

**Slides Prepared for the
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Part of the work cited in these remarks was done under the auspices of The Conference Board Program on Intangible Capital. The data presented are derived from the research of a number of people, including Carol Corrado, Janet Hao, Charles Hulten, Kirsten Jaeger, and Bart van Ark. The research is copyrighted to a number of sources, and should not be quoted or reproduced without the express permission of the authors or relevant copyright holders.

- ***Where is America?***

- America is the international leader in the knowledge/information economy

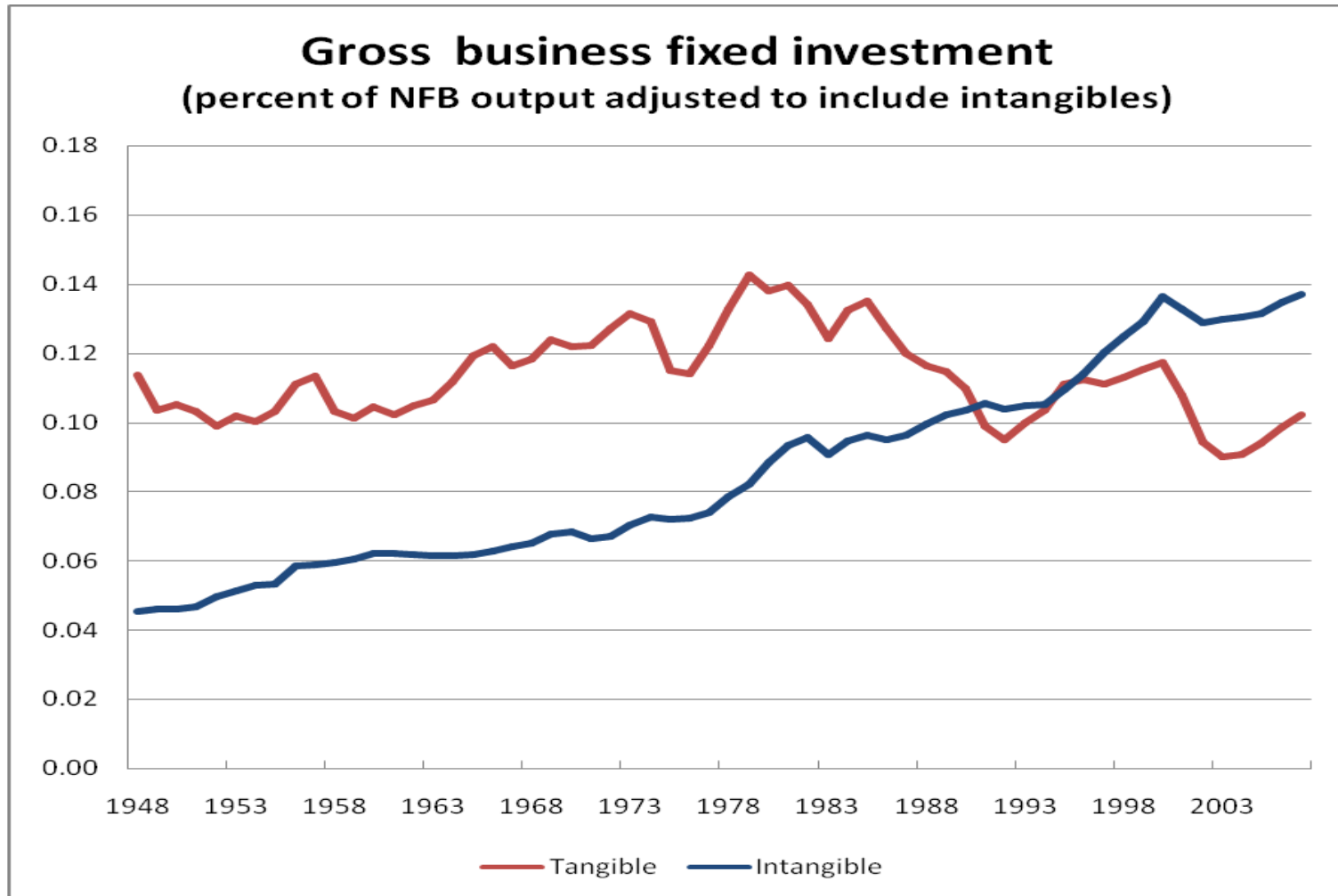
- ***Why?***

- America invests heavily in knowledge assets
 - human and non-human
 - public and private

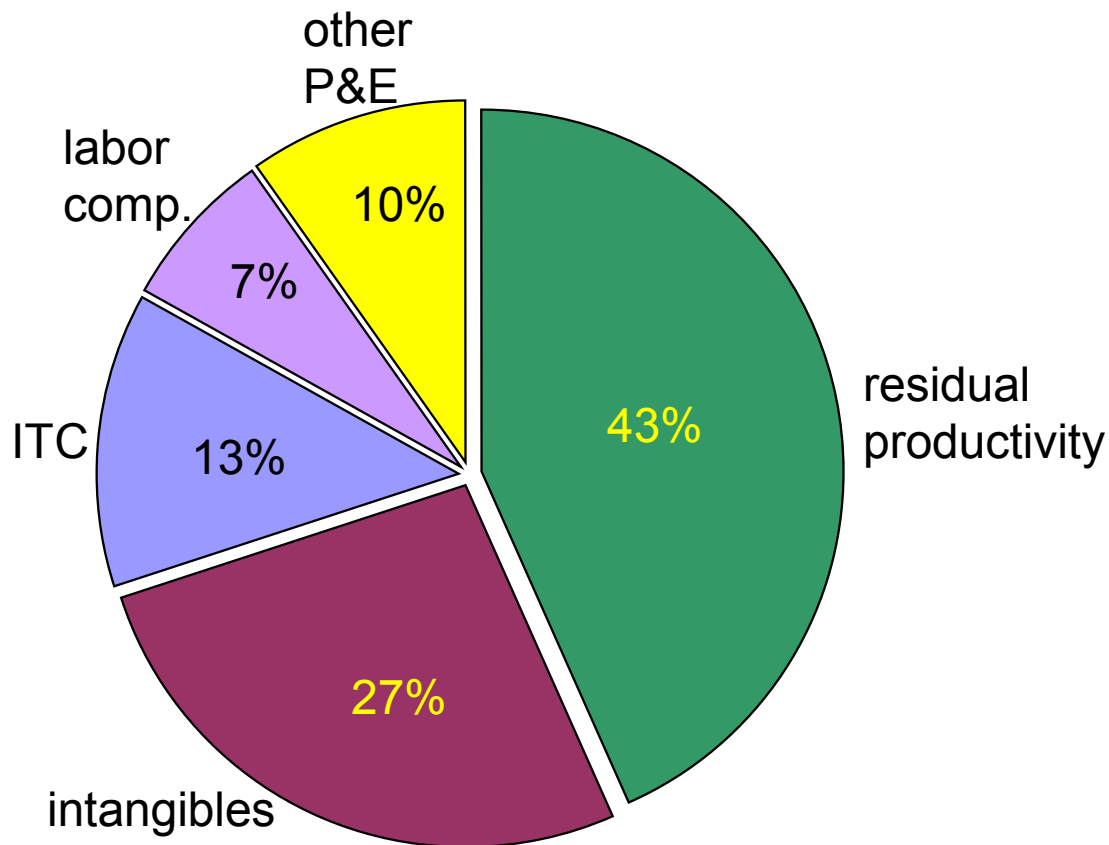
- ***How?***

- Investment in intangible capital
 - more than just scientific R&D
 - product design, brand equity, organizational capability

Intangible investment is the dynamic element in U.S. business capital formation

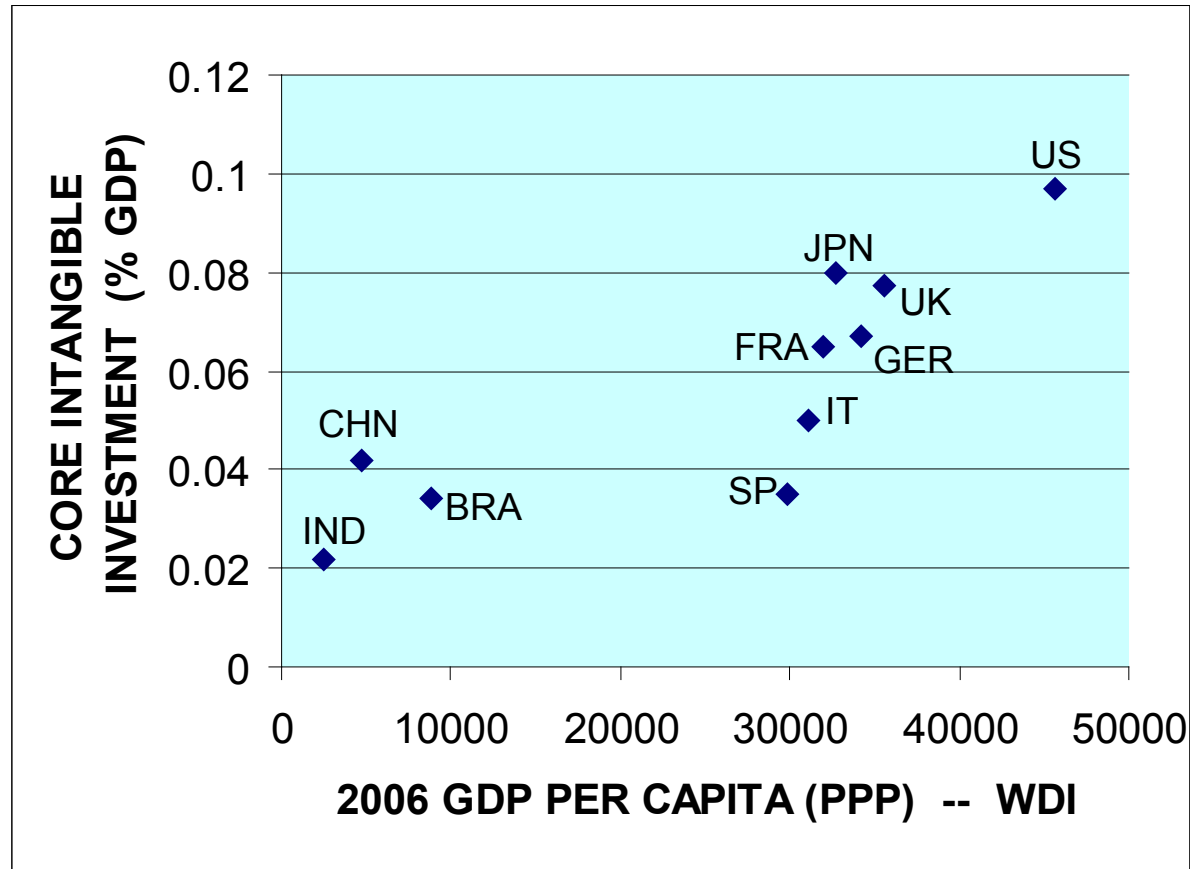


Intangible and ITC capital drove the 2.76% growth in output per worker 1995-2007



Source: Corrado and Hulten, AER, May 2010

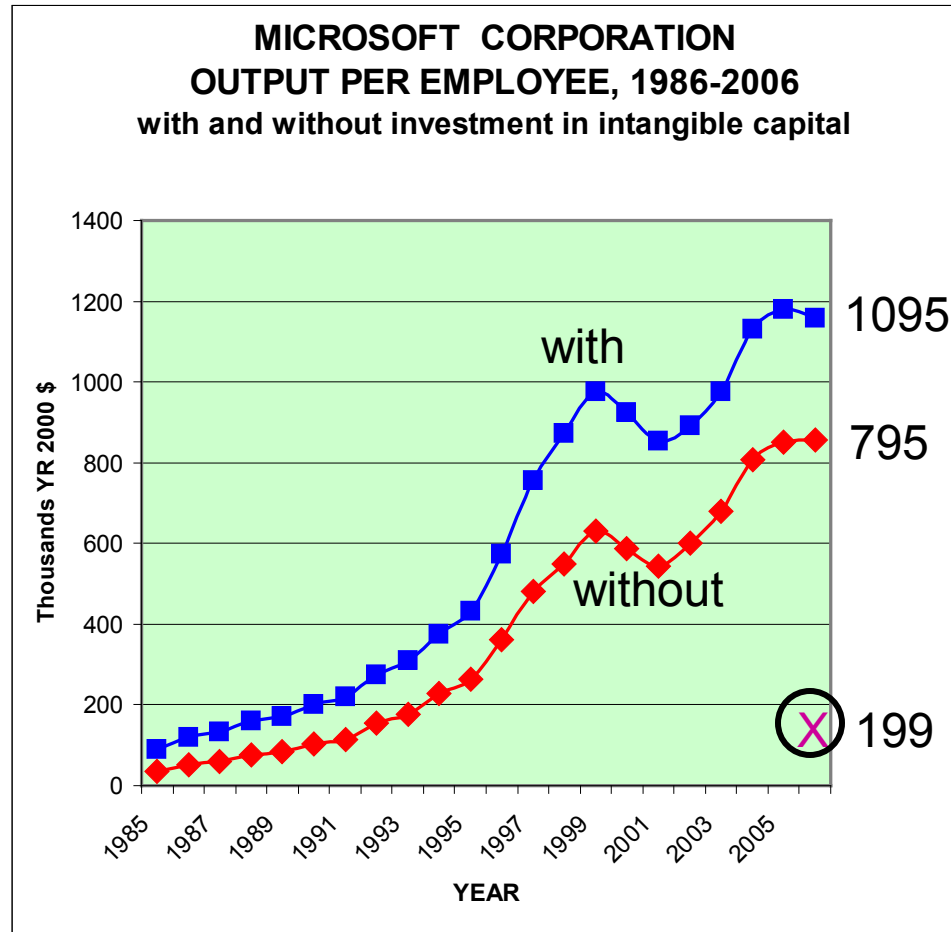
GDP per capita positively associated with business investment in innovation



Sources: These data are based on various sources, some of which are described in Hulten and Hao, “*The Role of Intangible Capital in the Transformation and Growth of the Chinese Economy*”, 2012. Results are preliminary and should not be quoted or reproduced without permission of the authors.

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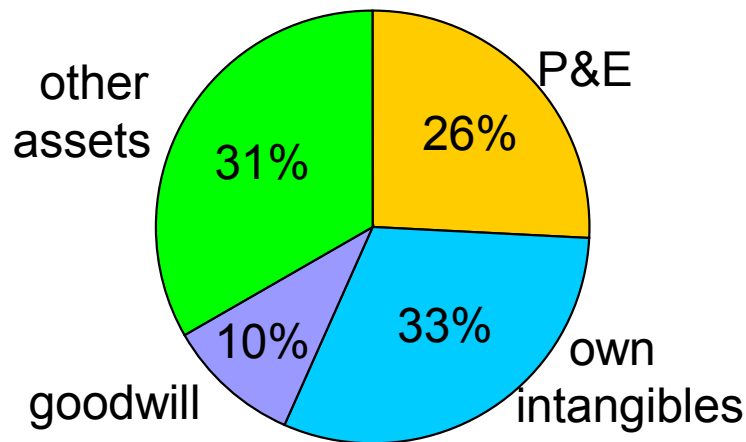
54% of real value added growth 1988-2006 due to intangible capital
87% of 2006 employees in product research, design, and marketing



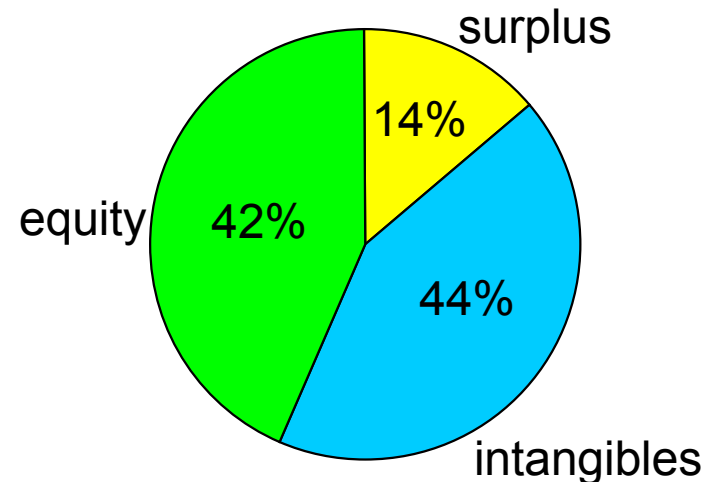
Source: Charles Hulten, "Decoding Microsoft", NBER Working Paper 15799 (2010).

Intangibles: most valuable productive assets in study of 613 U.S. firms reporting R&D in 2006

**OWN ACCOUNT INTANGIBLES
33% OF TOTAL ASSETS**



**INTANGIBLES EXPLAIN 44% OF
MARKET CAPITALIZATION**



Source: Data from Hulten and Hao, *“What’s a Company Really Worth?”* NBER Working Paper 14548, 2008.