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Summer babies less likely to be CEOs, research finds

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(Medical Xpress)—Sauder School of Business researchers at the University of British Columbia have found that a person's date of birth can affect their climb up the corporate ladder.

The Sauder study shows that only 6.13 per cent of an S&P 500 CEO sample was born in June and only 5.87 per cent of the sample was born in July. By comparison, people born in March and April represented 12.53 per cent and 10.67 per cent of the sample of CEOs.

"Our findings indicate that summer babies underperform in the ranks of CEOs as a result of the 'birth-date effect,' a phenomenon resulting from the way children are grouped by age in school," says Sauder Finance Prof. Maurice Levi, co-author of the study to appear in the December issue of the journal *Economics Letters*.

In the United States, cut-off dates for school admission fall between September and January. The researchers determined that those CEOs in the sample born between June and July were the youngest in their class during school, and those in March and April were the oldest. This takes into account children born in months close to the cut offs who were held back or accelerated.

"Older children within the same grade tend to do better than the youngest, who are less intellectually developed," explains Levi. "Early success is often rewarded with leadership roles and enriched learning opportunities, leading to future advantages that are magnified throughout

life."

Levi and his co-authors, former Sauder PhD students Qianqian Du and Huasheng Gao, investigated the birth-date effect in a sample of 375 CEOs from S&P 500 companies between 1992 and 2009.

"Our study adds to the growing evidence that the way our education system groups students by age impacts their lifelong success," says Prof. Levi. "We could be excluding some of the business world's best talent simply by enrolling them in school too early."

Provided by University of British Columbia

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