

**Table 7****Factors preventing innovation among non-innovating companies, by company size: 2015–17**

(Percent)

Factors preventing innovation	All companies	Micro companies (1–9 employees)	Small companies (10–49 employees)	Medium companies (50–249 employees)	Large companies (≥250 employees)
Non-innovating companies that considered innovating (count of companies)	43,615	32,826	8,833	1,663	293
Lack of internal financing	80.4	82.2	75.6	71.5	66.8
Lack of credit or private equity	60.6	62.9	55.2	49.1	41.2
Innovation costs too high	82.7	83.8	79.9	75.4	83.5
Lack of skilled employees within the business	75.1	74.5	77.3	75.9	74.6
Lack of collaboration partners	56.5	56.4	57.1	54.6	58.1
Difficulties in obtaining government grants or subsidies	39.8	41.4	36.6	29.0	22.3
Uncertain market demand for your ideas	63.6	63.9	62.8	64.1	60.7
Too much competition in your market	68.9	69.1	67.7	72.1	63.8
Legislation or regulation that generated excessive burden	51.8	52.0	52.3	45.9	52.2
Legislation or regulation that created uncertainty	52.4	52.6	52.3	49.8	51.7
Legislation or regulation that lacked consistency across the United States	46.1	46.4	45.9	41.8	41.3

**Note(s):**

Detail may not add to total because of rounding. Statistics are representative of companies located in the United States. Innovating companies are defined here as those with product, process, marketing, or organizational innovation. Percent shares include companies indicating the factor is very important as well as companies indicating the factor is somewhat important.

**Source(s):**

National Center for Science and Engineering Statistics and Census Bureau, Annual Business Survey, 2017.