

Table 1: Definition of variables for the RAND HIE data and summary statistics over the 1584 families

Variable	Definition	Mean	S.D.
MDU	Number of outpatient visits to an MD	2.9027	4.4230
LC	$\ln(\text{coinsurance} + 1)$, $0 \leq \text{coinsurance} \leq 100$	2.1825	2.0098
IDP	If individual deductible plan: 1, otherwise: 0	0.2443	0.4297
LPI	$\ln(\max(1, \text{annual participation incentive payment}))$	4.6489	2.7644
FMDE	If IDP = 1: 0, $\ln(\max(1, \text{MDE}/(0.01 \text{ coinsurance})))$ otherwise	3.8723	3.5845
LINC	$\ln(\text{family income})$	8.7848	1.2211
LFAM	$\ln(\text{family size})$	1.2688	0.5268
AGE	Age in years	26.6478	16.2124
FEMALE	If person is female: 1	0.5114	0.4999
CHILD	If age is less than 18: 1	0.3765	0.4845
FEMCHILD	FEMALE*CHILD	0.1778	0.3823
BLACK	If race of household head is black: 1	0.1561	0.3623
EDUCDEC	Education of the household head in years	12.1026	2.6607
PHYSLIM	If the person has a physical limitation: 1	0.1190	0.3209
DISEASE	Index of chronic diseases	11.4505	6.6957
HLTHG	If self-rated health is good: 1	0.3756	0.4843
HLTHF	If self-rated health is fair: 1	0.0726	0.2595
HLTHP	If self-rated health is poor: 1	0.0126	0.1117

Table 2: Definition of variables for the patent data and summary statistics over the 77 firms

Variable	Definition	Mean or Frequency	S.D. or Percentage
rdexp	Log of R and D expenditures	4.889	1.0589
spil	Log of spillovers	9.6407	0.4493
geo	Geographic area		
eu	European Union	n=144	20.78%
japan	Japan	n=18	2.6%
usa	USA	n=531	76.62%
sector	Firm's main industry sector		
motor	Motor vehicules	n=99	14.29%
aero	Aerospace	n=108	15.58%
chem	Chemistry	n=171	24.68%
comput	Computer	n=126	18.18%
instr	Instruments	n=99	14.29%
machin	Machinery	n=90	12.99%

Table 3: Patents awarded: Actual frequency distribution

Count	0-5	6-10	11-20	21-50	51-75	76-110
Frequency	262	72	94	159	101	5
Relative frequency	37.81%	10.39%	13.56%	22.94%	14.57%	0.72%