What Makes an Inventor a Superstar?

<table>
<thead>
<tr>
<th>Category</th>
<th>The Typical Inventor</th>
<th>The Rising Star</th>
<th>The Superstar</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average # of patents</td>
<td>3</td>
<td>29</td>
<td>54</td>
</tr>
<tr>
<td>Max # of citations per patent</td>
<td>23</td>
<td>103</td>
<td>150</td>
</tr>
<tr>
<td>% who move internationally</td>
<td>0.6%</td>
<td>3.6%</td>
<td>4.6%</td>
</tr>
</tbody>
</table>

Different Countries Exhibit Different Responses of Superstar (Top 1%) Inventors’ Migration to Taxes

The left chart shows the elasticity of the number of domestic superstar (top 1%) inventors to the top tax rate and the right chart shows the elasticity of the number of foreign superstar inventors to the top tax rate.

How do Superstar (Top 1%) Inventors Respond to Decreased Top Tax Rates?

This chart shows how many domestic superstar (top 1%) inventors and foreign superstar inventors would be added to a country if the top tax rate decreased by 10 percentage points from its level in that country in the year 2000.

- Percent increase in domestic superstar inventors
- Percent increase in foreign superstar inventors

Canada
If the top marginal tax rate is reduced from 48% to 38%...
- 7.9%
- 30.6%

Denmark
If the top marginal tax rate is reduced from 64% to 54%...
- 1.9%
- 43.8%

France
If the top marginal tax rate is reduced from 72% to 62%...
- 6.1%
- 56.4%

Italy
If the top marginal tax rate is reduced from 55% to 45%...
- 4.0%
- 35.5%

Japan
If the top marginal tax rate is reduced from 51% to 41%...
- 0.3%
- 32.6%

Switzerland
If the top marginal tax rate is reduced from 56% to 46%...
- 5.5%
- 36.1%

United Kingdom
If the top marginal tax rate is reduced from 55% to 45%...
- 10.6%
- 35.1%

United States
If the top marginal tax rate is reduced from 47% to 37%...
- 0.1%
- 23.7%

### Inventors’ Responses to Decreased Tax Rates at the Macroeconomic Level

On average, what would be the percent increase in domestic inventors who remain in their home country if the top tax rates were reduced from a fictitious level of 50% to 40%?

<table>
<thead>
<tr>
<th>Category</th>
<th>Percent Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bottom 50%</td>
<td>0.29%*</td>
</tr>
<tr>
<td>Top 25-50%</td>
<td>0.66%*</td>
</tr>
<tr>
<td>Top 10-25%</td>
<td>1.13%</td>
</tr>
<tr>
<td>Top 5-10%</td>
<td>1.75%</td>
</tr>
<tr>
<td>Top 1-5% Rising Stars</td>
<td>2.94%</td>
</tr>
<tr>
<td>Top 1% Superstars</td>
<td>3.30%</td>
</tr>
</tbody>
</table>

Note: * There is no statistically significant effect on the number of bottom 50% and top 25-50% inventors.