Early Entrants and the Spatial Evolution of the B Corporation Population

Justin Koushyar
Goizueta Business School
Emory University
Abstract

Recent organizational innovations are allowing for-profit organizations to more visibly and effectively pursue social objectives. One of these innovations, the Certified B Corporation emerged in 2007 and has experienced tremendous growth over the past 5 years from 81 organizations to approximately 495 by the end of 2011. I analyze the early arrival patterns of B Corporations across urban areas throughout the United States, paying particular attention to how attributes of the earliest entrants, including their age, media visibility, and social performance might influence subsequent entry patterns. I find evidence that pioneers’ age and media visibility do influence entry rates in the following year. More specifically, areas with younger organizations that are mentioned more in national media outlets have more entry in the year following the arrival of the first entrants.
**Introduction**

Over the past 30 years, for-profit companies have emerged as providers of social benefits such as protecting the environment and improving human rights (Auld, Bernstein, and Cashore 2008). However, there has been a continuing tension of the purpose and mission of for-profit organizations. Some argue that a corporation’s responsibility is to their shareholders while others argue they should cater to the broader array of stakeholders in the communities they serve (Friedman, 1970; Mackey et al., 2005; Freeman, 1984). These social activities have generally been subsumed under the auspices of corporate social responsibility (CSR) which have become a “mainstream business activity” (Kitzmueller and Shimshack 2012, pg. 51).

For-profit organizations are also limited in their pursuit of social activities due to limitations of the corporate form and state laws. Some states have corporate statutes that explicitly allow directors to consider the interest of stakeholders other than investors while others do not. This leaves traditional firms exposed to potential legal liability from shareholders while undertaking social initiatives.

Even with the limitations of the current corporate environment, corporations are able to conduct a broad array of social activities successfully, but their motives and commitment to these activities are varied. Some organizations are genuinely focused on creating positive social outcomes while other organizations utilize social initiatives as part of their marketing activities. Further, the limitations of corporate law prevent for-profit organizations from making a commitment to continue the pursuit of social activities upon sale of the organization or change in leadership within the organization.

New organizational innovations have been created to account for the limitations of the current corporate form and allow organizations to visibly commit to the sustainable pursuit of a
social mission. One of these innovations, the Certified B Corporation emerged in 2007 and has experienced tremendous growth. The Certified B Corporation is a new type of for-profit organization that requires a firm to change their articles of incorporation\(^1\) and submit to periodic audits of its social activities. A firm is able to visibly commit to social activities by adopting the Certified B Corporation structure, and thus enter a population of organizations that are focused on both social and profit motives.

A certified B Corporation combines certification with a change in corporate structure to overcome two issues that social entrepreneurs face with the traditional for-profit form\(^2\). First, the requirement for change in corporate structures reduces the risk of legal liability from shareholders and increases the chance of sustaining a firm’s social mission after a leadership transition or sale of the company. Second, the social performance of each firm is made visible to various stakeholders through audits that rate each B Corporation with a score measuring their overall social performance. When juxtaposed with the well-established financial orientation of traditional U.S. companies (Friedman 1970), the B Corporation becomes a novel organization that blends traditional for-profit means with non-profit (i.e., social) ends (Strom 2011).

The early diffusion of organizational innovations such as the Certified B Corporation requires a significant commitment of resources and acceptance of risk from an adopting firm. Adopting new structure requires a firm to dedicate resources to implement the change and disrupts established routines within the firm. There is also uncertainty on how the company will perform in social audits. Finally, the nascent population lacks recognition and legitimacy that may further impact the ability of the adopting firm to access necessary resources from its

\(^1\) The articles of incorporation are changed to allow the corporation to consider the interests of all stakeholders including shareholders.

\(^2\) The requirements for becoming a Certified B Corporation vary by state and by type of incorporation.
environment. Because of these issues, it is important to understand the factors that facilitate a firm’s decision to become a Certified B Corporation.

This paper investigates the factors that influenced the arrival rates of B Corporations throughout the United States during its formative years. Understanding the emergence of novel types of organization is one of the central topics of organizational research. This study builds on past research by focusing on how the visibility of early adopters influenced by their age, media visibility, and social performance impact subsequent entry rates.

Past organizational research has illustrated that early in the process of adoption, as the numbers that adopt a novel practice (Davis, 1991; Strang and Soule, 1998) or enter a new organizational population (Hannan and freeman, 1977; Greve, 2000, 2002) increase, the more likely we will see subsequent entry or adoption. Over time these theories were refined to take into account heterogeneous characteristics of early firms, including their size (Haveman, 1993), performance (Haunschild and Miner, 1997), prestige of adopters (Burns and Wholey, 1993), and firm identity (McKendrick et al., 2003; Perretti et al., 2008), that influence the subsequent patterns of entry and adoption. One of the mechanisms behind these predictions is the ability of an organization adopting a practice or emerging in a population to spread information about the process that is adopted or organizational form that is emerging. Firms that are larger, have prestige, or perform well are more likely to be noticed and followed than firms that do not exhibit these traits. In turn, they are expected to have a more dramatic effect on those making subsequent entry decisions. In the present study, I follow these leads and focus on how the age, social performance, and media visibility of the first cohort of adopters influence the decisions of others to enter in their locales.
The study focuses on the early emergence of the B Corporation population. B Lab - the nonprofit organization that certifies B Corporations was formally launched in 2006 and the first cohort of 81 B Corporations was certified in 2007. These pioneers were located in 24 urban areas\(^3\) in the US. Over the next 4 years, the number of active B Corporations had grown to 495, 439 located in 75 United States urban areas\(^4\). Figure 1 displays the population counts over the past 5 years.

(Insert Figure 1 here)

The companies that entered early into the B Corporation population exhibited a wide range of ages\(^5\) (see figure 2), experienced varying levels of media visibility as indicated by their coverage in local and national newspapers, magazines, and journals (see figure 3). Early entrants also varied in their social performance as indicated by their initial B Ratings (see figure 4).

(Insert Figure 2, 3, & 4 here)

This paper focuses on how the distribution and characteristics of pioneering B Corporations influenced the subsequent but still early local entry rates into the emerging population. The analysis is composed of two parts. I first analyze the antecedent conditions that facilitate the first wave of B Corporation entrants into an area. A hazard model is used to

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\(^3\) I define urban areas as the US Census Core Base Statistical Areas (CBSA) comprised of both Metropolitan and Micropolitan statistical areas. CBSAs are comprised of cities of over 10,000 people and their surrounding areas that are connected via commuting ties.

\(^4\) The remainder are concentrated in Canada and other international locations (n=57) while a minority are located in US smaller urban and rural areas (n=9).

\(^5\) Existing organizations could convert to the B Corporation form.
analyze how various economic, social, and legal factors influenced the first arrivals into the local population. I then analyze the factors that cause areas to vary in the number of subsequent B Corporations by analyzing how the first entrants into each urban area impacted subsequent entry rates. The goal here is to unpack the early arrival patterns by illustrating the characteristics that influenced when and where B Corporations emerged. The analysis is designed to uncover how factors of a nascent population influence subsequent entry rates above and beyond that of antecedent conditions.

**Firm Characteristics and Local Population Evolution**

Pioneer organizations, defined as the first cohort of entrants into an organizational population, serve as the foundation of new types of organization. They must create and manage the new roles, organizational structures, and working relationships with customers and suppliers (Stinchcombe 1965). As the pioneers become established they also make the new type of organization visible to others within their local communities (Sorenson and Audia 2000; Strang and Soule 1998) and provide blueprints for the subsequent entrants (Aldrich 1999; Hedstrom 1994; Strang and Soule 1998).

An organization’s decision to adopt a practice is dependent on the ability of those who have already entered the population or adopted the practice to spread information about it. However, not all organizations are equal in their ability to gain notice, attract attention, and successfully transmit information about a form or practice. Work in organizational ecology focuses on how characteristics of a firm impact the emerging identity of an organizational form (McKendrick et al., 2003, Perretti et al. 2008) and the level of competition within the population (Barnett, 1997). Works examining the processes of diffusion (Strang and Soule, 1998) and
isomorphism (Haveman, 1993) also study how various attributes of a firm influence the decision of other organizations to adopt the same practice.

These literatures have suggested several characteristics that may influence the ability of a firm to gain attention and be noticed. This study focuses on three of these characteristics; how a firm’s age, their level of media visibility, and their social performance may impact the subsequent patterns of entry into a population. Below I discuss how each characteristic may impact a firm’s ability to attract attention and be noticed, and in turn how this may impact subsequent adoption rates into the Certified B Corporation population.

Firms entering an organizational population bring with them their experience, identity, history, and resources. Whether through an existing firm diversifying into new markets or through ancestor effects of a firm that is restructured, the past experience and identity of a firm can impact the development of a new organizational population. Firms that are older have had more time to generate relationships with customers, suppliers, and other stakeholders. They are embedded in the communities and markets they serve and are more likely to be noticed and followed. This suggests that older firms will be more visible then younger firms that have yet to fully establish these relationships with customers, suppliers, and other stakeholders.

However work in organizational ecology suggests that age may negatively impact entry rates into a population. Firms bring their history with them into the new population. A firm with an existing identity from activities outside of the new organizational population may compete with or conflict with the emerging identity of the new organizational population and prevent the form from fully emerging. In their study of the emergence of the Disk Array form in the U.S., McKendrick et al. (2003) find that the density of de novo firms, or firms that are founded as disk array producers, provide the expected density effects. Older organizations with
identities from other industries do not enable the legitimation of the form. When the density of the population is low, only increases in de novo density were linked to increased entry rates. Perretti et al (2008) refine this finding by demonstrating that older firms with identities that match the audiences’ expectations of the identity of the emerging form influence the population like de novo entrants.

Older firms are likely to have established relationships with various stakeholders, customers, and competitors that cause them to be noticed more than younger firms. This leads to the expectations that age of firms will positively be related to subsequent entry rates. However, firms also may have established identities that may distract attention from the adopting innovation. This may serve to decrease subsequent rates of entry. Because age may have a positive or negative effect on subsequent entry rates, the first set of hypotheses test the opposing effects of age.

Pioneer entrants also serve to make an organizational population visible to necessary audiences including other potential entrants. The more visible that the population becomes, the more likely other organizations will notice the population and will adopt the given organizational structure. However, not all organizations are equal in their ability to attract more attention due to their performance or other attributes that cause them to be noticed. One way that firms attract additional notice may be through media mentions in newspapers and magazines.

Diffusion literature suggests that the media plays a role in facilitating the diffusion of collective action and managerial practices (Strang and Soule 1998). Research in journalism and communication suggest that the media acts as an agenda setter serving to focus the public’s attention (McCombs et al, 1997, McCombs and Reynolds, 2002). Other work suggests that media may be a source of legitimacy and reputation of firms (Deephouse, 2000; Rindova et. al.,
2005) and may act as an information intermediary serving to provide legitimacy to firms through exposure and framing processes (Pollock and Rindova 2003). Also, the visibility and prestige of hospitals adopting matrix management have been found to influence subsequent rates of adoption (Burns and Wholey, 1993).

Media attention serves to transmit information about a firm to its audiences with the degree of media exposure being a function of the amount of coverage a firm receives over time (Pollock and Rindova, 2003). The more exposure a firm receives in the media, the more likely the firm’s actions will be noticed and followed. I predict that the visibility of pioneer firms influences subsequent entry rates. In particular, the more press coverage that pioneer firms receive, the greater the exposure and attention they will receive in their communities, and in turn the larger their influence on subsequent entry rates. This leads to the second prediction that press coverage of pioneer firms is positively related to subsequent entry.

I also predict that the social performance of these pioneers will influence subsequent entry rates. Neoinstitutional theory suggests that “organizations tend to model themselves after similar organizations in their field that they perceive to be more legitimate or successful” (Dimaggio and Powell, 1983; pg 152). Studies of the banking industry and of firm’s use of investment bankers have shown that high performance facilitates the diffusion and adoption of a practice (Haunschild and Miner 1997, Haveman 1993). High performance may also be especially salient, attracting attention from both other potential entrants (Haunschild and Miner 1997) and audiences. Haveman (1993) finds that diversification into a market is more likely when large and successful banks have previously diversified into the market. Haunschild and Miner (1997) find that investment bankers are more likely to be involved in deals when larger and more profitable firms have used their services in the past.
In the case of B Corporations, it is expected that the social performance of pioneer B Corporations will influence subsequent entry rates. As mentioned above, each B Corporation’s social performance is periodically audited and these scores are made publicly available. Firms that may be interested in entering this population are faced with uncertainty about how they will score in these audits and the types of practices they should adopt to perform well. Areas where pioneer entrants yield high social scores may be more likely to be noticed and emulated. This leads to the third prediction that pioneer social performance is positively related to subsequent entry rates. The hypotheses are listed below.

**H1a:** Urban areas with pioneer entrants that are younger will have higher subsequent rates of entry within the organizational population.

**H1b:** Urban areas with pioneer entrants that are younger will have lower subsequent rates of entry within the organizational population.

**H2:** Urban areas with pioneer entrants that attract higher amounts of press coverage will have higher subsequent rates of entry within the organizational population.

**H3:** Urban areas with pioneer entrants that achieve higher social performance will have higher rates of entry within the organizational population.
METHODS

Data

To uncover the impact that an organization’s age, media visibility, and social performance have on subsequent entry rates, I analyze B Corporation entry rates from 2008 through 2011 in the United States. To assess the entry patterns across locales, entry rates are studied at the level of the Core Base Statistical Area (CBSA), which includes both Metropolitan and Micropolitan areas. CBSAs comprise cities of over 10,000 people and their surrounding areas that are connected via commuting ties. They are delineated by the Census Bureau to capture a core urban area and the surrounding counties that have a high degree of social and economic integration.

Data on B Corporations’ entry dates, locations, and social performance were obtained from the B Corporation website (www.bcorporation.net). Additional information about B Corporations was obtained from archives of the B Corporation website stored in the Internet Archive’s Wayback Machine. These archives allow me to obtain a complete picture of the B Corporation population, of when each company enters the population, and of approximate exit, or decertification dates. Information about each B Corporation was supplemented with information from each company’s website and from other sources of company information. Age at entry is calculated as the difference in the year of entry and founding year of each firm. Counts of media mentions of each B Corporation were obtained from Newsbank (www.newsbank.com) for the United States.

From 2007 through 2011, 596 B Corporations entered the population. Of these, 57 were located internationally primarily concentrated in Canada. An additional 9 B Corporations were

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6 http://www.whitehouse.gov/sites/default/files/omb/assets/fedreg_2010/06282010_metro_standards-Complete.pdf
7 http://archive.org/web/web.php
located in rural areas in the US not covered by a CBSA. Finally, data necessary for analysis was missing from 18 B Corporations. After removing the B Corporations located internationally, in rural areas, and those that are missing information from the sample, a total sample of 528 B Corporations dispersed in CBSAs in the US.

When the data are aggregated to the CBSA level, two locations have extreme levels of entry. These areas are Philadelphia, Pennsylvania, with 24 B Corporations entering in the first year, and San Francisco, California, with 14 B Corporations. Philadelphia is the birthplace of the B Corporation movement and the headquarters of B Lab. These two factors are likely to be the cause of high entry in the first year that B Corporations are founded and subsequent years. San Francisco, like Silicon Valley for technology firms, is believed to be disproportionately more inclined to form social enterprises. These two outlier areas are excluded from analysis to minimize their influence on the models. Removing these two areas results in a sample of 74 MSAs that experienced a B Corporation entry from 2007 through 2010.

In the first stage model, time to first entry within each CBSA is used as the dependent variable. In the second stage model, the number of subsequent entrants in the year following first entry is used as the dependent variable.

The three independent variables used in analysis are the maximum age logged, maximum news counts, and maximum social performance of firms in each area. The age of a firm upon entry into the B Corporation population is calculated as the year of entry as a B Corporation minus the founding year of the firm. Age is logged to account for skew.

*News Counts.* I operationalize the media visibility of an organization as the amount of media attention an organization receives over time. To approximate media visibility, I use 3 years of news counts, which measure the amount of media attention a company receives in the
near past. I calculate media visibility as the sum of news mentions in the year of B Corp certification and the 2 years prior to certification for a total of 3 years of media mentions. The 3 year measure of news mentions are calculated for each firm in their year of entry into the B Corporation population. These values are then aggregated to the CBSA level using Maximum visibility of all entrants by CBSA. This captures the effect that the highest mentioned B Corporation in each area has on the population.

Newsbank, a repository of news articles was used to find media mentions of each B Corporations from 2004 - 2012. I analyzed the number of news mentions from 2004 to 2012 for each company in newspapers, journals, and magazines. Newsbank includes 148 journals, 104 magazines, and 3,103 newspapers in the United States. After obtaining yearly news mention counts for each organization, I attribute the counts to the location of the B Corporation. From 2004 to 2012, National news mentions composes 3.5% of all mentions and 4% of counts in my computed visibility measure. Of approximately 24,000 mentions, 952 mentions are derived from national sources or around 4%.

**Social Performance.** The social performance of each B Corporation is measured by the B Corporation audit score, or B Rating. As a B Corporation, each company is audited periodically for its performance in various areas of social performance including the environment, community, and employees. An overall score is also given indicating the overall social performance of the organization that ranges from 80 to 200. I normalize the score by subtracting each B Rating by 80 so that the minimum score is zero. To aggregate social performance to the MSA level, I calculate the maximum score obtained by entrants in each area. This captures the effect that the highest performer in each area has on the population.
As suggested, the analysis must account for other factors that might condition the probability of entry as a B Corporation. *Many founders*: a binary measure of density that equals one if a CBSA has more than 1 B Corporation, 0 otherwise is used as a control for density. This dichotomizes the density effect between those areas that have one B Corporation and those that have more. *Number of nonprofits per 1,000*: the level of nonprofit activity is measured as the concentration of nonprofit organizations per 1,000 people in each area obtained from the National Center of Charitable Statistics. *Religious adherent rate*: the religious adherent rate is defined as the percentage of the population in an area that report as adhering to a religion on the Association of Statisticians of American Religious Bodies 2000 and 2010 survey. *Population and poverty*: economic data is also used to control for the relative size and wealth of each community. CBSA level population and per capita income data are obtained from the U.S. Bureau of Economic Analysis (BEA). These values are also lagged by one year and logged.

**Model Estimation**

In the first part of the study, we analyze the environmental conditions that facilitate the B Corporation entry. A cox proportional hazards model is used to predict the instantaneous hazard rate of first entry of a B Corporation into a CBSA. Data from all CBSAs is used to analyze first entry rates from 2007 through 2010. The final risk set includes 919 CBSAs for 5,321 total CBSA year observations, with 74 CBSAs experiencing B Corporation entry. All areas become at risk starting in 2007 and exit the sample at time of first B Corporation entry. Time varying covariates are allowed to vary annually and are lagged a year. The model predicts the hazard

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8 This construct of density is found to provide better fit in the count models than leaving density continuous.

9 The religious adherent data is interpolated between these dates.
rate of first B Corporation entry, the higher the hazard rate the more likely an area is to have entry.

The results of the hazard model are used to calculate the *hazard coefficient* for each CBSA in the second stage model. This predicted hazard coefficient is used in the second stage of the analysis as a latent variable capturing the environmental propensity towards B Corporation entry. Because of the small sample size, the latent variable is used to conserve degrees of freedom in the count model. The higher the coefficient, the higher the predicted risk of first B Corporation Entry\(^{10}\).

The second stage of the analysis shifts attention to entry patterns in the year after first entry. The sample for this analysis consists of the year following the first entry for all CBSAs that experience B Corporation entry from 2007 through 2010. Within this time frame, there were 74 CBSAs that experienced entry. I analyze the year immediately following first entry to isolate how B Corporation pioneers that first enter an area impact the rates of entry in the following year. I utilize negative binomial models as tests indicate over dispersion in most models. Robust variance estimators are used and presented in model results.

Table 1a and Table 1b provide the summary statistics for the cox and count models. The count model correlations in Table 1b indicate that the *hazard coefficient* (a function of each areas population, religious adherent rate, nonprofit concentration, and poverty rate) is correlated with the binary density measure, *many founders*. Areas with environmental conditions more inclined to first entry are also related to an area having more than one entrant in the first year. Also, all of the news counts measures are highly correlated with each other.

\(^{10}\) I compare the latent variable against a model using the variables from the hazard model directly in my count models to ensure that the Hazard Coefficient fits the data as good as using the variables separately. AIC and BIC values suggest that the latent variable provides a better fit predicting subsequent entry rates.
Results

Table 2 presents the results of the first-stage proportional hazards model that analyzes the impact that environmental factors have on the likelihood of observing a B Corporation enter the local population. Areas that are more populated and have higher concentrations of nonprofit organizations have higher risk of first B Corporation entry. Areas with higher percentages of their population that adhere to a religion and with a higher percentage of poverty have a lower chance of first entry. For the most part, these results are in line with expectations. Areas that are more inclined to nonprofit activity, have less poverty, and that are more populated are more likely to have B Corporation entry.  

Table 3 displays the results of the second-stage count models, which focus on what happens in an area after the first entry. Model 2 provides the baseline control variables of the latent hazard coefficient and the binary density measure. Both have a positive effect on subsequent entry rates. Areas that have more than one entrant in the first period and that have environmental conditions conducive to first entry see more entrants in the following period.

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11 Other variables were added to the hazard model including percapita income, racial diversity, and measures of the legal environment but were not found to be significant. The model presented in Table 2 shows the environmental conditions that best predict the risk of first B Corporation entry.
Model 3 introduces the age of entrants, social performance, and the number of total news mentions into the model. Here, we see that age has a negative impact on subsequent B Corporation Entry consistent with Hypothesis 1b. Areas that are initially populated by older B Corporations have lower subsequent rates of entry. Total news counts are found to have no significant effect in Model 2. Social performance also does not have a significant impact on rates of entry disproving Hypothesis 3.

It is possible that national and local media mentions have a different effect on subsequent entry rates. To further analyze the impacts of media mentions, we decompose the media counts into the local and national components. The results with news mentions separated into local and national components are presented in model 4. We observe that entrants with high levels of local news mentions may have a negative effect on entry rates while national news mentions have a positive effect. This provides mixed support for Hypothesis 2.

**Discussion**

Revealing a systematic relationship between the number and attributes of pioneer firms and the locations of subsequent entrants will further our understanding of how local conditions at the time of an organizational population founding have an enduring influence on the population above and beyond that of traditional population dynamics. In this study we illustrate how the environment, age, and visibility of the first entrants into a population impact the entry rates of those that follow.
The results suggest that although existing firms may have higher visibility, they also have a history and identity that may negatively impact perceptions of the new organizational population and depress entry. The founding models also suggest that there may be differing impact between national and local news mentions. The models suggest that the ideal entrant is one that enters the organizational population as a new organization with an age of zero that has been mentioned in national news.

Additional work is needed to investigate the results uncovered here and overcome some weaknesses of the present study. First, as age and size of the firm can be correlated, it would be interesting to see whether firm size impacts the results of the founding models. Past studies have found that larger firms are more likely to be emulated (Haveman, 1993), thus one could expect a positive relationship between size and subsequent entry.

Second, the impact of an entrant’s visibility needs further investigation. The results here suggest that there may be a link between the visibility of entrants and subsequent entry, but further work will need to be done before concluding how a firm’s media mentions impacts their organizational populations. The method used to count news mentions was noisy and could be further refined. All articles that mention a firm’s name are included in the analysis. News pieces that mention a firm’s product versus one that discusses the firm itself are not distinguished between and are treated the same. Change.org, which received the most media mentions, is an online website that allows individuals to start online petitions. Many of the news articles in which change.org was mentioned were about particular petitions located on their website rather than about the company itself. Manually sorting through news articles mentioning firms in order to capture a news count of articles that discuss the firm may reduce the noise in this measure and clarify the results observed here.
Finally, although 528 entrants were included in the B Corporation population, this aggregated to 74 CBSAs. Additional data would expand the sample to allow for more robust calculation. Adding additional years of data, when available, will provide an increase in the number of observations and will provide a check of the stability of the findings in the present study.
References


Figure 2 – Maximum Age of Entrant in first year of entry in each location
Figure 3 – Maximum number of local and national media mentions received by an Entrant in first year of entry in each location
Figure 4 – Maximum B Rating received by an Entrant in first year of entry in each location
Table 1a – Descriptive Statistics and Correlations (5,321 CBSA Years, 919 CBSAs)

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<th>VARIABLES</th>
<th>Mean</th>
<th>St. dev.</th>
<th>Min</th>
<th>Max</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
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<td>17.46</td>
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<td>Nonprofits per 1000</td>
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<td>0</td>
<td>2.47</td>
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<td>Religious</td>
<td>0.50</td>
<td>0.14</td>
<td>0.16</td>
<td>0.96</td>
<td>0.31</td>
<td>-0.25</td>
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<td>Poverty</td>
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<td>0.03</td>
<td>0.46</td>
<td>-0.07</td>
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Table 1b – Count Model Summary Statistics (74 Observations)

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<th>Max</th>
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<th>(2)</th>
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<th>(4)</th>
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<td>(2) Hazard Coefficient</td>
<td>15.55</td>
<td>1.59</td>
<td>12.01</td>
<td>19.52</td>
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<td>(3) Many Founders</td>
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<td>0.36</td>
<td>0</td>
<td>1</td>
<td>0.51</td>
<td>0.43</td>
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<td>(4) Age of Entrants</td>
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<td>(5) Social Performance</td>
<td>28.67</td>
<td>19.18</td>
<td>0.10</td>
<td>77.40</td>
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<td>-0.07</td>
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<td>(6) Total News Counts</td>
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<td>74.74</td>
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<td>0.00</td>
<td>0.70</td>
<td>0.67</td>
</tr>
</tbody>
</table>
### Table 2 – Cox Proportional Hazards Model Results Predict First Entry of B Corporation

<table>
<thead>
<tr>
<th>Variables</th>
<th>(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Log Population</td>
<td>1.24***</td>
</tr>
<tr>
<td></td>
<td>(0.10)</td>
</tr>
<tr>
<td>Nonprofits per 1000</td>
<td>2.45***</td>
</tr>
<tr>
<td></td>
<td>(0.43)</td>
</tr>
<tr>
<td>Religious</td>
<td>-4.36***</td>
</tr>
<tr>
<td></td>
<td>(1.28)</td>
</tr>
<tr>
<td>Poverty</td>
<td>-12.86***</td>
</tr>
<tr>
<td></td>
<td>(4.55)</td>
</tr>
<tr>
<td>Observations</td>
<td>5,321</td>
</tr>
<tr>
<td>Log Likelihood</td>
<td>-371.6</td>
</tr>
<tr>
<td>AIC</td>
<td>751.2</td>
</tr>
</tbody>
</table>

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1
Table 3. Results of Negative Binomial Regressions Predicting B Corporation Entry

<table>
<thead>
<tr>
<th>Variables</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hazard Coefficient</td>
<td>0.504***</td>
<td>0.464***</td>
<td>0.466***</td>
</tr>
<tr>
<td></td>
<td>(0.112)</td>
<td>(0.109)</td>
<td>(0.122)</td>
</tr>
<tr>
<td>Many Pioneers</td>
<td>0.665*</td>
<td>1.048**</td>
<td>1.142***</td>
</tr>
<tr>
<td></td>
<td>(0.391)</td>
<td>(0.468)</td>
<td>(0.432)</td>
</tr>
<tr>
<td>Age of Entrants</td>
<td>-0.459***</td>
<td>-0.438***</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.152)</td>
<td>(0.163)</td>
<td></td>
</tr>
<tr>
<td>Total News Counts</td>
<td>0.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local News Counts</td>
<td></td>
<td>-0.011*</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(0.007)</td>
<td></td>
</tr>
<tr>
<td>National News Counts</td>
<td></td>
<td>0.176*</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(0.091)</td>
<td></td>
</tr>
<tr>
<td>Social Performance</td>
<td>-0.000</td>
<td>-0.002</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.011)</td>
<td>(0.009)</td>
<td></td>
</tr>
<tr>
<td>Constant</td>
<td>-8.528***</td>
<td>-7.275***</td>
<td>-7.297***</td>
</tr>
<tr>
<td></td>
<td>(1.782)</td>
<td>(1.830)</td>
<td>(2.028)</td>
</tr>
<tr>
<td>lnalpha</td>
<td>-1.031</td>
<td>-1.420</td>
<td>-1.556</td>
</tr>
<tr>
<td></td>
<td>(0.666)</td>
<td>(0.869)</td>
<td>(0.760)</td>
</tr>
<tr>
<td>Observations</td>
<td>74</td>
<td>74</td>
<td>74</td>
</tr>
<tr>
<td>Log Likelihood</td>
<td>-79.23</td>
<td>-74.84</td>
<td>-72.78</td>
</tr>
<tr>
<td>AIC</td>
<td>166.5</td>
<td>163.7</td>
<td>161.6</td>
</tr>
</tbody>
</table>

Robust standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1