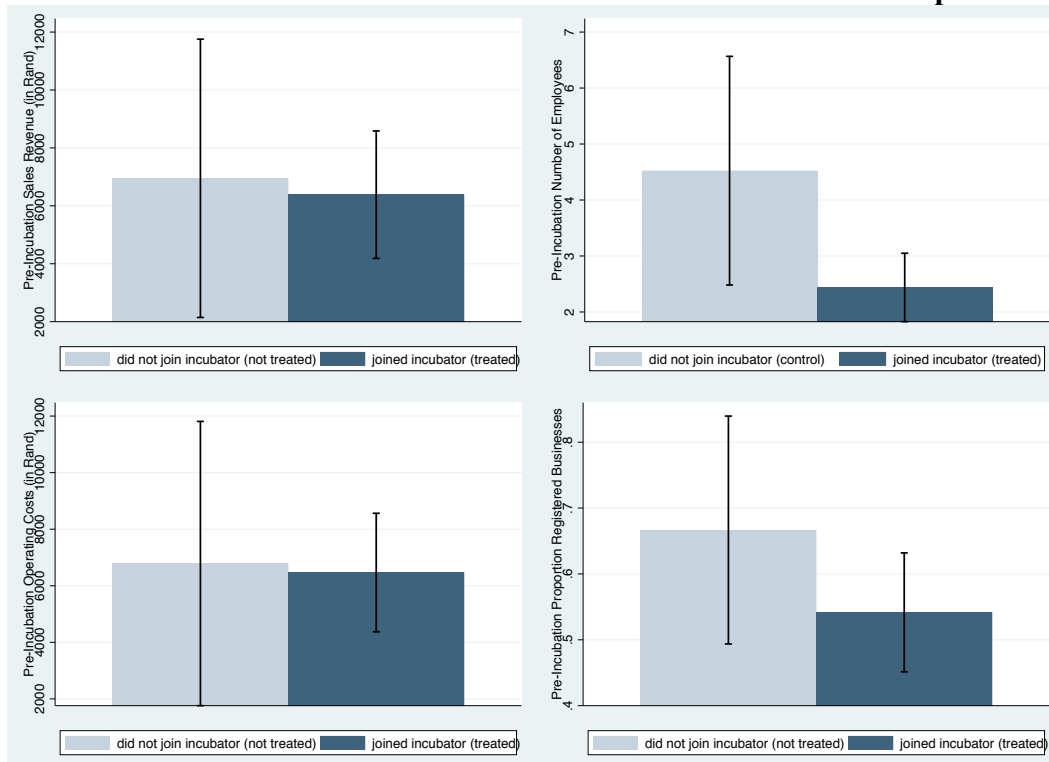


ONLINE APPENDIX

Figure A1. Comparison of Pre-Treatment Covariates within Selected Applicants between Joined and Not Joined– Check for Ashenfelter’s Dip



Note differences in pre-treatment performance among selected applicants who joined the incubator, compared to selected applicants who did not join the incubator, with 95% CI.

Figure A2. Distance to Incubator and Probability of Joining if Selected (Logit Model)

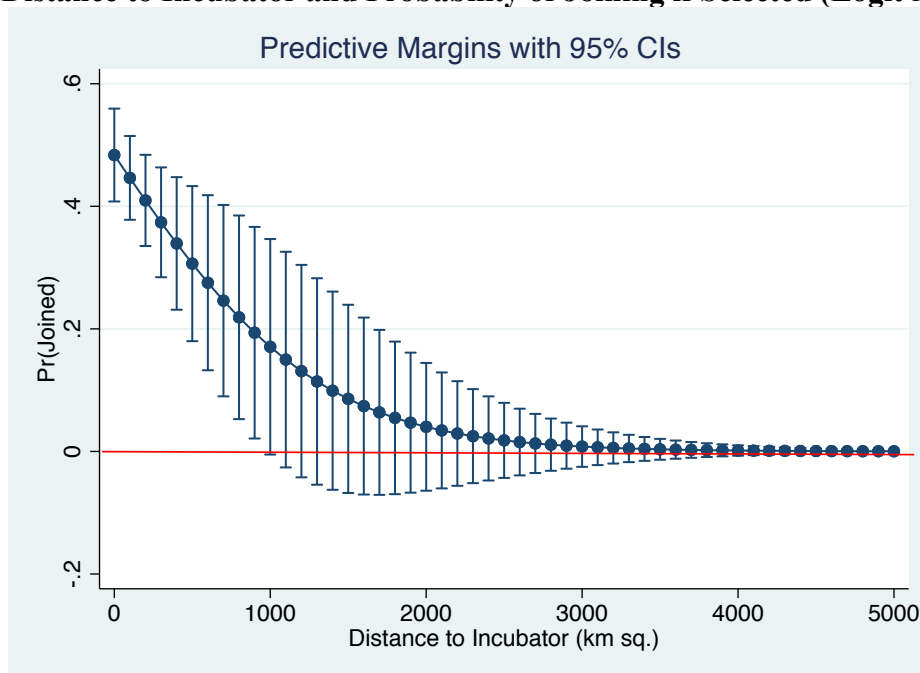
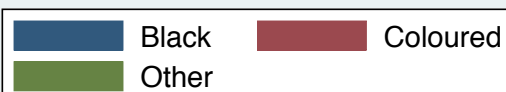
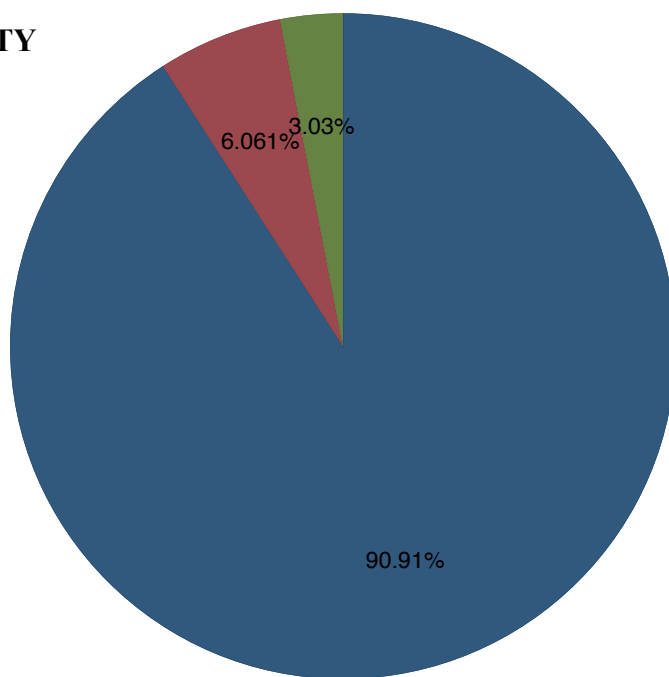
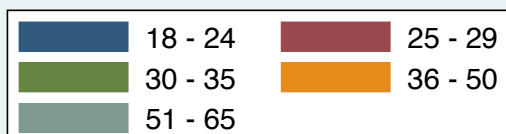
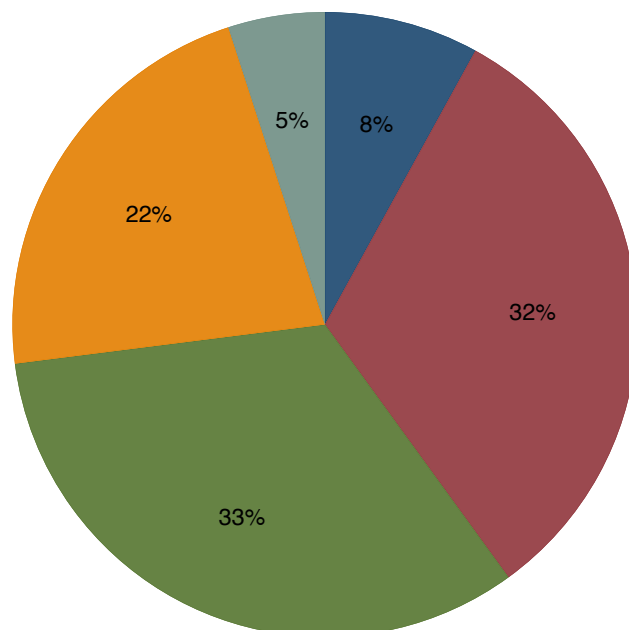
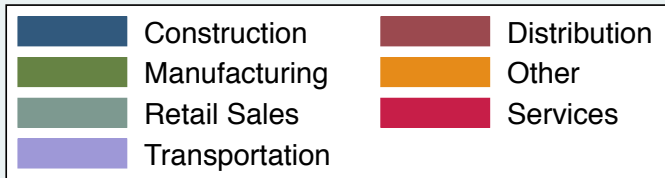
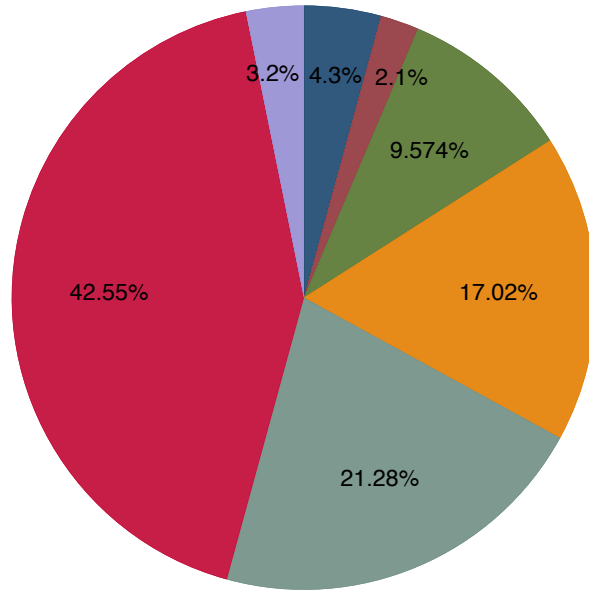


Figure A3. Composition of Selected Applicants that Joined the Incubator**A. ETHNICITY****B. AGE**

C. INDUSTRY



D. MOTHER TONGUE

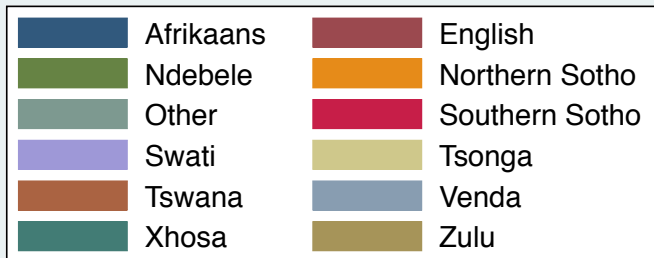
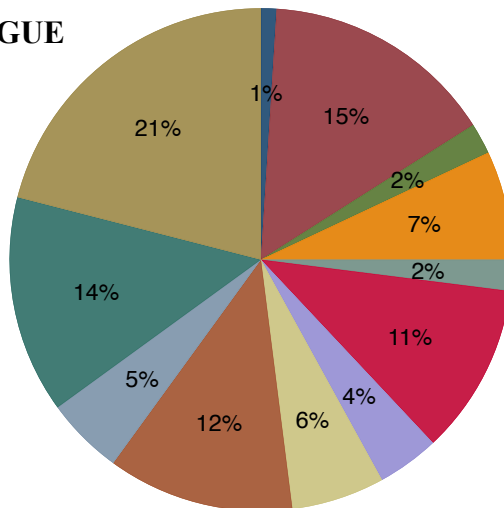


Table A1. Summary Statistics

Sample for Study 1: Applicants Selected into the Incubator

Variable	Mean	S.D.	(1)	(2)	(3)	(4)	(5)	(6)	(7)
(1) Sales Revenue T0 (monthly, in Rand)	9,378	11,480							
(2) Sales Revenue T1 (monthly, in Rand)	14,013	15,976	0.73						
(3) Costs T0 (monthly, in Rand)	10,027	12,883	0.89	0.73					
(4) Costs T1 (monthly, in Rand)	9,824	12,927	0.66	0.88	0.71				
(5) Employees T0 (headcount)	5.946	2.847	0.55	0.32	0.49	0.2			
(6) Employees T1 (headcount)	6.892	7.849	0.19	0.17	0.21	0.15	0.54		
(7) Registered Status T1	0.973	0.164	0.11	0.13	0.11	0.1	0.06	0.15	
(8) Profit T0 (monthly, in Rand)	-649	5,776	-0.01	-0.17	-0.45	-0.27	-0.01	-0.09	-0.02
(9) Profit T1 (monthly, in Rand)	4,189	7,801	0.41	0.6	0.32	0.14	0.32	0.09	0.09
(10) Log(1+ Sales T1/Sales T0)	0.902	0.434	-0.13	0.52	-0.06	0.34	-0.1	0.07	0.08
(11) Log(1+ Costs T1/Costs T0)	0.707	0.231	0.03	0.18	0.06	0.17	0.15	0.83	0.52
(12) Log(1+ Employment T1/Employment T0)	0.732	0.447	-0.14	0.36	-0.21	0.4	-0.13	0.03	0.01
(13) Log(1+ Registered T1/Registered T0)	0.674	0.114	0.11	0.13	0.11	0.1	0.06	0.15	1
(14) Female	0.568	0.502	-0.32	-0.36	-0.12	-0.22	-0.29	-0.32	-0.15
(15) Age	31.81	6.48	0.23	0.19	0.19	0.27	-0.01	-0.04	0.05
(16) Distance to Incubator (in km ²)	761	2292	0	0.25	0.12	0.26	-0.09	-0.07	0.06

Variable	Mean	S.D.	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
(8) Profit T0 (monthly, in Rand)	-649	5,776								
(9) Profit T1 (monthly, in Rand)	4,189	7,801	0.09							
(10) Log(1+ Sales T1/Sales T0)	0.902	0.434	-0.13	0.49						
(11) Log(1+ Costs T1/Costs T0)	0.707	0.231	-0.07	0.09	0.27					
(12) Log(1+ Employment T1/Employment T0)	0.732	0.447	0.19	0.07	0.66	0.24				
(13) Log(1+ Registered T1/Registered T0)	0.674	0.114	-0.02	0.09	0.08	0.52	0.01			
(14) Female	0.568	0.502	-0.37	-0.36	-0.12	-0.31	-0.18	-0.15		
(15) Age	31.81	6.48	0.04	-0.05	0.01	-0.02	0.06	0.05	-0.16	
(16) Distance to Incubator (in km ²)	761	2292	-0.27	0.08	0.14	-0.02	0.14	0.06	0.06	0.01

Note: Log denotes the natural logarithm. T0 denotes the time of applying, T1 denotes 6-months after applying to the incubator.

Sample for Study 2: Participants in the Incubator

Variable	Mean	S.D.	(1)	(2)	(3)	(4)	(5)	(6)	(7)
(1) Baseline Exam Score (0-100)	6.64	4.31							
(2) Final Exam Score (0-100)	43.92	11.65	0.36						
(3) Percent of Sessions Attended	19.86	29.43	0.03	0.29					
(4) Age	33.51	8.53	0.05	0.01	0.05				
(5) Gender (Female)	0.413	0.493	0.21	0.12	0.08	0.28			
(6) Nationality (Foreign-born)	0.056	0.23	0.13	0.23	0.11	0.06	0.15		
(7) Dropout	0.008	0.089	0.22	0.29	0.2	-0.01	0.11	0.37	
(8) Profits (in Rand)	3,436	8,046	0	0.13	0.14	0.21	-0.09	-0.08	-0.03
(9) Revenue (in Rand)	7,202	16,518	0.09	0.12	0.17	0.25	-0.05	-0.06	0.05
(10) Costs (in Rand)	3,766	10,179	0.14	0.1	0.16	0.23	-0.01	-0.04	0.1
(11) Profits (in Rand, Log)	4.128	4.088	0	0.24	0.38	0.19	-0.05	-0.07	-0.01
(12) Revenue (in Rand, Log)	4.588	4.403	0.05	0.28	0.43	0.18	-0.03	-0.04	0.1
(13) Costs (in Rand, Log)	3.577	4.031	0.07	0.24	0.39	0.17	0	-0.09	0.13
(14) Peer effects on learning (Log)	3.607	0.072	-0.1	0.11	0.11	-0.11	-0.07	0.03	0.1
(15) Peer effects on revenue (Log)	10.585	0.799	0.04	0.05	-0.07	0.01	-0.08	-0.08	-0.09
(16) Peer effects on profits (Log)	9.593	0.685	0.02	0.07	-0.06	0.03	0	-0.09	-0.03
(17) Lagged Mentor Ability	3.607	0.175	0.07	0.59	0.21	-0.02	0.1	0.13	0.09
(18) Score Difference (exit - baseline)	37.278	10.857	-0.01	0.93	0.3	-0.01	0.04	0.2	0.22
(19) Score Difference (Log)	3.595	0.338	0.04	0.94	0.28	-0.03	0.06	0.18	0.15

Variable	Mean	S.D.	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
(9) Revenue (in Rand)	7,202	16,518	0.88										
(10) Costs (in Rand)	3,766	10,179	0.64	0.93									
(11) Profits (in Rand, Log)	4.128	4.088	0.57	0.54	0.43								
(12) Revenue (in Rand, Log)	4.588	4.403	0.54	0.57	0.5	0.97							
(13) Costs (in Rand, Log)	3.577	4.031	0.54	0.63	0.59	0.83	0.9						
(14) Peer effects on learning (Log)	3.607	0.072	0.05	0.07	0.06	0.07	0.09	0.08					
(15) Peer effects on revenue (Log)	10.585	0.799	0.17	0.18	0.16	0.1	0.08	0.08	-0.12				
(16) Peer effects on profits (Log)	9.593	0.685	0.29	0.26	0.19	0.11	0.08	0.09	0.05	0.69			
(17) Lagged Mentor Ability	3.607	0.175	0.07	-0.01	-0.07	0.17	0.17	0.12	0.29	0.04	0.08		
(18) Score Difference (exit - baseline)	37.278	10.857	0.13	0.1	0.05	0.25	0.28	0.23	0.15	0.04	0.06	0.61	
(19) Score Difference (Log)	3.595	0.338	0.13	0.09	0.04	0.25	0.28	0.22	0.12	0.05	0.08	0.61	0.99

Note: Log denotes the natural logarithm.

Table A2. Logit Models: Probability of Joining the Incubator if Selected, as a function of the Commuting Distance to the Incubator (kilometers from home address)

	(1)	(2)	(3)
	<i>Probability of Joining the Incubator if Selected</i>	<i>Probability of Joining the Incubator if Selected</i>	<i>Probability of Joining the Incubator if Selected</i>
Distance to Incubator (km)	-0.00137* (0.000810)	-0.00146* (0.000846)	-0.00146* (0.000880)
Intercept	1.502*** (0.268)	1.782 (1.172)	1.319 (1.370)
Controls for Applicant Gender	No	Yes	Yes
Applicant Age	No	Yes	Yes
Applicant Ethnicity	No	No	Yes
<i>Log pseudo- likelihood</i>	-55.78	-55.65	-45.87
<i>Pseudo R-sq.</i>	0.0190	0.0212	0.0442
<i>N</i>	112	112	80

Standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$ (two-tailed tests)