, we construct several variables that capture legislators’ activities in introducing policy initiatives. *Number of Bills* represents the total number of bills *introduced* by a primary sponsor in a given year (that is, our data contains both bills that eventually become laws and those that do not). Since many states allow multiple primary sponsors for a bill, and the first primary sponsor is usually of more importance for the introduction of legislation, *Number of Bills as the First Primary Sponsor* and *Share of Bills as the First Primary Sponsor* indicate the number and percentage of bills a state legislator introduces as the first primary sponsor among all the bills primarily sponsored by her. We also create *Number of Bills as the Sole Primary Sponsor* and *Share of Bills as the Sole Primary Sponsor* to examine the number and share of bills introduced by a legislator as the sole primary sponsor in a year.

### 3.2.3 Categorizing Pro-Business and Pro-Entry Orientations of Bills

To study the orientation of bills introduced by state legislators, we create a categorization procedure that determines whether each bill is *pro-business* and *pro-entry*. We proceed in several steps. First, we conduct topic modeling using BERTopic on bills supported by the Chambers of Commerce of 21 states, from which we obtain the legislative priorities, and identify nine categories of pro-business legislation. Next, using a large language model (LLM; gpt-4o-mini-2024-07-18 from OpenAI), we generate a brief summary of each bill document in our sample. This would allow us to categorize all bills using a consistent language and length. Third, we ask the same LLM to classify a bill into one of the ten categories — the nine pro-business categories and a baseline — with the highest likelihood.

The nine pro-business issues are: (1) providing tax incentives for businesses (Tax Incentives); (2) reducing the cost of labor for businesses (Cost of Labor); (3) fostering a skilled workforce (Skilled Workforce); (4) promoting free and fair competition of businesses (Antitrust); (5) reducing regulatory burdens for businesses (Deregulation); (6) encouraging and protecting innovations (Innovation); (7) increasing access to capital for businesses (Access to Capital); (8) investing in

infrastructure crucial for business activities (Infrastructure); (9) supporting international expansion of businesses (International Expansion). The tenth category serves as a baseline category for cases where none of the above applies. The full approach is described in Appendix A, including examples we provide to assist the classification.

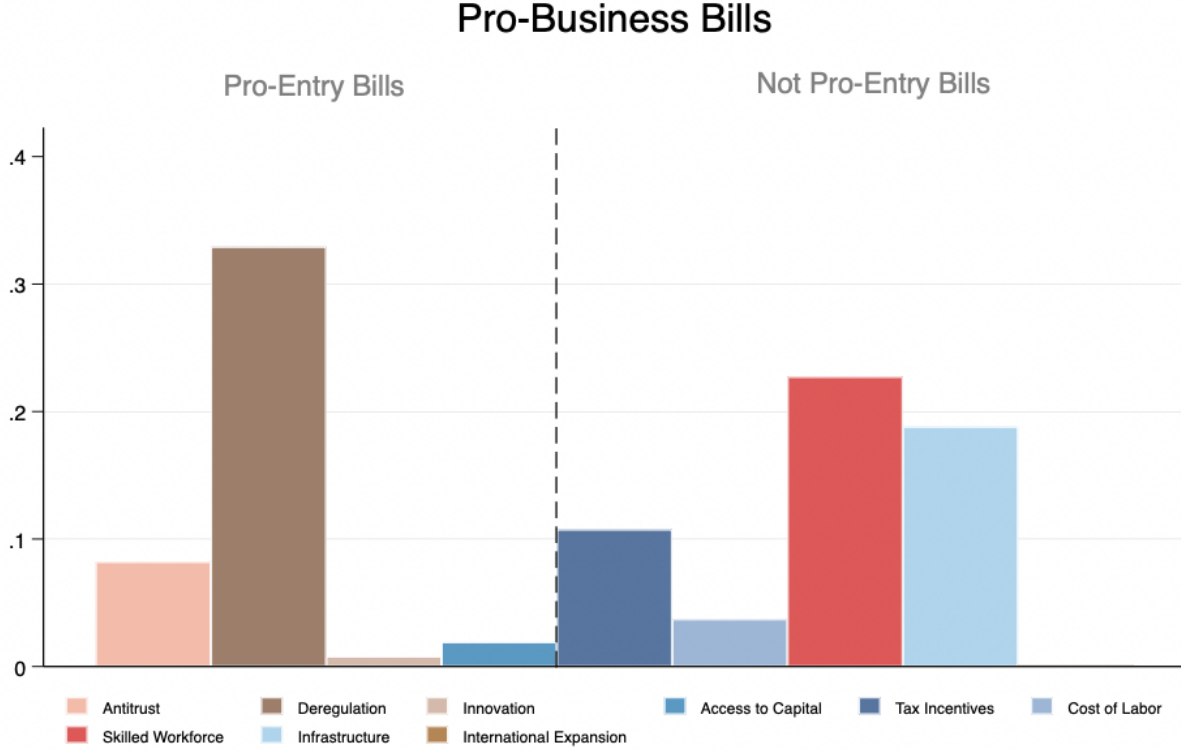
We consider a bill pro-business if the LLM assigns it to the most probable category from (1) through (9) above. We consider a bill pro-entry if the selected category is any one of the four categories: Antitrust, Deregulation, Innovation, and Access to Capital. These four issues reduce entry barriers for new businesses. Innovation promotes the process of creative destruction, whereby new startup companies displace incumbents by creating new products or services. Access to capital allows new companies that may be financially constrained otherwise to undertake projects that are economically viable, even when they require large capital sums or might take time to provide a return. Deregulation reduces the regulatory burden of entering and participating in an industry, allowing new entrants to join more easily and operate at a smaller scale. Antitrust breaks down monopolistic competitors that make it difficult for newcomers to be competitive in the market. Beyond the assigned category, we also obtain the probabilities that a bill is assigned to each of the ten categories from the LLM.

In Figure 2, we present the distribution of pro-business bills across the nine categories, separating pro-entry bills from other pro-business bills. Deregulation is the largest pro-entry category, while antitrust, innovation, and access to capital account for smaller shares. Among the remaining pro-business bills, skilled-workforce and infrastructure bills are most common, followed by tax incentives and cost-of-labor bills. The figure suggests that pro-business legislation in our sample works through two main channels: lowering barriers to entry, especially through deregulation, and improving the broader operating environment for firms through labor, infrastructure, and tax-related policies.

In Table 1, we present a validation of the pro-entry categories, which are at the center of our analysis. To do so, we measure the incidence of specific keywords relevant to entrepreneurial entry and ask what share of bills categorized into each pro-business category include those keywords, compared to the mean share across all bills and all pro-business bills. We keep our list of keywords succinct, so we do not expect the share of any of them to be high. However, differences in the incidence rate would indicate that our process is correctly capturing bills in those categories.

The differences are dramatic. Column (1) considers three keywords directly related to entrepreneurship: ‘small business’, ‘entrepreneur’, and ‘startup’. Only 0.24% of pro-business bills have these keywords (and 0.11% of all bills), but 2.43% of bills categorized as access to capital, and 2.73% of those categorized as innovation have them. Bills in these two categories focus on startups 10 times more than typical pro-business bills and up to 26 times more than the average bill in the legislature. Column (2) presents keywords related to antitrust, monopoly power, and competition. Indeed, those bills assigned by the LLM as antitrust are significantly more likely to contain these keywords than any other category, with a mean that is almost 5.5 times that of pro-business bills. The only other two categories that score above the sample mean for pro-business bills, though at lower values, are access to capital and innovation. Finally, column (3) reports keywords associated

**Figure 2:** The Categories of Pro-Business Bills



*Notes:* This figure shows the distribution of pro-business bills across the nine categories. The categories are further grouped into pro-entry categories—antitrust, deregulation, innovation, and access to capital—and other pro-business issues—tax incentives, cost of labor, skilled workforce, infrastructure, and international expansion. The two groups are displayed on the left and right sides of the figure, respectively.

with regulation. Once again, while the share of pro-business bills that include these keywords is 5.89%, this number rises to 13.43% for those bills our algorithm categorized as Deregulation bills. In contrast, no other bill category exceeds 3%.

Having validated our categorization, we next consider how to aggregate these measures to the primary sponsor-year level. For each primary sponsor-year, we calculate the number of pro-business bills introduced and the share of pro-business bills among all bills introduced. Using the probability measures for the bill categories, we further calculate the average probability of a primary sponsor-year sponsoring pro-business bills and then normalize it to a continuous score between 0 and 100. We also generate similar three measures for pro-entry and subcategories of pro-entry legislation. For robustness checks, we also create similar measures for the primary sponsors of all enrolled bills that successfully navigate the legislative process and are passed by both chambers.

We also complement the pro-business bill measures with the Chamber of Commerce-supported bills. We measure both the number and share of Chamber of Commerce-supported bills among all bills a legislator introduces as a primary sponsor. Due to the limited availability of Chambers of Commerce data, we keep only the states and years for which a state Chamber of Commerce's

**Table 1:** Incidence of Entry-Relevant Keywords Among Pro-Business Categories

| LLM Category                | (1)<br><u>Entrepreneurship</u>                                 | (2)<br><u>Antitrust</u>                                                                                         | (3)<br><u>Regulation</u>                                     |
|-----------------------------|----------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|
|                             | Keywords:<br>‘small business’,<br>‘entrepreneur’,<br>‘startup’ | Keywords:<br>‘competition’,<br>‘competitive’,<br>‘monopoly’,<br>‘monopolist’,<br>‘market power’,<br>‘antitrust’ | Keywords:<br>‘licensing’,<br>‘permitting’,<br>‘registration’ |
| Access to Capital           | 2.430                                                          | 1.302                                                                                                           | 1.432                                                        |
| Antitrust                   | 0.005                                                          | 5.699                                                                                                           | 2.657                                                        |
| Cost of Labor               | 0.010                                                          | 0.502                                                                                                           | 0.823                                                        |
| Deregulation                | 0.050                                                          | 0.581                                                                                                           | 13.434                                                       |
| Infrastructure              | 0.065                                                          | 0.648                                                                                                           | 1.740                                                        |
| Innovation                  | 2.734                                                          | 1.172                                                                                                           | 1.709                                                        |
| International Expansion     | 0.000                                                          | 0.815                                                                                                           | 2.717                                                        |
| Skilled Workforce           | 0.520                                                          | 0.767                                                                                                           | 2.623                                                        |
| Tax Incentives              | 0.273                                                          | 0.375                                                                                                           | 0.786                                                        |
| Mean for Pro-Business Bills | 0.238                                                          | 1.044                                                                                                           | 5.891                                                        |
| Mean for All Bills          | 0.108                                                          | 0.525                                                                                                           | 4.374                                                        |
| Count of Pro-Business Bills | 262130                                                         | 262130                                                                                                          | 262130                                                       |
| Count of All Bills          | 602719                                                         | 602719                                                                                                          | 602719                                                       |

*Notes:* This table presents the incidence of specific keywords across the nine pro-business categories identified by our topic modeling method.

legislative priorities are available. For example, for Alaska, we can only retrieve records of bills supported by the state Chamber of Commerce from 2017 to 2024, which does not cover the full sample period (2009 - 2023). Therefore, our Chamber of Commerce-supported bill measures are available for only a reduced sample of 6562 primary sponsor-year pairs, compared to our original sample of 20514.

### 3.3 Descriptive Statistics

Table 2 summarizes the variables used in the main analyses of this paper. The measures presented are at the primary sponsor-year level. These measures capture legislators’ characteristics, business affiliations, and sponsored legislation. We present the summary statistics in five sections. The first section summarizes variables on primary sponsors’ business affiliations, party, gender, and legislative chamber. The second section presents summary statistics for all bills introduced by the primary sponsors to state legislatures, including the number and share of bills introduced by first and sole primary sponsors, which are subsets of all primary sponsors. We then summarize, in the third and fourth sections, the pro-business, Chamber-of-Commerce-supported bills and the pro-

**Table 2:** Summary Statistics

|                                                             | Obs.  | Mean   | SD     | Min | Max    |
|-------------------------------------------------------------|-------|--------|--------|-----|--------|
| <i>Legislator Business Affiliations and Characteristics</i> |       |        |        |     |        |
| Entrepreneur                                                | 20514 | 0.444  | 0.497  | 0.0 | 1.0    |
| Shareholder                                                 | 20514 | 0.099  | 0.298  | 0.0 | 1.0    |
| For-profit Employee                                         | 20514 | 0.234  | 0.424  | 0.0 | 1.0    |
| Non-profit Employee                                         | 20514 | 0.232  | 0.422  | 0.0 | 1.0    |
| Republican                                                  | 20514 | 0.567  | 0.495  | 0.0 | 1.0    |
| Female                                                      | 20514 | 0.248  | 0.432  | 0.0 | 1.0    |
| Senator                                                     | 20514 | 0.251  | 0.434  | 0.0 | 1.0    |
| <i>All Bills</i>                                            |       |        |        |     |        |
| Number of Bills                                             | 20514 | 47.615 | 81.712 | 1.0 | 1071.0 |
| Number of Bills as the First Primary Sponsor                | 20514 | 22.713 | 38.665 | 0.0 | 761.0  |
| Share of Bills as the First Primary Sponsor                 | 20514 | 0.694  | 0.363  | 0.0 | 1.0    |
| Number of Bills as the Sole Primary Sponsor                 | 20514 | 12.341 | 24.739 | 0.0 | 569.0  |
| Share of Bills as the Sole Primary Sponsor                  | 20514 | 0.527  | 0.425  | 0.0 | 1.0    |
| <i>Pro-Business Bills</i>                                   |       |        |        |     |        |
| Number of Pro-Business Bills                                | 20514 | 20.922 | 36.912 | 0.0 | 444.0  |
| Share of Pro-Business Bills                                 | 20514 | 0.434  | 0.198  | 0.0 | 1.0    |
| Average Score of Pro-Business Bills                         | 20514 | 41.207 | 19.080 | 0.0 | 100.0  |
| Number of Chamber of Commerce-Supported Bills               | 6562  | 0.293  | 0.876  | 0.0 | 12.0   |
| Share of Chamber of Commerce-Supported Bills                | 6562  | 0.014  | 0.049  | 0.0 | 1.0    |
| <i>Pro-Entry Bills</i>                                      |       |        |        |     |        |
| Number of Pro-Entry Bills                                   | 20514 | 8.870  | 15.903 | 0.0 | 198.0  |
| Share of Pro-Entry Bills                                    | 20514 | 0.193  | 0.156  | 0.0 | 1.0    |
| Average Score of Pro-Entry Bills                            | 20514 | 17.809 | 14.618 | 0.0 | 100.0  |
| <i>Subcategories of Pro-Entry Bills</i>                     |       |        |        |     |        |
| Number of Antitrust Bills                                   | 20514 | 1.669  | 3.781  | 0.0 | 60.0   |
| Share of Antitrust Bills                                    | 20514 | 0.031  | 0.062  | 0.0 | 1.0    |
| Average Score of Antitrust Bills                            | 20514 | 2.776  | 5.609  | 0.0 | 100.0  |
| Number of Deregulation Bills                                | 20514 | 6.554  | 11.614 | 0.0 | 154.0  |
| Share of Deregulation Bills                                 | 20514 | 0.152  | 0.142  | 0.0 | 1.0    |
| Average Score of Deregulation Bills                         | 20514 | 13.864 | 13.252 | 0.0 | 100.0  |
| Number of Innovation Bills                                  | 20514 | 0.153  | 0.604  | 0.0 | 12.0   |
| Share of Innovation Bills                                   | 20514 | 0.003  | 0.018  | 0.0 | 1.0    |
| Average Score of Innovation Bills                           | 20514 | 0.251  | 1.735  | 0.0 | 100.0  |
| Number of Access to Capital Bills                           | 20514 | 0.494  | 1.398  | 0.0 | 21.0   |
| Share of Access to Capital Bills                            | 20514 | 0.008  | 0.028  | 0.0 | 1.0    |
| Average Score of Access to Capital Bills                    | 20514 | 0.681  | 2.524  | 0.0 | 99.6   |

*Notes:* This table presents descriptive statistics for the variables used in the econometric analyses. The unit of analysis is a primary sponsor-year.

entry bills that primary sponsors introduce, including their counts and shares. In the last section, we present the statistics of the subcategories of pro-entry bills that are introduced, including bills for issues on *Antitrust*, *Deregulation*, *Innovation*, and *Access to Capital*. In Appendix D, we also provide summary statistics for additional variables, which are used in the additional analyses in the Appendix. These summary statistics include legislator characteristics and business affiliation variables for a sample of all legislator-year pairs for whom we obtained their characteristics and business affiliations, the count and share measures for subcategories of pro-business but not pro-entry bills that are introduced by primary sponsors for the current primary sponsor-year sample, variables for a primary sponsor-year sample where we consider only enrolled bills, and variables for a sample of legislature-year pairs with state-year level variables.

Within all primary sponsor-year pairs, 44.4% are entrepreneurs in the sampled years.<sup>3</sup> The share of entrepreneurs in state legislatures falls within the ballpark of a survey conducted jointly by Stateline and National Conference of State Legislatures (NCSL) in 2015, in which they found that around 30% state legislators are business owners (Fifield, 2015). The average number of pro-business bills introduced by a primary sponsor in a year is approximately 21, representing 44% of all bills introduced by a primary sponsor. On average, around 9 bills are pro-entry, representing 19% of all bills introduced.

**Table 3: The Correlation Matrix**

|                     | For-profit Employee  | Non-profit Employee  | Shareholder          | Entrepreneur         | Republican           | Female               | Senator |
|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------|
| For-profit Employee | 1.000                |                      |                      |                      |                      |                      |         |
| Non-profit Employee | 0.027***<br>(0.000)  | 1.000                |                      |                      |                      |                      |         |
| Shareholder         | 0.005<br>(0.437)     | -0.001<br>(0.933)    | 1.000                |                      |                      |                      |         |
| Entrepreneur        | -0.053***<br>(0.000) | -0.003<br>(0.711)    | 0.059***<br>(0.000)  | 1.000                |                      |                      |         |
| Republican          | 0.062***<br>(0.000)  | -0.074***<br>(0.000) | 0.095***<br>(0.000)  | 0.186***<br>(0.000)  | 1.000                |                      |         |
| Female              | -0.060***<br>(0.000) | 0.046***<br>(0.000)  | -0.059***<br>(0.000) | -0.167***<br>(0.000) | -0.227***<br>(0.000) | 1.000                |         |
| Senator             | 0.011<br>(0.118)     | -0.030***<br>(0.000) | 0.029***<br>(0.000)  | 0.057***<br>(0.000)  | 0.011<br>(0.118)     | -0.029***<br>(0.000) | 1.000   |

*Notes:* This table presents the correlations among all business affiliation and legislator characteristics variables used in the econometric analyses. p-values are reported in parentheses.

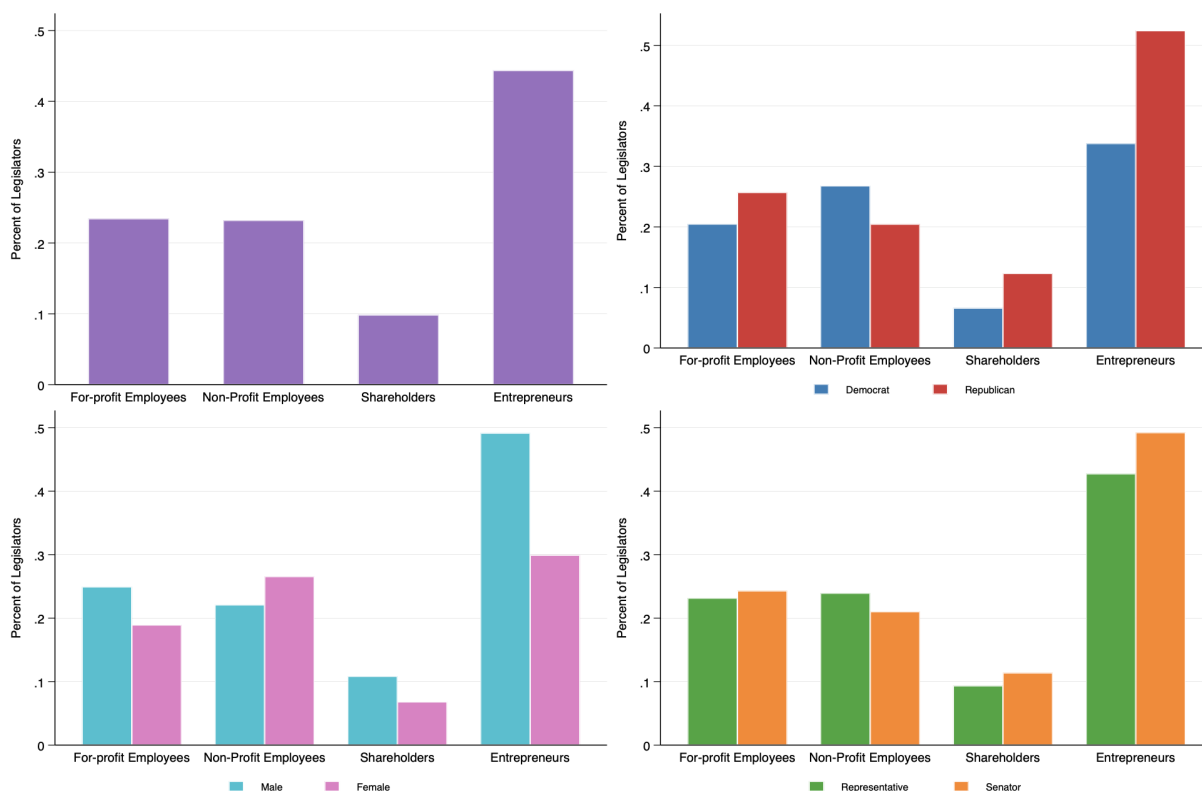
Statistical significance levels are denoted as follows: <sup>+</sup> $p < 0.10$ ; \* $p < 0.05$ ; \*\* $p < 0.01$ ; \*\*\* $p < 0.001$ .

Table 3 presents how the legislator characteristics and business affiliations in the primary sponsor-year sample are correlated with each other. Several interesting patterns emerge: First, legislators with non-profit employment are significantly more likely to be employed by for-profit businesses. This suggests that non-profit and for-profit affiliations are not mutually exclusive; rather, they often overlap. This overlap highlights how legislators may be associated with hybrid

<sup>3</sup>This number becomes 42.6% in the full legislator-year sample and 41.9% if we consider the mean of entrepreneur shares in the legislature-year sample, according to Table D1.

professional trajectories that span both mission-driven and market-oriented activities. Second, being an entrepreneur is negatively correlated with for-profit employment and positively correlated with being a business shareholder. This is consistent with the idea of substitution between owning a business and being employed by one, and with the complementarity between being a business owner and passive shareholding. Third, partisan affiliation is closely related to business affiliations. Republican legislators are positively correlated with for-profit employment, shareholding, and entrepreneurship, but negatively correlated with non-profit employment, consistent with the idea that Republicans are more likely to represent for-profit business interests than non-profit missions. Fourth, gender is also highly correlated with the business affiliation variables. Female legislators are significantly more likely to be employed in non-profit organizations, but less likely to be for-profit employees, shareholders, or entrepreneurs. This aligns with the general belief that women are more often tied to civic and mission-oriented careers than to private business ownership or investment. Finally, the chamber of a legislator within the legislature also exhibits significant correlations with business affiliations. Senators are more likely to be shareholders and entrepreneurs, suggesting that business-oriented legislators may be overrepresented in upper chambers, perhaps because those seats are associated with greater prestige, resources, or electoral competition.

**Figure 3:** Types of Business Affiliations of State Legislators



*Notes:* This figure shows the distribution of state legislators across four types of business affiliations: for-profit employees, non-profit employees, shareholders, and entrepreneurs. The upper-left panel reports the overall distribution, while the remaining panels present the same distributions by party, gender, and legislative chamber.

Figure 3 further investigates the distribution of state legislators' four types of business affiliations in bar plots. In our sample, entrepreneurs have the highest share of primary sponsors in state legislatures among all types of business affiliations. Republicans are more likely to be entrepreneurs, shareholders, and for-profit employees than Democrats. Meanwhile, females are less likely than males to be affiliated with businesses in these three ways. Furthermore, compared to representatives, state senators, the upper-chamber legislators, are more likely to come from entrepreneurs, shareholders, and for-profit employees.

## 4 Results

### 4.1 Entrepreneurs and Introduction of Legislative Bills as Primary Sponsors

We use the primary sponsor-year panel to examine in Table 4 whether entrepreneurs differ from other legislators in how actively they introduce legislation as primary sponsors. We report regressions for three types of primary bill sponsorship: bills introduced by a legislator as a primary sponsor, as a first primary sponsor, or as a sole primary sponsor, each measured as counts. For the latter two, we also measure them as a share of the total number of bills introduced by a legislator as a primary sponsor. All specifications include both state and year fixed effects. We also control for other types of business backgrounds, party affiliations, gender, and the chamber of a legislator.

**Table 4:** Primary Sponsorship of Bills by Entrepreneurs in State Legislatures

| <i>Dependent Variables:</i> | Number of Bills<br>(1) | Number of Bills<br>as the First Primary Sponsor<br>(2) | Share of Bills<br>as the First Primary Sponsor<br>(3) | Number of Bills<br>as the Sole Primary Sponsor<br>(4) | Share of Bills<br>as the Sole Primary Sponsor<br>(5) |
|-----------------------------|------------------------|--------------------------------------------------------|-------------------------------------------------------|-------------------------------------------------------|------------------------------------------------------|
| Entrepreneur                | -0.364<br>(1.297)      | -0.212<br>(0.571)                                      | 0.009*<br>(0.004)                                     | -0.044<br>(0.400)                                     | 0.012**<br>(0.005)                                   |
| Shareholder                 | 2.893<br>(2.249)       | 0.301<br>(0.970)                                       | -0.016*<br>(0.007)                                    | 0.452<br>(0.681)                                      | -0.012+<br>(0.006)                                   |
| For-profit Employee         | -0.543<br>(1.556)      | -0.220<br>(0.745)                                      | -0.001<br>(0.005)                                     | -0.190<br>(0.582)                                     | 0.002<br>(0.005)                                     |
| Non-profit Employee         | -1.242<br>(1.582)      | -0.654<br>(0.684)                                      | 0.004<br>(0.005)                                      | -0.115<br>(0.462)                                     | 0.004<br>(0.005)                                     |
| Republican                  | -8.575***<br>(1.355)   | -1.747**<br>(0.625)                                    | -0.001<br>(0.005)                                     | -0.852+<br>(0.482)                                    | 0.009+<br>(0.005)                                    |
| Female                      | 2.891+<br>(1.748)      | -0.515<br>(0.776)                                      | -0.004<br>(0.005)                                     | -0.985+<br>(0.570)                                    | -0.009<br>(0.005)                                    |
| Senator                     | 3.252*<br>(1.299)      | 9.499***<br>(0.827)                                    | 0.041***<br>(0.005)                                   | 9.832***<br>(0.744)                                   | 0.081***<br>(0.005)                                  |
| State FE                    | YES                    | YES                                                    | YES                                                   | YES                                                   | YES                                                  |
| Year FE                     | YES                    | YES                                                    | YES                                                   | YES                                                   | YES                                                  |
| DV Mean                     | 47.615                 | 22.713                                                 | 0.694                                                 | 12.341                                                | 0.527                                                |
| N                           | 20514                  | 20514                                                  | 20514                                                 | 20514                                                 | 20514                                                |
| R <sup>2</sup>              | 0.532                  | 0.416                                                  | 0.643                                                 | 0.359                                                 | 0.701                                                |

*Notes:* This table presents the OLS results for entrepreneurs' primary sponsorship of bills in state legislatures. The unit of analysis is a primary sponsor-year. The independent variable is whether a legislator is an entrepreneur. The dependent variables are the number of bills the legislator introduced as a primary sponsor, the number of bills the legislator introduced as the first sponsor, the share of bills the legislator introduced as the first sponsor, the number of bills the legislator introduced as the sole primary sponsor, and the share of bills the legislator introduced as the sole primary sponsor. Control variables include other types of business affiliations (shareholder, for-profit employee, and non-profit employee), party, chamber, and gender of legislators. The standard errors (in parentheses) are both robust to heteroskedasticity and clustered by legislator.

Statistical significance levels are denoted as follows: + $p < 0.10$ ; \* $p < 0.05$ ; \*\* $p < 0.01$ ; \*\*\* $p < 0.001$ .

Columns (1), (2), and (4) indicate that entrepreneurs are not systematically more active than their peers in terms of sponsoring bills. Column (3) suggests that, conditional on being a primary sponsor of bills, entrepreneurs have a modestly higher share of first primary sponsorships. Being

the first sponsors, relative to primary sponsorship, better reflects initiation and ownership of a legislative proposal — identifying an issue, drafting the initial proposal, and mobilizing support — rather than joining any existing effort. Column (5) indicates a similar pattern for entrepreneurs using an alternative measure — share of bills a legislator introduces as the sole primary sponsor: the positive and statistically significant coefficient suggests that, conditional on introducing legislation as a primary sponsor, entrepreneurs are more inclined to initiate bills alone rather than to jointly introduce legislative proposals with other primary sponsors. This effect is about 15% of the difference between a senator and a representative.

Therefore, entrepreneurs are not more active legislators in general, nor do they systematically dominate the sponsorship hierarchy. Instead, the evidence points to a more nuanced pattern: conditional on participating in primary sponsorship, they are more likely to take the lead in initiating legislation and to do so independently. In this sense, entrepreneur-legislators appear to distinguish themselves not by volume of activity, but by a greater tendency toward initiative and ownership in the early stages of the legislative process.

## 4.2 Entrepreneurs and Introduction of Pro-Business Bills as Primary Sponsors

We next investigate whether entrepreneurs in state legislatures represent general business interests when proposing legislative agendas by assessing their primary sponsorship of pro-business bills.

Table 5 reports regressions where the dependent variables are measures of pro-business legislation introduced by primary sponsors in our sample. None of our estimates of coefficients on entrepreneurs are significantly different from zero. Across all three outcome measures for bills we categorize as “pro-business”, entrepreneurs do not exhibit a tendency to primarily sponsor more pro-business legislation than their peers, in terms of the count, share, and pro-business propensity. By contrast, legislator characteristics are strong predictors of pro-business orientation. Republicans introduce fewer pro-business bills in absolute number, but a larger share of their sponsored bills is classified as pro-business, their bills receive higher pro-business scores, and they are more likely to sponsor Chamber-supported legislation. Gender differences are also pronounced: female legislators sponsor fewer pro-business bills as a share of all bills they propose, and the bills they introduce score lower on pro-business content.

In columns (4) and (5), we complement our classification of pro-business bills with the legislation supported by the state Chamber of Commerce, which is considered the primary voice advocating for business interests. Consistent with Column (1)-(3), there is little evidence that entrepreneurs act as champions of Chamber-of-Commerce-supported agendas. The coefficients are statistically insignificant in both specifications, with the number and shares of such bills as the dependent variables. However, Republican legislators are more likely to sponsor Chamber-supported bills, both in absolute terms and as a share of their legislative activity. This finding is consistent with the belief that there is alignment between organized business interests and the Republican Party’s partisan priorities.

When considering business interests as a whole, entrepreneurs in state legislatures do not advance

**Table 5: Pro-Business Bills Introduced by Entrepreneurs in State Legislatures**

| <i>Dependent Variables:</i> | Number of<br>Pro-Business Bills<br>(1) | Share of<br>Pro-Business Bills<br>(2) | Average Score of<br>Pro-Business Bills<br>(3) | Number of<br>CoC-Supported Bills<br>(4) | Share of<br>CoC-Supported Bills<br>(5) |
|-----------------------------|----------------------------------------|---------------------------------------|-----------------------------------------------|-----------------------------------------|----------------------------------------|
| Entrepreneur                | 0.132<br>(0.554)                       | 0.005<br>(0.004)                      | 0.495<br>(0.359)                              | 0.021<br>(0.020)                        | 0.002<br>(0.001)                       |
| Shareholder                 | 1.069<br>(0.965)                       | 0.006<br>(0.006)                      | 0.475<br>(0.621)                              | 0.002<br>(0.034)                        | 0.001<br>(0.002)                       |
| For-profit Employee         | 0.097<br>(0.700)                       | 0.001<br>(0.004)                      | 0.052<br>(0.393)                              | -0.010<br>(0.022)                       | -0.002<br>(0.002)                      |
| Non-profit Employee         | -0.638<br>(0.695)                      | -0.004<br>(0.004)                     | -0.400<br>(0.414)                             | 0.069**<br>(0.022)                      | 0.003*<br>(0.001)                      |
| Republican                  | -3.593***<br>(0.600)                   | 0.011**<br>(0.004)                    | 1.266**<br>(0.386)                            | 0.179***<br>(0.020)                     | 0.012***<br>(0.001)                    |
| Female                      | 0.016<br>(0.732)                       | -0.034***<br>(0.004)                  | -3.348***<br>(0.410)                          | -0.052*<br>(0.021)                      | -0.005***<br>(0.001)                   |
| Senator                     | 1.157*<br>(0.557)                      | -0.009*<br>(0.004)                    | -1.007**<br>(0.367)                           | 0.114***<br>(0.027)                     | 0.004*<br>(0.002)                      |
| State FE                    | YES                                    | YES                                   | YES                                           | YES                                     | YES                                    |
| Year FE                     | YES                                    | YES                                   | YES                                           | YES                                     | YES                                    |
| DV Mean                     | 20.922                                 | 0.434                                 | 41.207                                        | 0.293                                   | 0.014                                  |
| N                           | 20514                                  | 20514                                 | 20514                                         | 6562                                    | 6562                                   |
| R <sup>2</sup>              | 0.557                                  | 0.081                                 | 0.079                                         | 0.294                                   | 0.070                                  |

*Notes:* This table presents the OLS results for pro-business bills introduced by entrepreneurs as primary sponsors. The unit of analysis is a primary sponsor-year. The independent variable is whether a legislator is an entrepreneur. The dependent variables in Column (1), Column (2), and Column (3) are the number, share, and average score of pro-business bills a legislator introduced as a primary sponsor. The number and share of Chamber of Commerce-supported bills a legislator introduced as a primary sponsor are used as dependent variables in Column (4) and Column (5), serving as a benchmark for pro-business legislation. Control variables include other types of business affiliations (shareholder, for-profit employee, and non-profit employee), party, chamber, and gender of legislators. The standard errors (in parentheses) are both robust to heteroskedasticity and clustered by legislator. Statistical significance levels are denoted as follows: + $p < 0.10$ ; \* $p < 0.05$ ; \*\* $p < 0.01$ ; \*\*\* $p < 0.001$ .

them more than other legislators. While entrepreneurs may bring initiative-driven styles to the legislative process, they do not, on average, advance broadly pro-business agendas simply by virtue of their entrepreneurial background.

### 4.3 Entrepreneurs and Introduction of Pro-Entry Bills as Primary Sponsors

We now proceed to the centerpiece of our analysis, the focus on pro-entry bills. Entrepreneurs are not active in the full spectrum of business activities, but instead have disproportionate experience in the process of creating new firms. Some pro-business legislation, such as supporting investment in logistic infrastructure or subsidizing labor costs for firms with high employment, would be particularly beneficial to large business incumbents rather than entrepreneurial firms. We examine whether entrepreneurs' legislative orientation varies across this difference. Table 6 reports regressions focused only on pro-entry bills.

The results reveal a stark contrast with the patterns observed in the prior table. Across all specifications, entrepreneurs are more likely than other legislators to introduce pro-entry bills, in both the share and average score specifications, and marginally for the count measure. Column (1) focuses on the number of pro-entry bills introduced by a primary sponsor. Entrepreneurs as primary sponsors introduce about 0.44 more pro-entry bills per year than non-entrepreneurs. On average, a

**Table 6:** Pro-Entry Bills Introduced by Entrepreneurs in State Legislatures

| <i>Dependent Variables:</i> | Number of Pro-Entry Bills<br>(1) | Share of Pro-Entry Bills<br>(2) | Average Score of Pro-Entry Bills<br>(3) |
|-----------------------------|----------------------------------|---------------------------------|-----------------------------------------|
| Entrepreneur                | 0.435 <sup>+</sup><br>(0.238)    | 0.012***<br>(0.003)             | 1.134***<br>(0.260)                     |
| Shareholder                 | 0.605<br>(0.407)                 | 0.011*<br>(0.005)               | 0.946*<br>(0.447)                       |
| For-profit Employee         | 0.240<br>(0.294)                 | 0.007*<br>(0.003)               | 0.712*<br>(0.287)                       |
| Non-profit Employee         | -0.498 <sup>+</sup><br>(0.294)   | -0.010**<br>(0.003)             | -0.946**<br>(0.306)                     |
| Republican                  | -0.314<br>(0.251)                | 0.036***<br>(0.003)             | 3.573***<br>(0.268)                     |
| Female                      | -0.562 <sup>+</sup><br>(0.299)   | -0.025***<br>(0.003)            | -2.392***<br>(0.273)                    |
| Senator                     | 1.062***<br>(0.252)              | 0.005 <sup>+</sup><br>(0.003)   | 0.479 <sup>+</sup><br>(0.263)           |
| State FE                    | YES                              | YES                             | YES                                     |
| Year FE                     | YES                              | YES                             | YES                                     |
| DV Mean                     | 8.870                            | 0.193                           | 17.809                                  |
| N                           | 20514                            | 20514                           | 20514                                   |
| R <sup>2</sup>              | 0.547                            | 0.104                           | 0.102                                   |

*Notes:* This table presents the OLS results for pro-entry bills introduced by entrepreneurs as primary sponsors. The unit of analysis is a primary sponsor-year. The independent variable is whether a legislator is an entrepreneur. The dependent variables in Column (1), Column (2), and Column (3) are the number, share, and average score of pro-entry bills a legislator introduced as a primary sponsor. Control variables include other types of business affiliations (shareholder, for-profit employee, and non-profit employee), party, chamber, and gender of legislators. The standard errors (in parentheses) are both robust to heteroskedasticity and clustered by legislator. Statistical significance levels are denoted as follows: <sup>+</sup> $p < 0.10$ ; \* $p < 0.05$ ; \*\* $p < 0.01$ ; \*\*\* $p < 0.001$ .

legislator serves as primary sponsor for 8.9 pro-entry bills, making the difference for entrepreneurs 5% of the sample mean. Column (2) reports that entrepreneurs have more of their portfolio by 1.2 percentage points for pro-entry bills as primary sponsors. Column (3) focuses on the score – the continuous probability that this is a pro-entry bill, multiplied by 100. On average, entrepreneurs as primary sponsors have a higher pro-entry score of the proposed legislation by 1.1.

These results support our argument that entrepreneurs support legislation specifically in the space they are most familiar with, entrepreneurship. Entrepreneurs in state legislatures introduce significantly more pro-entry bills as primary sponsors in absolute terms, devote a larger share of their legislative activity to pro-entry issues, and introduce bills with stronger pro-entry content. The contrast with other business affiliations is also informative. Shareholders and for-profit employees show slightly weaker associations with primary sponsorship of pro-entry bills, while non-profit employees exhibit less tendency to promote pro-entry policies. These differences underscore that direct entrepreneurial experience, rather than generic business exposure, is associated with support for fewer restrictions on market entry.

We next consider, in Table 7, the subcategories of pro-entry bills. Recall that our categorization approach first asked a large language model to categorize bills into one of ten potential pro-business

categories (including the none type), and we defined pro-entry as bills categorized as one of the four categories: Antitrust, Deregulation, Innovation, or Access to Capital. Table 7 presents regressions reporting differences between entrepreneurs and non-entrepreneur legislators in primary sponsorship of pro-entry bills across each of these individual categories.

Our results reveal that entrepreneurs’ legislative focus is concentrated on regulatory burdens and support for innovation. As shown in Table 7, entrepreneurs are significantly more likely to introduce pro-entry bills related to deregulation, as measured by the number, percentage, and score of such bills. These bills primarily aim to remove or reduce regulatory constraints on business activity, including registration requirements, licensing restrictions, and compliance costs. This finding highlights deregulation as the principal channel through which entrepreneurs seek to lower entry barriers, consistent with the idea that regulatory hurdles are a major barrier to startup entry. Moreover, given the extensive body of statutes governing business activities, deregulation is a relatively tractable policy domain in which legislators can directly intervene, making it a natural focal point for entrepreneurs in office.

A similar, though somewhat more moderate, pattern emerges for innovation-oriented policies. Entrepreneurs are more likely to sponsor bills that promote innovation — such as those supporting research and development, technology adoption, or knowledge diffusion — across the share and score measures. While the magnitude and statistical power of these effects are generally smaller than those for deregulation, the results nonetheless indicate that entrepreneur-legislators also prioritize policies that enhance the technological and innovative capacity of new and young firms.

By contrast, entrepreneurs show no systematic tendency to sponsor legislation related to antitrust or financial access. Across the count, percentage, and score measures, the coefficients on the entrepreneur indicator are economically small and statistically indistinguishable from zero. The absence of a detectable effect in these domains delineates the scope of entrepreneurs’ legislative priorities. We consider two potential explanations for this pattern. First, policies related to antitrust enforcement and access to financial resources are often shaped at the federal level or involve complex institutional arrangements, such as financial regulation and capital markets, which lie beyond the immediate reach of state legislators. As a result, individual state legislators may have limited capacity to directly influence these areas. Second, compared to regulatory compliance costs, constraints related to market competition or external financing may be less salient at the earliest stages of firm entry, particularly for small or unincorporated ventures. Consequently, entrepreneur-legislators may rationally prioritize policy domains, such as deregulation and innovation, where state-level interventions are both more feasible and more immediately impactful for reducing barriers to entry.

Combined with the earlier results on pro-business legislation, these findings point to an experience-based logic of policy prioritization. Rather than advancing a broad, undifferentiated pro-business agenda, entrepreneur-legislators appear to translate their firsthand experience with entry barriers into policies that facilitate market entry. This distinction is conceptually important. Pro-business legislation often centers on protecting incumbent firms and advancing the interests of established actors, whereas pro-entry policies are more likely to challenge existing institutional barriers and

**Table 7: The Subcategories of Pro-Entry Bills Introduced by Entrepreneurs in State Legislatures**

| Dependent Variables: | Antitrust            |                      |                      | Deregulation        |                      |                      | Innovation           |                    |                      | Access to Capital    |                      |                       |
|----------------------|----------------------|----------------------|----------------------|---------------------|----------------------|----------------------|----------------------|--------------------|----------------------|----------------------|----------------------|-----------------------|
|                      | (1)<br>Number        | (2)<br>Share         | (3)<br>Average Score | (4)<br>Number       | (5)<br>Share         | (6)<br>Average Score | (7)<br>Number        | (8)<br>Share       | (9)<br>Average Score | (10)<br>Number       | (11)<br>Share        | (12)<br>Average Score |
| Entrepreneur         | -0.088<br>(0.059)    | 0.000<br>(0.001)     | 0.030<br>(0.094)     | 0.515**<br>(0.181)  | 0.010***<br>(0.002)  | 0.948***<br>(0.232)  | 0.013<br>(0.011)     | 0.001*<br>(0.000)  | 0.079*<br>(0.033)    | -0.005<br>(0.022)    | 0.001<br>(0.000)     | 0.051<br>(0.038)      |
| Shareholder          | 0.280+<br>(0.149)    | 0.005**<br>(0.002)   | 0.449**<br>(0.173)   | 0.290<br>(0.271)    | 0.005<br>(0.004)     | 0.407<br>(0.385)     | -0.002<br>(0.015)    | 0.001<br>(0.001)   | 0.050<br>(0.065)     | 0.037<br>(0.040)     | 0.000<br>(0.001)     | 0.023<br>(0.066)      |
| For-profit Employee  | -0.101<br>(0.072)    | 0.003*<br>(0.001)    | 0.228*<br>(0.112)    | 0.359<br>(0.226)    | 0.003<br>(0.003)     | 0.310<br>(0.253)     | -0.005<br>(0.013)    | 0.000<br>(0.000)   | 0.036<br>(0.033)     | -0.012<br>(0.028)    | 0.001*<br>(0.001)    | 0.121*<br>(0.051)     |
| Non-profit Employee  | -0.161*<br>(0.076)   | -0.003*<br>(0.001)   | -0.257*<br>(0.107)   | -0.306<br>(0.225)   | -0.008**<br>(0.003)  | -0.672*<br>(0.278)   | -0.007<br>(0.012)    | 0.000<br>(0.000)   | 0.029<br>(0.037)     | -0.023<br>(0.028)    | -0.000<br>(0.001)    | -0.015<br>(0.047)     |
| Republican           | -0.671***<br>(0.071) | -0.001<br>(0.001)    | -0.051<br>(0.101)    | 0.715***<br>(0.185) | 0.041***<br>(0.003)  | 3.968***<br>(0.234)  | -0.069***<br>(0.010) | 0.000<br>(0.000)   | -0.001<br>(0.029)    | -0.289***<br>(0.026) | -0.004***<br>(0.001) | -0.332***<br>(0.047)  |
| Female               | -0.031<br>(0.091)    | -0.005***<br>(0.001) | -0.432***<br>(0.099) | -0.528*<br>(0.211)  | -0.020***<br>(0.003) | -1.864***<br>(0.242) | -0.023+<br>(0.013)   | -0.001*<br>(0.000) | -0.065*<br>(0.029)   | 0.020<br>(0.030)     | -0.000<br>(0.001)    | -0.004<br>(0.049)     |
| Senator              | 0.207**<br>(0.068)   | 0.002*<br>(0.001)    | 0.204*<br>(0.092)    | 0.813***<br>(0.190) | 0.003<br>(0.002)     | 0.215<br>(0.232)     | 0.030*<br>(0.013)    | 0.000<br>(0.000)   | 0.028<br>(0.033)     | 0.013<br>(0.024)     | 0.000<br>(0.000)     | 0.007<br>(0.045)      |
| State FE             | YES                  | YES                  | YES                  | YES                 | YES                  | YES                  | YES                  | YES                | YES                  | YES                  | YES                  | YES                   |
| Year FE              | YES                  | YES                  | YES                  | YES                 | YES                  | YES                  | YES                  | YES                | YES                  | YES                  | YES                  | YES                   |
| DV Mean              | 1.669                | 0.031                | 2.776                | 6.554               | 0.152                | 13.864               | 0.153                | 0.003              | 0.251                | 0.494                | 0.008                | 0.681                 |
| N                    | 20514                | 20514                | 20514                | 20514               | 20514                | 20514                | 20514                | 20514              | 20514                | 20514                | 20514                | 20514                 |
| R <sup>2</sup>       | 0.429                | 0.023                | 0.023                | 0.516               | 0.116                | 0.115                | 0.238                | 0.012              | 0.012                | 0.379                | 0.022                | 0.023                 |

*Notes:* This table presents the OLS results for the subcategories of pro-entry bills introduced by entrepreneurs as primary sponsors. The unit of analysis is a primary sponsor-year. The independent variable is whether a legislator is an entrepreneur. The dependent variables are the number, share, and average score of pro-entry bills a legislator introduced as a primary sponsor across the pro-entry subcategories: Antitrust, Deregulation, Innovation, and Access to Capital. Control variables include other types of business affiliations (shareholder, for-profit employee, and non-profit employee), party, chamber, and gender of legislators. The standard errors (in parentheses) are both robust to heteroskedasticity and clustered by legislator. Statistical significance levels are denoted as follows: + $p < 0.10$ ; \* $p < 0.05$ ; \*\* $p < 0.01$ ; \*\*\* $p < 0.001$ .

gaps, thereby expanding opportunities for new firms. Importantly, this orientation may also reflect a shared identity with prospective entrepreneurs. Having themselves navigated the challenges of starting a business, entrepreneur-legislators are likely better able — and more willing — to recognize the constraints facing potential entrants and to advocate on their behalf. In this sense, they act not only as market participants but also as representatives of a broader entrepreneurial community, translating lived experience into policy initiatives that expand opportunities for others.

Moreover, entrepreneurs’ selective emphasis on entry-oriented reforms suggests that their behavior cannot be fully explained by the simple translation of private economic interests into political action. Instead, their legislative activity resembles a form of entrepreneurial problem-solving within the political arena: identifying structural bottlenecks, targeting salient frictions, and pursuing institutional changes that lower barriers for future entrants. This targeted and efficiency-oriented approach is consistent with the domains in which they are most active, such as deregulation and innovation, where policy interventions are both tractable within state legislatures and closely aligned with their domain expertise.

To further demonstrate the focus of entrepreneurs, in Table H1, we show that relative to non-entrepreneurs, entrepreneurs are less likely to sponsor bills that are related to the cost of labor and workforce development.

#### 4.4 Robustness Checks

We conduct two robustness checks, reported in Appendix I. First, we replace state fixed effects with state legislative district fixed effects to account for potential differences in local constituency preferences. The results, shown in Appendix I.1, remain consistent with the baseline specifications. Second, we replicate the analyses using classifications based on enrolled rather than introduced versions of bills. That is, we keep only bills that are passed by both legislative chambers from our sample and classify them according to the final version that emerges from the legislative process. As reported in Appendix I.2, the main findings remain mostly consistent with using introduced versions.

## 5 Conclusion and Discussion

This paper examines what happens when entrepreneurs move from markets into elected political office. Using a novel dataset that links personal financial disclosures of state legislators to detailed records of legislative sponsorship and bill content, we study the presence and behavior of entrepreneurs serving in U.S. state legislatures from 2009 to 2023. The empirical setting allows us to observe both who entrepreneurs are in political office and how they act in legislative sessions once elected. We find that once in office, entrepreneurs are not more active in sponsoring bills overall; conditional on sponsoring, however, they devote a larger share of their portfolio to bills they initiate as the first or sole primary sponsor. Substantively, entrepreneurs do not act as broad advocates for general business interests. Instead, they advance policies that lower barriers to entry, with a

concentrated focus on deregulation and innovation.

These findings speak to three areas of prior work. First, the study extends the entrepreneurship literature into the political domain by demonstrating how entrepreneurial experience and identity shape policymaking priorities. Rather than emphasizing firm-level benefits or rent seeking, the findings highlight a largely unexplored channel for institutional engagement in which "political entrepreneurs" focus on priorities that reflect their experience as entrants. Second, the study contributes to research on non-market strategy by highlighting an "insider" channel of political engagement through which business owners shape policy from within legislatures. Existing work has emphasized lobbying, campaign contributions, and corporate political ties as "outside-in" mechanisms through which firms influence institutions. Our results show that entrepreneurial legislators pursue policy agendas that differ from those of traditional corporate executives, which underscores the importance of who holds office, not only who seek access to it. Finally, the paper contributes to prior work on political economy. Our results suggest that political participation by business owners may influence the regulatory environment in ways that are not fully aligned with the priorities of incumbent firms or business associations. Thus, increasing entrepreneurial representation does not automatically translate into generalized pro-business policy, but instead into more targeted efforts to reshape entry conditions.

Several limitations suggest avenues for future research. The analysis relies on first-hand data, and while extensive controls and fixed effects help address confounding problems, the estimates should not be interpreted as causal. Future work could exploit institutional reforms or close elections to better identify the causal effects of entrepreneurial backgrounds on policy behavior. Moreover, our results speak to the relationship between entrepreneurial identity and policy orientation, but they do not rule out the possibility that some entrepreneur-legislators can sponsor bills that directly benefit their own businesses. Future research could examine this possibility more closely by linking introduced bills to the industries in which legislator-entrepreneurs operate. In addition, this study focuses on bill sponsorship and agenda-setting rather than on downstream policy implementation or economic outcomes. Examining how entrepreneurial legislators influence legislative success, regulatory enforcement, or patterns of firm entry would further illuminate the consequences of entrepreneurial participation in politics. Finally, future studies can explore heterogeneity among entrepreneurs themselves, such as differences by industry, firm size, growth perspective, or financial backing, to better understand how heterogeneity in entrepreneurial experience shapes policy priorities among "political entrepreneurs".

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## Appendix A Text-Analysis Method

We create summaries of bill text by feeding the bill title, bill synopsis or digest (typically developed by legislative counsel), and the initial text of the document (the first 500 words) into a large language model (gpt-4o-mini-2024-07-18). Natural language processing research shows that large language models produce summaries comparable to human-written ones and significantly improve smaller model performance (Liu et al., 2024; Pu, Gao, & Wan, 2023). We perform summarization using zero-shot prompting and ensure each bill summary is under 100 words.

We then classify the bill summaries into pro-business issues. To determine the specific issues used for classification, we reviewed the advocacy issues of the Chambers of Commerce in the sampled states. Although Chambers of Commerce’s advocacy issues are usually broad and high-level, they give us a good idea of the policy agenda they advocate for on behalf of business interests. To better understand which pro-business issues are covered in state-level legislation, we conduct topic modeling using BERTopic on the text of supported bills, which are available in legislative priorities collected from multiple state Chambers of Commerce (Grootendorst, 2022). The word cloud in Figure A1 highlights the key terms identified through topic modeling. This combined approach allows us to finalize nine pro-business issues of state legislation: (1) providing tax incentives for businesses; (2) reducing the cost of labor for businesses; (3) fostering a skilled workforce; (4) promoting free and fair competition of businesses; (5) reducing regulatory burdens for businesses; (6) encouraging and protecting innovations; (7) increasing access to capital for businesses; (8) investing in infrastructure crucial for business activities; (9) supporting the international expansion of businesses.

To implement the classification, we again resort to the Large Language Model (gpt-4o-mini-2024-07-18). Traditional NLP approaches, including Decision Trees, K-nearest Neighbors, Random Forests, and Support Vector Machines (SVMs), as well as modern neural networks, typically rely on labeled datasets for classification tasks. However, for unlabeled data, which is our case, the large language model’s zero-shot and few-shot capabilities make unsupervised text classification possible, as LLMs can now label textual datasets in many real-world tasks with quality equal to or better than skilled human annotators (Gilardi, Alizadeh, & Kubli, 2023; Törnberg, 2023).

The prompt used for classification is as follows:

"" You are an assistant who helps classify legislative bills.

A bill amends the existing state statutes. Here is the brief summary of a bill proposed by a particular state legislature in the US.

Based on the bill summary, categorize the bill into the most likely one of the ten categories listed below:

1: Providing tax incentives for businesses

Examples:

Lowering tax rates on corporate or personal income

Increasing tax credits and deductions

Providing tax relief for businesses

Providing subsidies for businesses

**Figure A1:** Word Cloud of Topic Modeling



2: Reducing the cost of labor for businesses

Examples:

Lowering minimum wages

Supporting the immigration of talents

Discouraging unionization and mandatory union participation of workers

Increasing the flexibility in the forms of employment

3: Fostering a skilled workforce

Examples:

Promoting vocational training and education

Creating mentorship programs and incubators for startups and entrepreneurs

Investing in training and education facilities

4: Promoting free and fair competition of businesses

Examples:

Strengthening antitrust laws

Preventing anti-competitive mergers and acquisitions

Regulating platform businesses

Preventing price fixing or predatory pricing

Preventing bid rigging

Preventing exclusive agreements

Preventing group boycotts

5: Reducing regulatory burdens for businesses

Examples:

Streamlining the registration processes

Reducing requirements or restrictions for licenses and permits

Reducing restrictions on businesses for employing certain individuals, such as criminals or the disabled

Reducing fees or other compliance costs for businesses

6: Encouraging and protecting innovations

Examples:

Strengthening intellectual property protection

Supporting and encouraging patent applications

Creating innovation accelerator programs

Encouraging R&D collaboration between the private industry and the public sector, such as universities and governments

Supporting the commercialization of innovations from universities and research institutions  
Supporting technology licensing of small businesses and startups

7: Increasing access to capital for businesses

Examples:

Easing investment restrictions for investors

Providing sponsorship or guarantees for loans

Creating government procurement opportunities, such as grants and contracts

Supporting venture capital and equity financing

Providing microfinance options

Increasing funding sources for underprivileged groups, such as women and minorities

Encouraging alternative funding channels, such as crowdfunding

8: Investing in infrastructure that is crucial for business activities

Examples:

Increasing government spending for the development of physical and technological infrastructure, such as transportation, utilities, and so on

Encouraging public-private partnership for infrastructure projects

Creating government contract opportunities for infrastructure projects

9: Supporting the international expansion of businesses

Examples:

Supporting the import and export activities of businesses

Encouraging investments of domestic businesses in foreign countries

0: None of the above

The response should be a single integer from the set 0, 1, 2, 3, 4, 5, 6, 7, 8, 9, corresponding to one of the categories mentioned above.

The response should return the integer with the highest probability.

"""

The output is structured to ensure that the response is a single integer between 0 and 9.

Therefore, we conduct multiclass classification using an LLM with unsupervised prompt learning, supplemented by human-coded validation (Zhang, Zhang, Yao, Niu, & Sugiyama, 2024). Specifically, each bill summary is assigned to one of the nine categories described above. The prompt is designed to include subtopics for each category as well as examples of relevant bills and their summaries. Bills that fall into any of the nine categories are classified as pro-business. Along with each response, the LLM also returns the logarithm of the probability that each particular category is the output. Using the underlying probability of a bill being assigned to each category, we aggregate across the

pro-business and pro-entry categories to generate the pro-business and pro-entry probabilities for each bill. We then calculate the mean of such probabilities across all bills introduced by a primary sponsor-year, which is further normalized to a score between 0 and 100. These two average scores for pro-business and pro-entry bills at the primary sponsor-year level capture a primary sponsor’s tendency to introduce such bills in a given year, aligning with our goal of evaluating a legislator’s orientation while proposing legislation. We also compute the average score measures for each of the nine pro-business categories using a similar approach. To validate the LLM-based classification, we hand-code a stratified random sample of 500 bill summaries. The validation sample includes 50 bills drawn from each of the ten LLM-coded categories: the nine pro-business categories and the residual not-pro-business category. We apply the same category definitions used in the LLM prompt, allowing us to compare the LLM classifications against an independent human benchmark. Tables A1 and A2 report the resulting confusion matrix and performance metrics. The validation results show a high degree of agreement between the LLM and human classifications, with most disagreements occurring between substantively related categories. These patterns provide evidence that the LLM-based coding procedure reliably captures the pro-business category structure used in the analysis.

**Table A1:** Confusion Matrix for LLM-Based Pro-Business Classification

| LLM-Coded Category      | Human-Coded Category |                |               |                   |           |              |            |                   |                |                         | Total |
|-------------------------|----------------------|----------------|---------------|-------------------|-----------|--------------|------------|-------------------|----------------|-------------------------|-------|
|                         | Not Pro-Business     | Tax Incentives | Cost of Labor | Skilled Workforce | Antitrust | Deregulation | Innovation | Access to Capital | Infrastructure | International Expansion |       |
| Not Pro-Business        | 49                   | 0              | 0             | 0                 | 0         | 0            | 0          | 0                 | 1              | 0                       | 50    |
| Tax Incentives          | 0                    | 48             | 1             | 0                 | 0         | 1            | 0          | 0                 | 0              | 0                       | 50    |
| Cost of Labor           | 0                    | 1              | 47            | 2                 | 0         | 0            | 0          | 0                 | 0              | 0                       | 50    |
| Skilled Workforce       | 0                    | 0              | 1             | 48                | 0         | 0            | 0          | 0                 | 1              | 0                       | 50    |
| Antitrust               | 1                    | 0              | 0             | 0                 | 46        | 3            | 0          | 0                 | 0              | 0                       | 50    |
| Deregulation            | 0                    | 0              | 0             | 0                 | 1         | 49           | 0          | 0                 | 0              | 0                       | 50    |
| Innovation              | 1                    | 0              | 0             | 1                 | 0         | 0            | 44         | 1                 | 3              | 0                       | 50    |
| Access to Capital       | 1                    | 1              | 0             | 0                 | 0         | 0            | 1          | 46                | 1              | 0                       | 50    |
| Infrastructure          | 0                    | 0              | 0             | 1                 | 0         | 0            | 1          | 0                 | 48             | 0                       | 50    |
| International Expansion | 1                    | 0              | 0             | 0                 | 0         | 1            | 1          | 1                 | 3              | 43                      | 50    |
| Total                   | 53                   | 50             | 49            | 52                | 47        | 54           | 47         | 48                | 57             | 43                      | 500   |

*Notes:* This table compares the LLM-coded category with the human-coded category for a stratified validation sample of 500 bills. The sample includes 50 bills randomly drawn from each of the ten LLM-coded categories. The rows report the LLM classification, and the columns report the human classification. Diagonal cells indicate exact agreement between the two classifications, while off-diagonal cells indicate category-level disagreements.

**Table A2:** Performance Metrics for LLM-Based Pro-Business Classification

| Metric                | Value |
|-----------------------|-------|
| Overall Agreement (%) | 93.6  |
| Cohen’s $\kappa$      | 0.929 |
| Macro Precision       | 0.936 |
| Macro Recall          | 0.939 |
| Macro F-1 Score       | 0.936 |

*Notes:* This table reports validation metrics for the 10-category LLM classification using the hand-coded sample. Overall agreement is the exact match rate between LLM and human coding. Cohen’s  $\kappa$  adjusts for chance agreement, and macro precision, recall, and F-1 are averaged across categories.

## Appendix B Variable Definitions

Table B1 provides detailed definitions of all variables used in the analyses throughout this paper.

**Table B1:** Variable Definitions

| Variable                                      | Definition                                                                                                                     |
|-----------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|
| Entrepreneur                                  | 1 if a legislator owns interests and holds a top management position in a for-profit business in a year; 0 otherwise           |
| Shareholder                                   | 1 if a legislator owns interests but does not hold any top management position in a for-profit business in a year; 0 otherwise |
| For-profit Employee                           | 1 if a legislator is an employee of a for-profit business and does not own any shares in the business in a year; 0 otherwise   |
| Non-profit Employee                           | 1 if a legislator is an employee of a non-profit organization in a year; 0 otherwise                                           |
| Republican                                    | 1 if a legislator is a republican in a year; 0 otherwise                                                                       |
| Female                                        | 1 if a legislator is female in a year; 0 otherwise                                                                             |
| Senator                                       | 1 if a legislator is a senator in a year; 0 otherwise                                                                          |
| Number of Bills                               | The number of bills introduced by a primary sponsor in a year                                                                  |
| Number of Bills as the First Primary Sponsor  | The number of bills introduced by a primary sponsor as the first primary sponsor in a year                                     |
| Share of Bills as the First Primary Sponsor   | The percentage of sponsored bills introduced by a primary sponsor as the first primary sponsor in a year                       |
| Number of Bills as the Sole Primary Sponsor   | The number of bills introduced by a primary sponsor as the sole primary sponsor in a year                                      |
| Share of Bills as the Sole Primary Sponsor    | The percentage of sponsored bills introduced by a primary sponsor as the sole primary sponsor in a year                        |
| Number of Pro-Business Bills                  | The number of pro-business bills introduced by a primary sponsor in a year                                                     |
| Share of Pro-Business Bills                   | The percentage of pro-business bills among all bills introduced by a primary sponsor in a year                                 |
| Average Score of Pro-Business Bills           | The average score of pro-business bills introduced by a primary sponsor in a year                                              |
| Number of Chamber of Commerce-Supported Bills | The number of Chamber of Commerce-supported bills introduced by a primary sponsor in a year                                    |

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Table B1 (continued)

| Variable                                     | Definition                                                                                                 |
|----------------------------------------------|------------------------------------------------------------------------------------------------------------|
| Share of Chamber of Commerce-Supported Bills | The share of Chamber of Commerce-supported bills among all bills introduced by a primary sponsor in a year |
| Number of Pro-Entry Bills                    | The number of pro-entry bills introduced by a primary sponsor in a year                                    |
| Share of Pro-Entry Bills                     | The share of pro-entry bills among all bills introduced by a primary sponsor in a year                     |
| Average Score of Pro-Entry Bills             | The average score of pro-entry bills introduced by a primary sponsor in a year                             |
| Number of Tax Incentives Bills               | The number of tax incentives bills introduced by a primary sponsor in a year                               |
| Share of Tax Incentives Bills                | The share of tax incentives bills among all bills introduced by a primary sponsor in a year                |
| Average Score of Tax Incentives Bills        | The average score of tax incentives bills introduced by a primary sponsor in a year                        |
| Number of Cost of Labor Bills                | The number of cost of labor bills introduced by a primary sponsor in a year                                |
| Share of Cost of Labor Bills                 | The share of cost of labor bills among all bills introduced by a primary sponsor in a year                 |
| Average Score of Cost of Labor Bills         | The average score of cost of labor bills introduced by a primary sponsor in a year                         |
| Number of Skilled Workforce Bills            | The number of skilled workforce bills introduced by a primary sponsor in a year                            |
| Share of Skilled Workforce Bills             | The share of skilled workforce bills among all bills introduced by a primary sponsor in a year             |
| Average Score of Skilled Workforce Bills     | The average score of skilled workforce bills introduced by a primary sponsor in a year                     |
| Number of Antitrust Bills                    | The number of antitrust bills introduced by a primary sponsor in a year                                    |
| Share of Antitrust Bills                     | The share of antitrust bills among all bills introduced by a primary sponsor in a year                     |
| Average Score of Antitrust Bills             | The average score of antitrust bills introduced by a primary sponsor in a year                             |
| Number of Deregulation Bills                 | The number of deregulation bills introduced by a primary sponsor in a year                                 |

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Table B1 (continued)

| Variable                                       | Definition                                                                                                                              |
|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|
| Share of Deregulation Bills                    | The share of deregulation bills among all bills introduced by a primary sponsor in a year                                               |
| Average Score of Deregulation Bills            | The average score of deregulation bills introduced by a primary sponsor in a year                                                       |
| Number of Innovation Bills                     | The number of innovation bills introduced by a primary sponsor in a year                                                                |
| Share of Innovation Bills                      | The share of innovation bills among all bills introduced by a primary sponsor in a year                                                 |
| Average Score of Innovation Bills              | The average score of innovation bills introduced by a primary sponsor in a year                                                         |
| Number of Access to Capital Bills              | The number of access to capital bills introduced by a primary sponsor in a year                                                         |
| Share of Access to Capital Bills               | The share of access to capital bills among all bills introduced by a primary sponsor in a year                                          |
| Average Score of Access to Capital Bills       | The average score of access to capital bills introduced by a primary sponsor in a year                                                  |
| Number of Infrastructure Bills                 | The number of infrastructure bills introduced by a primary sponsor in a year                                                            |
| Share of Infrastructure Bills                  | The share of infrastructure bills among all bills introduced by a primary sponsor in a year                                             |
| Average Score of Infrastructure Bills          | The average score of infrastructure bills introduced by a primary sponsor in a year                                                     |
| Number of International Expansion Bills        | The number of international expansion bills introduced by a primary sponsor in a year                                                   |
| Share of International Expansion Bills         | The share of international expansion bills among all bills introduced by a primary sponsor in a year                                    |
| Average Score of International Expansion Bills | The average score of international expansion bills introduced by a primary sponsor in a year                                            |
| Share of Entrepreneurs                         | The percentage of legislators who own shares and hold a top management position in a for-profit business in a legislature-year          |
| Share of Shareholders                          | The percentage of legislators who own shares but do not hold any top management position in a for-profit business in a legislature-year |

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Table B1 (continued)

| Variable                                       | Definition                                                                                                                               |
|------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|
| Share of For-profit Employees                  | The percentage of legislators who are employees of a for-profit business and do not own any shares in the business in a legislature-year |
| Share of Non-profit Employees                  | The percentage of legislators who are employees of a non-profit organization in a legislature-year                                       |
| Share of Republicans                           | The percentage of republican legislators in a legislature-year                                                                           |
| Share of Females                               | The percentage of female legislators in a legislature-year                                                                               |
| Share of Senators                              | The percentage of senators in a legislature-year                                                                                         |
| Legislative Professionalism                    | The Squire Index of a legislature-year                                                                                                   |
| Self-Employment Rate                           | The percentage of the workforce working for profit or fees in their own business, profession, trade, or farm in a state-year             |
| Self-Employment Rate<br>(Incorporated)         | The percentage of the workforce working for themselves within their own incorporated entities in a state-year                            |
| Self-Employment Rate<br>(Unincorporated)       | The percentage of the workforce working for themselves within their own unincorporated entities in a state-year                          |
| New Firm Formation Rate                        | The number of new businesses as a percentage of existing businesses in a state-year                                                      |
| Real GDP Per Capita                            | The real gross domestic product per capita of a state-year (millions of dollars)                                                         |
| Population                                     | The total population of a state-year (millions of people)                                                                                |
| Share of Female Population                     | The percentage of female population in the total population of a state-year                                                              |
| Share of Black Population                      | The percentage of black population in the total population of a state-year                                                               |
| Median Age                                     | The median age of the population of a state-year                                                                                         |
| Education Attainment<br>(Bachelor's and Above) | The percentage of population with Bachelor's and above degrees of a state-year                                                           |
| Unemployment Rate                              | The number of unemployed as a percentage of the total labor force of a state-year                                                        |
| Labor Force Participation Rate                 | the percentage of population aged 16 and older who are either employed or actively seeking work                                          |
| Agricultural Employment Rate                   | The employment in agricultural sectors as a percentage of total employment of a state-year                                               |

(continued on next page)

Table B1 (continued)

| Variable                       | Definition                                                                                                                        |
|--------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| Election Competitiveness Index | The Ballotpedia measure of competitiveness in legislative elections of a state-year                                               |
| Minimum Wage                   | The lowest hourly wage that state law allows employers to pay workers of a state-year (dollars)                                   |
| Personal Income Tax Rate       | The percentage levied by a state government in a year on an individual's earnings                                                 |
| Corporate Income Tax Rate      | The percentage levied by a state government in a year on the net taxable income of corporations operating within its jurisdiction |

*Notes:* This table presents definitions for all variables used in the analyses throughout this paper. The variables are divided into legislator-year and legislature-year variables for presentation purposes.

## Appendix C State Statutory Requirements for Disclosing Affiliated Businesses

Table C1 details the state-level statutory requirements governing the disclosure of affiliated businesses within personal financial disclosure statements across the 26 states in our sample. We do not find that New Jersey specifies disclosure requirements for businesses in its statutes.

**Table C1:** State Statutory Requirements for Disclosing Affiliated Businesses

| State Name | Statutory Disclosure Requirements for Affiliated Businesses                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Alabama    | Officials and employees, along with spouses and dependents, must identify each business they are affiliated with and the income it generates, including any business or subsidiary in which they hold 5% or more ownership, or serve as officer, director, trustee, or consultant earning between \$1,000 and \$5,000, or more, and must list each occupation to which they or a spouse devoted a third or more of their working time. Those operating a professional service or consulting business must further report client counts by dollar-amount category and disclose any retainers received. (Ala. Code §36-25-14) |

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Table C1 (continued)

| State Name | Statutory Disclosure Requirements for Affiliated Businesses                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Alaska     | <p>Filers must list the name and address of any business in which they, a spouse/domestic partner, or dependent child held an ownership, employment, or officer/director role in the prior year (excluding minor publicly-traded stock holdings under \$1,000), along with any state contracts held or bid on by the filer or related entities (partnerships, LLCs, professional corporations, or controlled corporations). Each source of income received or deferred by the filer, spouse/domestic partner, or dependent/nondependent children must also be named, together with the method by which it was earned (e.g., by commission, by the job, or by the hour) and a description of the services performed. A close economic association involving a significant financial matter—such as with a legislator, public official, lobbyist, or (for the governor/lieutenant governor) a public officer—must also be described in enough detail to convey its nature. (Alaska Stat. Ann. §§24.60.200, 39.50.030)</p> |
| Arizona    | <p>Filers must describe the goods or services provided by any controlled business, with additional detail required if a single client supplied more than \$10,000 and over 25% of that business’s gross income. For businesses tied to a dependent, the filer must describe what goods/services were exchanged with the compensation source, and if that source is itself a business, its general business activities must be described. Filers and household members must also disclose the name and address of each employer or other source of compensation exceeding \$1,000, along with a description of the services compensated for and the nature of that employer’s business. All business licenses issued or held must also be listed. (Ariz. Rev. Stat. Ann. §18-444)</p>                                                                                                                                                                                                                                    |
| California | <p>Filers must report “business positions”—director, officer, partner, trustee, employee, or management roles—held in any entity (or its parent/subsidiary/related entity) that has an interest in real property in, conducts or plans to conduct business in, or has done business within the jurisdiction at any time in the prior two years. Income received from a business entity must also be disclosed by the entity’s name, address, and general description of its business activity, along with the identity of any person or client contributing 10% or more of that business’s gross receipts, if amounting to \$10,000 or more, during a calendar year. (Cal. Gov’t Code §§87207, 87209)</p>                                                                                                                                                                                                                                                                                                               |
| Delaware   | <p>Filers must disclose the name, instrument, and nature of ownership of any business, and any management position held or constructively controlled by the filer, from which income of more than \$5,000 was or might reasonably be expected to be derived. The name, address, and type of practice of any professional organization in which the filer is sole practitioner, officer, director, or partner, or serves in an advisory capacity, or which is constructively controlled by the filer, must likewise be disclosed if income exceeding \$5,000 was or might reasonably be expected to be derived from it. (Del. Code Ann. tit. 29, §5813)</p>                                                                                                                                                                                                                                                                                                                                                              |

(continued on next page)

Table C1 (continued)

| State Name | Statutory Disclosure Requirements for Affiliated Businesses                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Florida    | Filers must disclose all sources of income comprising more than 5% of gross income received (excluding public salary), as well as any business in which the filer holds a material interest that derived more than 10% of its gross income from a single source, if the filer's income from that business exceeded \$1,500; alternatively, filers may disclose all sources of gross income exceeding \$2,500 and any such materially-interested business paying the filer more than \$5,000. (Fla. Stat. Ann. §112.3145)                                                                                                                                                                                                                                                           |
| Georgia    | Filers must give their occupation, employer, and the employer's principal activity and address, plus the same information for a spouse, and list any fiduciary positions held (title, entity name/address, and the entity's principal activity). Direct ownership interests exceeding 5% of total interests or valued at \$5,000 or more in a business or investment (excluding mutual funds) must be disclosed along with any office/duties held; spouse or dependent-child interests exceeding 5% or valued over \$10,000, or an officer/director/partner/trustee role, must likewise be reported. Business transactions between the filer, family, or an associated business and the state of Georgia totaling \$9,000 or more must also be disclosed. (Ga. Code Ann. §21-5-50) |
| Hawaii     | Candidates, and their spouse and dependent children, must disclose the source and amount of all income of \$1,000 or more, any ownership or beneficial interest worth \$5,000 or more or equal to 10% business ownership (and the date of any transfer), every officership, directorship, trusteeship, or other fiduciary relationship held along with term of office and annual compensation, the names of any clients represented before state agencies for a fee (except in ministerial matters), and any creditor interest of \$5,000 or more held in an insolvent business. (Haw. Rev. Stat. Ann. §84-17)                                                                                                                                                                     |
| Iowa       | Filers must list each business, occupation, or profession in which they are engaged and describe its nature; businesses need only be further disclosed as a source of income if they generate more than \$1,000 per year. (Iowa Code Ann. §68B.35)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Kansas     | Filers must submit a statement of substantial interests disclosing: business ownership or interest exceeding \$5,000 or 5% of the total business, held by the filer or spouse; any position as officer, director, associate, partner, or proprietor of a business held by the filer or spouse; and any source (including a business client or employer) from which the filer or spouse receives an aggregate of \$2,000 or more in compensation, fees, or commissions. (Kan. Stat. Ann. §§46-248, 46-229)                                                                                                                                                                                                                                                                          |
| Kentucky   | Filers must disclose their occupations and sources of income (and those of a spouse), along with any position held in a for-profit or nonprofit business, partnership, or corporation from which compensation is received, identified by the entity's name. Filers must also disclose all fiduciary positions held in a business, plus the identity of any legislative agent who is a partner of the filer or a family member, an officer or director of the filer's employer, an employer of the filer or a family member, or a business associate. The names of any clients who are themselves legislative agents or employers must also be disclosed. (Ky. Rev. Stat. Ann. §6.787)                                                                                              |

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Table C1 (continued)

| State Name    | Statutory Disclosure Requirements for Affiliated Businesses                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Louisiana     | For the filer and spouse, the name of their employer, occupation, principal business address, job title, and job description, along with the amount of all income sources, must be disclosed. Each business in which they serve as director, officer, owner, partner, member, or trustee, or hold an interest exceeding 10%, must be described by name, address, nature of the association, and amount of interest; any directorship or officer role with a nonprofit must likewise be named, addressed, and described. Each creditor and guarantor owed a liability over \$10,000 must be named and addressed, excluding business loans, consumer credit, loans through the ordinary course of business of a licensed financial institution, or loans from a non-lobbyist family member. (La. Stat. Ann. §42:1124.2)                                                                                                                                  |
| Maine         | For the filer and immediate family, any business owned or controlled at more than 5% of outstanding equity that generated \$2,000 or more in revenue must be disclosed by name, address, and principal business activity, along with any compensated or uncompensated office, trusteeship, directorship, or other position held with a for-profit or nonprofit firm, corporation, association, LLC, partnership, or business, and all reportable liabilities. If the filer is an employee receiving \$2,000 or more in compensation, the employer's name and address and the filer's title and position must be disclosed; if self-employed, the name and address of the business must be given along with each source of self-employment income representing more than 10% of gross income or \$2,000 (whichever is greater), including a description of the area of law if that income derives from legal services. (Me. Rev. Stat. tit. 1, §1016-G) |
| Massachusetts | Filers must name each associated business and describe the nature of the association, their share of equity, and any income over \$1,000 derived from it, along with the name and address of any business from which they have taken a leave of absence, and the identity of any equity in an associated business that was transferred to a family member. (Mass. Gen. Laws Ann. ch. 268B, §5)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Mississippi   | Filers must disclose their title, position, and offices held, along with all occupations of the filer and household members and any public body from which the filer or a household member received compensation exceeding \$1,000. For the filer or a household member, the name and address of any business where a position is held (and the position's title) must be disclosed if the filer receives over \$2,500 per year from it, owns 10% or more, or holds an ownership interest exceeding \$5,000; any role as employee, director, or officer of a business must also be disclosed, along with any compensated representation before a state or local government authority, excluding the courts and routine or uncontested matters. (Miss. Code Ann. §25-4-27)                                                                                                                                                                              |
| Montana       | Filers must state their type of business, disclose any officer or director role held in an entity, identify each business or professional entity or trust in which they hold an interest, and name each employing entity from which they currently receive benefits. (Mont. Code Ann. §2-2-106)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| New Jersey    | No statutory disclosure requirement for affiliated businesses was specified.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

(continued on next page)

Table C1 (continued)

| State Name     | Statutory Disclosure Requirements for Affiliated Businesses                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| New Mexico     | For the filer and spouse, the name and address of their employer, title or position held, and a brief description of the nature of the employer's business or occupation must be disclosed, along with all New Mexico professional business licenses held. All business interests of \$10,000 or more in a New Mexico business or entity must also be disclosed, including any position held and a general statement of the entity's purpose, along with all memberships held on for-profit business boards in New Mexico. (N.M. Stat. Ann. §10-16A-3)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| New York       | Any interest over \$1,000—held directly, through partnership membership, or through 10%-or-more corporate ownership/control—in a contract made or executed by a state agency must be disclosed, along with the name, principal address, and general description or nature of business activity of any entity in which more than \$1,000 is invested through securities or real property. Filers must also describe the terms of, and parties to, any agreement entered into with respect to future employment or continued affiliation with a person, firm, or corporation upon leaving public office or position. (N.Y. Pub. Off. Law §73-a)                                                                                                                                                                                                                                                                                                                                                                                                  |
| Ohio           | Filers must identify every source of income received and provide a brief description of the services provided in exchange, including the amount received from any legislative agent. Filers must also name every trust, partnership, or association incorporated or authorized to do business in Ohio (or holding a certificate of compliance to do so) that transacted more than \$1,000 in business in the state, or in which the filer holds an office or fiduciary relationship. (Ohio Rev. Code Ann. §102.02)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| South Carolina | Filers must identify any business or entity in which they hold, alone or in the aggregate, securities or interests constituting 5% or more of total issued and outstanding securities valued at \$100,000 or more, and must report the name, address, and compensation amount of any individual or business that pays them while contracting with their associated governmental entity. Filers must also provide their business or government address and workplace telephone number, and disclose the source, type, and amount of any income of substantial monetary value received from a governmental entity by the filer or immediate family. For the filer or immediate family, each creditor owed more than \$500 must be listed by name and address if the creditor is subject to the filer's regulation or has sought an arrangement with the filer's agency or department, excluding credit cards or retail installment contracts; any associated business's work with a lobbyist must also be disclosed. (S.C. Code Ann. §8-13-1120) |
| South Dakota   | Filers must disclose any enterprise in which they control more than 10% of the capital or stock, as well as any enterprise constituting a "close economic interest," defined as one contributing more than 10% or \$2,000 to gross family income. (S.D. Codified Laws §§3-1A-1, 3-1A-5)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

(continued on next page)

Table C1 (continued)

| State Name    | Statutory Disclosure Requirements for Affiliated Businesses                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Utah          | For the filer and household members, the name and address of each employer and a brief description of the employment must be disclosed, along with the name and business description of any individual or entity from which \$5,000 or more in income was received. Filers who are an owner or officer in an entity must disclose the entity's name, a description of its business or activity, and a description of their position; those holding stocks or bonds valued at \$5,000 or more must disclose the entity's name and a description of its business activity; and those serving in a paid leadership capacity must disclose the entity or organization's name, a brief description of its business or activity, and the type of position held. (Utah Code Ann. §20A-11-1604)                                                                                                                                                                                                                                                                                                                                  |
| West Virginia | For the filer and spouse, the business address and all names under which they do business must be disclosed, along with, for each position of employment, the employer's name and address, job title, and a general description of duties, and identification by category of every income source exceeding \$1,000. The name and address of each business in which an interest of \$10,000 or more is held; the name, address, and description of any nonprofit in which they serve as director or officer; a description of the goods/services provided and the purchasing agency if profit was made from a contract to sell to a state governmental agency, either directly or through an entity owned/controlled more than 10%; whether more than 20% of gross income was received from an interest-group category; the names of all persons (excluding immediate family) owed an aggregate of over \$5,000, excluding residence mortgages, student loans, auto loans, or other ordinary loans; and the name of each business in which they serve as a board member, director, or officer. (W. Va. Code Ann. §6B-2-7) |
| Wisconsin     | Filers must identify every associated organization and describe the nature of that association, as well as each source of income of \$1,000 or more for the filer and immediate family. (Wis. Stat. Ann. §19.44)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Wyoming       | Filers must disclose the name and address of any business in which they hold a 10% or greater ownership interest, along with their business address and phone number, a list of compensated offices, directorships, and salaried employment (including job titles and the names and addresses of the entities involved), and the names and addresses of income sources, excluding uncompensated positions with nonprofit corporations. (Wyo. Stat. Ann. §9-13-108)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

*Notes:* This table summarizes state-level statutory requirements for disclosing business affiliations on public financial disclosure statements, based on data compiled by the National Conference of State Legislatures (National Conference of State Legislatures, 2021).

## Appendix D Descriptive Statistics for Additional Variables

This section presents descriptive statistics for additional variables used in the Appendix. The summary statistics are organized into four panels. The first panel is based on the legislator-year dataset, which includes all legislator-year observations for which we observe legislator characteristics

and business affiliations. The second panel corresponds to the primary sponsor-year dataset used in the main text, augmented with variables capturing subcategories of pro-business legislation that are not classified as pro-entry. The third panel restricts the primary sponsor-year dataset to enrolled bills only. The fourth panel is constructed at the legislature-year level and includes state-year variables used in the analysis.

**Table D1:** Summary Statistics for Additional Variables

|                                                                  | Obs.  | Mean  | SD     | Min | Max   |
|------------------------------------------------------------------|-------|-------|--------|-----|-------|
| <i>Panel 1: The Legislator-Year Panel</i>                        |       |       |        |     |       |
| Entrepreneur                                                     | 33912 | 0.426 | 0.494  | 0.0 | 1.0   |
| Shareholder                                                      | 33912 | 0.101 | 0.302  | 0.0 | 1.0   |
| For-profit Employee                                              | 33912 | 0.232 | 0.422  | 0.0 | 1.0   |
| Non-profit Employee                                              | 33912 | 0.243 | 0.429  | 0.0 | 1.0   |
| Republican                                                       | 33912 | 0.547 | 0.498  | 0.0 | 1.0   |
| Female                                                           | 33558 | 0.253 | 0.435  | 0.0 | 1.0   |
| Senator                                                          | 33912 | 0.265 | 0.441  | 0.0 | 1.0   |
| <i>Panel 2: The Primary Sponsor-Year Panel</i>                   |       |       |        |     |       |
| Number of Tax Incentives Bills                                   | 20514 | 2.314 | 4.797  | 0.0 | 97.0  |
| Share of Tax Incentives Bills                                    | 20514 | 0.047 | 0.081  | 0.0 | 1.0   |
| Average Score of Tax Incentives Bills                            | 20514 | 4.423 | 7.785  | 0.0 | 100.0 |
| Number of Cost of Labor Bills                                    | 20514 | 0.928 | 2.262  | 0.0 | 33.0  |
| Share of Cost of Labor Bills                                     | 20514 | 0.018 | 0.047  | 0.0 | 1.0   |
| Average Score of Cost of Labor Bills                             | 20514 | 1.582 | 4.330  | 0.0 | 100.0 |
| Number of Skilled Workforce Bills                                | 20514 | 5.263 | 11.367 | 0.0 | 164.0 |
| Share of Skilled Workforce Bills                                 | 20514 | 0.100 | 0.119  | 0.0 | 1.0   |
| Average Score of Skilled Workforce Bills                         | 20514 | 9.335 | 11.285 | 0.0 | 100.0 |
| Number of Infrastructure Bills                                   | 20514 | 3.515 | 6.659  | 0.0 | 100.0 |
| Share of Infrastructure Bills                                    | 20514 | 0.077 | 0.110  | 0.0 | 1.0   |
| Average Score of Infrastructure Bills                            | 20514 | 7.147 | 10.487 | 0.0 | 100.0 |
| Number of International Expansion Bills                          | 20514 | 0.033 | 0.230  | 0.0 | 6.0   |
| Share of International Expansion Bills                           | 20514 | 0.001 | 0.007  | 0.0 | 0.5   |
| Average Score of International Expansion Bills                   | 20514 | 0.054 | 0.653  | 0.0 | 50.0  |
| <i>Panel 3: The Primary Sponsor of Enrolled Bills-Year Panel</i> |       |       |        |     |       |
| Entrepreneur                                                     | 16309 | 0.456 | 0.498  | 0.0 | 1.0   |
| Shareholder                                                      | 16309 | 0.102 | 0.303  | 0.0 | 1.0   |
| For-profit Employee                                              | 16309 | 0.233 | 0.423  | 0.0 | 1.0   |
| Non-profit Employee                                              | 16309 | 0.238 | 0.426  | 0.0 | 1.0   |

*Continued on next page*

**Table D1:** Summary Statistics for Additional Variables (continued)

|                                               | Obs.  | Mean   | SD     | Min   | Max   |
|-----------------------------------------------|-------|--------|--------|-------|-------|
| Republican                                    | 16309 | 0.591  | 0.492  | 0.0   | 1.0   |
| Female                                        | 16309 | 0.238  | 0.426  | 0.0   | 1.0   |
| Senator                                       | 16309 | 0.266  | 0.442  | 0.0   | 1.0   |
| Number of Bills                               | 16309 | 11.980 | 17.305 | 1.0   | 222.0 |
| Number of Bills as the First Primary Sponsor  | 16309 | 5.951  | 11.086 | 0.0   | 222.0 |
| Share of Bills as the First Primary Sponsor   | 16309 | 0.613  | 0.428  | 0.0   | 1.0   |
| Number of Bills as the Sole Primary Sponsor   | 16309 | 2.301  | 4.041  | 0.0   | 69.0  |
| Share of Bills as the Sole Primary Sponsor    | 16309 | 0.435  | 0.456  | 0.0   | 1.0   |
| Number of Pro-Business Bills                  | 16309 | 4.845  | 7.292  | 0.0   | 91.0  |
| Share of Pro-Business Bills                   | 16309 | 0.406  | 0.294  | 0.0   | 1.0   |
| Average Score of Pro-Business Bills           | 16309 | 38.593 | 28.216 | 0.0   | 100.0 |
| Number of Chamber of Commerce-Supported Bills | 5057  | 0.209  | 0.611  | 0.0   | 8.0   |
| Share of Chamber of Commerce-Supported Bills  | 5057  | 0.025  | 0.105  | 0.0   | 1.0   |
| Number of Pro-Entry Bills                     | 16309 | 2.315  | 3.750  | 0.0   | 54.0  |
| Share of Pro-Entry Bills                      | 16309 | 0.201  | 0.239  | 0.0   | 1.0   |
| Average Score of Pro-Entry Bills              | 16309 | 18.731 | 22.516 | 0.0   | 100.0 |
| Number of Antitrust Bills                     | 16309 | 0.280  | 0.705  | 0.0   | 10.0  |
| Share of Antitrust Bills                      | 16309 | 0.023  | 0.085  | 0.0   | 1.0   |
| Average Score of Antitrust Bills              | 16309 | 2.030  | 7.727  | 0.0   | 100.0 |
| Number of Deregulation Bills                  | 16309 | 1.910  | 3.194  | 0.0   | 40.0  |
| Share of Deregulation Bills                   | 16309 | 0.168  | 0.223  | 0.0   | 1.0   |
| Average Score of Deregulation Bills           | 16309 | 15.552 | 20.899 | 0.0   | 100.0 |
| Number of Innovation Bills                    | 16309 | 0.023  | 0.164  | 0.0   | 3.0   |
| Share of Innovation Bills                     | 16309 | 0.003  | 0.030  | 0.0   | 1.0   |
| Average Score of Innovation Bills             | 16309 | 0.240  | 2.910  | 0.0   | 100.0 |
| Number of Access to Capital Bills             | 16309 | 0.102  | 0.371  | 0.0   | 5.0   |
| Share of Access to Capital Bills              | 16309 | 0.008  | 0.048  | 0.0   | 1.0   |
| Average Score of Access to Capital Bills      | 16309 | 0.720  | 4.287  | 0.0   | 100.0 |
| <i>Panel 4: The Legislature-Year Panel</i>    |       |        |        |       |       |
| Share of Entrepreneurs                        | 310   | 0.419  | 0.144  | 0.041 | 0.738 |
| Share of Shareholders                         | 310   | 0.100  | 0.090  | 0.000 | 0.333 |
| Share of For-profit Employees                 | 310   | 0.240  | 0.114  | 0.000 | 0.600 |
| Share of Non-profit Employees                 | 310   | 0.239  | 0.168  | 0.000 | 0.774 |
| Share of Republicans                          | 310   | 0.549  | 0.183  | 0.060 | 1.000 |
| Share of Females                              | 310   | 0.263  | 0.104  | 0.086 | 1.000 |

*Continued on next page*

**Table D1:** Summary Statistics for Additional Variables (continued)

|                                             | Obs. | Mean   | SD    | Min    | Max    |
|---------------------------------------------|------|--------|-------|--------|--------|
| Share of Senators                           | 310  | 0.273  | 0.078 | 0.000  | 0.600  |
| Legislative Professionalism (Squire Index)  | 264  | 0.243  | 0.165 | 0.061  | 0.840  |
| Self Employment Rate                        | 310  | 0.069  | 0.016 | 0.036  | 0.116  |
| Self Employment Rate (Incorporated)         | 310  | 0.020  | 0.007 | 0.006  | 0.051  |
| Self Employment Rate (Unincorporated)       | 310  | 0.034  | 0.010 | 0.011  | 0.080  |
| New Firm Formation Rate                     | 310  | 0.075  | 0.014 | 0.052  | 0.119  |
| Real GDP Per Capita (Millions of Dollars)   | 310  | 0.056  | 0.012 | 0.036  | 0.091  |
| Population (Millions of People)             | 310  | 6.514  | 7.586 | 0.560  | 39.522 |
| Share of Female Population                  | 297  | 0.507  | 0.011 | 0.474  | 0.536  |
| Share of Black Population                   | 297  | 0.127  | 0.115 | 0.004  | 0.379  |
| Median Age                                  | 297  | 38.283 | 2.365 | 31.000 | 45.000 |
| Education Attainment (Bachelor's and Above) | 310  | 30.141 | 5.340 | 19.500 | 47.800 |
| Unemployment Rate                           | 310  | 5.552  | 2.130 | 1.805  | 11.634 |
| Labor Force Participation Rate              | 310  | 62.513 | 4.175 | 53.500 | 71.900 |
| Agricultural Employment Rate                | 310  | 0.024  | 0.018 | 0.002  | 0.076  |
| Election Competitiveness Index              | 294  | 33.261 | 8.806 | 13.400 | 51.500 |
| Minimum Wage                                | 310  | 8.146  | 2.102 | 2.650  | 15.500 |
| Personal Income Tax Rate                    | 310  | 5.650  | 3.139 | 0.000  | 12.300 |
| Corporate Income Tax Rate                   | 310  | 6.384  | 2.771 | 0.000  | 12.000 |

*Notes:* This table presents descriptive statistics for all variables used in additional analyses in the Appendix. These additional variables come from four data panels: the legislator-year panel, the primary sponsor-year panel, the primary sponsor of enrolled bills-year panel, and the legislature-year panel. The variables are presented under the sections of the four panels. Obs. represents the number of observations, and SD represents the standard deviation. VoteSmart does not maintain gender information for 354 legislators in the sample.

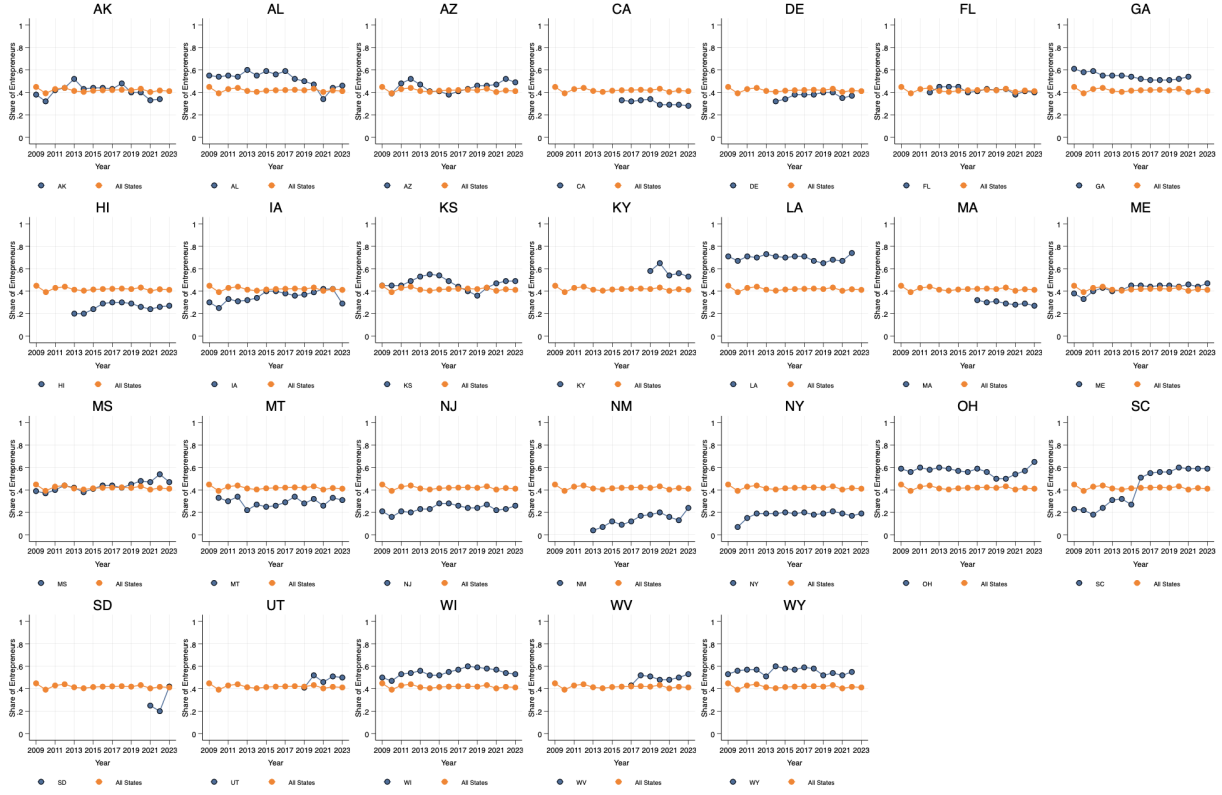
According to the statistics, our primary sponsor-year panel is a subsample of the original legislator-year sample, with 20514 observations, accounting for around 60% of the original sample. The sample size is further reduced to 16309 when we focus on primary sponsors of enrolled bills.

## Appendix E Dynamics of Entrepreneurs in State Legislatures

In this section, we examine the dynamics of the share of entrepreneurs in state legislatures, focusing on variation both within and across states over time. The analysis is based on the legislator-year panel, which includes all legislators for whom we observe individual characteristics and business affiliations.

Figure E1 presents state-level time series of the share of entrepreneurs in each legislature, while

**Figure E1:** Line Plots for the Share of Entrepreneurs in State Legislatures



*Notes:* This figure plots the share of legislators classified as entrepreneurs across the 26 state legislatures in our sample. Navy markers show the share of entrepreneurs in each state legislature by year; orange markers show the average share across all 26 state legislatures in that year.

Figure E2 provides a complementary heatmap visualization, where darker shades indicate higher shares of entrepreneurs in a state legislature. These figures reveal a clear and consistent pattern: variation in the share of entrepreneurs is driven primarily by differences across states rather than by changes within states over time. Although there is some within-state fluctuation, most states exhibit relatively stable trajectories, with persistent differences in levels across legislatures.

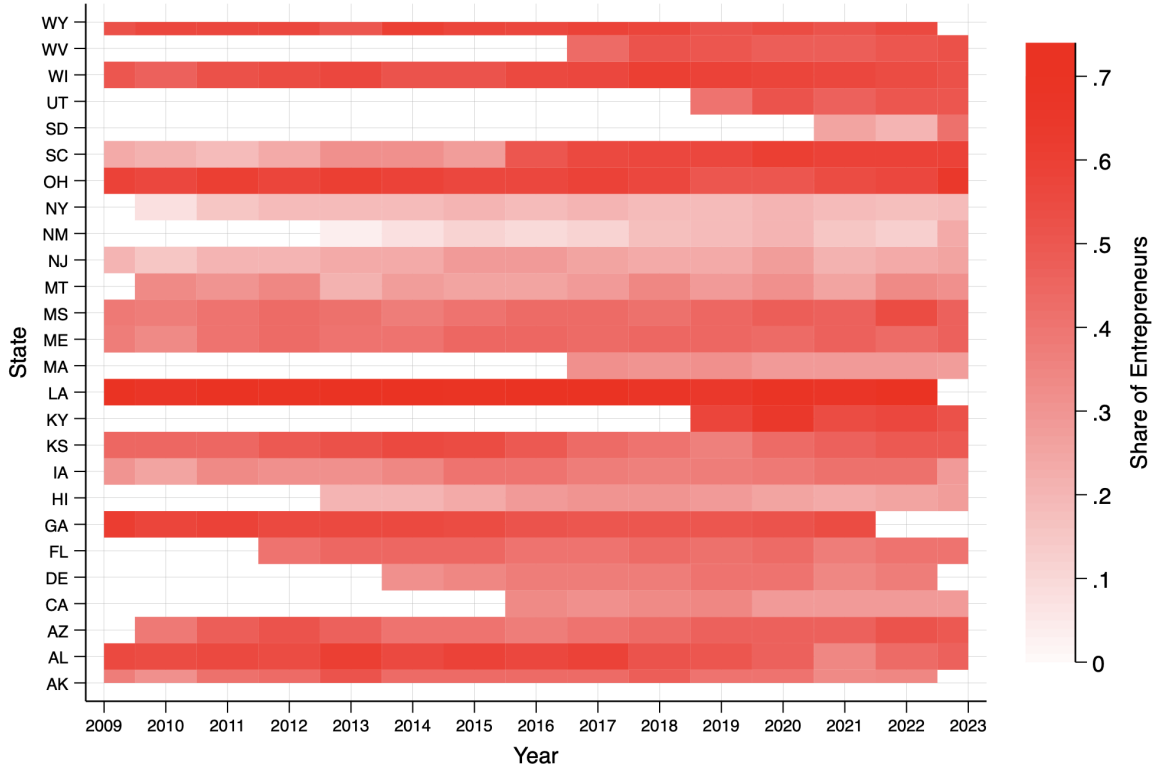
**Table E1:** Variance Decomposition of the Share of Entrepreneurs in State Legislatures

| Variable               |         | Mean  | SD    | Min   | Max   | Observations   |
|------------------------|---------|-------|-------|-------|-------|----------------|
| Share of Entrepreneurs | overall | 0.419 | 0.144 | 0.041 | 0.738 | N = 310        |
|                        | between |       | 0.136 | 0.137 | 0.698 | n = 26         |
|                        | within  |       | 0.053 | 0.181 | 0.598 | T-bar = 11.923 |

*Notes:* This table presents the overall, between, and within standard deviations of the percentage of entrepreneurs in state legislatures.

Table E1 formalizes these patterns by decomposing the standard deviation of the share of entrepreneurs into between-state and within-state components. The overall standard deviation is 0.144, while the between-state standard deviation is 0.136, substantially larger than the within-

**Figure E2:** Heatmap for the Share of Entrepreneurs in State Legislatures



*Notes:* This figure shows the heatmap for the share of legislators classified as entrepreneurs across the 26 state legislatures in our sample. Each cell corresponds to a state-year observation, with darker shades indicating a larger share of entrepreneurs and lighter shades indicating a smaller share.

state standard deviation of 0.053. This decomposition confirms that most of the observed variation arises from persistent differences across states rather than from temporal changes within states. The graphical and statistical evidence suggests that the presence of entrepreneurs in state legislatures is shaped primarily by stable, state-level factors rather than short-run fluctuations.

## Appendix F State-Level Predictors for the Share of Entrepreneurs in State Legislatures

In this section, we examine state-level predictors for the share of entrepreneurs in state legislatures. Table F1 reports regressions of the percentage of entrepreneur-legislators on a range of institutional, economic, and demographic characteristics. We consider multiple measures of entrepreneurial activity at the state level, including overall self-employment rates (including incorporated and unincorporated components) and the new-firm formation rate.

Across specifications, the most consistent predictors are demographic characteristics. The share of the female population is positively associated with the representation of entrepreneurs in state legislatures, whereas the share of the black population is negatively associated. In addition, the

**Table F1:** State-Level Predictors of the Share of Entrepreneurs in State Legislatures

| <i>Dependent Variables:</i>                                     | Share of Entrepreneurs<br>(1) | Share of Entrepreneurs<br>(2) | Share of Entrepreneurs<br>(3) |
|-----------------------------------------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Legislative Professionalism (Squire Index) $_{ElectionYear-1}$  | 0.092<br>(0.114)              | 0.120<br>(0.112)              | 0.100<br>(0.113)              |
| Self Employment Rate $_{ElectionYear-1}$                        | -0.707<br>(0.974)             |                               |                               |
| Self Employment Rate (Incorporated) $_{ElectionYear-1}$         |                               | 0.342<br>(0.988)              |                               |
| Self Employment Rate (Unincorporated) $_{ElectionYear-1}$       |                               | -0.631<br>(0.716)             |                               |
| New Firm Formation Rate $_{ElectionYear-1}$                     |                               |                               | 0.791<br>(1.251)              |
| log(Real GDP Per Capita) $_{ElectionYear-1}$                    | 0.032<br>(0.218)              | 0.054<br>(0.187)              | 0.067<br>(0.191)              |
| log(Population) $_{ElectionYear-1}$                             | 0.458<br>(0.315)              | 0.371<br>(0.343)              | 0.363<br>(0.311)              |
| Share of Female Population $_{ElectionYear-1}$                  | 3.047*<br>(1.225)             | 2.567+<br>(1.307)             | 2.758*<br>(1.106)             |
| Share of Black Population $_{ElectionYear-1}$                   | -7.286*<br>(3.231)            | -6.960*<br>(3.353)            | -7.197*<br>(3.251)            |
| Median Age $_{ElectionYear-1}$                                  | 0.006<br>(0.011)              | 0.007<br>(0.011)              | 0.007<br>(0.011)              |
| Education Attainment (Bachelor's and Above) $_{ElectionYear-1}$ | 0.002<br>(0.010)              | 0.002<br>(0.009)              | 0.003<br>(0.009)              |
| Unemployment Rate $_{ElectionYear-1}$                           | -0.005<br>(0.007)             | -0.007<br>(0.008)             | -0.005<br>(0.007)             |
| Labor Force Participation Rate $_{ElectionYear-1}$              | 0.010+<br>(0.006)             | 0.011+<br>(0.006)             | 0.011+<br>(0.006)             |
| Agricultural Employment Rate $_{ElectionYear-1}$                | -1.251<br>(1.230)             | -1.328<br>(1.097)             | -1.417<br>(1.063)             |
| Election Competitiveness Index $_{ElectionYear}$                | 0.001<br>(0.001)              | 0.001<br>(0.001)              | 0.001<br>(0.001)              |
| State FE                                                        | YES                           | YES                           | YES                           |
| Year FE                                                         | YES                           | YES                           | YES                           |
| DV Mean                                                         | 0.423                         | 0.423                         | 0.423                         |
| N                                                               | 250                           | 250                           | 250                           |
| R <sup>2</sup>                                                  | 0.926                         | 0.926                         | 0.926                         |

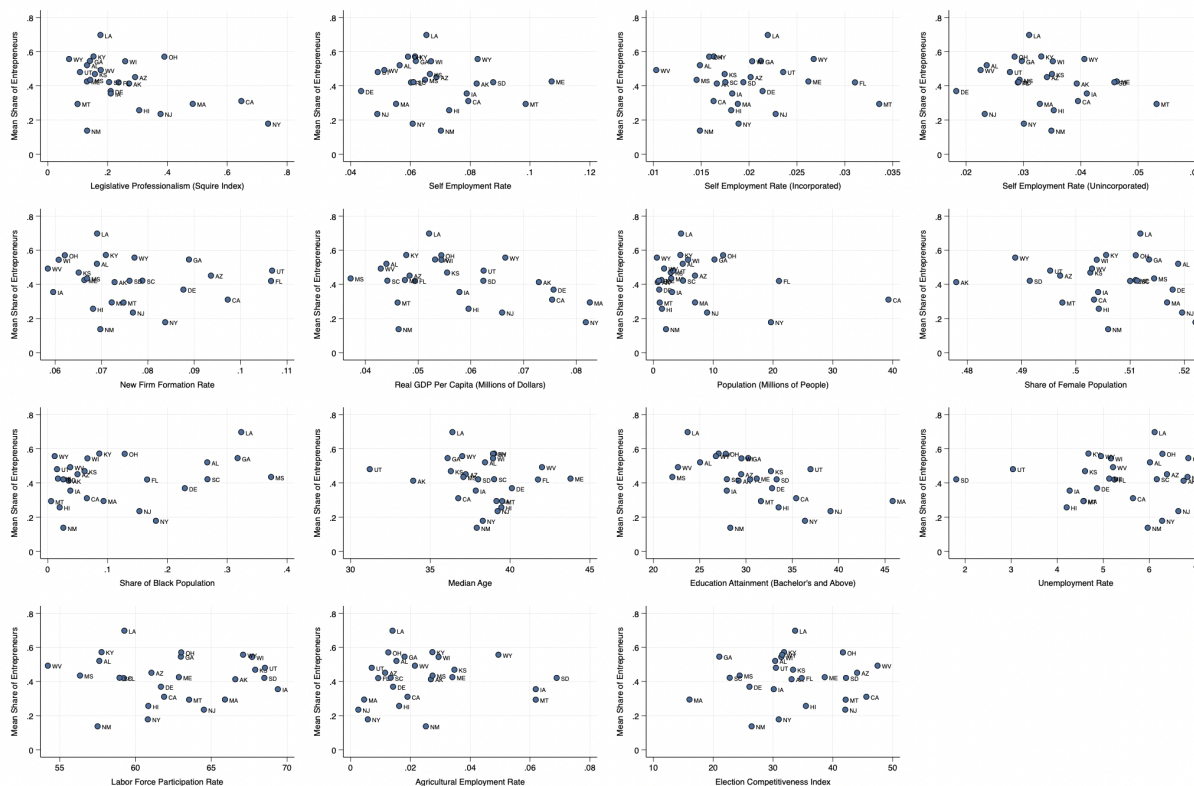
*Notes:* This table presents OLS results for the determinants of the percentage of entrepreneurs in a state legislature. The unit of analysis is a legislature-year. The dependent variable is the percentage of entrepreneurs in a legislature in a year. The independent variables are state-year level predictors, including economic variables, such as state-level entrepreneurship measures, real GDP per capita, unemployment rate, labor participation, and agricultural employment; demographic variables, such as population, percentage of female population, percentage of black population, median age, and education attainment (bachelor's and above); institutional variables, such as legislative professionalism of the state legislature and competition index of the campaign. The independent variables are all measured in the year prior to the most recent election year, except the campaign competition index, which is measured in the most recent election year. We adopt multiple measures of entrepreneurship activity in a state, including the self-employment rate, the incorporated self-employment rate, the unincorporated self-employment rate, and the new firm formation rate. The standard errors (in parentheses) are both robust to heteroskedasticity and clustered by state. Statistical significance levels are denoted as follows: + $p < 0.10$ ; \* $p < 0.05$ ; \*\* $p < 0.01$ ; \*\*\* $p < 0.001$ .

labor force participation rate is positively associated with entrepreneurial representation, though the effect is modest and only marginally significant at the 10% level. These patterns suggest that the presence of entrepreneurs within a state's legislature is more closely tied to demographic conditions than to measures of economic performance or legislative institutions.

Notably, the state-level measures of entrepreneurial activity do not exhibit statistically significant relationships with the share of entrepreneurs in state legislatures. This lack of association indicates that the presence of entrepreneurs in political office is not mechanically driven by the

prevalence of entrepreneurship in the local economy. Instead, these results point to a selection process that operates through political channels: even in states with similar levels of entrepreneurial activity, the likelihood that entrepreneurs are elected to office may vary. In this sense, though demographic characteristics may also capture the supply of potential candidates who are entrepreneurs, after controlling for state-level entrepreneurial activity, they more likely reflect features of the electorate and political environment that shape the translation of that supply into representation.

**Figure F1:** State-Level Predictors and the Share of Entrepreneur-Legislators



*Notes:* This figure shows scatter plots for the relationship between each of the 15 state-level predictors and the average share of legislators classified as entrepreneurs in a state legislature over the sample period. Each dot represents one of the 26 states in the sample, with the state's abbreviation labeled next to it.

We further illustrate the cross-state patterns in Figure F1, which plots each state-level predictor against the average share of entrepreneur-legislators across states over the sample period. The figure complements the regressions by displaying cross-state relationships, whereas the regressions rely on within-state variation. Similar to within-state results, the scatter plots also show little evidence that states with higher self-employment or new-firm formation rates are associated with higher shares of entrepreneurs in their legislatures. One notable cross-state pattern is a negative relationship between legislative professionalism and the mean share of entrepreneurs. This finding is consistent with Maddox (2004), which documents a negative relationship between legislative salaries, a crucial part of the Squire Index measure (Squire, 2007), and state legislators' outside careers. Compared to within-state outcomes, the scatter plots also suggest associations between several other economic

predictors, beyond demographics and labor force participation, and the share of entrepreneurs in state legislatures, such as real GDP per capita, total population, median age, education attainment, and agricultural employment.

Table F1 and Figure F1 reinforce our discussion in Appendix E that entrepreneurial representation in state legislatures is not primarily driven by within-state factors but varies with broader economic, demographic, and institutional conditions across the states, which shape the political conditions that elect these business owners to legislative offices.

## **Appendix G   The Share of Entrepreneurs in State Legislatures as a Predictor for State-Level Entrepreneurship**

In this section, we examine whether the share of entrepreneurs in state legislatures predicts state-level entrepreneurial activity in the following year.

Table G1 reports regressions of various measures of state-level entrepreneurship on the lagged share of entrepreneur-legislators. Across the four outcome variables, we find a slightly positive association only for the unincorporated self-employment rate. By contrast, the coefficients for overall self-employment, incorporated self-employment, and new firm formation are small and statistically indistinguishable from zero.

This pattern is consistent with our earlier evidence that entrepreneur-legislators are more likely to support pro-entry policies, particularly those aimed at reducing regulatory burdens. Such policy efforts appear to translate into measurable increases in entrepreneurial activity, but primarily in forms that face lower barriers to entry. In particular, unincorporated self-employment typically captures smaller, less formal ventures that are more sensitive to regulatory and administrative frictions. The positive coefficient, therefore, suggests that the presence of entrepreneurs in the office is associated with more entry at the margin by reducing these frictions.

At the same time, the absence of significant effects for overall self-employment, incorporated self-employment, and new firm formation indicates that the influence is not uniform across all types of entrepreneurship. More formal or growth-oriented ventures, such as incorporated firms or newly registered businesses, tend to rely on a broader set of conditions, including access to capital, competitive environment, and labor supply, which are less directly shaped by the types of policy changes advanced by entrepreneur-legislators. These findings suggest that the policy impact of entrepreneur-legislators operates primarily through lowering entry barriers for small-scale and informal ventures, rather than broadly increasing all forms of firm creation.

## **Appendix H   Entrepreneurs and Introduction of the Pro-Business Bills that are not Pro-Entry**

This section examines whether entrepreneur-legislators introduce, as primary sponsors, specific categories of pro-business legislation that do not directly target entry.

**Table G1:** The Share of Entrepreneurs in State Legislatures as a Predictor for State-Level Entrepreneurship

| <i>Dependent Variables:</i>                                | Self Employment Rate<br>(1)   | Self Employment Rate<br>(Incorporated)<br>(2) | Self Employment Rate<br>(Unincorporated)<br>(3) | New Firm Formation Rate<br>(4) |
|------------------------------------------------------------|-------------------------------|-----------------------------------------------|-------------------------------------------------|--------------------------------|
| Share of Entrepreneurs <sub>t-1</sub>                      | 0.002<br>(0.006)              | 0.007<br>(0.006)                              | 0.020 <sup>+</sup><br>(0.010)                   | 0.007<br>(0.007)               |
| Share of Shareholders <sub>t-1</sub>                       | 0.004<br>(0.019)              | 0.015<br>(0.010)                              | -0.016<br>(0.026)                               | 0.015*<br>(0.007)              |
| Share of For-Profit Employees <sub>t-1</sub>               | 0.002<br>(0.008)              | 0.012<br>(0.009)                              | -0.002<br>(0.011)                               | 0.009<br>(0.008)               |
| Share of Non-Profit Employees <sub>t-1</sub>               | -0.008<br>(0.012)             | -0.006<br>(0.012)                             | 0.008<br>(0.015)                                | -0.002<br>(0.008)              |
| log(Real GDP Per Capita) <sub>t-1</sub>                    | -0.033*<br>(0.012)            | -0.008<br>(0.013)                             | 0.006<br>(0.015)                                | -0.027 <sup>+</sup><br>(0.014) |
| log(Population) <sub>t-1</sub>                             | 0.028<br>(0.027)              | 0.018<br>(0.016)                              | 0.001<br>(0.034)                                | 0.082**<br>(0.028)             |
| Share of Female Population <sub>t-1</sub>                  | 0.160<br>(0.150)              | 0.060<br>(0.101)                              | -0.024<br>(0.138)                               | 0.112<br>(0.112)               |
| Share of Black Population <sub>t-1</sub>                   | -0.242<br>(0.173)             | 0.003<br>(0.103)                              | 0.161<br>(0.173)                                | 0.391*<br>(0.166)              |
| Median Age <sub>t-1</sub>                                  | -0.000<br>(0.001)             | -0.000<br>(0.001)                             | 0.000<br>(0.001)                                | 0.002*<br>(0.001)              |
| Education Attainment (Bachelor's and Above) <sub>t-1</sub> | 0.000<br>(0.001)              | -0.000<br>(0.001)                             | 0.001<br>(0.001)                                | 0.000<br>(0.001)               |
| Unemployment Rate <sub>t-1</sub>                           | 0.001 <sup>+</sup><br>(0.000) | 0.000<br>(0.000)                              | 0.001*<br>(0.001)                               | -0.001<br>(0.000)              |
| Labor Force Participation Rate <sub>t-1</sub>              | 0.000<br>(0.001)              | 0.000<br>(0.001)                              | -0.001 <sup>+</sup><br>(0.001)                  | 0.000<br>(0.000)               |
| Agricultural Employment Rate <sub>t-1</sub>                | 0.196**<br>(0.066)            | -0.066<br>(0.067)                             | 0.044<br>(0.096)                                | -0.054<br>(0.075)              |
| Minimum Wage <sub>t-1</sub>                                | -0.001<br>(0.001)             | 0.001*<br>(0.000)                             | -0.002*<br>(0.001)                              | -0.000<br>(0.000)              |
| Personal Income Tax Rate <sub>t-1</sub>                    | 0.000<br>(0.000)              | 0.000<br>(0.000)                              | 0.001 <sup>+</sup><br>(0.000)                   | -0.000<br>(0.000)              |
| Corporate Income Tax Rate <sub>t-1</sub>                   | 0.001<br>(0.001)              | -0.001<br>(0.001)                             | 0.001<br>(0.001)                                | 0.001*<br>(0.001)              |
| State FE                                                   | YES                           | YES                                           | YES                                             | YES                            |
| Year FE                                                    | YES                           | YES                                           | YES                                             | YES                            |
| DV Mean                                                    | 0.068                         | 0.020                                         | 0.033                                           | 0.076                          |
| N                                                          | 268                           | 268                                           | 268                                             | 268                            |
| R <sup>2</sup>                                             | 0.926                         | 0.582                                         | 0.637                                           | 0.949                          |

*Notes:* This table presents the OLS results for the share of entrepreneurs in state legislatures as a predictor for state-level entrepreneurship. The dependent variables across different models are the four measures of entrepreneurship activity in a state: the self-employment rate, the incorporated self-employment rate, the unincorporated self-employment rate, and the new firm formation rate. The independent variable is the share of entrepreneurs in a state legislature in the lagged one-year period. We also control for other lagged variables, including the shares of shareholders, for-profit employees, and non-profit employees. Lagged economic, demographic, and institutional variables are also added as controls, including real GDP per capita, unemployment rate, labor participation, agricultural employment, total population, share of female population, share of black population, median age of the population, share of population with bachelor's degrees and above, minimum wage, personal income tax, and corporate income tax. The standard errors (in parentheses) are both robust to heteroskedasticity and clustered by state.

Statistical significance levels are denoted as follows: <sup>+</sup> $p < 0.10$ ; \* $p < 0.05$ ; \*\* $p < 0.01$ ; \*\*\* $p < 0.001$ .

Table H1 shows that legislators with entrepreneurial backgrounds sponsor a higher share of tax incentives bills with a higher average score. Tax policy is a salient and flexible tool available to state legislators and affects both incumbent firms and new ventures. This pattern is consistent with the central role of taxation in shaping the business environment, which entrepreneur-legislators view as a policy priority.

At the same time, entrepreneurs are less likely to sponsor bills aimed at reducing labor costs or promoting workforce development. This pattern indicates that labor-related policies are not a primary focus for entrepreneur-legislators. One interpretation is that, relative to other constraints,

**Table H1: Pro-Business Bills that are not Pro-Entry Introduced by Entrepreneurs as Primary Sponsors in State Legislatures**

| <i>Dependent Variables:</i> | Tax Incentives     |                      |                      | Cost of Labor        |                      |                      | Skilled Workforce    |                      |                      | Infrastructure       |                      |                       | International Expansion |                   |                       |
|-----------------------------|--------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|-------------------------|-------------------|-----------------------|
|                             | (1)<br>Number      | (2)<br>Share         | (3)<br>Average Score | (4)<br>Number        | (5)<br>Share         | (6)<br>Average Score | (7)<br>Number        | (8)<br>Share         | (9)<br>Average Score | (10)<br>Number       | (11)<br>Share        | (12)<br>Average Score | (13)<br>Number          | (14)<br>Share     | (15)<br>Average Score |
| Entrepreneur                | 0.075<br>(0.075)   | 0.005***<br>(0.001)  | 0.480***<br>(0.135)  | -0.119*<br>(0.036)   | -0.002*<br>(0.001)   | -0.185*<br>(0.078)   | -0.307<br>(0.189)    | -0.012***<br>(0.002) | -1.131***<br>(0.214) | 0.047<br>(0.115)     | 0.001<br>(0.002)     | 0.128<br>(0.201)      | 0.001<br>(0.003)        | 0.000<br>(0.000)  | 0.006<br>(0.010)      |
| Shareholder                 | 0.176<br>(0.160)   | -0.001<br>(0.002)    | -0.055<br>(0.218)    | 0.018<br>(0.043)     | -0.001<br>(0.001)    | -0.145<br>(0.111)    | 0.085<br>(0.313)     | -0.009*<br>(0.004)   | -0.877*<br>(0.355)   | 0.189<br>(0.234)     | 0.006<br>(0.004)     | 0.624<br>(0.409)      | -0.004<br>(0.004)       | -0.000<br>(0.000) | -0.019<br>(0.013)     |
| For-profit Employee         | 0.243*<br>(0.106)  | 0.003*<br>(0.002)    | 0.287+<br>(0.156)    | -0.052<br>(0.045)    | 0.001<br>(0.001)     | 0.020<br>(0.099)     | -0.249<br>(0.234)    | -0.005*<br>(0.002)   | -0.547*<br>(0.219)   | -0.088<br>(0.143)    | -0.005*<br>(0.002)   | -0.458*<br>(0.215)    | 0.002<br>(0.004)        | -0.000<br>(0.000) | 0.001<br>(0.011)      |
| Non-profit Employee         | -0.034<br>(0.094)  | 0.000<br>(0.002)     | 0.022<br>(0.170)     | -0.021<br>(0.050)    | -0.002<br>(0.001)    | -0.141<br>(0.098)    | 0.158<br>(0.247)     | 0.010***<br>(0.003)  | 0.962***<br>(0.258)  | -0.239+<br>(0.126)   | -0.003<br>(0.002)    | -0.312<br>(0.221)     | -0.004<br>(0.005)       | 0.000<br>(0.000)  | 0.010<br>(0.012)      |
| Republican                  | 0.119<br>(0.089)   | 0.007***<br>(0.002)  | 0.664***<br>(0.151)  | -0.388***<br>(0.040) | -0.005***<br>(0.001) | -0.428***<br>(0.095) | -2.144***<br>(0.203) | -0.019***<br>(0.002) | -1.676***<br>(0.235) | -0.860***<br>(0.121) | -0.008***<br>(0.002) | -0.783***<br>(0.217)  | -0.006+<br>(0.003)      | -0.000<br>(0.000) | -0.009<br>(0.011)     |
| Female                      | -0.183*<br>(0.092) | -0.007***<br>(0.002) | -0.678***<br>(0.146) | 0.031<br>(0.050)     | -0.001<br>(0.001)    | -0.131<br>(0.094)    | 1.205***<br>(0.270)  | 0.019***<br>(0.003)  | 1.789***<br>(0.265)  | -0.474***<br>(0.143) | -0.020***<br>(0.002) | -1.876***<br>(0.222)  | -0.001<br>(0.004)       | -0.000<br>(0.000) | -0.011<br>(0.011)     |
| Senator                     | -0.082<br>(0.083)  | -0.003*<br>(0.001)   | -0.325*<br>(0.135)   | 0.060<br>(0.039)     | -0.000<br>(0.001)    | -0.029<br>(0.069)    | -0.058<br>(0.183)    | -0.003<br>(0.002)    | -0.306<br>(0.216)    | 0.171<br>(0.119)     | -0.008***<br>(0.002) | -0.840***<br>(0.199)  | 0.001<br>(0.004)        | 0.000<br>(0.000)  | 0.017<br>(0.014)      |
| State FE                    | YES                | YES                  | YES                  | YES                  | YES                  | YES                  | YES                  | YES                  | YES                  | YES                  | YES                  | YES                   | YES                     | YES               | YES                   |
| Year FE                     | YES                | YES                  | YES                  | YES                  | YES                  | YES                  | YES                  | YES                  | YES                  | YES                  | YES                  | YES                   | YES                     | YES               | YES                   |
| DV Mean                     | 2.314              | 0.047                | 4.423                | 0.928                | 0.018                | 1.582                | 5.263                | 0.100                | 9.335                | 3.515                | 0.077                | 7.147                 | 0.033                   | 0.001             | 0.054                 |
| N                           | 20514              | 20514                | 20514                | 20514                | 20514                | 20514                | 20514                | 20514                | 20514                | 20514                | 20514                | 20514                 | 20514                   | 20514             | 20514                 |
| R <sup>2</sup>              | 0.421              | 0.041                | 0.042                | 0.423                | 0.029                | 0.028                | 0.439                | 0.065                | 0.064                | 0.438                | 0.125                | 0.130                 | 0.063                   | 0.008             | 0.008                 |

*Notes:* This table presents the OLS results for the subcategories of pro-business bills that are not pro-entry introduced by entrepreneurs as primary sponsors. The unit of analysis is a primary sponsor-year. The independent variable is whether a legislator is an entrepreneur. The dependent variables are the number, share, and average score of pro-business bills that a legislator introduced as a primary sponsor across the pro-business but not pro-entry subcategories. Tax Incentives, Cost of Labor, Skilled Workforce, Infrastructure, and International Expansion. The standard errors (in parentheses) are both robust to heteroskedasticity and clustered by legislator.

Statistical significance levels are denoted as follows: \*  $p < 0.10$ ; \*\*  $p < 0.05$ ; \*\*\*  $p < 0.01$ .

labor costs and workforce quality may be less binding for early-stage or small-scale ventures. Instead, entrepreneurs in legislatures appear to prioritize policy areas that more directly lower entry barriers, such as reducing regulatory burdens.

However, the negative association should not be interpreted as evidence that labor issues are unimportant for firm performance. Rather, it highlights a distinction between policies that facilitate entry and those that support firm growth and scaling. Workforce development and labor cost policies are more likely to benefit established firms or later-stage ventures, whereas entrepreneur-legislators appear to place greater emphasis on reforms that ease initial market entry. Therefore, these results reinforce the view that entrepreneur-legislators adopt a targeted policymaking strategy, focusing on entry-related constraints rather than broader labor market interventions.

## **Appendix I Robustness Checks**

### **I.1 Regression Results With State Legislative District Fixed Effects**

In this section, we report robustness checks that replace state fixed effects with state legislative district fixed effects. Since representation within a district can change over time through electoral turnover and some districts elect multiple legislators, this specification exploits within-district variation in legislative composition across years. Controlling for district fixed effects provides a more stringent test by absorbing time-invariant characteristics of local constituencies, including persistent economic structures, political preferences, and business environments that may jointly influence both the selection of legislators and their legislative behavior.

In many districts, the same legislator is repeatedly re-elected, or the composition of representatives changes only infrequently. For this reason, controlling for district fixed effects absorbs a large share of the variation in the estimate of the coefficient. However, the results remain qualitatively consistent with the baseline specifications. Although the outcomes on the sponsorship of chamber-supported bills show a slight positive relationship with entrepreneurial status, the results for our generated measures of pro-business and pro-entry bills remain consistent, suggesting that our main findings are not driven by cross-district differences in underlying constituency characteristics.

### **I.2 Regression Results Using Enrolled Bills**

In this section, we present robustness checks using the primary sponsor-year panel of only enrolled bills, i.e., legislation ultimately approved by both chambers. As a subset of all introduced bills, enrolled bills reflect the final outcomes of the legislative process after amendments, negotiations, and institutional constraints have taken effect.

For this sample, we apply the classification procedure described in Section 3.2.3 to the final version of each bill, rather than to its introduced version. This approach allows us to capture the pro-business and pro-entry orientation of legislation as it emerges from the legislative process, rather than at the proposal stage.

**Table I1: Primary Sponsorship of Bills by Entrepreneurs in State Legislatures**

| <i>Dependent Variables:</i>   | Number of Bills<br>(1) | Number of Bills<br>as the First Primary Sponsor<br>(2) | Share of Bills<br>as the First Primary Sponsor<br>(3) | Number of Bills<br>as the Sole Primary Sponsor<br>(4) | Share of Bills<br>as the Sole Primary Sponsor<br>(5) |
|-------------------------------|------------------------|--------------------------------------------------------|-------------------------------------------------------|-------------------------------------------------------|------------------------------------------------------|
| Entrepreneur                  | -1.059<br>(1.233)      | -0.364<br>(0.617)                                      | 0.010 <sup>+</sup><br>(0.006)                         | 0.253<br>(0.295)                                      | 0.012 <sup>+</sup><br>(0.006)                        |
| Shareholder                   | 2.202<br>(1.669)       | -0.452<br>(0.936)                                      | -0.020*<br>(0.008)                                    | 0.400<br>(0.522)                                      | -0.014<br>(0.009)                                    |
| For-profit Employee           | 0.166<br>(1.490)       | -1.078<br>(0.818)                                      | -0.009<br>(0.006)                                     | -0.979*<br>(0.460)                                    | -0.003<br>(0.007)                                    |
| Non-profit Employee           | -0.757<br>(1.377)      | -0.526<br>(0.818)                                      | 0.004<br>(0.006)                                      | -0.213<br>(0.383)                                     | 0.003<br>(0.007)                                     |
| Republican                    | -6.979***<br>(1.600)   | -0.793<br>(0.891)                                      | -0.002<br>(0.008)                                     | -1.288**<br>(0.472)                                   | 0.006<br>(0.009)                                     |
| Female                        | 0.415<br>(1.783)       | -1.484 <sup>+</sup><br>(0.786)                         | 0.003<br>(0.007)                                      | -0.825*<br>(0.410)                                    | 0.004<br>(0.008)                                     |
| Senator                       | 3.481<br>(2.799)       | 8.054***<br>(2.172)                                    | 0.026 <sup>+</sup><br>(0.014)                         | 4.262***<br>(1.077)                                   | 0.058***<br>(0.016)                                  |
| State Legislative District FE | YES                    | YES                                                    | YES                                                   | YES                                                   | YES                                                  |
| Year FE                       | YES                    | YES                                                    | YES                                                   | YES                                                   | YES                                                  |
| DV Mean                       | 47.773                 | 22.763                                                 | 0.693                                                 | 12.344                                                | 0.526                                                |
| N                             | 20386                  | 20386                                                  | 20386                                                 | 20386                                                 | 20386                                                |
| R <sup>2</sup>                | 0.721                  | 0.629                                                  | 0.726                                                 | 0.731                                                 | 0.762                                                |

*Notes:* This table presents the OLS results for entrepreneurs' primary sponsorship of bills in state legislatures. The unit of analysis is a primary sponsor-year. The independent variable is whether a legislator is an entrepreneur. The dependent variables are the number of bills the legislator introduced as a primary sponsor, the number of bills the legislator introduced as the first sponsor, the share of bills the legislator introduced as the first sponsor, the number of bills the legislator introduced as the sole primary sponsor, and the share of bills the legislator introduced as the sole primary sponsor. Control variables include other types of business affiliations (shareholder, for-profit employee, and non-profit employee), party, chamber, and gender of legislators. The standard errors (in parentheses) are both robust to heteroskedasticity and clustered by legislator.

Statistical significance levels are denoted as follows: <sup>+</sup> $p < 0.10$ ; \* $p < 0.05$ ; \*\* $p < 0.01$ ; \*\*\* $p < 0.001$ .

**Table I2: Pro-Business Bills Introduced by Entrepreneurs in State Legislatures**

| <i>Dependent Variables:</i>   | Number of<br>Pro-Business Bills<br>(1) | Share of<br>Pro-Business Bills<br>(2) | Average Score of<br>Pro-Business Bills<br>(3) | Number of<br>CoC-Supported Bills<br>(4) | Share of<br>CoC-Supported Bills<br>(5) |
|-------------------------------|----------------------------------------|---------------------------------------|-----------------------------------------------|-----------------------------------------|----------------------------------------|
| Entrepreneur                  | -0.392<br>(0.525)                      | -0.004<br>(0.004)                     | -0.424<br>(0.420)                             | 0.082*<br>(0.034)                       | 0.005**<br>(0.002)                     |
| Shareholder                   | 0.975<br>(0.778)                       | 0.002<br>(0.007)                      | 0.037<br>(0.683)                              | -0.146*<br>(0.059)                      | -0.004<br>(0.003)                      |
| For-profit Employee           | 0.147<br>(0.671)                       | 0.001<br>(0.005)                      | 0.016<br>(0.442)                              | -0.035<br>(0.032)                       | -0.001<br>(0.004)                      |
| Non-profit Employee           | -0.537<br>(0.621)                      | -0.009 <sup>+</sup><br>(0.005)        | -0.870 <sup>+</sup><br>(0.456)                | 0.026<br>(0.036)                        | 0.002<br>(0.002)                       |
| Republican                    | -3.192***<br>(0.711)                   | 0.005<br>(0.006)                      | 0.704<br>(0.557)                              | 0.159***<br>(0.044)                     | 0.008***<br>(0.002)                    |
| Female                        | -0.934<br>(0.781)                      | -0.037***<br>(0.005)                  | -3.635***<br>(0.475)                          | -0.065 <sup>+</sup><br>(0.036)          | -0.004<br>(0.003)                      |
| Senator                       | 0.815<br>(1.319)                       | -0.003<br>(0.011)                     | -0.306<br>(1.069)                             | 0.039<br>(0.052)                        | 0.004<br>(0.003)                       |
| State Legislative District FE | YES                                    | YES                                   | YES                                           | YES                                     | YES                                    |
| Year FE                       | YES                                    | YES                                   | YES                                           | YES                                     | YES                                    |
| DV Mean                       | 20.995                                 | 0.435                                 | 41.236                                        | 0.303                                   | 0.015                                  |
| N                             | 20386                                  | 20386                                 | 20386                                         | 6217                                    | 6217                                   |
| R <sup>2</sup>                | 0.728                                  | 0.314                                 | 0.316                                         | 0.490                                   | 0.327                                  |

*Notes:* This table presents the OLS results for pro-business bills introduced by entrepreneurs as primary sponsors. The unit of analysis is a primary sponsor-year. The independent variable is whether a legislator is an entrepreneur. The dependent variables in Column (1), Column (2), and Column (3) are the number, share, and average score of pro-business bills a legislator introduced as a primary sponsor. The number and share of Chamber of Commerce-supported bills a legislator introduced as a primary sponsor are used as dependent variables in Column (4) and Column (5), serving as a benchmark for pro-business legislation. Control variables include other types of business affiliations (shareholder, for-profit employee, and non-profit employee), party, chamber, and gender of legislators. The standard errors (in parentheses) are both robust to heteroskedasticity and clustered by legislator.

Statistical significance levels are denoted as follows: <sup>+</sup> $p < 0.10$ ; \* $p < 0.05$ ; \*\* $p < 0.01$ ; \*\*\* $p < 0.001$ .

The results remain substantively consistent with the main findings. Although there is a positive sign in Column (3) for the average score of pro-business bills, it is only marginally significant at

**Table I3:** Pro-Entry Bills Introduced by Entrepreneurs in State Legislatures

| <i>Dependent Variables:</i>   | Number of Pro-Entry Bills<br>(1) | Share of Pro-Entry Bills<br>(2) | Average Score of Pro-Entry Bills<br>(3) |
|-------------------------------|----------------------------------|---------------------------------|-----------------------------------------|
| Entrepreneur                  | 0.069<br>(0.228)                 | 0.009**<br>(0.003)              | 0.755*<br>(0.313)                       |
| Shareholder                   | 0.685+<br>(0.354)                | 0.010+<br>(0.006)               | 0.807<br>(0.529)                        |
| For-profit Employee           | 0.060<br>(0.297)                 | 0.009*<br>(0.004)               | 0.822*<br>(0.336)                       |
| Non-profit Employee           | -0.460<br>(0.280)                | -0.009*<br>(0.004)              | -0.868*<br>(0.347)                      |
| Republican                    | -0.473<br>(0.305)                | 0.032***<br>(0.004)             | 3.234***<br>(0.392)                     |
| Female                        | -0.989**<br>(0.324)              | -0.024***<br>(0.004)            | -2.255***<br>(0.332)                    |
| Senator                       | 1.221+<br>(0.627)                | 0.017+<br>(0.008)               | 1.549*<br>(0.783)                       |
| State Legislative District FE | YES                              | YES                             | YES                                     |
| Year FE                       | YES                              | YES                             | YES                                     |
| DV Mean                       | 8.904                            | 0.193                           | 17.826                                  |
| N                             | 20386                            | 20386                           | 20386                                   |
| R <sup>2</sup>                | 0.716                            | 0.311                           | 0.314                                   |

*Notes:* This table presents the OLS results for pro-entry bills introduced by entrepreneurs as primary sponsors. The unit of analysis is a primary sponsor-year. The independent variable is whether a legislator is an entrepreneur. The dependent variables in Column (1), Column (2), and Column (3) are the number, share, and average score of pro-entry bills a legislator introduced as a primary sponsor. Control variables include other types of business affiliations (shareholder, for-profit employee, and non-profit employee), party, chamber, and gender of legislators. The standard errors (in parentheses) are both robust to heteroskedasticity and clustered by legislator. Statistical significance levels are denoted as follows: + $p < 0.10$ ; \* $p < 0.05$ ; \*\* $p < 0.01$ ; \*\*\* $p < 0.001$ .

the 10% significance level. Entrepreneurs continue to sponsor more legislation aimed at reducing regulatory requirements, with the estimated effects for the share and score measures even larger in this restricted sample. One notable difference is that, among enrolled bills, entrepreneurs sponsor significantly more antitrust-related pro-entry legislation, as measured by both the share and the score of such bills, than innovation-oriented policies. This pattern further underscores deregulation as the primary channel through which entrepreneurs seek to lower entry barriers. It also suggests that, in addition to shaping initial proposals, entrepreneur-legislators may also play a role in advancing certain policy priorities through the legislative process to enactment. Overall, the consistency of these results indicates that our findings are not driven by differences between introduced and final bill versions, but instead reflect systematic differences in the policy priorities of legislators with entrepreneurial backgrounds.

**Table 14:** The Subcategories of Pro-Entry Bills Introduced by Entrepreneurs in State Legislatures

|                               | Antitrust            |                      |                      | Deregulation         |                      |                      | Innovation           |                   |                      | Access to Capital    |                      |                       |
|-------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-------------------|----------------------|----------------------|----------------------|-----------------------|
|                               | (1)<br>Number        | (2)<br>Share         | (3)<br>Average Score | (4)<br>Number        | (5)<br>Share         | (6)<br>Average Score | (7)<br>Number        | (8)<br>Share      | (9)<br>Average Score | (10)<br>Number       | (11)<br>Share        | (12)<br>Average Score |
| Entrepreneur                  | -0.124*<br>(0.055)   | -0.001<br>(0.001)    | -0.130<br>(0.120)    | 0.207<br>(0.170)     | 0.009**<br>(0.003)   | 0.745**<br>(0.280)   | 0.003<br>(0.010)     | 0.001<br>(0.000)  | 0.061<br>(0.044)     | -0.017<br>(0.022)    | 0.001<br>(0.001)     | 0.064<br>(0.056)      |
| Shareholder                   | 0.168<br>(0.127)     | 0.004*<br>(0.002)    | 0.375+<br>(0.214)    | 0.416+<br>(0.246)    | 0.005<br>(0.005)     | 0.325<br>(0.448)     | 0.003<br>(0.014)     | 0.000<br>(0.001)  | 0.019<br>(0.066)     | 0.097**<br>(0.037)   | 0.001<br>(0.001)     | 0.083<br>(0.092)      |
| For-profit Employee           | -0.057<br>(0.069)    | 0.004*<br>(0.001)    | 0.344**<br>(0.130)   | 0.107<br>(0.231)     | 0.004<br>(0.003)     | 0.348<br>(0.301)     | -0.009<br>(0.012)    | 0.000<br>(0.000)  | 0.006<br>(0.036)     | 0.020<br>(0.028)     | 0.001*<br>(0.001)    | 0.140*<br>(0.057)     |
| Non-profit Employee           | -0.100<br>(0.071)    | -0.002<br>(0.001)    | -0.126<br>(0.121)    | -0.315<br>(0.212)    | -0.007*<br>(0.003)   | -0.655*<br>(0.312)   | -0.009<br>(0.012)    | -0.000<br>(0.001) | -0.007<br>(0.052)    | -0.036<br>(0.029)    | -0.000<br>(0.001)    | -0.051<br>(0.061)     |
| Republican                    | -0.482***<br>(0.075) | 0.001<br>(0.002)     | 0.101<br>(0.162)     | 0.309<br>(0.226)     | 0.035***<br>(0.004)  | 3.425***<br>(0.347)  | -0.052***<br>(0.014) | 0.000<br>(0.001)  | 0.041<br>(0.055)     | -0.249***<br>(0.033) | -0.004***<br>(0.001) | -0.335***<br>(0.091)  |
| Female                        | -0.210*<br>(0.095)   | -0.005***<br>(0.001) | -0.482***<br>(0.115) | -0.750***<br>(0.227) | -0.019***<br>(0.003) | -1.782***<br>(0.300) | -0.033*<br>(0.013)   | -0.001<br>(0.000) | -0.067<br>(0.045)    | 0.005<br>(0.033)     | 0.001<br>(0.001)     | 0.105+<br>(0.061)     |
| Senator                       | 0.521**<br>(0.187)   | 0.006*<br>(0.003)    | 0.526*<br>(0.266)    | 0.759<br>(0.472)     | 0.011<br>(0.008)     | 1.084<br>(0.702)     | 0.000<br>(0.033)     | -0.000<br>(0.001) | -0.013<br>(0.069)    | -0.065<br>(0.066)    | -0.001<br>(0.002)    | -0.058<br>(0.167)     |
| State Legislative District FE | YES                  | YES                  | YES                  | YES                  | YES                  | YES                  | YES                  | YES               | YES                  | YES                  | YES                  | YES                   |
| Year FE                       | YES                  | YES                  | YES                  | YES                  | YES                  | YES                  | YES                  | YES               | YES                  | YES                  | YES                  | YES                   |
| DV Mean                       | 1.675                | 0.031                | 2.768                | 6.580                | 0.152                | 13.885               | 0.153                | 0.003             | 0.252                | 0.496                | 0.008                | 0.684                 |
| N                             | 20386                | 20386                | 20386                | 20386                | 20386                | 20386                | 20386                | 20386             | 20386                | 20386                | 20386                | 20386                 |
| R <sup>2</sup>                | 0.679                | 0.235                | 0.235                | 0.687                | 0.312                | 0.315                | 0.452                | 0.255             | 0.258                | 0.592                | 0.189                | 0.193                 |

*Notes:* This table presents the OLS results for the subcategories of pro-entry bills introduced by entrepreneurs as primary sponsors. The unit of analysis is a primary sponsor-year. The independent variable is whether a legislator is an entrepreneur. The dependent variables are the number, share, and average score of pro-entry bills a legislator introduced as a primary sponsor across the pro-entry subcategories: Antitrust, Deregulation, Innovation, and Access to Capital. Control variables include other types of business affiliations (shareholder, for-profit employee, and non-profit employee), party, chamber, and gender of legislators. The standard errors (in parentheses) are both robust to heteroskedasticity and clustered by legislator.

Statistical significance levels are denoted as follows: +  $p < 0.10$ ; \*  $p < 0.05$ ; \*\*  $p < 0.01$ ; \*\*\*  $p < 0.001$ .

**Table I5: Primary Sponsorship of Enrolled Bills by Entrepreneurs in State Legislatures**

| <i>Dependent Variables:</i> | Number of Bills<br>(1)        | Number of Bills<br>as the First Primary Sponsor<br>(2) | Share of Bills<br>as the First Primary Sponsor<br>(3) | Number of Bills<br>as the Sole Primary Sponsor<br>(4) | Share of Bills<br>as the Sole Primary Sponsor<br>(5) |
|-----------------------------|-------------------------------|--------------------------------------------------------|-------------------------------------------------------|-------------------------------------------------------|------------------------------------------------------|
| Entrepreneur                | 0.000<br>(0.325)              | -0.037<br>(0.172)                                      | 0.007<br>(0.006)                                      | 0.085<br>(0.081)                                      | 0.010 <sup>+</sup><br>(0.005)                        |
| Shareholder                 | 0.222<br>(0.441)              | -0.075<br>(0.235)                                      | -0.017*<br>(0.008)                                    | 0.075<br>(0.116)                                      | -0.010<br>(0.008)                                    |
| For-profit Employee         | 0.656 <sup>+</sup><br>(0.372) | 0.024<br>(0.192)                                       | -0.005<br>(0.006)                                     | 0.022<br>(0.099)                                      | -0.001<br>(0.006)                                    |
| Non-profit Employee         | 0.395<br>(0.396)              | -0.023<br>(0.207)                                      | 0.009<br>(0.006)                                      | 0.180 <sup>+</sup><br>(0.098)                         | 0.005<br>(0.006)                                     |
| Republican                  | 1.121**<br>(0.344)            | 0.766***<br>(0.180)                                    | 0.020**<br>(0.006)                                    | 0.292***<br>(0.083)                                   | 0.026***<br>(0.006)                                  |
| Female                      | 0.126<br>(0.384)              | 0.025<br>(0.193)                                       | -0.007<br>(0.007)                                     | -0.048<br>(0.105)                                     | -0.009<br>(0.006)                                    |
| Senator                     | 2.483***<br>(0.349)           | 2.109***<br>(0.215)                                    | 0.027***<br>(0.006)                                   | 1.319***<br>(0.112)                                   | 0.065***<br>(0.006)                                  |
| State FE                    | YES                           | YES                                                    | YES                                                   | YES                                                   | YES                                                  |
| Year FE                     | YES                           | YES                                                    | YES                                                   | YES                                                   | YES                                                  |
| DV Mean                     | 11.980                        | 5.951                                                  | 0.613                                                 | 2.301                                                 | 0.435                                                |
| N                           | 16309                         | 16309                                                  | 16309                                                 | 16309                                                 | 16309                                                |
| R <sup>2</sup>              | 0.357                         | 0.346                                                  | 0.607                                                 | 0.278                                                 | 0.659                                                |

*Notes:* This table presents the OLS results for entrepreneurs' primary sponsorship of enrolled bills in state legislatures. The unit of analysis is a primary sponsor-year. The independent variable is whether a legislator is an entrepreneur. The dependent variables are the number of enrolled bills the legislator introduced as a primary sponsor, the number of enrolled bills the legislator introduced as the first sponsor, the share of enrolled bills the legislator introduced as the first sponsor, the number of enrolled bills the legislator introduced as the sole primary sponsor, and the share of enrolled bills the legislator introduced as the sole primary sponsor. Control variables include other types of business affiliations (shareholder, for-profit employee, and non-profit employee), party, chamber, and gender of legislators. The standard errors (in parentheses) are both robust to heteroskedasticity and clustered by legislator. Statistical significance levels are denoted as follows: <sup>+</sup> $p < 0.10$ ; \* $p < 0.05$ ; \*\* $p < 0.01$ ; \*\*\* $p < 0.001$ .

**Table I6: Enrolled Pro-Business Bills Introduced by Entrepreneurs in State Legislatures**

| <i>Dependent Variables:</i> | Number of<br>Pro-Business Bills<br>(1) | Share of<br>Pro-Business Bills<br>(2) | Average Score of<br>Pro-Business Bills<br>(3) | Number of<br>CoC-Supported Bills<br>(4) | Share of<br>CoC-Supported Bills<br>(5) |
|-----------------------------|----------------------------------------|---------------------------------------|-----------------------------------------------|-----------------------------------------|----------------------------------------|
| Entrepreneur                | 0.091<br>(0.133)                       | 0.008<br>(0.005)                      | 0.839 <sup>+</sup><br>(0.509)                 | 0.003<br>(0.016)                        | 0.004<br>(0.003)                       |
| Shareholder                 | 0.056<br>(0.194)                       | 0.003<br>(0.009)                      | 0.299<br>(0.836)                              | 0.014<br>(0.024)                        | 0.002<br>(0.005)                       |
| For-profit Employee         | 0.274 <sup>+</sup><br>(0.158)          | 0.000<br>(0.006)                      | -0.038<br>(0.564)                             | -0.001<br>(0.018)                       | 0.001<br>(0.004)                       |
| Non-profit Employee         | 0.171<br>(0.167)                       | 0.008<br>(0.006)                      | 0.747<br>(0.584)                              | 0.042*<br>(0.018)                       | 0.006 <sup>+</sup><br>(0.003)          |
| Republican                  | 0.541***<br>(0.144)                    | 0.018**<br>(0.006)                    | 1.855***<br>(0.549)                           | 0.073***<br>(0.016)                     | 0.012***<br>(0.003)                    |
| Female                      | -0.321*<br>(0.161)                     | -0.033***<br>(0.006)                  | -3.252***<br>(0.591)                          | -0.044*<br>(0.018)                      | -0.010**<br>(0.003)                    |
| Senator                     | 1.027***<br>(0.149)                    | -0.004<br>(0.006)                     | -0.490<br>(0.533)                             | 0.051*<br>(0.020)                       | 0.000<br>(0.004)                       |
| State FE                    | YES                                    | YES                                   | YES                                           | YES                                     | YES                                    |
| Year FE                     | YES                                    | YES                                   | YES                                           | YES                                     | YES                                    |
| DV Mean                     | 4.845                                  | 0.406                                 | 38.593                                        | 0.209                                   | 0.025                                  |
| N                           | 16309                                  | 16309                                 | 16309                                         | 5057                                    | 5057                                   |
| R <sup>2</sup>              | 0.348                                  | 0.050                                 | 0.050                                         | 0.269                                   | 0.059                                  |

*Notes:* This table presents the OLS results for enrolled pro-business bills introduced by entrepreneurs as primary sponsors. The unit of analysis is a primary sponsor-year. The independent variable is whether a legislator is an entrepreneur. The dependent variables in Column (1), Column (2), and Column (3) are the number, share, and average score of enrolled pro-business bills a legislator introduced as a primary sponsor. The number and share of enrolled Chamber of Commerce-supported bills a legislator introduced as a primary sponsor are used as dependent variables in Column (4) and Column (5), serving as a benchmark for pro-business legislation. Control variables include other types of business affiliations (shareholder, for-profit employee, and non-profit employee), party, chamber, and gender of legislators. The standard errors (in parentheses) are both robust to heteroskedasticity and clustered by legislator. Statistical significance levels are denoted as follows: <sup>+</sup> $p < 0.10$ ; \* $p < 0.05$ ; \*\* $p < 0.01$ ; \*\*\* $p < 0.001$ .

**Table I7:** Enrolled Pro-Entry Bills Introduced by Entrepreneurs in State Legislatures

| <i>Dependent Variables:</i> | Number of Pro-Entry Bills<br>(1) | Share of Pro-Entry Bills<br>(2) | Average Score of Pro-Entry Bills<br>(3) |
|-----------------------------|----------------------------------|---------------------------------|-----------------------------------------|
| Entrepreneur                | 0.211**<br>(0.069)               | 0.021***<br>(0.004)             | 1.978***<br>(0.401)                     |
| Shareholder                 | 0.150<br>(0.101)                 | 0.015*<br>(0.007)               | 1.325*<br>(0.665)                       |
| For-profit Employee         | 0.188*<br>(0.082)                | 0.001<br>(0.005)                | 0.052<br>(0.457)                        |
| Non-profit Employee         | 0.005<br>(0.089)                 | -0.007<br>(0.005)               | -0.680<br>(0.472)                       |
| Republican                  | 0.464***<br>(0.073)              | 0.023***<br>(0.005)             | 2.168***<br>(0.429)                     |
| Female                      | -0.265**<br>(0.082)              | -0.023***<br>(0.005)            | -2.219***<br>(0.445)                    |
| Senator                     | 0.520***<br>(0.075)              | 0.002<br>(0.004)                | 0.118<br>(0.408)                        |
| State FE                    | YES                              | YES                             | YES                                     |
| Year FE                     | YES                              | YES                             | YES                                     |
| DV Mean                     | 2.315                            | 0.201                           | 18.731                                  |
| N                           | 16309                            | 16309                           | 16309                                   |
| R <sup>2</sup>              | 0.328                            | 0.047                           | 0.046                                   |

*Notes:* This table presents the OLS results for enrolled pro-entry bills introduced by entrepreneurs as primary sponsors. The unit of analysis is a primary sponsor-year. The independent variable is whether a legislator is an entrepreneur. The dependent variables in Column (1), Column (2), and Column (3) are the number, share, and average score of enrolled pro-entry bills a legislator introduced as a primary sponsor. Control variables include other types of business affiliations (shareholder, for-profit employee, and non-profit employee), party, chamber, and gender of legislators. The standard errors (in parentheses) are both robust to heteroskedasticity and clustered by legislator.

Statistical significance levels are denoted as follows: <sup>+</sup> $p < 0.10$ ; \* $p < 0.05$ ; \*\* $p < 0.01$ ; \*\*\* $p < 0.001$ .

**Table 18:** The Subcategories of Enrolled Pro-Entry Bills Introduced by Entrepreneurs in State Legislatures

| <i>Dependent Variables:</i> | Antitrust           |                    |                      | Deregulation        |                      |                      | Innovation         |                    |                      | Access to Capital   |                   |                       |
|-----------------------------|---------------------|--------------------|----------------------|---------------------|----------------------|----------------------|--------------------|--------------------|----------------------|---------------------|-------------------|-----------------------|
|                             | (1)<br>Number       | (2)<br>Share       | (3)<br>Average Score | (4)<br>Number       | (5)<br>Share         | (6)<br>Average Score | (7)<br>Number      | (8)<br>Share       | (9)<br>Average Score | (10)<br>Number      | (11)<br>Share     | (12)<br>Average Score |
| Entrepreneur                | 0.015<br>(0.012)    | 0.004*<br>(0.001)  | 0.323*<br>(0.130)    | 0.194**<br>(0.060)  | 0.016***<br>(0.004)  | 1.492***<br>(0.373)  | 0.003<br>(0.003)   | 0.001<br>(0.001)   | 0.083<br>(0.063)     | -0.001<br>(0.006)   | 0.001<br>(0.001)  | 0.056<br>(0.070)      |
| Shareholder                 | 0.037+<br>(0.022)   | 0.005+<br>(0.003)  | 0.495+<br>(0.262)    | 0.105<br>(0.082)    | 0.008<br>(0.007)     | 0.573<br>(0.614)     | 0.006<br>(0.005)   | 0.001<br>(0.001)   | 0.153<br>(0.126)     | 0.001<br>(0.011)    | 0.001<br>(0.001)  | 0.088<br>(0.112)      |
| For-profit Employee         | 0.010<br>(0.014)    | 0.002<br>(0.002)   | 0.151<br>(0.166)     | 0.181*<br>(0.072)   | -0.002<br>(0.004)    | -0.271<br>(0.416)    | -0.001<br>(0.003)  | 0.001<br>(0.001)   | 0.100<br>(0.070)     | -0.001<br>(0.007)   | 0.001<br>(0.001)  | 0.065<br>(0.080)      |
| Non-profit Employee         | -0.028*<br>(0.014)  | -0.001<br>(0.002)  | -0.097<br>(0.159)    | 0.037<br>(0.078)    | -0.005<br>(0.005)    | -0.457<br>(0.434)    | 0.001<br>(0.004)   | 0.000<br>(0.001)   | 0.003<br>(0.065)     | -0.005<br>(0.007)   | -0.001<br>(0.001) | -0.140*<br>(0.065)    |
| Republican                  | -0.024+<br>(0.013)  | 0.003*<br>(0.001)  | 0.236+<br>(0.126)    | 0.512***<br>(0.063) | 0.021***<br>(0.004)  | 2.035***<br>(0.401)  | -0.004<br>(0.002)  | -0.000<br>(0.001)  | -0.029<br>(0.051)    | -0.020**<br>(0.007) | -0.001<br>(0.001) | -0.106<br>(0.079)     |
| Female                      | -0.039**<br>(0.015) | -0.003*<br>(0.002) | -0.289*<br>(0.140)   | -0.215**<br>(0.071) | -0.017***<br>(0.004) | -1.694***<br>(0.412) | -0.006+<br>(0.003) | -0.001*<br>(0.000) | -0.092*<br>(0.043)   | -0.005<br>(0.008)   | -0.001<br>(0.001) | -0.110<br>(0.074)     |
| Senator                     | 0.056***<br>(0.013) | 0.002<br>(0.002)   | 0.225<br>(0.145)     | 0.443***<br>(0.064) | 0.001<br>(0.004)     | -0.044<br>(0.370)    | 0.001<br>(0.003)   | -0.000<br>(0.001)  | -0.011<br>(0.056)    | 0.021**<br>(0.007)  | -0.001<br>(0.001) | -0.057<br>(0.072)     |
| State FE                    | YES                 | YES                | YES                  | YES                 | YES                  | YES                  | YES                | YES                | YES                  | YES                 | YES               | YES                   |
| Year FE                     | YES                 | YES                | YES                  | YES                 | YES                  | YES                  | YES                | YES                | YES                  | YES                 | YES               | YES                   |
| DV Mean                     | 0.280               | 0.023              | 2.030                | 1.910               | 0.168                | 15.552               | 0.023              | 0.003              | 0.240                | 0.102               | 0.008             | 0.720                 |
| N                           | 16309               | 16309              | 16309                | 16309               | 16309                | 16309                | 16309              | 16309              | 16309                | 16309               | 16309             | 16309                 |
| R <sup>2</sup>              | 0.196               | 0.016              | 0.016                | 0.312               | 0.046                | 0.045                | 0.056              | 0.011              | 0.010                | 0.133               | 0.018             | 0.019                 |

*Notes:* This table presents the OLS results for the subcategories of enrolled pro-entry bills introduced by entrepreneurs as primary sponsors. The unit of analysis is a primary sponsor-year. The independent variable is whether a legislator is an entrepreneur. The dependent variables are the number, share, and average score of enrolled pro-entry bills a legislator introduced as a primary sponsor across the pro-entry subcategories: Antitrust, Deregulation, Innovation, and Access to Capital. Control variables include other types of business affiliations (shareholder, for-profit employee, and non-profit employee), party, chamber, and gender of legislators. The standard errors (in parentheses) are both robust to heteroskedasticity and clustered by legislator. Statistical significance levels are denoted as follows: +  $p < 0.10$ ; \*  $p < 0.05$ ; \*\*  $p < 0.01$ ; \*\*\*  $p < 0.001$ .