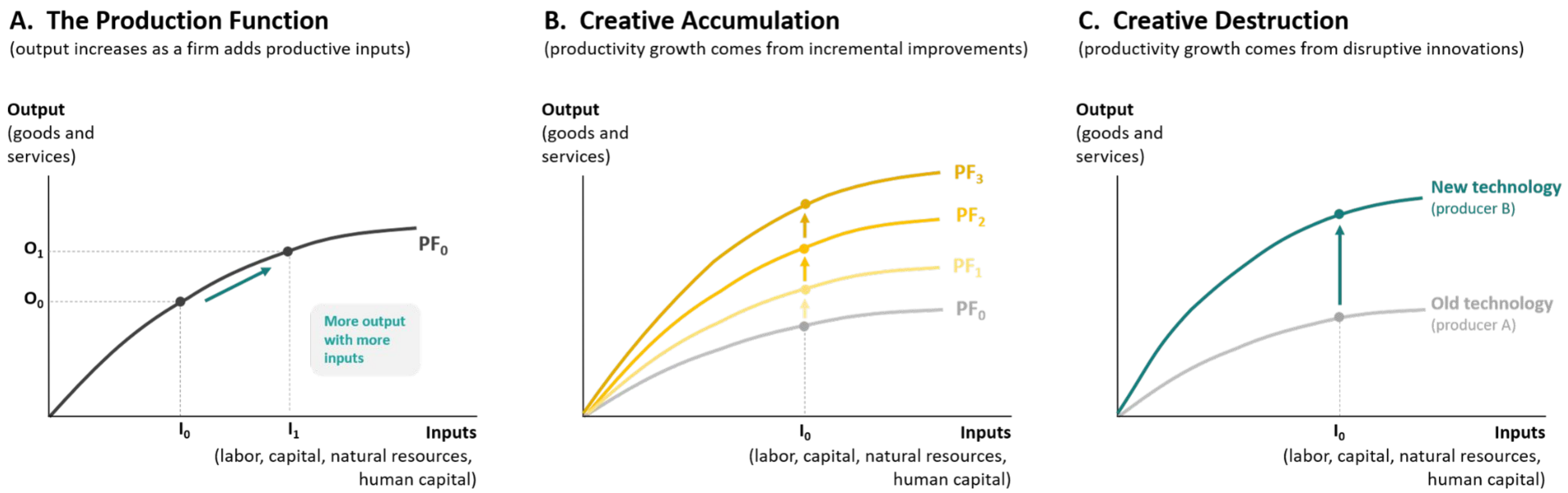

UE Figure S2 Ep4: Creative Accumulation and Creative Destruction. Panel A illustrates the basic relationship between inputs and outputs. As additional labor, capital, or other productive inputs are added, output increases and there is a movement along the production function. Panel B illustrates creative accumulation, where existing firms generate a series of continuous improvements to products, production processes, and organizational practices. These incremental innovations account for most long-run productivity growth. Panel C illustrates creative destruction, where disruptive innovations introduced by new firms or entrants replace older technologies and business models. Although less common than creative accumulation, creative destruction plays a critical role by fostering competition and creating incentives for firms to continue innovating. Panel C emphasizes the productivity gains generated by these innovations rather than the displacement of older technologies and firms.