The Mechanics of Endogenous Innovation and Growth: Evidence from Historical U.S. Patents
Quantitative Results

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25% subsidy on new technologies for 50 years

	No Subsidy	**Subsidy**	**% Change**
Welfare	-0.00010682	-0.00010651	0.0029081
# technologies	65084	79188	0.2167
Average GDP growth	0.021318	0.021767	0.021077

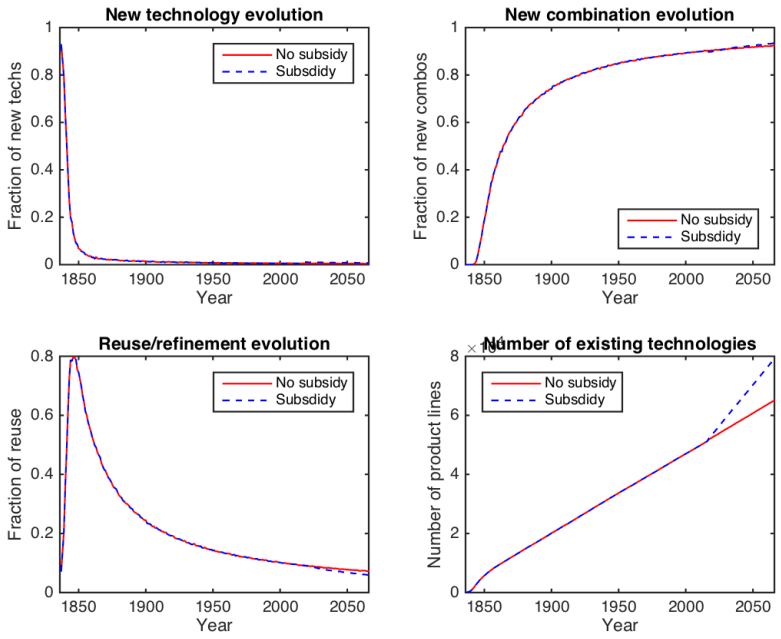

Figure 1: Evolution of patent shares across the whole period

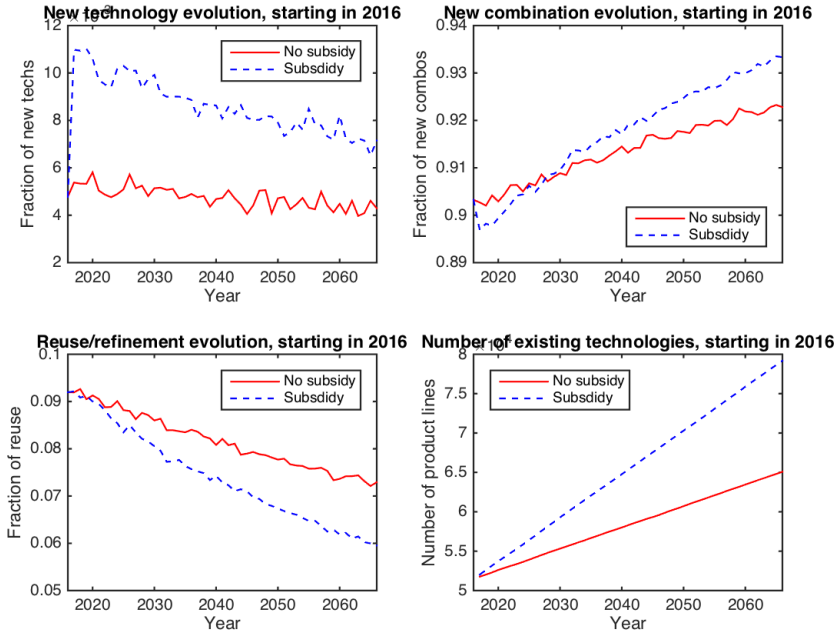

Figure 2: Evolution of patent shares, starting in 2016

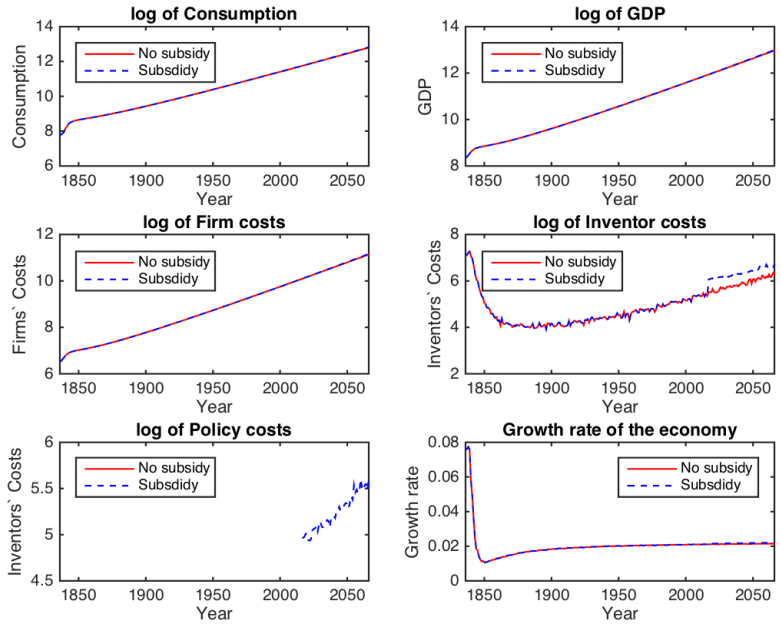

Figure 3: Evolution of aggregate variables over the whole period

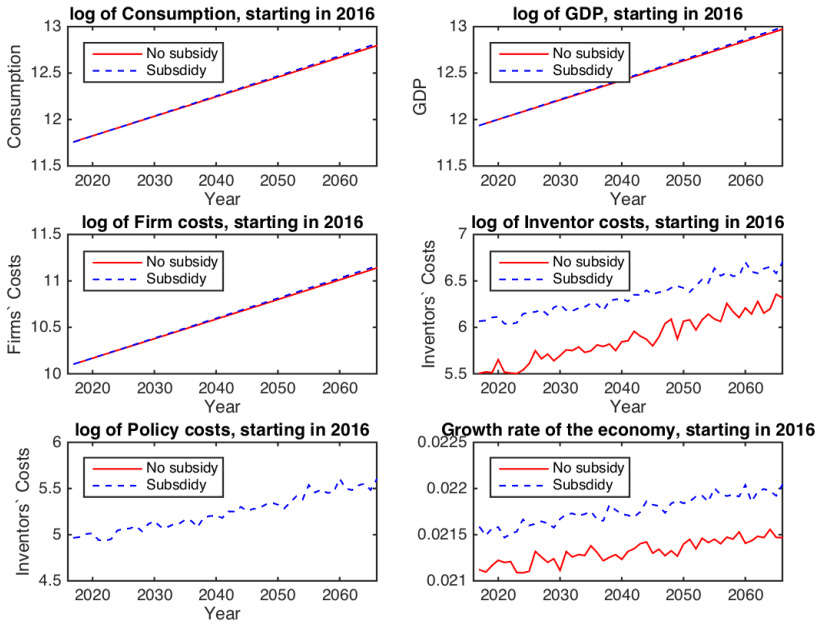

Figure 4: Evolution of aggregate variables starting in 2016

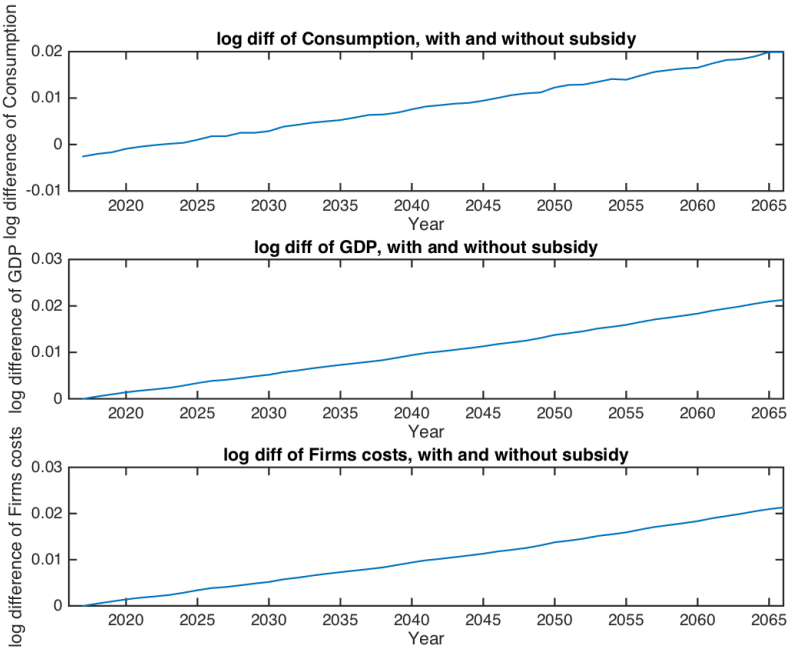

Figure 5: Log difference of variables, with subsidy - without subsidy, starting in 2016.

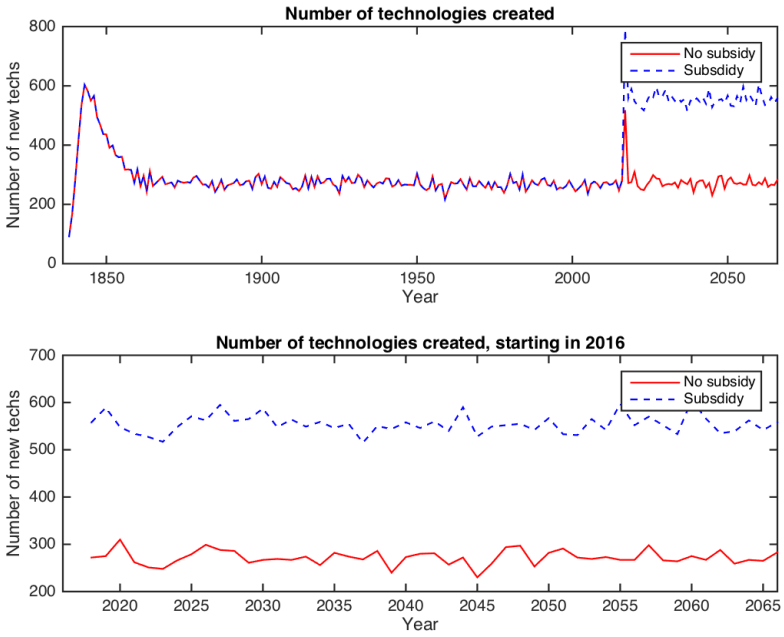

Figure 6: Number of technologies created every year (Ignore the spike around 2020).

25% subsidy on new combinations for 50 years

	No Subsidy	Subsidy	% Change
Welfare	-0.00010501	-0.00010509	-0.0008151
# technologies	66070	66169	0.0014984
Average GDP growth	0.021351	0.021312	-0.0018348

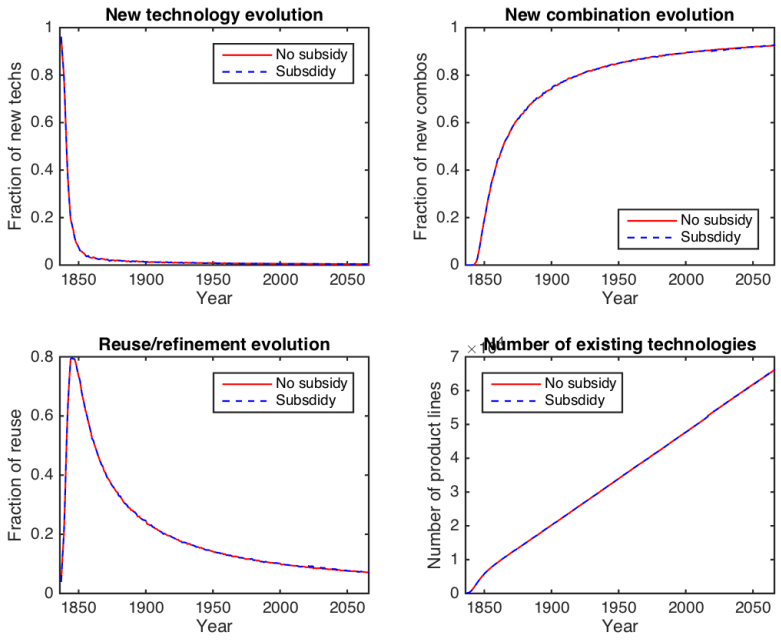

Figure 7: Evolution of patent shares across the whole period

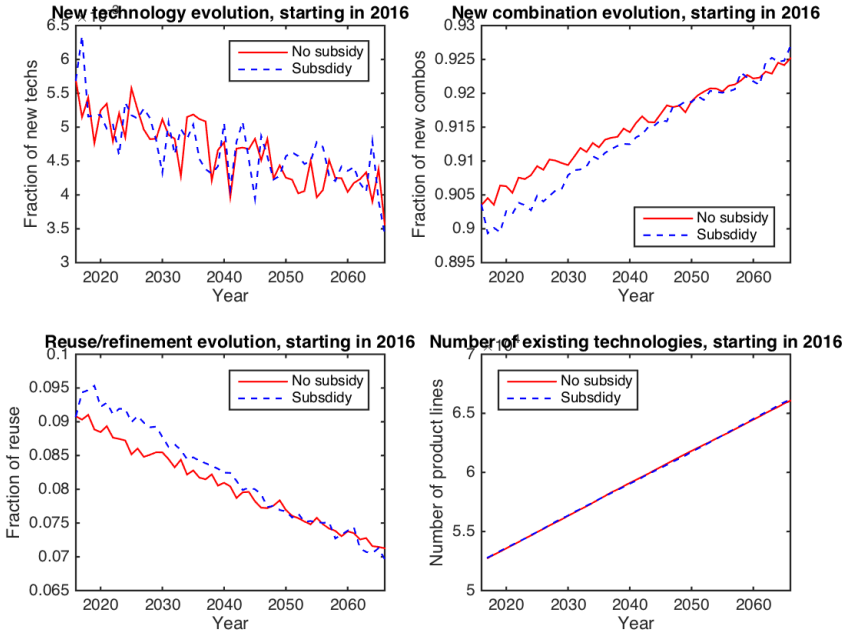

Figure 8: Evolution of patent shares, starting in 2016

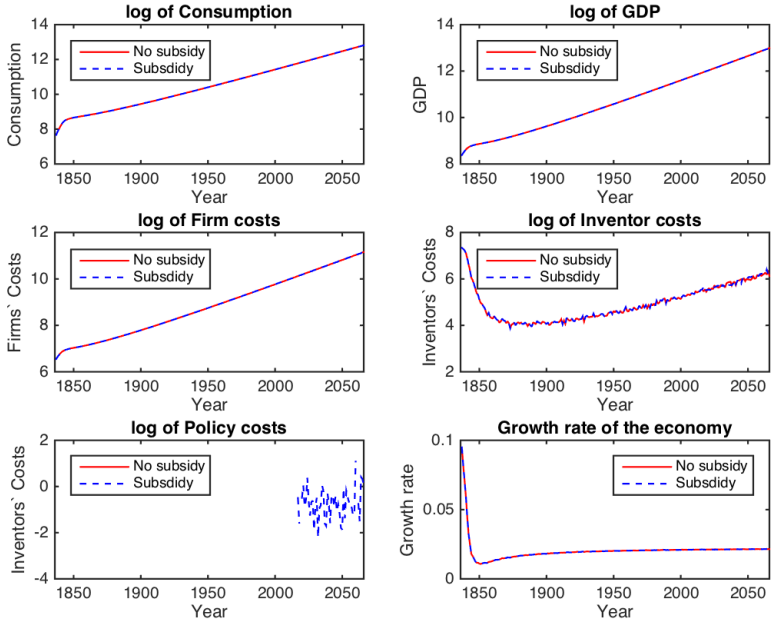

Figure 9: Evolution of aggregate variables over the whole period

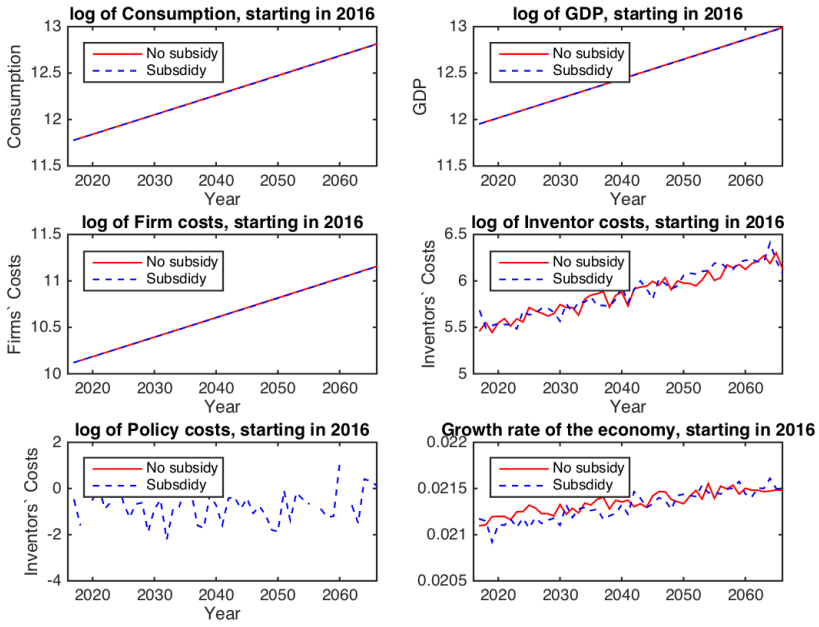

Figure 10: Evolution of aggregate variables starting in 2016

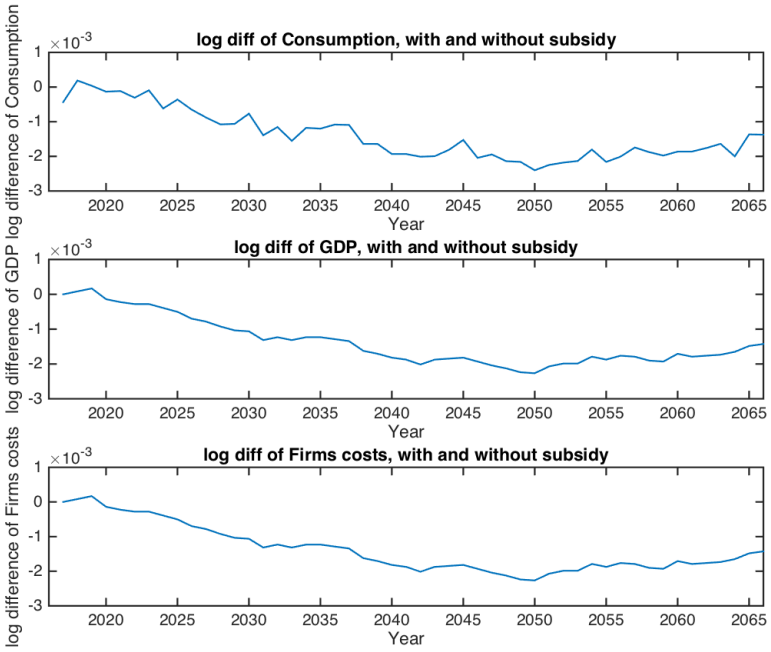

Figure 11: Log difference of variables, with subsidy - without subsidy, starting in 2016.

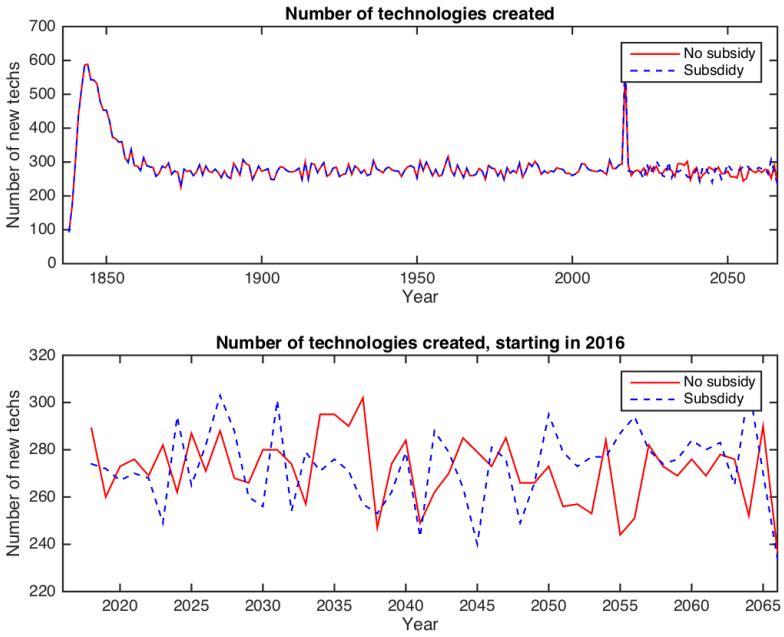

Figure 12: Number of technologies created every year (Ignore the spike around 2020).