

# Businesses spent \$341 billion on R&D performed in US in 2014

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The NCSSES report focuses on business R&D performance. Other sectors also contribute to total US R&D. Credit: NSF

Businesses spent \$341 billion on research and development (R&D) performed in the United States in 2014, a 5.6 percent increase over the previous year, according to a new report from the National Center for Science and Engineering Statistics (NCSSES).

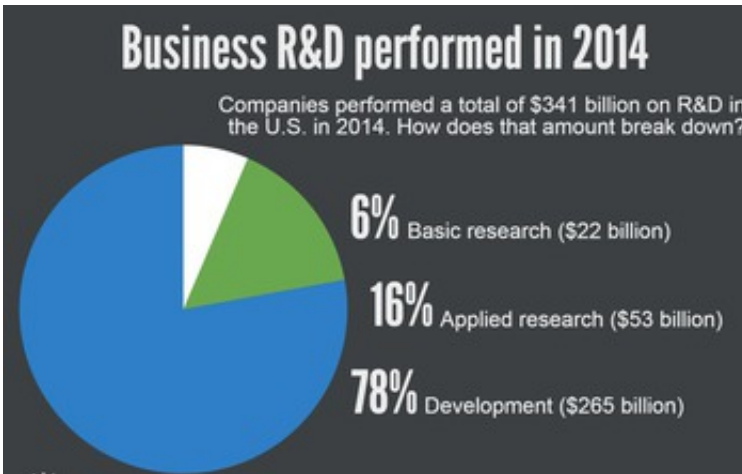
Development accounted for the greatest share, 78 percent, of 2014 R&D spending. Applied research accounted for 16 percent, while basic research accounted for 6 percent. The NCSSES InfoBrief focuses on business-sector R&D spending. Other sectors, including higher education and federally funded research and development centers

(FFRDCs), also contribute to total U.S. R&D spending.

Funding from companies' own sources rose by 6.7 percent from 2013 to 2014, totaling \$283 billion. Funding from other sources totaled \$58 billion. The federal government was the largest of those other sources, accounting for \$27 billion, \$19 billion of which came from the Department of Defense. Of the federal funding, 92 percent went toward aerospace products and parts; professional, scientific and technical services; and computer and electronic products.

Small- and medium-sized companies performed 16 percent of the nation's business R&D in 2014, while companies with 500 to 24,999 domestic employees performed 48 percent. Companies with 25,000 or more employees made up the other 36%. Businesses that performed or funded R&D employed 21.5 million people in the U.S., 1.5 million of which were R&D employees.

Business R&D is concentrated in a relatively small number of [states](#). California alone accounted for 30 percent of the \$283 billion in R&D funded by companies' own sources in 2014. Other states with high amounts in the business R&D category were: Massachusetts (6 percent), Michigan (5 percent), Washington (5 percent), Texas (5 percent), Illinois (4 percent), New Jersey (4 percent), New York (4 percent), and Pennsylvania (3 percent).



Development accounted for the greatest share of business R&D performance in 2014. Credit: NSF

**More information:** [www.nsf.gov/statistics/2016/nsf16315/](http://www.nsf.gov/statistics/2016/nsf16315/)

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