

How does experiencing parental divorce in childhood shape entrepreneurial performance in adulthood?

From divorce to determination: how early life shapes entrepreneurial success

MATEJA ANDRIC · JOSH WEI-JUN HSUEH · THOMAS ZELLWEGER · ISABELLA HATAK

Published on February 17, 2024

Entrepreneurs' family backgrounds play a vital role in shaping their future success. Among the key family dynamics, parental divorce stands out as a particularly complex and multifaceted event. This article investigates how experiencing parental divorce in childhood affects entrepreneurial performance later in life. Drawing on life course theory and a comprehensive dataset from the U.S. National Longitudinal Survey of Youth (NLSY79), the study presents a balanced view, showing both the benefits and drawbacks of this early-life adversity on entrepreneurship.

WHAT WE STUDIED

This research analyzed how parental divorce affects two critical components of entrepreneurial success—self-efficacy and human capital. Self-efficacy refers to the confidence in one's ability to achieve desired outcomes, while human capital includes education, skills, and knowledge that contribute to business success. The study tracked 1,735 self-employed individuals from the NLSY79 and examined how their childhood family contexts, particularly parental divorce, impacted their later business performance.

KEY INSIGHTS

1. Self-Efficacy: A Silver Lining

Entrepreneurs from divorced families tend to have higher self-efficacy compared to those from intact families. This increased confidence helps them manage the challenges and uncertainties of running a business, contributing positively to entrepreneurial performance.

2. Human Capital: A Shortfall

On the downside, children of divorced parents often experience disruptions in their human capital accumulation. They may have fewer educational opportunities or lack parental support during critical learning periods, especially if they come from families with high parental human capital. This shortfall in human capital can negatively affect their ability to perform well in business.

3. Parental Human Capital Matters

The impact of parental divorce on entrepreneurial performance is influenced by the human capital of the parents. For entrepreneurs from high parental human capital families, the negative effects of divorce on education and skills are more pronounced. Conversely, for those from low parental human capital families, the positive effects of self-efficacy tend to dominate.

TAKEAWAYS

1. For Entrepreneurs

Entrepreneurs who have experienced parental divorce should recognize the strengths they've gained—especially in terms of resilience and self-efficacy. However, they may need to compensate for gaps in their formal education or skills to maximize their business success.

2. For Advisors and Policymakers

Support systems for entrepreneurs should take into account family background, particularly early-life adversity like parental divorce. Programs that help entrepreneurs improve their human capital—through education or training—can be particularly beneficial for those from divorced families.

3. For Families

Parents undergoing divorce can support their children by maintaining a focus on their education and development. Encouraging self-reliance while also ensuring access to learning opportunities can help children overcome potential long-term disadvantages.

IMPACT

This study offers new insights into how family dynamics, specifically parental divorce, shape entrepreneurial outcomes. It highlights the importance of considering both the psychological and socioeconomic effects of early-life adversity when assessing entrepreneurial success. These findings

suggest that supporting children from divorced families in their educational and skill development can help offset some of the long-term disadvantages they face in business.

RECOMMENDATIONS

Future research should explore additional childhood adversities and their specific impacts on entrepreneurship. Entrepreneurs from divorced families should seek opportunities to enhance their human capital, such as advanced training or mentorship, to improve their chances of success.

Spotlight by CeFEO, *How does experiencing parental divorce in childhood shape entrepreneurial performance in adulthood?* From divorce to determination: how early life shapes entrepreneurial success. Downloaded on 11 June 2026 from <https://spotlight.cefeo.se>

CEFEO AUTHORS



Josh Wei-Jun Hsueh

Associate Professor

Jönköping International Business School

josh.hsueh@ju.se

PUBLISHED IN



Andric, M., Wei-Jun Hsueh, J., Zellweger, T., & Hatak, I. (2024). Parental divorce in early life and entrepreneurial performance in adulthood. *Journal of Business Venturing*, 39, 106390.

<https://doi.org/10.1016/j.jbusvent.2024.106390>

Spotlight is an online magazine that translates research from the [Centre for Family Entrepreneurship and Ownership \(CeFEO\)](#) at Jönköping International Business School, Jönköping University, into accessible insights for family business owners, practitioners, and policymakers.

Spotlight is supported by the [WIFU Foundation](#). This partnership advances dialogue and education in responsible family entrepreneurship and ownership.

