



Economics Seminars

Friday 04 October 2024 at 12:00

Aula Magna Edificio Baffi

Facoltà di Scienze Economiche Giuridiche e Politiche - Viale Sant'Ignazio 74

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Does subsidising business advice improve firm performance? Evidence from a large RCT

Abstract. We evaluate the impact of the UK's Growth Vouchers Programme, which offered subsidised business advice to 15,207 randomly selected small and medium size enterprises. Using administrative and survey data, we show that the programme increased turnover by 8.2% but only in the short-term and potentially at the expense of non-supported firms. We find that subsidised advice appears to improve firms' capabilities and practices in a way that is consistent with the increase in turnover. We also demonstrate that propensity score matching introduces a sizeable upward bias to estimated effects on turnover and employment and that this bias grows over time.