**Figure 2**

**Modeling market structure and R&D**

No spillovers

Exogenous (timing)

Endogenous (R&D)

Product

Innovation uncertainty

No innovation uncertainty

Spillovers

Process

**R&D**

**Market structure**

(Monopoly, Competition, etc.)

**Figure 1**

**Broad Research and Development (R&D) classifications**

**R&D**

Basic

versus

Applied

Government

versus

Private

University

versus

Industry

Defense

versus

Non-defense