

Bring an Adult into the Room? The Complementarity–Coordination Tradeoff for Young Founders

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Abstract

Young founders often face early-stage resource constraints. This study examines whether teaming with a senior founder helps young founders overcome financial constraints. I theorize a complementarity–coordination tradeoff: senior founders contribute accumulated experience and help signal venture quality, but age gaps within founding teams can also create coordination costs related to control, commitment, and slower decision-making. Using data on U.S. venture capital-backed startups, I find that startups with young founders receive larger initial VC investments when teaming with a senior founder. However, this financing benefit is weaker when the senior founder does not serve as CEO or maintains outside employment. Moreover, startups with young founders take longer to secure their first VC financing when teaming with a senior founder.

Keywords: Entrepreneurship, Founding Team, Age, Venture Capital

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1 Introduction

More young adults in the United States are starting businesses than ever before.¹ In parallel, universities have intensified efforts to encourage recent graduates to become founders by offering entrepreneurship training and early-stage support.² However, being a young founder is inherently challenging. Young firms face a “liability of newness” because they lack sufficient resources and credible exchange relationships (Stinchcombe 1965), and these constraints can be amplified when founders themselves are young, as they generally have less accumulated experience and resources (Matthews et al. 2024; Murmann, Salmivaara, and Kibler 2023). Although a few iconic ventures like Google and Facebook were founded by entrepreneurs in their twenties, they are exceptions. Most high-growth U.S. ventures are founded by entrepreneurs in their forties or later (Azoulay et al. 2020).

A critical question for entrepreneurship research, then, is how young founders can overcome this amplified “liability of newness.” Prior research suggests that young firms can gain credibility and access external resources through endorsements from established actors, such as strategic alliances with incumbent firms (Baum, Calabrese, and Silverman 2000; Stuart 2000). However, this approach may be less feasible for young founders, as establishing connections with powerful incumbents requires preexisting resources that they typically lack. This leaves open an important question: how can young founders overcome early-stage constraints through decisions they can control?

Yelp’s founding story illustrates the challenges young founders face. Jeremy Stoppelman and Russel Simmons, both in their twenties, were early employees at PayPal and graduates of top schools. Yet when they pitched their idea to investors, they received repeated rejections. Many investors were skeptical about their youth and explicitly asked them to “bring a gray-haired executive as they need adult supervision.”³ They did not “bring an adult into

1. <https://www.gemconsortium.org/news/younger-generations-continue-starting-businesses-at-highest-rates,-according-to-latest-gem-usa-report>

2. <https://www.insidehighered.com/news/student-success/life-after-college/2024/05/09/helping-future-entrepreneurs-thrive-college>

3. Source: Podcast interview, *How I built this with Guy Raz. Yelp: Jeremy Stoppelman*

the room,” but what if they had? We cannot observe the counterfactual of Yelp, but this motivates the central question of this paper: *Does teaming with a senior founder benefit young founders? If so, how do senior founders help, and at what cost?*

Prior research shows that founder selection is one of the most consequential decisions in entrepreneurship as the founding team shapes a venture’s access to resources and subsequent development (Bernstein, Korteweg, and Laws 2017; Gompers et al. 2020).⁴ Founders may adopt a resource-seeking approach, selecting cofounders with complementary experiences or skills (Gray, Howell, and Sackett 2024; Lazar et al. 2020), which can enhance venture performance (Honoré 2022; Tzabbar and Margolis 2017). Following this logic, young founders may benefit from teaming with senior founders, who typically have greater accumulated experience and access to resources (Matthews et al. 2024; Murmann, Salmivaara, and Kibler 2023). Nevertheless, this strategy remains relatively uncommon, as age homophily is prevalent in founding teams and early hiring (Ng and Stuart 2025). If senior founders offer valuable complements, why do young founders not collaborate with them more often?

I theorize that teaming with a senior founder involves a *complementarity–coordination* tradeoff. Regarding complementarity, senior founders can contribute experience and related resources that help young founders overcome early-stage constraints (Azoulay et al. 2020; Hsu 2007), and their presence can signal venture quality to investors (Cohen and Dean 2005; Deutsch and Ross 2003). Regarding coordination, however, the age gap between young and senior founders can create tensions over control (who serves as CEO) and commitment (whether to maintain outside employment) (Wasserman 2012, 2017). Moreover, divergence in risk preferences between young and senior founders can translate into different strategic priorities (Belenzon, Shamshur, and Zarutskie 2019; Serfling 2014), and thus potentially slow internal decision-making. These coordination costs arise from divergent status expectations, life-stage considerations, and risk preferences rooted in *age-based differences*, rather than in

4. This study does not distinguish between the terms founders and cofounders. Individuals who start a business together are considered members of the founding team, and team formation is treated as a process of mutual selection among them.

differences in founders' experiences or skills.

To test these arguments, I analyze the initial financing outcomes of venture capital-backed startups using PitchBook data on U.S. firms founded between 2001 and 2022, supplemented with founder-level information collected from LinkedIn profiles. A key empirical challenge is measuring founder age, as PitchBook does not collect it. I identify founder ages based on their educational histories, work experience, and biographical details, supplemented by predictions from a fine-tuned large language model. I find that startups with young founders who team with a senior founder receive a larger initial round of VC financing. A hand-collected case analysis of 120 startups confirms that, where a clear initiator can be identified, the young founder typically recruits the senior founder. To address endogeneity concerns, I exploit cross-state and cross-industry variation in the use of non-compete agreements (NCAs) as an instrumental variable and obtain consistent results.

Not all senior founders contribute equally. Young founders who team with a senior founder receive larger first-VC financing when the senior founder has prior experience in general management or in the venture's industry, but not when the senior founder has a technical background. This pattern suggests that young founders benefit most from experience that accumulates with career tenure rather than from technology-related experience, which they can more readily acquire independently. The results are also stronger when the senior founder possesses prior entrepreneurial experience, consistent with a signaling mechanism that enhances investor confidence in the founding team.

At the same time, this financing benefit of teaming with a senior founder is attenuated when the senior founder does not serve as CEO, consistent with the coordination tension over control. It is also weaker when the senior founder holds outside employment, consistent with the tension over commitment. Moreover, startups with a senior founder take longer to secure their first VC financing, with delays intensifying as the senior founder nears retirement and the age gap between founders widens. This is consistent with risk-preference divergence slowing decision-making. A comparison with senior early *joiners*, who share similar age-based

risk preferences but lack founder-level decision authority, further supports this argument: they provide complementarity benefits without generating the same delays, suggesting that preference divergence slows decisions only when both parties hold strategic authority.

This study identifies an internal pathway — the strategic composition of the founding team — through which young founders can overcome the amplified "liability of newness." This pathway is particularly valuable as young founders generally lack the preexisting resources needed to pursue external strategies such as alliances with established firms. This paper also contributes to the founding team literature by revealing a complementarity–coordination tradeoff in founder selection. While prior research has emphasized the benefits of experiential diversity for various outcomes (Beckman, Burton, and O’Reilly 2007; Eisenhardt and Schoonhoven 1990; Honoré 2022), my findings reveal that age-linked differences in status expectations, life-stage considerations, and risk preferences can attenuate the very complementarity benefits that motivate diverse team formation. Finally, it contributes to the literature on age and entrepreneurship by shifting the focus from individual founders to the dynamics of team formation, demonstrating that age gaps within founding teams introduce coordination costs specific to age rather than to differences in experience alone.

2 Theory

A growing number of young people in the United States are starting businesses.⁵ For instance, people with little work experience, such as high-school and college graduates, have increasingly chosen entrepreneurship as their first career step.⁶ Universities have also intensified efforts to encourage their students to become founders, positioning entrepreneurship as a viable post-graduation career path rather than a late-career transition. Most institutions now offer entrepreneurship training, mentorship, and other early-stage support. For example, the University of Southern California provides the New Venture Seed Competition (NVSC)

5. <https://www.gemconsortium.org/news/younger-generations-continue-starting-businesses-at-highest-rates,-according-to-latest-gem-usa-report>

6. <https://www.reveliolabs.com/news/macro/is-the-labor-market-in-its-entrepreneurship-era/>

to help students develop their business models,⁷ New York University runs entrepreneurship bootcamps that connect students with experienced founders,⁸ and Rice University operates accelerator programs designed to support student-led founding teams.⁹ Beyond these cases, similar initiatives have proliferated across U.S. campuses, including founder-in-residence programs, seed grants, and alumni mentorship networks that explicitly target first-time and early-career founders. Together, these trends point to a growing push—from both institutions and the labor market—toward entrepreneurship among the young.

2.1 Amplified “Liability of Newness” for Young Founders

Despite the growing encouragement of young entrepreneurship, starting a business at a young age remains difficult. The influential concept of the “liability of newness” posits that young firms are inherently more vulnerable and thus exhibit higher failure rates than established organizations (Stinchcombe 1965). One central mechanism underlying this vulnerability is the resource constraint faced by new ventures, which makes it more difficult for young firms to establish stable operations and withstand early setbacks (Baum, Calabrese, and Silverman 2000).

When young entrepreneurs found new firms, the “liability of newness” can be further amplified because young founders typically lack the experience and resources that senior founders possess (Matthews et al. 2024; Murmann, Salmivaara, and Kibler 2023). Senior founders are more likely to accumulate long-term industry or managerial experience, giving them a tacit understanding of products, processes, and technologies. They also build long-standing relationships with suppliers, distributors, and other stakeholders, which help mitigate many early-stage obstacles (Dencker and Gruber 2015). For young founders, however, replicating these advantages is challenging given their limited experience. Consequently, young-founded ventures may face an amplified “liability of newness”, as both organizational-

7. <https://www.marshall.usc.edu/institutes-and-centers/lloyd-greif-center-for-entrepreneurial-studies>

8. <https://entrepreneur.nyu.edu/blog/2025/10/20/new-founders-in-residence-interns-join-the-nyu-entrepreneurial-institute/>

9. <https://news.rice.edu/news/2025/lilie-summer-venture-studio-accelerator-returns-8-new-student-ventures>

and individual-level inexperience jointly constrain their ability to acquire critical resources and, in turn, the development of their ventures. Indeed, most high-growth ventures in the U.S. are founded by people in their forties or later (Azoulay et al. 2020). Although some successful tech giants, such as Google and Facebook, were founded by entrepreneurs in their twenties, they are exceptions rather than the norm. Therefore, understanding how young founders navigate and overcome these early-stage constraints is a critical question for entrepreneurship research.

Prior research has identified a critical pathway through which young firms can mitigate the “liability of newness.” By forming strategic alliances with prominent firms, young ventures can obtain a powerful form of endorsement that enhances public confidence, shapes investors’ perceptions of firm quality, and facilitates access to resources needed for survival and growth (Baum, Calabrese, and Silverman 2000; Stuart 2000; Stuart, Hoang, and Hybels 1999). Ties to external entities such as government agencies, universities, and investment organizations can similarly bolster a venture’s credibility (Gulati and Higgins 2003; Lee, Lee, and Pennings 2001). However, pursuing such endorsement typically requires preexisting connections and other significant resources (Stuart, Hoang, and Hybels 1999), which are often beyond the reach of young founders. At the initial stage of venture formation, young founders often possess only an unproven idea and lack the networks or track record needed to build trust with prestigious investors or incumbents. As a result, it remains unclear how young founders can overcome initial resource constraints — particularly through decisions they can control at the point of venture formation.

2.2 The Role of the Founding Team

Who founds a venture matters. Prior research has established that founding team composition is among the most critical factors shaping investors’ evaluations of new ventures, with potential investors often relying more on founder characteristics than on other firm attributes when assessing a startup’s potential (Bernstein, Korteweg, and Laws 2017; Gompers et al. 2020). Founders’ human and social capital, such as prior work experience, en-

entrepreneurial experience, and network ties, significantly influence venture performance and financing outcomes (Hsu 2007; Shane and Stuart 2002; Vissa and Chacar 2009), and demographic characteristics such as gender and race can further shape external stakeholders' perceptions and influence access to funding (Cook, Marx, and Yimfor 2022; Guzman and Kacperczyk 2019). Beyond early-stage financing, founder-related issues are among the most common causes of startup failure (Wasserman 2012), and founders leave enduring imprints on their ventures (Baron, Hannan, and Burton 1999; Beckman, Burton, and O'Reilly 2007). Taken together, these insights highlight that founder selection is a consequential decision in the entrepreneurial process.

Prior research identifies two broad approaches regarding how founders assemble their teams. The first is social similarity: founders tend to team with people they already know or who share similar traits, resulting in high homophily within founding teams (Ruef, Aldrich, and Carter 2003). This pattern extends to age, as founders exhibit high age homophily with their early hires (Ng and Stuart 2025). The second approach is resource-seeking, in which founders intentionally recruit cofounders who bring complementary skills or assets (Gray, Howell, and Sackett 2024; Lazar et al. 2020). Teaming with individuals from different firms, industries, or educational backgrounds can introduce diverse experiences and knowledge that enhance innovation and venture growth (Beckman 2006; Eisenhardt and Schoonhoven 1990; Honoré 2022; Tzabbar and Margolis 2017), and founders with distinct functional expertise can play specialized roles that benefit startup performance (Beckman, Burton, and O'Reilly 2007; Eesley, Hsu, and Roberts 2014).

Building on the resource-seeking perspective, young founders may benefit from teaming with a senior founder who brings substantial experience and access to resources. Prior studies have documented that senior founders' experience matters in high-growth ventures (Azoulay et al. 2020) and they are generally more attractive to investors (Matthews et al. 2024). This raises the key question of this study: Can teaming with a senior founder help young founders overcome resource constraints by improving their ventures' early-stage financing outcomes?

However, the same age differences that enable complementarity may also introduce coordination challenges, a tradeoff I develop in the following sections.

2.3 Experience and Signaling from Senior Founders

Teaming with a senior founder involves a tradeoff between complementarity and coordination. Regarding complementarity, senior founders can help young founders overcome experience disadvantages and enhance public confidence in their ventures.

Experience and social capital generally accumulate over time; thus, senior founders are more likely to possess deeper industry knowledge, broader professional networks, and greater managerial and entrepreneurial experience than younger counterparts (Matthews et al. 2024). Extensive industry experience enables senior founders to navigate market norms, anticipate challenges, and apply accumulated knowledge to new ventures (Azoulay et al. 2020; Dencker and Gruber 2015). Years of professional engagement also yield networks that provide access to information, talent, and potential investors—resources that can directly alleviate the constraints young firms face in their early stages. In addition, prior managerial experience enhances strategic planning and execution during the experimental stages of venture formation (Bernstein, Korteweg, and Laws 2017), and entrepreneurial experience, which typically takes years to accumulate, has been shown to play a critical role in venture financing (Hsu 2007; Shaw and Sørensen 2019).

Beyond substantive experience, having a senior cofounder can provide a powerful signal of quality for ventures founded by young entrepreneurs. Investors face severe information asymmetry when evaluating new ventures (Gompers et al. 2020) and rely heavily on founder characteristics as proxies for unobservable firm quality (Bernstein, Korteweg, and Laws 2017; Colombo 2021; Deutsch and Ross 2003). Among these characteristics, top managers' age has been shown to be one of the most important signaling indicators affecting firms' IPO evaluations (Cohen and Dean 2005). Compared with young founders, senior founders tend to demonstrate greater experience-based knowledge, managerial skill, and network embeddedness (Azoulay et al. 2020), all of which convey positive signals about the venture's capabili-

ties and reduce investor concerns about inexperience. Moreover, a senior founder’s decision to join a young founder functions as an additional signal. Senior individuals are typically more risk-averse and thus more selective when choosing cofounders (Belenzon, Shamshur, and Zarutskie 2019; Serfling 2014). Their willingness to start a venture with a young entrepreneur suggests a favorable private assessment of the young founder’s potential—one informed by close interaction and access to subtle indicators of ability and commitment that external investors cannot directly observe. In contexts of uncertainty, resource holders often place weight on the judgments of better-informed actors (Stuart 1998; Stuart, Hoang, and Hybels 1999). Consequently, investors may interpret the presence of a senior founder as a signal of the young founder’s underlying quality, further strengthening the venture’s credibility and financing prospects.

In sum, teaming with a senior founder helps young founders compensate for their lack of experience and related resources. The presence of a senior cofounder also signals quality, boosting investors’ confidence in the venture. Together, these advantages enable startups with young founders to overcome early resource constraints and secure greater initial funding.

***Hypothesis 1.** Startups with young founders who team with a senior founder will receive larger initial financing than those without a senior founder.*

2.4 Coordination Issues When Teaming with a Senior Founder

Age conveys more than accumulated experience and credibility. Teaming with a senior founder can also introduce coordination challenges within the founding team. Although the prior literature has recognized that heterogeneity in skills and backgrounds can create integration costs (Beckman 2006; Ching, Forti, and Rawley 2021; Honoré 2022), age gaps between founders can generate a different category of coordination challenges — rooted not in what each founder knows and has experienced, but in age-linked differences in status expectations, life-stage considerations, and risk tolerance. These age-specific coordination costs manifest in three domains: tensions over executive control and commitment to the venture can attenuate the complementarity benefits documented above, while divergent risk prefer-

ences between young and senior founders can slow decision-making, introducing a distinct cost beyond reduced financing.

2.4.1 Executive Control

When founders come together to build a new venture, one of the earliest and most consequential choices is how to structure authority within the organization—formalizing task roles and allocating key leadership positions (Pugh et al. 1968). However, attracting a senior founder with valuable experience and resources often comes at the cost of control (Wasserman 2017). In practice, young founders may need to cede executive control when teaming with a senior cofounder. This can be a significant sacrifice for young founders, given that a central motivation for entrepreneurship is independence and the ability to “be their own boss” (Hamilton 2000; Roberts 1991; Wasserman 2012).

Control considerations also intersect with status–position alignment. Demographic characteristics such as age are associated with ascribed status, with older individuals generally accorded higher status, while formal task positions (e.g., CEO) confer authority and control over resources. The perceived legitimacy of the founding team can therefore depend on whether status and position are aligned. Within founding teams, senior founders are generally perceived to hold higher social status (Jung, Vissa, and Pich 2017). This status asymmetry is rooted in age-based social expectations rather than in differences in knowledge or skill, meaning it persists even when the young founder holds greater domain expertise. If a senior founder does not assume the lead role or occupy the highest-positioned task role, internal frictions may emerge—for example, team members may be more likely to question a young CEO’s competence (Li et al. 2023). Such status incongruence can intensify competition, reduce information sharing, and undermine team performance (Bendersky and Hays 2012).

External stakeholders are likewise sensitive to status–position alignment. Teams that exhibit prototypical role structures—where higher-status individuals occupy leadership positions—often appear more legitimate and less risky, thereby increasing their likelihood of

receiving external support (Daldrop, Homan, and Buengeler 2025; Eagly and Karau 2002). Conversely, when leadership roles are held by atypical occupants (e.g., a young founder serving as CEO alongside a much older cofounder), external observers may view the team as deviating from social expectations and therefore as less credible, reducing willingness to invest.

From both internal and external perspectives, a venture may be devalued when the senior founder does not serve as CEO. In principle, having the senior founder assume the CEO role could resolve this status incongruence, but at the cost of the young founder relinquishing control over the venture’s strategic direction. Because the status incongruence channel has a clear, directional prediction for external financing — investors can directly observe role assignments and form judgments accordingly — I focus the hypothesis on this observable case.

***Hypothesis 2A.** The positive relationship between teaming with a senior founder and initial financing size will be attenuated if the senior founder does not serve as CEO.*

2.4.2 Commitment to the Venture

Teaming with a senior founder can also raise concerns about their commitment to the venture, particularly when they maintain outside employment. Senior individuals typically have established careers, higher compensation in their existing roles, and greater financial obligations than their younger counterparts, all of which increase the opportunity cost of fully dedicating themselves to an unproven startup (Wasserman 2012). As a result of these life-stage differences, some senior founders continue to hold another job upon joining a startup, dividing the time and attention they devote to the venture.

Limited commitment from a senior founder can reduce the benefits of complementarity in two ways. First, because early-stage ventures rely heavily on founders’ sustained effort in tasks such as strategic planning, product development, and relationship-building with customers and other stakeholders (Gielnik et al. 2015; Uy, Foo, and Ilies 2015), a senior founder who is not fully present may be unable to deploy the very experience and networks

that made their involvement valuable in the first place. Second, outside employment can shape external evaluations: investors may interpret a senior founder’s other job as a signal of insufficient engagement and question whether the founder will contribute meaningfully to the venture’s development (Conti, Thursby, and Rothaermel 2013). Thus, maintaining outside employment undermines both the substantive experience channel and the signaling channel through which senior founders benefit young-founded ventures. Accordingly, the financing advantage associated with senior cofounders should be weaker when the senior founder holds outside employment.

***Hypothesis 2B.** The positive relationship between teaming with a senior founder and initial financing size will be attenuated if the senior founder maintains outside employment.*

2.4.3 Risk Preference Divergence and Slow Decision-Making

Beyond attenuating the complementarity benefits documented above, age gaps can also slow the venture’s decision-making due to divergent preferences. Senior individuals are often more risk-averse and favor more conservative managerial approaches (Vroom and Pahl 1971). Consistent with this view, prior research finds that older managers tend to adopt less risky investment policies and manage firms with more diversified operations (Serfling 2014). Relatedly, senior decision-makers may prefer to commit only once outcomes are better understood and place greater emphasis on survival rather than rapid investment and growth (Belenzon, Shamshur, and Zarutskie 2019). Accordingly, senior founders may prioritize downside protection and long-run stability, whereas younger founders may prioritize rapid experimentation and more aggressive growth strategies. Unlike the commitment issue in Hypothesis 2B, which reflects an individual founder’s allocation of effort, preference divergence can arise even when both founders are fully committed to the venture: they may disagree on significant decisions such as when to raise financing or how quickly to act on strategic opportunities.

These disagreements are difficult to resolve because they stem from differences in career stage and life circumstances rather than differences in information or knowledge. When

founders disagree about facts, such as the size of a market or the viability of a technology, additional data can help resolve the dispute. But a young founder who favors aggressive experimentation and a senior founder who prioritizes caution are expressing fundamentally different orientations toward risk, not different assessments of the same evidence. In founding teams where both parties hold decision-making authority, neither founder can simply override the other. Instead, reaching alignment requires repeated negotiation and compromise until all founders are willing to proceed.

The decision to seek VC financing is particularly subject to this dynamic. Raising external capital involves a series of choices on which young and senior founders are likely to disagree: when to approach investors, how much capital to raise, how much equity to cede, and which governance provisions to accept. Because these decisions are consequential and difficult to reverse, neither founder is likely to defer easily, extending the time required to initiate and close the first financing round.¹⁰

***Hypothesis 2C.** Startups with young founders who team with a senior founder will take longer to obtain their first financing than those without a senior founder.*

3 Data and Measures

3.1 Data Sources

The primary data source for this study is PitchBook, which is widely regarded as the most comprehensive dataset on startups and venture capital activity, particularly in the post-2000 era (Cudennec and Durand 2023).¹¹ I begin with all VC-backed startups headquartered in the U.S. and founded between January 2001 and July 2022 (60,092 firms). Following Cook, Marx, and Yimfor (2022), I focus on startups for which all founders' information, including

10. Beyond risk preferences, age gaps can potentially delay the decision-making process through other channels, such as differences in cultural references and communication styles (Ng and Stuart 2025) and understanding of knowledge (Jones 2010).

11. Several studies support this view by comparing PitchBook with other entrepreneurship data sources, such as Crunchbase and proprietary datasets, and showing that PitchBook provides the most extensive coverage of founders and funding information for VC-backed startups (Garfinkel et al. 2021; Jang and Kaplan 2025; Retterath and Braun 2020)

their LinkedIn URLs, is available in PitchBook, leaving 49,713 firms. I then supplement the dataset with detailed founder-level information collected from LinkedIn, including biographies, prior work experience, and educational backgrounds. The initial sample comprises 49,459 startups and 102,333 founders.

3.2 Age Estimation

A key empirical challenge in this study is measuring founders' ages in a large-scale dataset of VC-backed startups. Prior research on founder age has relied primarily on Census data (Azoulay et al. 2020; Hagen, Naldi, and Karlsson 2025) or small-scale survey and experimental data (Chowdhury 2005; Matthews et al. 2024), but provides limited insight on how to identify founder age at scale using text-based data. Other demographic characteristics, such as gender and race, are relatively stable and can often be inferred from founders' names or photos. In contrast, neither names nor photos reliably convey age: names provide no age information, and photos may be outdated or altered by photographic techniques that make individuals appear younger. A recent study by Ng and Stuart (2025) uses college graduation year as a proxy for age, but relying solely on this proxy is limited because many founders do not report undergraduate information in their public profiles.

To address this challenge, I develop a scalable age-estimation framework based on founders' educational backgrounds and job histories, and I supplement it with a fine-tuned large language model (LLM). This approach can extend research on founder age to representative entrepreneurship datasets, such as PitchBook, enabling analysis using more fine-grained information on founders and venture financing.

3.2.1 Education and Job history

First, I infer founders' ages based on their reported high school information, assuming that individuals typically start high school at age 14 and complete it at 18. If high school information is unavailable, I use the bachelor's degree as a proxy, assuming a college entry age

of 18 and completion at 22.¹² I manually verified all cases in which individuals had work or educational experience prior to college (420 observations). In addition, I randomly selected 300 observations to assess whether predicted ages based on educational background aligned reasonably with ages inferred from founders’ photos and other public information, and found only one case in which the predicted age differed substantially.

For founders without reported high school or bachelor’s information, I cannot directly use master’s, PhD, or first-job data to identify age for two reasons. First, people may pursue graduate education at widely varying ages, making it less reliable as a general predictor. Second, some individuals may omit parts of their employment history, obscuring their actual first job. However, because individuals cannot get younger, I use master’s, PhD, or first-job information to establish a lower bound for their age. Specifically, I assume that individuals start their first full-time job at 18, complete their first master’s degree at 22, and finish their first PhD at 25. Since the actual ages for these milestones are almost always higher, the founders’ actual ages should exceed the predicted value. I apply this lower-bound prediction only to identify founders likely to be older than 40 years, which is the primary threshold used to define senior founders in this study.

3.2.2 Large Language Model Fine-Tuning

Using the educational and job history patterns described above, I identify the ages of 71,525 out of 102,333 founders. Additional information—such as founders’ biographies, job descriptions, and specific job titles—can also help predict age. For example, one founder noted in a job description, “In 2003, I was invited at the age of 19 to advise . . .,” which implies a birth year of approximately 1984. However, systematically extracting and processing such unstructured text at scale is challenging. To address this, I employ a fine-tuned LLM (specifically, ChatGPT-4o mini) to capture key information from the text data.

Fine-tuning customizes a general-purpose LLM for a specific context, enhancing its adaptability and predictive performance. This approach is increasingly used in economics and

12. A small number of individuals begin college late. For those who served in the military before college, I assume full-time service beginning at age 18.

management research for various prediction tasks (Carlson and Burbano 2025; Chattopadhyay et al. 2024). I use 25,000 observations as the training set and 6,000 as the validation set.¹³ Because most age predictions in the training data are derived from bachelor’s information, the model could over-rely on that variable and perform poorly when bachelor data are missing. To mitigate this risk, I intentionally hide bachelor’s information for 15,000 of the 25,000 training observations. Similarly, I conceal bachelor’s information for 5,000 of the 10,000 testing observations to evaluate model robustness. A more detailed introduction to the ChatGPT fine-tuning process is shown in Appendix 1.

For test samples with complete information, the fine-tuned model achieves an accuracy of 99.62%. When bachelor’s information is hidden, accuracy remains high—95.8% when the predicted and “actual” ages differ by less than five years, and 95.35% when both fall within the same age category, as defined in Section 3.3. Using this fine-tuned model, I predict the ages of 27,183 additional founders.¹⁴ In total, I identify the ages of 98,712 founders, covering 96.5% of my total sample.

3.3 Sample

Figure 1 presents the kernel density of founders’ ages. The median founder age in the sample is 34, with the 25th percentile at 28 and the 75th percentile at 42. Based on this distribution, I define young founders as those under age 30 and senior founders as those over age 40.¹⁵ Figure 2 plots the relationship between founder age and the key outcome variable, $\log(\text{FinancingSize})$. Initial VC financing size increases steeply from age 20 to roughly 40, then remains relatively stable thereafter. This pattern is consistent with the argument that young founders are more likely to face financial constraints, and the “plateau” after 40 supports my definition of senior founders. In the main analyses, I focus on startups with at least one

13. The training data is constructed using age estimates identified from founders’ high school and college years, as described in the previous paragraph.

14. All main analyses yield consistent results when limited to founders whose ages are identified without LLM predictions.

15. Founders between ages 30 and 40 may be present on the team but are classified as neither young nor senior; their presence does not affect the key independent variable. Robustness checks using alternative age thresholds yield consistent results, as shown in Appendix Table A.4.

young founder and examine whether and how teaming with a senior founder benefits these startups. The initial sample comprises 17,805 startups, of which 11,334 have non-missing information on the size of initial VC financing and are retained for the subsequent analysis.

3.4 Empirical Strategy

I use the following OLS regression (equation 1) to compare financing differences between startups with young founders that do or do not include a senior founder.

$$Y_i = \beta HasSeniorFounder_i + Controls_i + FEs_i + \epsilon_i \quad (1)$$

The main dependent variable, $\log(FinancingSize)$, is the natural logarithm of the startup’s first VC financing amount (measured in millions of U.S. dollars). The key independent variable, *Has Senior Founder*, is a binary indicator of whether the founding team includes at least one senior founder. The coefficient β captures the difference in initial VC financing size between startups with and without a senior founder. I include several control variables. *Has Female Founder* measures whether there is at least one female founder in the founding team. *Joint Prior Firm* measures whether any two founders worked in the same company before. *Joint Prior School* measures whether any two founders graduated from the same university. *Has Top School Graduate* measures whether any of the founders graduated from a top 20 U.S. university.¹⁶ *Has Serial Entrepreneur* measures whether any of the founders is a serial entrepreneur. *Has Management Experience* measures whether any of the founders has served as a top management team (TMT) member before starting the business. *Has Technology Experience* measures whether any of the founders has a science or engineering background.¹⁷ I also control for *Team size* (the number of founders), as well as founding year, headquarters state, and industry sector fixed effects. All the variables here are at the startup level.

16. This is based on the 2022 U.S. News Best National University Rankings. The top 20 schools include Princeton, MIT, Harvard, Stanford, Yale, California Institute of Technology, Duke, Johns Hopkins, Northwestern, University of Pennsylvania, Cornell, University of Chicago, Brown, Columbia, Dartmouth, UCLA, UC Berkeley, Rice, University of Notre Dame, Vanderbilt, Carnegie Mellon University, University of Michigan Ann Arbor, Washington University in St. Louis.

17. It covers roles related to science, engineering, technology, product, R&D, software, and design.

Summary statistics of these main variables are shown in Table 1.

In the heterogeneous analyses of senior founders’ characteristics, I use the following estimation equation (equation 2).

$$Y_i = \beta HasSeniorFounder_i + \gamma SeniorFounder(character A)_i + Controls_i + FEs_i + \epsilon_i \quad (2)$$

Here, $HasSeniorFounder(character A)$ measures whether the founding team includes a senior founder who possesses a specific characteristic A, such as serial entrepreneurship or industry experience. The coefficient γ captures the difference in initial VC financing size between startups with a senior founder who has characteristic A and those without such a senior founder. The coefficient β measures the difference in VC financing size between startups with a senior founder who lacks characteristic A and those without any senior founder.

4 Results

4.1 Larger Initial Funding when Teaming with a Senior Founder

I begin the empirical analysis by examining the main question: whether startups with young founders receive larger initial VC financing when teaming with a senior founder. The results of estimating equation 1 are presented in Table 2. Column (1) presents a naive model with no controls. Column (2) shows that having a senior founder is associated with an 18.2% increase in the size of the first VC financing. Given that the average first VC investment for startups with young founders is \$3.2 million, this corresponds to an increase of approximately \$582,400. The results remain consistent after controlling for founding year fixed effects (Column 3) and for founding year, headquarters state, and industry sector fixed effects (Column 4).

These findings support Hypothesis 1, which predicts that teaming with a senior founder helps young founders overcome early-stage financial constraints. The coefficient on *Has Senior Founder* remains positive and significant after controlling for a range of founding team

characteristics, including whether any founder has management experience, technology experience, or serial entrepreneurial experience. This suggests that the presence of a senior founder captures something beyond these specific, measurable dimensions of experience — likely a positive signal of startup quality. I return to this point when examining the complementarity channels below. I first address potential empirical challenges to my identification.

4.2 Identification and Robustness

4.2.1 Team Formation Process

This study captures the composition of founding teams but not the formation process. A potential concern is that the results are driven by senior founders approaching young founders. I address this in two ways. First, a hand-collected case analysis of 120 randomly selected startups shows that roughly one-third originated from a joint idea, and among the remainder, 74.7% were initiated by the young founder, who subsequently recruited a senior cofounder.¹⁸ These patterns are consistent with the paper’s framing that young founders strategically seek senior cofounders to overcome resource constraints. More importantly, regardless of the sequence, team formation is inherently mutual: selecting a cofounder requires not only extending an invitation but also deciding whether to accept it. Even when a young founder is invited by a senior founder, which is much less common based on the case analysis, the decision to start a venture together remains contingent on alternative options, such as partnering with other young founders or founding independently.

Second, I use each founder’s starting month as a proxy for sequencing within the founding team. Although many founders in the sample start at the same time, 3,125 startups have one founder beginning earlier than the others. Among these startups, young founders begin first in 83.2% (2,599) of cases. Moreover, Appendix Table A.6 shows that the financing benefit of teaming with a senior founder does not depend on whether the senior founder started earlier, alleviating concerns that the findings are contingent on a particular formation process.

18. A detailed summary of this case analysis is shown in Appendix 2.

4.2.2 Instrumental Variable Estimation: Non-Compete Agreements

The formation of founding teams is inherently endogenous, making causal identification challenging. Potential selection bias may operate in both directions. High-potential young founders may be more attractive to both senior founders and investors, in which case the OLS estimates would overstate the true effect. Alternatively, young founders who lack typical quality signals may have greater incentives to team with senior founders, which would bias the OLS estimates downward.¹⁹

To address these concerns, I employ instrumental variable (IV) estimation based on the prevalence of non-compete agreements (NCAs), an exogenous institutional feature used as an instrument in prior entrepreneurship research (Balachandran 2024; Ewens and Marx 2018). NCAs are more likely to constrain potential senior founders, who typically possess greater industry-specific experience, thereby increasing the likelihood that they will be subject to restrictive covenants imposed by prior employers. Moreover, senior individuals tend to be more risk-averse (Serfling 2014) and thus less willing to found new ventures when constrained by NCAs. As a result, young founders are less likely to team with senior founders in states and industries with higher NCA prevalence. Although NCAs can influence overall labor mobility (Marx, Strumsky, and Fleming 2009), there is no direct reason to expect them to affect a startup’s initial VC financing size, other than through their impact on founding team formation, supporting the exclusion restriction assumption required for a valid instrument.

I follow recent studies in measuring NCA prevalence across industries and states (Johnson, Lavetti, and Lipsitz 2025; Marx 2022). The measure is the interaction of two components: the high-use NCA industry indicator from survey data in Starr, Prescott, and Bishara (2021) and the state-level enforceability gradations from the index developed by Johnson, Lavetti, and Lipsitz (2025).²⁰ Figure 3 displays a binned scatter plot of NCA prevalence and the like-

19. Although I can control for some observable quality markers of founders such as serial entrepreneurs, I cannot capture the quality of business plans and ideas.

20. Higher state-level enforceability gradations lead to greater NCA prevalence only in high-use NCA industries. In low-use NCA industries, such as sales and transportation, the state enforceability matters less because the NCA is rarely used in practice.

likelihood of having a senior founder, showing a clear negative pattern: stronger NCA prevalence is associated with a lower probability of having a senior founder. The first-stage regression (Table 3, Column 1) confirms this negative relationship with an F-statistic of 20.72. The 2SLS coefficient (Column 2) is positive and statistically significant, which alleviates selection concerns and provides causal evidence consistent with Hypothesis 1.²¹

4.2.3 Alternative Age Definitions, Samples, and Contexts

I conduct several additional robustness checks, which are reported in Appendix Table A.4. The results are robust to alternative age thresholds for defining senior founders (age 45 in Column 1 and 50 in Column 2) and young founders (age 22 in Column 3 and 25 in Column 4), as well as age gaps between founders (10 years in Column 5 and 15 years in Column 6). Split-sample analyses confirm that the positive results hold both inside and outside the major VC hubs (California, New York, and Massachusetts) and across industries with different founder age distributions, such as IT and healthcare (Figure A.1).²²

I also expand the analysis to include all startups, with results reported in Appendix Table A.5. Startups with young founders receive smaller first-round VC financing, consistent with an amplified “liability of newness,” but this disadvantage is reduced when a senior founder is present (Columns 1-2). Moreover, startups with senior founders generally obtain larger initial financing, but this advantage is attenuated when a young founder is part of the team (Columns 3-4). These results suggest that while senior founders enhance financing outcomes for young founders, the young–senior founder combination does not yield the highest overall financing performance for the startup.²³

21. In Appendix 3, I further discuss relevant concerns and robustness regarding this non-compete instrument. Moreover, to further strengthen the causal interpretation, I construct another instrument based on a fundamentally different source of variation — a fine-grained geographic variation, and obtain consistent results.

22. The average founder age is 35 in the IT industry and 40 in healthcare.

23. Senior founders may also team with young founders for other reasons, for instance, to leverage their energy or more up-to-date technological knowledge, but exploring these motivations lies beyond the scope of this study.

4.3 Evidence on the Complementarity Channels

The complementarity argument predicts that senior founders benefit young-founded ventures through two channels: accumulated experience and quality signaling. Before examining the coordination costs, I first provide suggestive evidence of both channels by investigating which characteristics of senior founders drive the complementarity benefits. Summary statistics for these variables are reported in Appendix Table [A.1](#).

4.3.1 Experience Type

I examine four types of backgrounds: general management, technology, industry-specific experience, and serial entrepreneurship. The results, presented in Table [4](#), show that young founders receive larger first VC investments when the senior founder has general management experience (Column 1) or comes from the same industry (Column 3). By contrast, I do not find a significant difference when the senior founder has a technology or engineering background (Column 2). These results suggest that management and industry experience — which typically reflect longer tenure and deeper accumulation of human and social capital — are particularly valuable for startups with young founders. Technical or engineering expertise, which can be acquired earlier in a career and depends less strongly on long career tenure (Galenson [2009](#)), does not yield similar benefits.

Startups with a senior founder are also more likely to hire early joiners with managerial experience (Appendix Table [A.7](#), Columns 1-2) and to fill multiple functional positions in their early team (Columns 3-4), suggesting that the experience advantages senior founders bring may also extend to the venture’s broader talent acquisition.

4.3.2 Signaling: Serial Entrepreneurship

Column (4) of Table [4](#) provides initial evidence of a signaling mechanism: startups with a senior serial entrepreneur receive significantly larger first-round VC financing than those with senior founders who lack entrepreneurial experience. The results are even stronger when the senior serial founder has previously achieved a successful exit, defined as an IPO or an

attractive acquisition (Column 5).²⁴ Prior entrepreneurial experience is a well-established quality signal in the VC context (Colombo 2021; Hsu 2007), but it is also associated with factors that directly enhance venture performance, such as broader networks and greater startup management experience. Consequently, it is difficult to fully separate actual quality from perceived quality.

To provide more direct evidence on signaling, I test whether senior serial entrepreneurs are more attractive to investors than young serial entrepreneurs, using follow-up investment from their previous investors as the outcome.²⁵ Figure 4 visualizes the result from Column (1) of Appendix Table A.8: startups with a senior serial founder are more likely to receive reinvestment from their prior investors than those with a young serial founder. This pattern holds for founders with successful prior exits (Column 2), and — more importantly — it persists when restricting to serial entrepreneurs without a successful exit (Column 3). Even when demonstrated quality is more comparable, senior serial founders remain more likely to attract follow-up investment, suggesting that seniority itself enhances perceived credibility beyond what objective track records would predict.

I now turn to the coordination side of the complementarity-coordination tradeoff, examining whether the presence of a senior founder also introduces costs related to control, commitment, and decision-making.

4.4 Control and Commitment

The complementarity benefits of teaming with a senior founder may be attenuated by coordination costs related to control and commitment. If status incongruence between age and formal authority undermines the venture’s internal cohesion and external credibility, the benefits should be weaker when the senior founder does not hold the CEO role. Similarly, if the senior founder’s commitment to the venture is divided, such as holding outside employment, the experience and signaling advantages they bring should be diluted. I test both

24. Following Ewens and Marx 2018, an attractive acquisition is one in which the acquisition amount exceeds 125% of total capital raised.

25. I restrict the sample to startups with at least one serial founder in this analysis.

predictions, with results reported in Table 5.

When a senior founder does not serve as CEO, the financing benefit is attenuated (Column 1). The results remain consistent after adding additional fixed effects (Column 2). These findings support Hypothesis 2A, which predicts that when age and task hierarchy are misaligned, the benefits of teaming with a senior founder are reduced.

I define outside employment as the senior founder holding another job after starting the business, identified through overlapping employment records on their LinkedIn profiles. When the senior founder has outside employment, the financing benefit is also attenuated (Column 3), and the result is robust to additional fixed effects (Column 4). This supports Hypothesis 2B: when a senior founder’s commitment to the venture is divided by outside employment, the complementarity benefits are weakened.

4.5 Risk Preference Divergence and Delayed First Financing

I next examine Hypothesis 2C, which predicts that startups with young founders take longer to secure their first VC financing when teaming with a senior founder. The results are reported in Table 7.

Having a senior founder is associated with a 2.3 percentage-point lower likelihood of obtaining first VC financing within three years of founding (Column 1). Given a baseline probability of 48.6%, this represents a 4.73% relative decrease. The results remain consistent when extending the window to five years (Column 2) or when measuring time to first financing directly (Column 3). These findings support Hypothesis 2C.

A potential alternative explanation is that senior founders are simply more patient and willing to wait longer to secure larger amounts of financing. Two supplemental findings, reported in Appendix Table A.9, suggest this is unlikely. First, having a senior founder is not associated with a longer time to first VC financing when the sample is expanded to all startups,²⁶ though it is associated with a larger financing size. Second, among startups with

26. A general pattern between founder age and time to the first VC financing is shown in the Appendix Figure A.2.

at least one senior founder, teaming with a young founder is also associated with a longer time to secure the first round of VC financing (Column 2). Together, these patterns suggest that the delays are driven by the age gap between founders rather than by any general tendency of senior individuals to delay financing decisions.

A second alternative is that startups with senior founders intentionally delay fundraising to raise larger rounds. Although prior literature suggests that obtaining initial financing early is important for overcoming financial constraints (Fosfuri and Nagar 2026), I cannot fully rule out this possibility based on the financing data alone.²⁷ As a supplementary test, I examine whether startups with a senior founder also take longer to exit (an IPO or acquisition). As reported in Appendix Table A.10, having a senior founder is associated with a 2.4 percentage-point lower likelihood of exit within five years — a 29.2% relative decrease from the baseline of 8.2%. The results are consistent across alternative specifications, including extending the window to 10 years and restricting the sample to startups that eventually exit (in which case the outcome is time to exit). Since the strategic delay argument is less plausible for exit decisions, these results provide additional support for the preference divergence interpretation.

If risk preference divergence between young and senior founders is a key driver of these delays, two additional patterns should hold: the results should be stronger when the senior founder is near retirement age (when risk aversion is theorized to be most pronounced) and when the age gap between founders is larger (when preference divergence should be greatest). Results in Table 7 support both predictions. The relationship between having a senior founder and longer time to first financing is stronger when the senior founder is over 60 (Column 4).²⁸ Moreover, the delays are not apparent when the age gap between founders is only 5 years (Column 5), but emerge clearly when the age gap reaches 10 or 15 years (Columns 6-7).

27. Results are consistent when controlling for the number of overall rounds of investment, though I exclude this from the main specification due to the “bad control” concern.

28. The results are consistent if I move the threshold to 62 or 65.

4.6 Senior Joiners: Complementarity Without Decision Delays

Beyond the founding team, early joiners, employees who join a startup during its earliest stages, also play an important role in venture financing and performance (Choi et al. 2025; Esen, Dahl, and Sorenson 2023; Roach and Sauermann 2015). This raises the question of whether having a senior joiner can similarly benefit startups with young founders, and whether such ventures experience the same coordination costs.

Comparing senior founders with senior joiners also provides additional evidence on the preference divergence mechanism theorized above. Both senior founders and senior joiners are likely to have more cautious risk preferences than young founders, given that risk orientation shifts with age (Belenzon, Shamshur, and Zarutskie 2019; Serfling 2014). However, divergent preferences should only slow decision-making when both parties have authority over the venture’s strategic direction. Senior founders hold equity and formal decision-making rights, so their more cautious preferences can directly shape the venture’s strategies. Senior joiners, by contrast, are hired into roles defined by the founding team and lack comparable authority. Even if they hold similar risk preferences to senior founders, they cannot impose those preferences on the venture’s strategic choices. Therefore, if preference divergence drives the slower decision-making documented above, delays should manifest among senior founders but not among senior joiners.²⁹

I begin by examining whether age homophily exists between founders and early joiners. Column (1) of Table 8 shows that having a senior founder is associated with a higher likelihood of hiring a senior joiner, consistent with prior work on demographic similarity in startup hiring (Campero and Kacperczyk 2020; Ng and Stuart 2025).

I next compare how senior founders and senior joiners are associated with the size of the first VC financing. To separate the joiner channel from senior-founder presence and avoid

29. The data source and definition of early joiners are documented in the Appendix, with a summary of statistics shown in Table A.2. Early joiners are defined as employees who joined a startup in the founding year or the following year. The results are consistent if the definition is constrained to employees who joined in the founding year only.

conflating the two seniority sources, I define *hire senior joiner* in Columns (2) and (3) as hiring a senior joiner when no senior founder is present. Column (2) shows that hiring a senior joiner is also associated with larger initial VC financing (10.5%), though the magnitude is smaller than that for having a senior founder (19.2%). This pattern reinforces the role of a senior member in helping young-founded startups overcome early-stage resource constraints.

The contrast with senior founders is most evident in decision-making speed. Column (3) shows that hiring a senior joiner is not associated with a longer time to first VC financing, but rather with a shorter time to financing.³⁰ This contrast is consistent with the preference divergence mechanism. Senior joiners likely share the more cautious risk preferences of senior founders, but their presence may not slow decision-making because they lack the authority to translate those preferences into strategic delays. When a senior employee holds similar preferences but no decision-making authority, the young founder retains control over the venture’s pace.

These findings do not imply that hiring a senior joiner is necessarily a better choice than teaming with a senior founder. First, the age homophily results suggest that attracting senior talent may itself be easier when a senior founder is already present. Second, although hiring a senior joiner is also associated with the size of initial VC financing, the magnitude is substantially smaller, suggesting that a senior hire cannot fully substitute for the experience and signaling advantages that a senior founder provides.

5 Discussion

Being a young entrepreneur is challenging (Azoulay et al. 2020; Murmann, Salmivaara, and Kibler 2023). This paper examines a potential pathway for young founders to overcome the amplified “liability of newness” — teaming with a senior founder. I theorize a complementarity–coordination tradeoff: senior founders contribute accumulated experience and signal venture quality, but age gaps within founding teams also create coordination costs related to control, commitment, and decision-making. I find that startups with young founders receive

30. Results are consistent when using the three-year or five-year threshold as the outcome.

larger initial VC financing when teaming with a senior founder. However, this financing benefit is attenuated when the senior founder does not serve as CEO or maintains outside employment. In addition, startups with young founders take longer to secure the first VC financing when teaming with a senior founder. A comparison with senior early joiners, who provide financing benefits without slowing decision-making, suggests that preference divergence generates delays specifically when both parties hold founder-level authority over strategic decisions.

5.1 Contributions

This paper makes three main contributions. First, it contributes to research on how young ventures overcome the liability of newness (Stinchcombe 1965). Prior work has identified external strategies, such as forming alliances with established firms or securing endorsements from prominent incumbents (Baum, Calabrese, and Silverman 2000; Stuart, Hoang, and Hybels 1999), through which new ventures can acquire endorsement and resources. However, these strategies often require the very connections and resources that young founders lack. This study identifies an internal pathway, founding team formation, through which young founders can mitigate early-stage resource constraints by teaming with a senior founder, while also documenting the tradeoffs this pathway entails.

Second, this paper contributes to the founding team literature by identifying a complementarity–coordination tradeoff in founder selection. Prior research has emphasized the benefits of experiential or skill diversity within founding teams for various outcomes (Beckman, Burton, and O’Reilly 2007; Eisenhardt and Schoonhoven 1990; Honoré 2022; Tzabbar and Margolis 2017), but has focused primarily on the downsides arising from differences in knowledge or prior interactions among founders. My findings reveal that founder selection also entails managing coordination costs of a different kind — those arising from age-linked differences in status expectations, life-stage considerations, and risk preferences. These costs can attenuate the very complementarity benefits that motivate diverse team formation.

Third, this study contributes to the nascent literature on age and entrepreneurship. Age

has been shown to be an essential demographic characteristic that shapes entrepreneurial behavior and outcomes (Azoulay et al. 2020; Hagen, Naldi, and Karlsson 2025; Matthews et al. 2024; Shaw and Sørensen 2022), but its role within founding teams has received less attention relative to other demographic characteristics, especially gender and race. Most existing studies examine founder age at the individual level, but overlook how age composition within founding teams influences venture performance (Zhao et al. 2021), even though the majority of startups are founded by multiple cofounders (Wasserman 2012). By shifting the focus from individual founders to the dynamics of team formation, this study demonstrates that age reflects more than accumulated experience. A large age gap within a founding team also introduces coordination costs related to control, commitment, and decision-making that are specific to age itself rather than to differences in experience alone.

Beyond its theoretical contributions, this study offers practical insights for young entrepreneurs. Young founders are vital drivers of entrepreneurship. A recent report from Revelio Labs shows that the average age of entrepreneurs has declined since 2020, driven by recent graduates and young adults entering the workforce for the first time.³¹ These young founders may possess novel ideas or advanced technical knowledge, but launching a venture remains challenging without accumulated experience. This study suggests that teaming with a senior founder can be a valuable pathway to overcome these early obstacles, through both substantive experience and credibility signaling. A similar logic applies to hiring a senior early joiner — well-known examples include Google hiring Eric Schmidt and Facebook hiring Sheryl Sandberg.

However, working with a senior founder entails significant tradeoffs. Young founders may need to cede authority or contend with concerns about a senior founder’s commitment. They must also anticipate coordination challenges arising from differences in risk preferences. A well-known example comes from Apple’s early history, when Ronald Wayne, as the “adult in

31. <https://www.reveliolabs.com/news/macro/is-the-labor-market-in-its-entrepreneurship-era/>

the room”, resigned only twelve days after cofounding the company.³² His greater personal financial exposure made him less willing to take the risks that Steve Jobs embraced.

5.2 Limitations and Future Directions

Several limitations should be noted. First, my study focuses on the size of the first VC financing as the primary outcome, which does not capture the full structure of financing agreements. Other terms, such as equity dilution, board composition, and investor control rights, also shape the net value of a financing round to founders. Nevertheless, the initial financing size is a widely used measure in the entrepreneurship literature and captures a meaningful dimension of early-stage resource acquisition (Davila, Foster, and Gupta 2003; Ewens, Nanda, and Rhodes-Kropf 2018; Freiberg and Matz 2023).

Second, I use a fine-tuned LLM to supplement age prediction on a large-scale dataset. Although LLM predictions account for only 27% of the sample and the main results are consistent when restricted to founders whose ages are identified without LLM predictions, the underlying prediction process is not fully interpretable. Future research could refine LLM-based age estimation or develop alternative approaches to enable broader studies of founder age in large-scale entrepreneurship datasets.

Third, relatively little is known about the motivations and benefits of senior founders when teaming with young founders. Appendix Table A.5 shows that teaming with a young founder does not increase the initial financing size for senior founders, suggesting that senior founders may have motivations for collaborating with younger entrepreneurs unrelated to financing. For example, senior founders may value access to cutting-edge technical expertise or novel ideas, or seek roles that allow them to leverage their experience while avoiding the operational burden of leading a venture. Future research could explore these motivations and examine the benefits and costs for senior founders when teaming with younger partners.

Despite these limitations, this study shows a complementarity-coordination tradeoff in

32. <https://fortune.com/2026/04/27/apple-cofounder-ronald-wayne-missed-billionaire-opportunity-no-regs-gen-z-advice-steve-jobs-steve-wozniak/>

founder selection for young founders: teaming with a senior founder can help them obtain larger initial financing, but it comes with coordination costs related to control, commitment, and decision-making. Whether to “bring an adult to the room” is therefore not a question with a single answer, but a tradeoff that young founders and investors will continue to weigh. This study motivates further research on how young founders overcome early-stage resource constraints and on how the age structure of founding teams shapes startup financing and performance.

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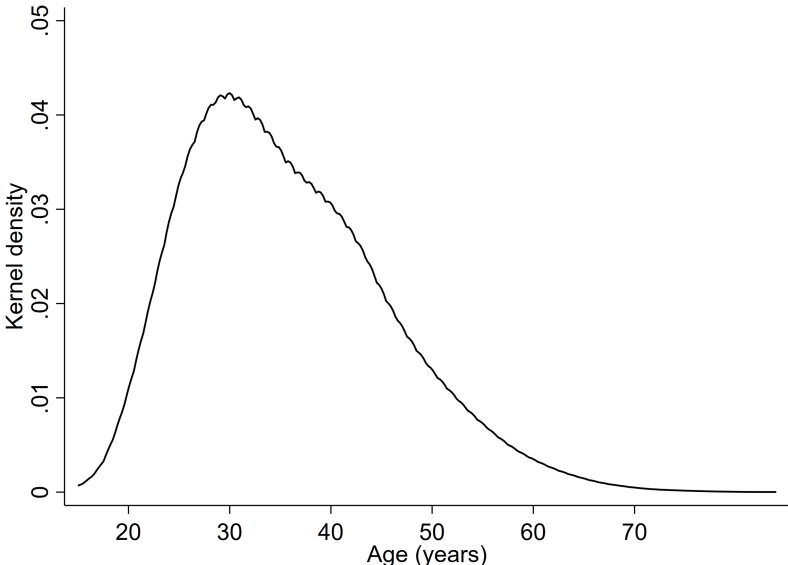
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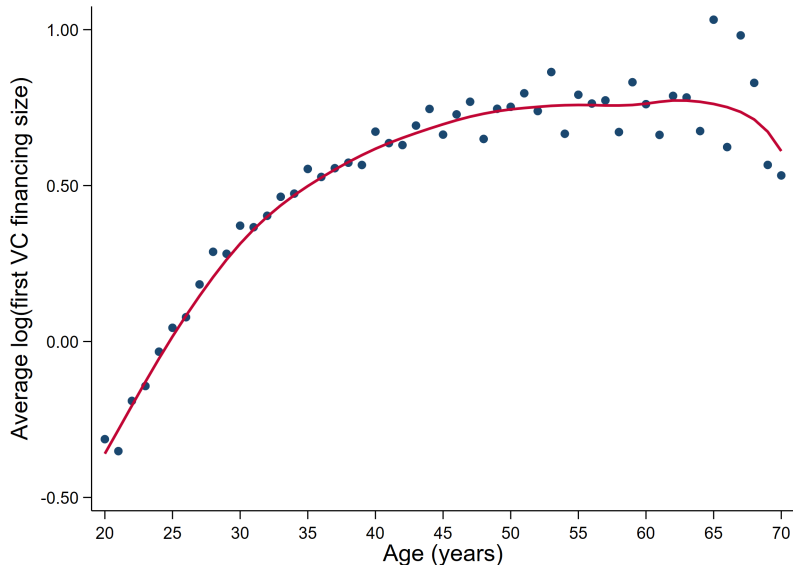
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Figure 1: Founder Age Distribution (Kernel Density)



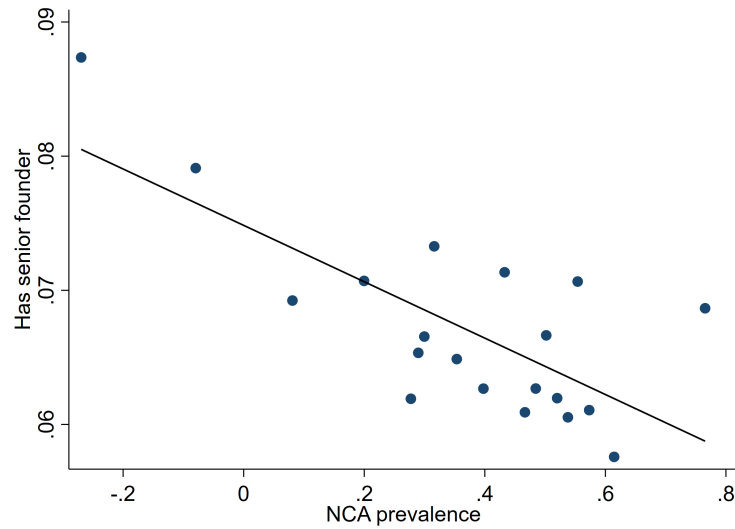
Notes: This figure shows the kernel density of founder age (founder/individual level). The full sample includes 98,712 founders, whose ages I estimated using their educational and work backgrounds, supplemented by a ChatGPT fine-tuning model. The method is described in Section 3.2.

Figure 2: Founder Age and First VC Financing Size



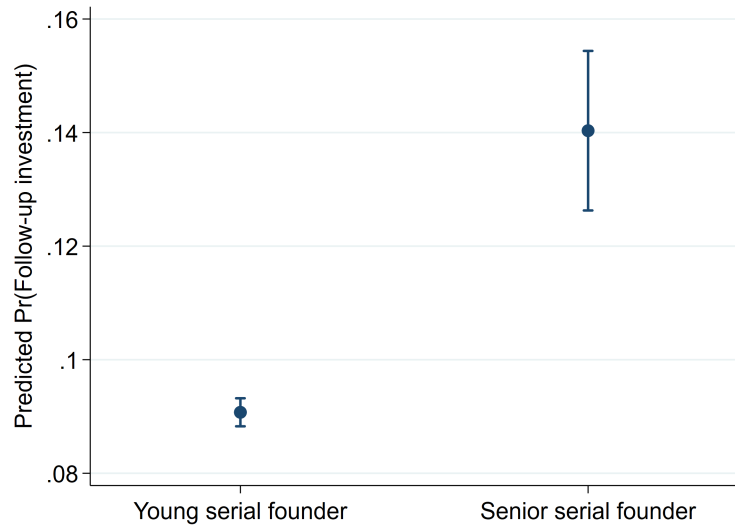
Notes: This figure plots the average $\log(\text{first VC financing size})$ by founder age at the time of founding. Each dot represents the mean outcome for founders of a given integer age. Financing size is measured in millions of dollars. The fitted line is a locally weighted regression (lowess) smooth with bandwidth 0.4.

Figure 3: Binned Scatter Plot between NCA Prevalence and Having a Senior Founder



Notes: This figure shows a binned scatter plot of NCA prevalence (cross-state enforceability * cross-industry use) versus having a senior founder.

Figure 4: Follow-up Investment on Serial Entrepreneur



Notes: This figure plots the likelihood that serial entrepreneurs receive investment from investors of their former ventures and provides a comparison between young serial entrepreneurs and senior serial entrepreneurs. The estimated model is column (1) of Appendix Table A.8. The 95% confidence intervals are based on standard errors clustered at the headquarters-state level.

Table 1: Summary Statistics: Descriptive Statistics and Correlations

Var.	N	Mean	S.D.	Min	Max	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)		
(1) log (1st VC firm size)	11,334	0.132	1.559	-6.908	6.319	1.000																
(2) Has senior founder	11,334	0.189	0.391	0.000	1.000	0.081	1.000															
(3) Has female founder	11,334	0.248	0.432	0.000	1.000	-0.034	0.035	1.000														
(4) Joint prior firm	11,334	0.286	0.452	0.000	1.000	0.090	0.109	0.011	1.000													
(5) Joint prior school	11,334	0.366	0.482	0.000	1.000	-0.003	-0.010	0.045	0.164	1.000												
(6) Has top school graduate	11,334	0.521	0.500	0.000	1.000	0.142	0.094	0.098	0.059	0.147	1.000											
(7) Has serial entrepreneur	11,334	0.392	0.488	0.000	1.000	0.068	0.116	-0.049	0.061	0.037	0.099	1.000										
(8) Has mgmt experience	11,334	0.657	0.475	0.000	1.000	0.087	0.214	0.056	0.175	0.020	0.057	0.147	1.000									
(9) Has tech experience	11,334	0.815	0.388	0.000	1.000	0.055	0.099	0.021	0.201	0.107	0.118	0.031	0.250	1.000								
(10) Team size	11,334	2.544	1.093	1.000	10.000	0.071	0.331	0.141	0.336	0.354	0.197	0.232	0.249	0.242	1.000							
(11) Years to get 1st VC firm	11,334	3.153	2.162	1.000	13.000	0.215	0.008	0.008	-0.119	-0.027	-0.093	-0.128	-0.057	-0.101	-0.064	1.000						
(12) Within three years (VC)	11,334	0.486	0.500	0.000	1.000	-0.176	-0.014	-0.025	0.101	0.000	0.058	0.126	0.045	0.066	0.025	-0.699	1.000					
(13) Within five years (VC)	11,334	0.805	0.396	0.000	1.000	-0.159	-0.011	-0.005	0.087	0.023	0.075	0.103	0.033	0.090	0.053	-0.794	0.479	1.000				
(14) Within five years (exit)	8,134	0.082	0.274	0.000	1.000	-0.024	-0.042	-0.040	0.050	-0.002	0.033	0.124	-0.007	0.022	-0.015	-0.183	0.193	0.154	1.000			
(15) Years to exit	2,020	6.564	3.641	1.000	20.000	0.215	0.078	-0.021	-0.087	-0.011	-0.028	-0.045	-0.010	-0.079	0.023	0.449	-0.315	-0.346	-0.697	1.000		

Notes: This table provides a summary of statistics of the main variables in this study. Each observation is at the firm level.

Table 2: Baseline Results for First VC Financing Size

<i>Dependent Variable</i>	log (1st VC financing size)			
	(1)	(2)	(3)	(4)
Has senior founder	0.325*** (0.047)	0.182*** (0.047)	0.147*** (0.046)	0.182*** (0.040)
Has top school graduate		0.423*** (0.036)	0.413*** (0.033)	0.306*** (0.031)
Has serial entrepreneur		0.114*** (0.037)	0.150*** (0.029)	0.084*** (0.018)
Has mgmt experience		0.173*** (0.039)	0.170*** (0.041)	0.189*** (0.038)
Has tech experience		0.045 (0.092)	-0.002 (0.088)	-0.069 (0.079)
Has female founder		-0.179*** (0.032)	-0.184*** (0.028)	-0.154*** (0.025)
Joint prior firm		0.238*** (0.029)	0.172*** (0.027)	0.168*** (0.033)
Joint prior school		-0.115** (0.044)	-0.111** (0.043)	-0.079*** (0.027)
Team size		0.002 (0.019)	0.043** (0.018)	0.029** (0.014)
Observations	11334	11334	11334	11334
Adjusted R^2	0.007	0.038	0.078	0.120
Year founded FE	no	no	yes	yes
Headquarters FE	no	no	no	yes
Industry FE	no	no	no	yes

Notes: This table examines the relationship between having a senior founder and the size of the first VC financing for startups with young founders. The unit of analysis is the startup level. The sample covers startups with at least one young founder. Robust standard errors, clustered at the headquarters state level, are in parentheses. *** $p < 0.01$ denotes significance at the 1% level and ** $p < 0.05$ denotes significance at the 5% level.

Table 3: Non-Compete Instrument

<i>Dependent Variable</i>	Has senior founder	log (1st VC financing size)
<i>Stage</i>	1st (1)	2nd (2)
NCA prevalence	-0.078*** (0.019)	
Has senior founder		3.173*** (1.142)
Observations	7168	7168
F-stat		20.72
Other controls	yes	yes
Year founded FE	yes	yes
Headquarters FE	yes	yes
Industry FE	yes	yes

Notes: This table provides the regression results using the non-compete instrument. Other controls include female founder, joint prior firm, joint prior school, has top school graduate, has serial entrepreneur, has management experience, has technology experience, and the team size. The unit of analysis is the startup level. The sample covers startups with at least one young founder. The sample size in this table is smaller compared to the main analysis, as the NCA enforceability index ends in 2014. Robust standard errors, clustered at the headquarters state level, are in parentheses. *** $p < 0.01$ denotes significance at the 1% level.

Table 4: Senior Founder’s Heterogeneous Experience

<i>Dependent Variable</i>	log (1st VC financing size)				
	(1)	(2)	(3)	(4)	(5)
Has senior founder	0.134*** (0.050)	0.207** (0.092)	0.137** (0.062)	0.134*** (0.039)	0.133*** (0.036)
Has senior founder (mgmt)	0.157*** (0.046)				
Has senior founder (tech)		-0.020 (0.092)			
Has senior founder (same industry)			0.119* (0.063)		
Has senior founder (serial ent)				0.186** (0.080)	
Has senior founder (successful serial ent)					0.588*** (0.124)
Observations	11334	11334	11334	11334	11334
Adjusted R^2	0.124	0.123	0.123	0.124	0.126
Other controls	yes	yes	yes	yes	yes
Year founded FE	yes	yes	yes	yes	yes
Headquarters FE	yes	yes	yes	yes	yes
Industry FE	yes	yes	yes	yes	yes

Notes: This table examines how the senior founder’s experience moderates the relationship between having a senior founder and first VC financing size. Other controls include female founder, joint prior firm, joint prior school, has top school graduate, has serial entrepreneur, has management experience, has technology experience, and the team size. The unit of analysis is the startup level. The sample covers startups with at least one young founder. Robust standard errors, clustered at the headquarters state level, are in parentheses. *** $p < 0.01$ denotes significance at the 1% level, ** $p < 0.05$ denotes significance at the 5% level, and * $p < 0.10$ denotes significance at the 10% level.

Table 5: Senior Founder Characteristics: Non-CEO and Other Full-Time Job

<i>Dependent Variable</i>	log (1st VC financing size)			
	(1)	(2)	(3)	(4)
Has senior founder	0.230*** (0.056)	0.229*** (0.045)	0.237*** (0.043)	0.244*** (0.036)
Has senior founder (not CEO)	-0.147* (0.081)	-0.144** (0.070)		
Has senior founder (other job)			-0.104* (0.059)	-0.116** (0.056)
Observations	11334	11334	11334	11334
Adjusted R^2	0.038	0.120	0.038	0.120
Other controls	yes	yes	yes	yes
Year founded FE	no	yes	no	yes
Headquarters FE	no	yes	no	yes
Industry FE	no	yes	no	yes

Notes: This table examines how the senior founder's non-CEO role and other full-time jobs moderate the relationship between having a senior founder and first VC financing size. Other controls include female founder, joint prior firm, joint prior school, has top school graduate, has serial entrepreneur, has management experience, has technology experience, and the team size. The unit of analysis is the startup level. The sample covers startups with at least one young founder. Robust standard errors, clustered at the headquarters state level, are in parentheses. *** $p < 0.01$ denotes significance at the 1% level, ** $p < 0.05$ denotes significance at the 5% level, and * $p < 0.10$ denotes significance at the 10% level.

Table 6: Time to the First VC Financing

<i>Dependent Variable</i>	Within	Within	Years to get 1st VC financing				
	three years?	five years?	(3)	(4)	(5)	(6)	(7)
	(1)	(2)					
Has senior founder	-0.023** (0.011)	-0.019** (0.008)	0.096** (0.043)	0.073* (0.043)			
Has senior founder (retire)				0.312** (0.127)			
Age gap (5)					0.052 (0.037)		
Age gap (10)						0.075* (0.039)	
Age gap (15)							0.136*** (0.045)
Observations	11334	11334	11334	11334	11334	11334	11334
Adjusted R^2	0.123	0.126	0.205	0.205	0.205	0.205	0.205
Other controls	yes	yes	yes	yes	yes	yes	yes
Year founded FE	yes	yes	yes	yes	yes	yes	yes
Headquarters FE	yes	yes	yes	yes	yes	yes	yes
Industry FE	yes	yes	yes	yes	yes	yes	yes

Notes: This table examines the relationship between having a senior founder and the time to get the first VC financing (Columns 1-3) and the mechanism tests (Columns 4-7). Other controls include female founder, joint prior firm, joint prior school, has top school graduate, has serial entrepreneur, has management experience, has technology experience, and the team size. The unit of analysis is the startup level. The sample covers startups with at least one young founder. Robust standard errors, clustered at the headquarters state level, are in parentheses. *** $p < 0.01$ denotes significance at the 1% level, ** $p < 0.05$ denotes significance at the 5% level, and * $p < 0.10$ denotes significance at the 10% level.

Table 7: Time to the First VC Financing

<i>Dependent Variable</i>	Within three years? (1)	Within five years? (2)	Years to get 1st VC financing (3)
Has senior founder	-0.023** (0.011)	-0.019** (0.008)	0.096** (0.043)
Observations	11334	11334	11334
Adjusted R^2	0.123	0.126	0.205
Other controls	yes	yes	yes
Year founded FE	yes	yes	yes
Headquarters FE	yes	yes	yes
Industry FE	yes	yes	yes

Notes: This table examines the relationship between having a senior founder and the time to get the first VC financing (Columns 1-3) and the mechanism tests (Columns 4-7). Other controls include female founder, joint prior firm, joint prior school, has top school graduate, has serial entrepreneur, has management experience, has technology experience, and the team size. The unit of analysis is the startup level. The sample covers startups with at least one young founder. Robust standard errors, clustered at the headquarters state level, are in parentheses. *** $p < 0.01$ denotes significance at the 1% level, ** $p < 0.05$ denotes significance at the 5% level, and * $p < 0.10$ denotes significance at the 10% level.

Table 8: Early Joiner Analysis

<i>Dependent Variable</i>	Has senior joiner	log (1st VC financing size)	Years to get 1st VC financing
	(1)	(2)	(3)
Has senior founder	0.186*** (0.011)	0.192*** (0.048)	0.081* (0.047)
Has senior joiner only		0.105*** (0.038)	-0.149*** (0.046)
Observations	11334	11334	11334
Adjusted R^2	0.053	0.149	0.225
Other controls	yes	yes	yes
Year founded FE	yes	yes	yes
Headquarters FE	yes	yes	yes
Industry FE	yes	yes	yes

Notes: This table provides the results regarding early joiners. Column (1) examines the relationship between having a senior founder and a senior joiner. Column (2) examines the relationship between having a senior joiner and the first VC financing size. Column (3) shows the relationship between having a senior joiner and the time to get the first VC financing. I define the early joiners as the non-founder employees who joined the startup in the founding year or the year after. I identify and obtain the early joiners information using the Revelio Labs data, which covers all public LinkedIn profiles. Other controls include female founder, joint prior firm, joint prior school, has top school graduate, has serial entrepreneur, has management experience, has technology experience, the team size, has top school graduate (joiner), has serial entrepreneur (joiner), has management experience (joiner), has technology experience (joiner), and the team size (joiner). The unit of analysis is the startup level. The sample covers startups with at least one young founder. Robust standard errors, clustered at the headquarters state level, are in parentheses. *** $p < 0.01$ denotes significance at the 1% level and * $p < 0.10$ denotes significance at the 10% level.

Online Appendix

1 Summary of the ChatGPT Fine-tuning process

I conduct ChatGPT fine-tuning using the ChatGPT-4o-mini model, following OpenAI’s fine-tuning guidelines (<https://developers.openai.com/api/docs/guides/supervised-fine-tuning>). I use 25,000 observations as the training set and 6,000 as the validation set. The training data is constructed using age estimates identified from founders’ high school and college years, as described in Section 3.2. Because most age predictions in the training data are derived from bachelor’s information, the model could over-rely on that variable and perform poorly when bachelor data are missing. To mitigate this risk, I intentionally hide bachelor’s information for 15,000 of the 25,000 training observations. Similarly, I conceal bachelor’s information for 5,000 of the 10,000 testing observations to evaluate model robustness. I provide detailed text information of each founder, including their names, gender, prefix, biography, location, background introduction, prior work experience (firm, title, experience description, location, start and end year), and prior educational experience (school, degree, concentration, start and end year). The prompt I use is: “*Predict the person’s birth year using a 4-digit integer based on the information below:*”.

2 Summary of the Case Analysis

To examine the direction of approach between young and senior founders, I conduct a hand-collected case analysis on a random sample of 120 startups, approximately 1% of the analysis sample. For each startup, I manually search for information about its founding story from company websites, founder interviews, public speeches, and news coverage. I use these sources to determine, where possible, which founder originated the venture’s initial idea.

Among the 120 startups, roughly one-third (41 startups) originated from a joint idea or the sequence could not be clearly determined. For example, ventures emerge from collaborative university research, conversations at social events, or joint decisions between family members. Among the remaining startups where a clear initiator could be identified, approx-

imately 74.7% (59 startups) were originated by the young founder. In these cases, the young founder held the initial idea and subsequently recruited a senior cofounder — often a university professor, a senior colleague from a prior employer, or a senior acquaintance from a professional or social network.

3 Supplementary Instrumental Variable Analysis

3.1 Robustness of the Non-Compete Instrument

The non-compete IV results remain consistent when adding industry-year and state-year fixed effects. However, the results are imprecise when adding the high-use NCA industry as a control, indicating that they are primarily driven by NCA use across different industry sub-sectors within each industry sector.³³ This might be because over 60% of my sample is located in California/New York/Massachusetts, where there is limited variation in non-compete enforceability during the period of analysis.

A potential concern is whether industry sub-sectors with high NCA use differ systematically from those with low NCA use on dimensions that independently affect financing. Two considerations help mitigate this concern. First, since my specification includes industry-sector fixed effects, which absorb time-invariant differences across broad industry groups, the remaining variation comes from how state-level enforceability differentially constrains labor mobility in high-NCA versus low-NCA sub-sectors within the same broad sector. For this to violate the exclusion restriction, state-level NCA enforceability would need to affect initial VC financing through channels other than founding team composition — and specifically through channels that differ across high- and low-NCA sub-sectors. This is a much narrower concern than a general worry about industry heterogeneity. Second, supplemental analyses show that the prevalence of NCA does not predict other founding team characteristics, including whether the team has a female founder, a serial entrepreneur, or a particular

33. The industry sector is a broader classification of industry, including Business Products and Services (B2B), Consumer Products and Services (B2C), Energy, Financial Services, Healthcare, Information Technology, and Materials and Resources. The industry sub-sector is the most fine-grained industry classification in PitchBook data, covering 203 categories.

team size. If the instrument were capturing broader sub-sector differences that affect financing through multiple channels, we would expect it to predict a wider range of founding team characteristics, which it does not.

3.2 Supplementary Analysis: Local Founding Cohort Age Instrument

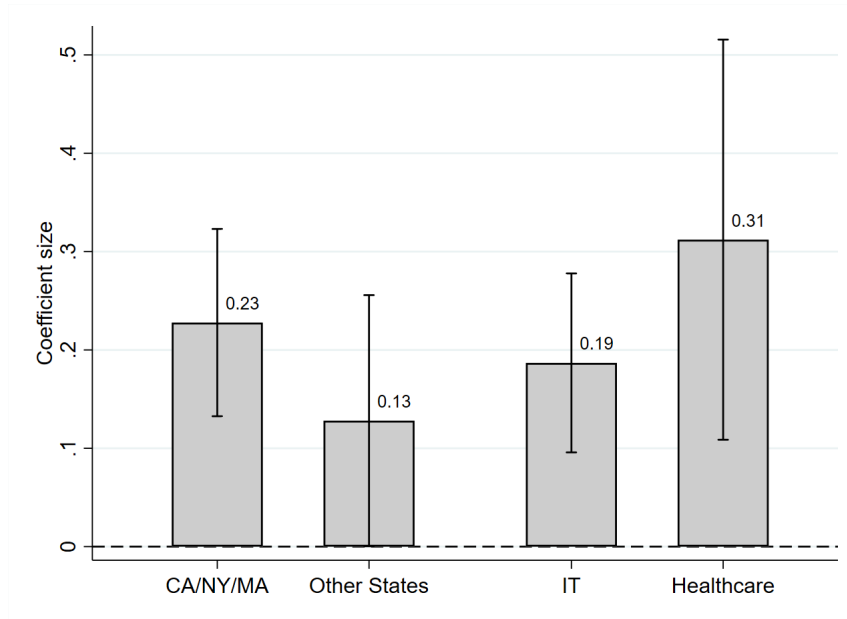
To further strengthen the causal interpretation, I use the age composition of the local founding environment as an instrument for the presence of a senior founder. Specifically, I construct a leave-one-out average founder age at the industry-CBSA (Core-Based Statistical Area)-founding year level. The instrument is defined as the average age of all founders of startups in the same industry group, CBSA, and year, excluding founders of the focal startup.³⁴ This instrument follows the logic of prior research that uses cohort-level demographic averages at the industry-geography-year level to address endogeneity concerns related to individual-level characteristics (Belenzon, Shamshur, and Zarutskie 2019). In contexts where the local founding cohort skews older, experience and maturity are more salient among entrepreneurs, which can increase young founders' incentives to seek a senior founder and raise the likelihood of encountering senior individuals who are actively entering entrepreneurship. Therefore, a higher average founder age in the local cohort is associated with a greater likelihood that a young founder teams with a senior founder.

The key identifying assumption is that the average founder age in the local cohort affects initial VC financing only through its effect on founding team composition. I include founding year, CBSA, and industry fixed effects in both stages, so the instrument is identified from within-cell variation rather than stable differences across industries or regions that might independently affect financing outcomes. In addition, as VC investment decisions are primarily driven by deal-specific factors, such as founding team characteristics (Gompers et al. 2020), investors are unlikely to develop location-year-specific age preferences. The results are reported in Appendix Table A.3. The first-stage regression (Column 1) confirms that the leave-one-out average founder age is positively and significantly associated with the likeli-

34. I exclude cohorts with fewer than five startups, as they may be less representative of the local entrepreneurial environment. The results are robust to alternative minimum cell-size thresholds.

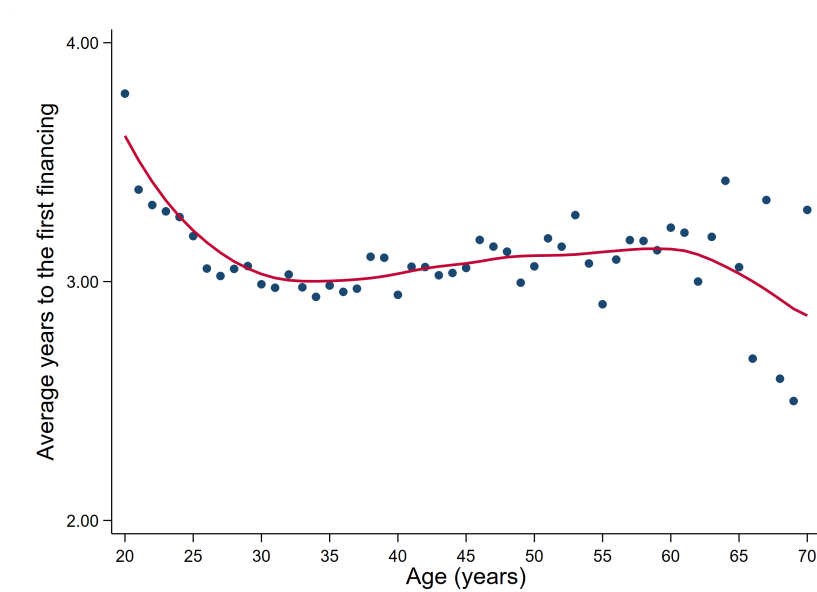
hood that a startup with a young founder teams with a senior founder, with an F-statistic of 88.45. The second-stage estimate is positive and significant (Column 2), consistent with both the OLS findings and the NCA-based IV results. The convergence of results across two independent instruments — one based on institutional constraints on labor mobility (NCA prevalence) and the other on the age composition of entrepreneurial labor demand (local founder age) — alleviates concerns about endogeneity. These instruments rely on fundamentally different sources of variation, yet both yield consistent evidence that teaming with a senior founder leads to larger initial VC financing for startups with young founders.

Figure A.1: Split-Sample Analysis (Location and Industry)



Notes: This figure plots the coefficients of the split-sample analysis regarding geographic regions (CA/NY/MA or not) and two key industries (IT and healthcare).

Figure A.2: Founder Age and Time to the First VC Financing



Notes: This figure plots the average years to get the first VC financing by founder age at the time of founding. Each dot represents the mean outcome for founders of a given integer age. The fitted line is a locally weighted regression (lowess) smooth with bandwidth 0.4.

Table A.1: Summary Statistics: Senior Founder Characteristics

	N	Mean	S.D.	Min	Max
Has senior founder (start early)	11334	0.046	0.210	0.000	1.000
Has senior founder (not CEO)	11334	0.059	0.236	0.000	1.000
Has senior founder (other job)	11334	0.102	0.303	0.000	1.000
Has senior founder (mgmt)	11334	0.140	0.347	0.000	1.000
Has senior founder (same industry)	11334	0.092	0.289	0.000	1.000
Has senior founder (tech)	11334	0.128	0.334	0.000	1.000
Has senior founder (serial ent)	11334	0.063	0.243	0.000	1.000
Has senior founder (retirement)	11334	0.014	0.118	0.000	1.000

Notes: This table provides a summary of statistics for variables measuring senior founders' characteristics. The definition of these variables is having a senior founder with a certain characteristic.

Table A.2: Summary Statistics: Early Joiner Characteristics

	N	Mean	S.D.	Min	Max
Has senior joiner	11334	0.226	0.419	0.000	1.000
Has senior joiner only	11334	0.150	0.357	0.000	1.000
Multi functional position	11334	0.266	0.442	0.000	1.000
Has top school graduate (joiner)	11334	0.318	0.466	0.000	1.000
Has serial entrepreneur (joiner)	11334	0.240	0.427	0.000	1.000
Has mgmt experience (joiner)	11334	0.310	0.462	0.000	1.000
Has tech experience (joiner)	11334	0.577	0.494	0.000	1.000
Team size (joiner)	11334	2.397	2.353	0.000	10.000

Notes: This table provides a summary of statistics for early joiner variables. I define the early joiners as the non-founder employees who joined the startup in the founding year or the year after. I identify and obtain the early joiners information using the Revelio Labs data, which covers all public LinkedIn profiles.

Table A.3: Local Founder Age Instrument (leave one out)

<i>Dependent Variable</i>	Has senior founder	log (1st VC financing size)
Stage	1st (1)	2nd (2)
Local founder age	0.020*** (0.002)	
Has senior founder		0.867** (0.403)
Observations	7465	7465
F-stat		88.45
Other controls	yes	yes
Year founded FE	yes	yes
Headquarters FE	yes	yes
Industry FE	yes	yes

Notes: This table provides the regression results using the local founder age instrument. Other controls include female founder, joint prior firm, joint prior school, has top school graduate, has serial entrepreneur, has management experience, has technology experience, and the team size. The unit of analysis is the startup level. The sample covers startups with at least one young founder. The sample size in this table is smaller compared to the main analysis, as I drop those cohorts (CBSA-industry-year) with fewer than five startups. Robust standard errors, clustered at the headquarters state level, are in parentheses. *** $p < 0.01$ denotes significance at the 1% level and ** $p < 0.05$ denotes significance at the 5% level.

Table A.4: Robustness to Other Measures

<i>Dependent Variable</i>	log (1st VC financing size)					
	(1)	(2)	(3)	(4)	(5)	(6)
Has senior founder (45)	0.214*** (0.042)					
Has senior founder (50)		0.170*** (0.048)				
Has senior founder			0.282** (0.105)	0.221*** (0.064)		
Age gap (10)					0.128*** (0.032)	
Age gap (15)						0.133*** (0.035)
Observations	11334	11334	1919	5223	11334	11334
Adjusted R^2	0.120	0.119	0.108	0.116	0.119	0.119
Young founder	<30	<30	<22	<25	<30	<30
Other controls	yes	yes	yes	yes	yes	yes
Year founded FE	yes	yes	yes	yes	yes	yes
Headquarters FE	yes	yes	yes	yes	yes	yes
Industry FE	yes	yes	yes	yes	yes	yes

Notes: The table provides a robustness check for table 2 using alternative measures of senior founders and young founders. Columns (1) and (2) use alternative senior-founder thresholds (age 45 and 50, respectively), holding the young founder definition at the baseline (<30). Columns (3) and (4) use alternative young-founder thresholds (age 22 and 25, respectively), holding the senior founder definition at the baseline (>40); smaller sample sizes reflect the stricter young-founder definition. Columns (5) and (6) replace the binary senior-founder indicator with indicators for whether any pair of founders differs in age by at least 10 or 15 years, respectively. Other controls include female founder, joint prior firm, joint prior school, has top school graduate, has serial entrepreneur, has management experience, has technology experience, and the team size. The unit of analysis is the startup level. The sample covers startups with at least one young founder. Robust standard errors, clustered at the headquarters state level, are in parentheses. *** $p < 0.01$ denotes significance at the 1% level and ** $p < 0.05$ denotes significance at the 5% level.

Table A.5: All-Startup Analysis (First VC Financing Size)

<i>Dependent Variable</i>	log (1st VC financing size)			
	(1)	(2)	(3)	(4)
Has young founder	-0.457*** (0.029)	-0.402*** (0.021)		
Has senior founder			0.374*** (0.038)	0.355*** (0.025)
Both young & senior founder	0.164*** (0.046)	0.151*** (0.039)	-0.320*** (0.042)	-0.287*** (0.040)
Observations	30791	30789	30791	30789
Adjusted R^2	0.053	0.123	0.050	0.122
Other controls	yes	yes	yes	yes
Year founded FE	no	yes	no	yes
Headquarters FE	no	yes	no	yes
Industry FE	no	yes	no	yes

Notes: This table examines the relationship between startups with at least one young founder or senior founder or both and the first VC financing size for all startups. Other controls include female founder, joint prior firm, joint prior school, has top school graduate, has serial entrepreneur, has management experience, has technology experience, and the team size. The unit of analysis is the startup level. The sample covers startups with founders of all ages. Robust standard errors, clustered at the headquarters state level, are in parentheses. *** $p < 0.01$ denotes significance at the 1% level.

Table A.6: Senior Founder Characteristic: Early Start

<i>Dependent Variable</i>	log (1st VC financing size)	
	(1)	(2)
Has senior founder	0.196*** (0.050)	0.175*** (0.042)
Has senior founder (start early)	-0.060 (0.096)	0.033 (0.081)
Observations	11334	11334
Adjusted R^2	0.038	0.120
Other controls	yes	yes
Year founded FE	no	yes
Headquarters FE	no	yes
Industry FE	no	yes

Notes: This table examines how the senior founder's early start moderates the relationship between having a senior founder and first VC financing size. Other controls include female founder, joint prior firm, joint prior school, has top school graduate, has serial entrepreneur, has management experience, has technology experience, and the team size. The unit of analysis is the startup level. The sample covers startups with at least one young founder. Robust standard errors, clustered at the headquarters state level, are in parentheses. *** $p < 0.01$ denotes significance at the 1% level.

Table A.7: Senior Founder and Hiring

<i>Dependent Variable</i>	Joiner with managerial experience		Multiple functional positions	
	(1)	(2)	(3)	(4)
Has senior founder	0.044*** (0.007)	0.071*** (0.010)	0.014** (0.006)	0.025** (0.010)
Observations	11334	11334	11334	11334
Adjusted R^2	0.012	0.028	0.007	0.015
Other controls	yes	yes	yes	yes
Join year	1st	1st & 2nd	1st	1st & 2nd
Year founded FE	yes	yes	yes	yes
Headquarters FE	yes	yes	yes	yes
Industry FE	yes	yes	yes	yes

Notes: This table examines the relationship between having a senior founder and early hiring. Other controls include female founder, joint prior firm, joint prior school, has top school graduate, has management experience, has technology experience, and the team size. The unit of analysis is the startup level. The sample covers startups with at least one young founder. Robust standard errors, clustered at the headquarters state level, are in parentheses. *** $p < 0.01$ denotes significance at the 1% level and ** $p < 0.05$ denotes significance at the 5% level.

Table A.8: Follow-up Investment from Prior Investors

<i>Dependent Variable</i>	Follow-up investment?		
	(1)	(2)	(3)
Has senior founder (serial ent)	0.050*** (0.008)		0.029*** (0.010)
Has senior founder (successful serial ent)		0.121*** (0.020)	
Observations	6113	6113	5399
Adjusted R^2	0.031	0.033	0.027
Other controls	yes	yes	yes
No good exit only	no	no	yes
Year founded FE	yes	yes	yes
Headquarters FE	yes	yes	yes
Industry FE	yes	yes	yes

Notes: This table examines the relationship between senior serial entrepreneurship and receiving an investment from serial entrepreneurs' prior investors. Other controls include female founder, joint prior firm, joint prior school, has top school graduate, has management experience, has technology experience, and the team size. The unit of analysis is the startup level. The sample covers startups with at least one young founder and at least one serial entrepreneur in Columns (1) and (2). Column (3) only covers serial entrepreneurs without a good exit. Robust standard errors, clustered at the headquarters state level, and are in parentheses. *** $p < 0.01$ denotes significance at the 1% level.

Table A.9: All-Startup Analysis (Time to the First VC Financing)

<i>Dependent Variable</i>	Years to get 1st VC financing	
	(1)	(2)
Has young founder	0.122*** (0.038)	
Has senior founder		-0.058 (0.045)
Both young & senior founder	0.147*** (0.033)	0.252*** (0.054)
Observations	37510	37510
Adjusted R^2	0.190	0.190
Other controls	yes	yes
Year founded FE	yes	yes
Headquarters FE	yes	yes
Industry FE	yes	yes

Notes: This table examines the relationship between startups with at least one young founder or senior founder or both and the time to get the first VC financing for all startups. Other controls include female founder, joint prior firm, joint prior school, has top school graduate, has serial entrepreneur, has management experience, has technology experience, and the team size. The unit of analysis is the startup level. The sample covers startups with founders of different ages. Robust standard errors, clustered at the headquarters state level, are in parentheses. *** $p < 0.01$ denotes significance at the 1% level.

Table A.10: Time to Exit

<i>Dependent Variable</i>	Within	Within	Years
	five years? (1)	ten years? (2)	to exit (3)
Has senior founder	-0.024** (0.009)	-0.036*** (0.010)	0.461** (0.176)
Observations	8132	3994	2013
Adjusted R^2	0.159	0.477	0.414
Other controls	yes	yes	yes
Year founded FE	yes	yes	yes
Headquarters FE	yes	yes	yes
Industry FE	yes	yes	yes

Notes: This table examines the relationship between having a senior founder and the time to exit. Other controls include female founder, joint prior firm, joint prior school, has top school graduate, has serial entrepreneur, has management experience, has technology experience, and the team size. The unit of analysis is the startup level. The sample covers startups with at least one young founder. Robust standard errors, clustered at the headquarters state level, are in parentheses. *** $p < 0.01$ denotes significance at the 1% level and ** $p < 0.05$ denotes significance at the 5% level.