

## Macro Roundup Article

**Headline:** [Where Have All the "Creative Talents" Gone? Employment Dynamics of US Inventors](#)

**Article Link:** <https://www.nber.org/papers/w31085>

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Publication	National Bureau of Economic Research
Publication Date	April 04, 2023

**Tweet:** [.@ngoldschlag @ufukakcigit find that inventors are increasingly concentrated in large incumbent firms, and that incumbents often catch and kill young inventors. An inventor hired by an incumbent firm sees their earnings increase and productivity decrease.](#)

**Summary:** Our paper uses novel data on the employment history of over 760 thousand inventors, to investigate the model's predictions. We show empirically that (i) inventors are increasingly concentrated in large incumbents, less likely to work for young firms, and less likely to become entrepreneurs, (ii) when an inventor is hired by an incumbent, compared to a young firm, their earnings increases by 12.6 percent and their innovative output declines by 6 to 11 percent over four years. Our analysis has documented that inventor reallocation toward large incumbents, at least the way it happened in recent decades, might be lowering the growth capacity of the country.

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**Primary Topic:** Innovation/Research

**Topics:** Academic paper, Data, Factoid, Innovation/Research, Institutional Capabilities, Productivity

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