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Edited by **Austan Goolsbee and Benjamin F. Jones**

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Preface

Innovation is widely recognized as a central force for raising standards of living. Yet innovative activity is riddled with market failures that can limit private investment. These market failures invite public policy to play a potentially critical role in promoting innovative effort. Indeed, such policies might be among the most important things governments can do to foster key social goals over the long run, including improved human health and rising socioeconomic prosperity. The purpose of this volume is to take stock of recent research that advances our understanding of innovation and the specific roles that public policy can play.

This project was generously funded by the Ewing Marion Kauffman Foundation through a grant to the National Bureau of Economic Research. The Kauffman Foundation has a long tradition of supporting research on entrepreneurship and innovation, in economics as well as other fields. We are very grateful for their support.

In building this volume, we were fortunate to recruit a set of authors who have made key contributions to innovation-policy research and who have come together here to synthesize the latest insights. The authors have produced a series of excellent chapters, each organizing cutting-edge research streams into coherent frameworks that can inform a large set of policy opportunities. With innovation playing a central role in improving standards of living, the stakes in getting policy right are very large. In the individual chapters, and collectively, the authors have provided a concise and accessible guide.

We also thank Josh Lerner, Jim Poterba, and Scott Stern for suggesting that we undertake this project and supporting the effort throughout. Finally, we thank Chad Zimmerman, our editor at the University of Chicago Press, and Helena Fitz-Patrick at the NBER, who were both extremely helpful in managing the publication process.

