

**MOVE TO GET MONEY? HOW HIGH TECH ENTREPRENEURS OVERCOME
FINANCIAL RESOURCE DEPENDENCIES THROUGH RELOCATION**

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ABSTRACT

Drawing upon resource dependence theory, this study examines venture relocation as a strategy to escape out of its financial resource dependencies. Using a unique longitudinal database of 155,435 U.S. high tech ventures who were raised in the period 1995-2009, we demonstrate that the level of venture capital (VC) activity is inversely related to the hazards of relocation. In addition, ventures who originate from regions with lower levels of VC activity are also more likely to move its activities towards California or Massachusetts, the most VC rich regions in the U.S. Finally, relocation towards California or Massachusetts turns out to be an effective but also a risky strategy to overcome financial resource dependencies. While it increases the hazards of VC financing, relocating ventures are also more prone to failure. Theoretical and managerial implications of these findings are discussed.