

Department of Economics
530 Evans Hall #3880
Berkeley, CA 94720-3880
November 1, 2014

Mr. Dennis Healy
Productivity, Innovation, and Entrepreneurship Program
National Bureau of Economic Research
1050 Massachusetts Ave.
Cambridge, MA 02138
USA

Dear Mr. Healy:

I am writing to apply to the NBER Productivity, Innovation, and Entrepreneurship Program's postdoctoral fellowships in the areas of Digitization and Innovation Policy. My academic training and interests are in Industrial Organization and Economic History, with a focus on the Economics of Innovation, and I will be completing my Ph.D. in Economics from UC Berkeley in May 2015. These postdoctoral fellowships are particularly exciting to me because of my multi-faceted interest in innovation policy spanning all phases of innovation – from the creative act to the diffusion of new technology – and because my research uses new tools for content-based analysis of digital media to study innovation.

My job market paper is titled "Creativity Under Fire: The Effects of Competition on Innovation and the Creative Process." In this paper, I use a combination of economic theory and empirical evidence to study how competition motivates the creative process. I find that competition both creates and destroys incentives for innovation: some competition is necessary to motivate high-performers to experiment with untested ideas over tweaking tried-and-true approaches, but heavy competition will drive them out of the market. The implication is an inverted-U effect of competition on innovation, with an intermediate level where the incentive for taking creative risk is greatest. In my data, I find that this optimum occurs at precisely one equally-capable competitor.

In a companion paper, I study the effects of interim performance feedback on innovation in creative competition. My other research studies margins of scale and scope in technology diffusion (drafted), the effects of technology standards on economic activity (in progress), the historical effectiveness of antitrust regulation (in progress), and creative influence in classical music composition (in progress).

I have enclosed my curriculum vitae and post-doctoral fellowship research proposal with this application. Letters of recommendation will be forwarded under separate cover by the departmental Placement Service.

I will be available for interviews at the AEA/ASSA meetings in Boston this winter and can be reached via email at grossd@berkeley.edu and by telephone at (214) 769-7725.

Thank you for your consideration. I look forward to hearing from you.

Sincerely,



Daniel Gross

Enclosure