

Researchers

Nava Ashraf

London School of Economics and Political Science

Gharad Bryan

London School of Economics and Political Science

Alexia Delfino

London School of Economics and Political Science

Leonardo Iacovone

World Bank

Ashley Pople

University of Oxford

Emily Holmes

Karolinska Institutet

Learning to see the world's opportunities: The impact of imagery on entrepreneurial success*

Nava Ashraf¹ Gharad Bryan¹ Alexia Delfino³ Emily Holmes⁴
Leonardo Iacovone⁵ Ashley Pople^{6*}

May 4, 2022

Recent work in neuroscience and psychology has underscored the impact of visualizing future scenarios on decision making, via mental simulation, emotional amplification, and consolidation of memory. We show evidence of the path and importance of imagery-based decision making for the vital economic activity of entrepreneurship. We also highlight that the use and impact of this ability is highly heterogeneous depending on people's life experiences, and it has the potential to benefit vulnerable populations the most. First, using a data set of roughly 2,000 would-be entrepreneurs in Colombia, we show that measures of imagery use correlate strongly and positively with economic outcomes. Second, we design a training curriculum to teach visualization skills, and test it using a randomized control trial in which the same entrepreneurs were given access to either the imagery-based entrepreneurial training program, a placebo program of traditional business skills training, or no program at all. In follow-up surveys conducted 8 and 14 months after the intervention, those who participated in the imagery training demonstrated a strengthened capacity for using visualization and significantly improved economic outcomes compared to the placebo. For individuals with high levels of baseline trauma, imagery addresses their deficit in positive imagery. Women in the imagery training improve along all margins compared to men, and are negatively impacted by traditional business training. Improved entrepreneurial outcomes appear to be driven by enhanced ability to obtain credit, build savings, and undertake creative marketing with customers and competitors. Our results suggest that training which ignores the emotional content of economic activity is not as effective as that which leverages the emotions inherent in economic decisions. **JEL Codes:** D91, J24, J26, M53

*We thank Innovations for Poverty Action Colombia for their support in data collection and partnership management, and Montiel El Kadiri, Miguel Fajardo-Retoldano, George MacDonald and Mike Song for excellent research assistance. We are grateful to Maria Paula Gómez Franco, José David Ángel Castaño, Gendy Andrea Hernández Estrada, Mariana Medina and Samuel Pardo for their input in the curriculum design, training and supervision of the implementation team. We thank Stefanos Dizon, Karim Ghalib, Supreet Kaur, and David Latham for very helpful comments. We gratefully acknowledge the financial support of IPA Peace and Recovery Program, J-PAL Post-Primary Education, J-PAL Jobs and Opportunity Initiative, the Rockefeller Foundation and the Institute of Global Affairs at the LSE. This RCT was registered in the American Economic Association Registry for randomized control trials under Trial number AEARCTB-000400. It received official approval by the Innovation for Poverty Action Institutional Review Board USA (IPA IRB Protocol No. 14036) and the London School of Economics Research Ethics Committee (RES Ref No. 05769).

¹London School of Economics: N.Ashraf@lse.ac.uk

²London School of Economics: g.a.bryan@lse.ac.uk

³Bocconi University: alexia.delfino@unibocconi.it

⁴Uppsala University: emily.holmes@uppsala.se

⁵The World Bank: l.iacovone@worldbank.org

^{6*}University of Oxford: ashley.pople@economics.ox.ac.uk

Learning to see the world's opportunities: The impact of imagery on entrepreneurial success

Learning to see the world's opportunities: The impact of imagery on entrepreneurial

success

May 04, 2022

Recent work in neuroscience and psychology has underscored the impact of visualizing future scenarios on decision-making, via mental simulation, emotional amplification, and consolidation of memory. We show evidence of the path and importance of imagery-based decision-making for the vital economic activity of entrepreneurship. We also highlight that the use and impact of this ability is highly heterogeneous depending on people's life experiences, and it has the potential to benefit vulnerable populations the most. First, using a data set of roughly 2,000 would-be entrepreneurs in Colombia, we show that measures of imagery use correlate strongly and positively with economic outcomes. Second, we design a training curriculum to teach visualization skills and test it using a randomized control trial in which the same entrepreneurs were given access to either the imagery-based entrepreneurial training program, a placebo program of traditional business skills training, or no program at all. In follow-up surveys conducted 8 and 14 months after the intervention, those who participated in the imagery training demonstrated a strengthened capacity for using visualization and significantly improved economic outcomes compared to the placebo. For individuals with high levels of baseline trauma, imagery addresses their deficit in positive imagery. Women in the imagery training improve along all margins compared to men and are negatively impacted by traditional business training. Improved entrepreneurial outcomes appear to be driven by an enhanced ability to obtain credit, build savings, and undertake creative marketing with customers and competitors. Our results suggests that training which ignores the emotional content of economic activity is not as effective as that which leverages the emotions inherent in economic decisions.