

snaap.

● **STRATEGIC
NATIONAL
ARTS ALUMNI
PROJECT**

VOLUME 10, NUMBER 4

● **How Does Skill Preparation in Higher Education and its Cost Influence Alumni's Entrepreneurship Career Choice?**

● **Research Question**

The SNAAP survey includes questions for alumni to rate both how important the skills they learned in school have been for their careers (perceived importance), and how well their alma maters helped them develop these same skills (perceived preparedness). Survey results and previous SNAAP Data Briefs (see [Frenette, 2020](#)) suggest a gap between alumni's sense of perceived importance and perceived preparedness (the skill preparation gap). Using three logistic regression models, this study investigates the impact of perceived preparedness and skill preparation gaps on three approaches of arts alumni entrepreneurship: freelancing, founding an arts-related venture, and starting a business of any kind. The study also examines other factors such as family resources, race, and student loans in determining whether someone will start a new venture or work as a freelancer to compare with the influence of university training.

● **Identifying Latent Entrepreneurship Skills**

The SNAAP survey asked alumni about the training they received from their degree-granting institutions in 16 skills, and the importance of these skills in their careers (see Column 1 of Table 1). Alumni may have developed these skills in arts-focused courses or other programs offered by their alma maters. Although the SNAAP survey includes one item specifically listed as “entrepreneurial skills”, we conceptualize entrepreneurship skills using a holistic perspective. Mitchelmore and Rowley (2010; 2013) developed a comprehensive entrepreneurial competence framework that includes four constellations of competencies, suggesting that entrepreneurship skill is a multidimensional concept constituted by a variety of managerial, conceptual, and relational skills. Therefore, we conducted a factor analysis of all the other 15 skills in the survey to identify latent entrepreneurship skills. The analysis reduces the 15 skills into four latent factors (see Column 2 of Table 1).

Table 1
Factor Analysis Results of Entrepreneurship Skills

| Column 1: SNAAP Survey: Skills received from degree-granting institutions | Column 2: Latent Factors of Entrepreneurship Skills |
|--|---|
| <ul style="list-style-type: none"> ● Critical thinking and analysis of arguments and information ● Research skills ● Clear writing ● Broad knowledge and education ● Creative thinking and problem solving ● Persuasive speaking | Critical Thinking Skills |
| <ul style="list-style-type: none"> ● Leadership skills ● Interpersonal relations and working collaboratively ● Networking and relationship building | Leadership Skills |
| <ul style="list-style-type: none"> ● Financial and business management skills ● Technological skills | Business Management Skills |
| <ul style="list-style-type: none"> ● Artistic technique ● Teaching skills | Arts Specialty Skills |



● The Role of Perceived Preparedness of Skills in Entrepreneurial Paths



The logistic regression generated the following findings regarding the potential impact of the perceived preparedness of skills on the three entrepreneurship career paths: freelancing, founding a business in general, or founding an arts-related business. The perceived preparedness of **arts specialty, business management, critical thinking, and leadership skills** are all relevant to **all** the three entrepreneurial career choices:



Arts specialty and business management skills have a positive effect on taking **all** the three career paths



Critical thinking and leadership skills have a **positive** effect on becoming a business founder (arts or otherwise)



Unexpectedly, the perceived preparedness of **critical thinking skills** and leadership skills has a **negative effect** on **freelancing**, implying that inadequate training in critical thinking and leadership skills may lead to the adoption of a freelancing career.

● The Role of Skill Preparation Gap in Entrepreneurial Paths

The three logistic models with the three entrepreneurial career approaches as dependent variables suggest that the skill preparation gap has different impacts on the probability of an arts alumnus taking an entrepreneurial career.

- The skill preparation gaps in arts specialty, business management, critical thinking, and leadership skills have a significant **negative** association with venture creation (both arts-related and otherwise).



- The skill preparation gaps in critical thinking and arts specialty skills have a **negative** association with alumni being freelancers.
- Unexpectedly, skill preparation gaps in business management and leadership skills have a **positive** association with being a freelancer.

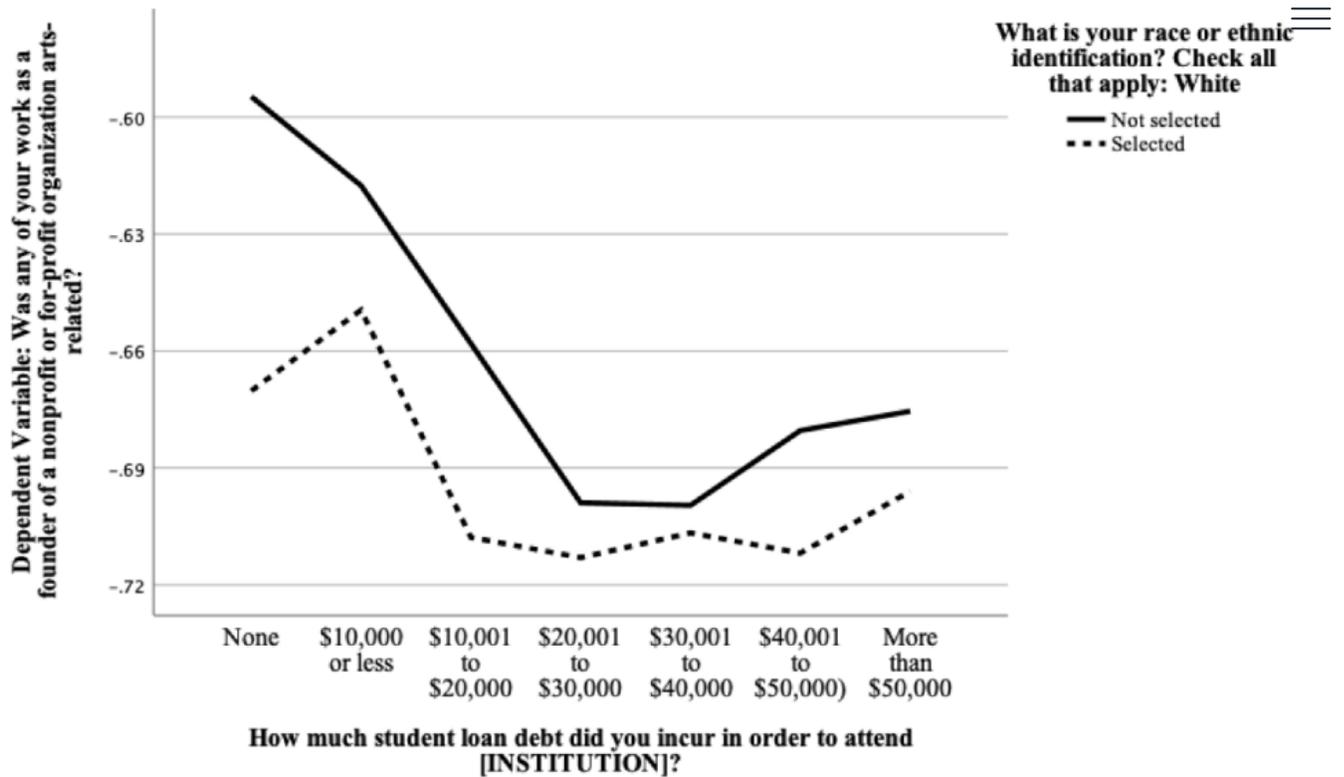
There are a few potential explanations for the unexpected relationship between the skill preparation gaps in business management and leadership skills and freelance work. Freelancing may not always be a preferred career choice; some people may need to take freelance work before they can develop the business management and leadership skills required to secure full-time employment or start a business. It is also possible that our current approach to defining and teaching business management and leadership skills does not meet the expectations of arts alumni who are more inclined to have a flexible freelancing career than to be an employee or a business owner.

● The Role of Other Factors: Race and Student Loan Debt

The results of the same logistic regression models indicate the significant impact of financial, social, and cultural capital on entrepreneurial career choices by taking racial identity into consideration:

- White alumni are about **42% less likely** to found an arts-related venture than alumni of other races.
- The level of student loan debt is **negatively** associated with the probability of founding an arts-related venture and **positively** associated with the probability of freelancing.
- In terms of the interaction effect of race and student loan debt, across different races, alumni with either a relatively low level of student loan (None-\$10,000) or a high level of student loan (more than \$40,001) are **more likely** to found an arts-related business (Figure 1). Alumni at either extreme of student loans may tolerate the financial risk because the students with little financial burden can afford the risk and the students with large financial burdens have little to lose (Krishnan & Wang, 2019).

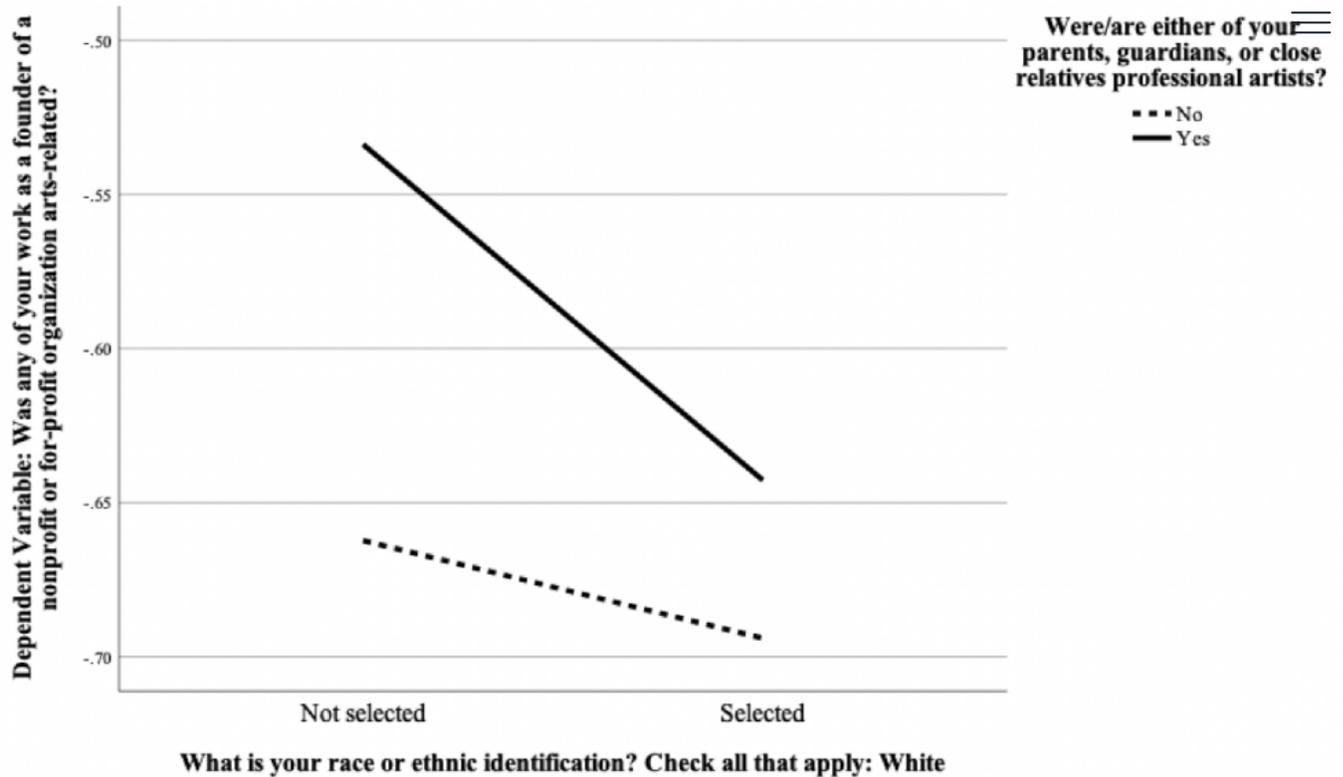
Figure 1 Interaction Effect of Student Loan and Race on Founding an Arts-related Business



● The Role of Other Factors: Race and Family Resources

- Parental educational attainment is **positively associated with** the **three** entrepreneurial choices of arts alumni (Freelancing, founding an arts-related venture, and starting a business of any kind).
- Having family members with an arts career is **positively** associated with arts alumni choosing the **three** entrepreneurial paths.
- An interaction effect of race and family member career path exists. There is a **dampening effect** of identifying as **white** on the probability of an alumnus being an **arts business founder, such that** white-identifying alumni are less likely to be a founder of an arts business, even among alumni whose family members were or are professional artists (see Figure 2).

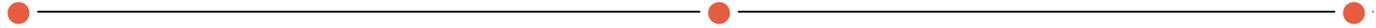
Figure 2 Interaction Effect of Family Career Background in the Arts



● Implications:

- Academic institutions should investigate how they are providing the training necessary for self-reliant careers.
- Race, as well as the intersection of race and other factors, may play a role in the likelihood that alumni start self-reliant careers.
- Academic institutions should consider:
 - How to offer training in both the arts and arts entrepreneurship without creating financial barriers to careers in the arts. Can more arts entrepreneurship training be included in arts curricula to reduce the need for additional tuition? Can institutions provide internship structures that encourage and support entrepreneurial experience?
 - The offerings and support that are available to first-generation college students and students who do not come from arts-focused families. Can institutions provide guidance and examples of long-term careers in the arts? Can institutions increase networking opportunities specifically tailored to arts students?





databrief archive

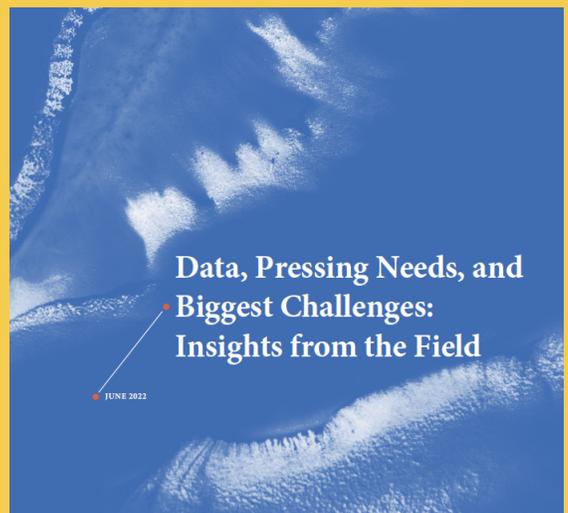
[view all](#) →

- 05.17.23** ● — ● ● ● Volume 11, Number 1
Does creative coursework predict educational, career, and community engagement outcomes for arts alumni?
- 04.02.22** ● — ● ● ● Volume 10, Number 5
Unraveling Gender and Race Bias in Fashion Design Careers
- 02.05.22** ● — ● ● ● Volume 10, Number 3
Unpacking High-Impact Practices in the Arts: Predictors of College, Career, and Community Engagement Outcomes
- 02.04.22** ● — ● ● ● Volume 10, Number 2
High-Impact Educational Practices in the Arts and Post-College Community Engagement

● **OUR LATEST REPORT**

● **DATA, PRESSING NEEDS, AND BIGGEST CHALLENGES: INSIGHTS FROM THE FIELD**

SNAAP set out to garner insights on pressing information needs within post-secondary arts and design fields as they relate to understanding and improving the



careers and lives of graduates of related degree programs through a series of focus group conversations and interviews with faculty and administrators. The insights garnered through this process are presented in this report

[read report](#) →

snaap

STRATEGIC
NATIONAL
ARTS ALUMNI
PROJECT

Tracking the
lives of
arts graduates

Prepared by

Jennifer L. Novak Leonard, Ph.D., Research Associate Professor,
University of Illinois at Urbana-Champaign, Research Director &
Board Vice President, SNAAP

Doug Dempster, Ph.D., Dean Emeritus, College of Fine Arts, The
University of Texas at Austin, Board President, SNAAP

Lee Ann Scotto Adams, Executive Director, SNAAP

Emma Walters, Doctoral Student, University of Illinois at Urbana-
Champaign, Graduate Research Assistant, SNAAP

MAILING LIST

Sign up for the latest news from SNAAP

[SIGN UP](#) →

IN PARTNERSHIP WITH

CONTACT



© 2023 SNAAP. [Photo Credits](#). [Privacy Policy](#)