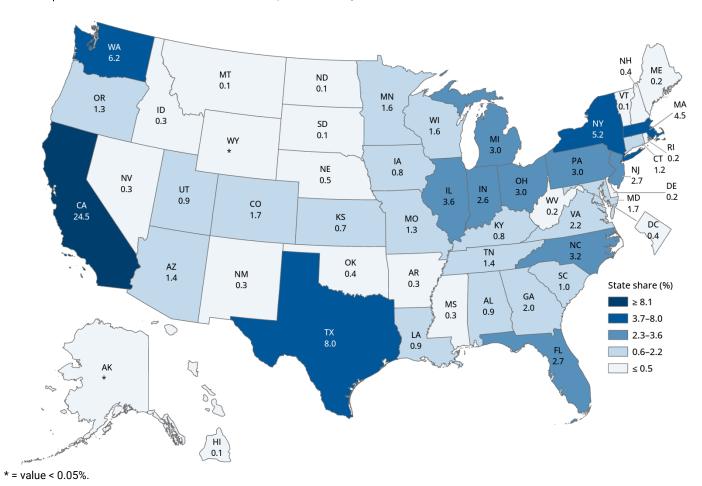
## **InfoChart**

## California Accounted for a Quarter of U.S. Value-Added Production by R&D-Intensive Industries in 2020

NSF 23-332 | May 2023 | Derek Hill and Muluken Muche

Figure 1 | State share of total U.S. value-added production by R&D-intensive industries: 2020



Note(s): R&D-intensive industries include high R&D-intensive and medium-high R&D-intensive industries based on a classification by the Organisation for Economic Co-operation and Development. High R&D-intensive industries include air and spacecraft and related machinery; pharmaceuticals; computer, electronic, and optical products; scientific research and development; and software publishing. Medium-high R&D-intensive industries include motor vehicles, trailers, and semi-trailers; medical and dental instruments; machinery and equipment not elsewhere classified (nec); chemicals and chemical products; electrical equipment; railroad, military vehicles, and transport nec; and information technology and other information services. The underlying industry data are based on the International Standard Industrial Classification, Revision 4.

Source(s): Bureau of Economic Analysis, Annual Gross Domestic Product by State, special tabulations, October 2021.

California led the United States in 2020 value-added production from research and development (R&D)—intensive industries (which make large investments in R&D relative to their output), accounting for nearly 25% of the \$2.4 trillion in value-added production from these industries. (Value added is the difference between the sale of an industry's goods and services and the cost of inputs that were used in production.) R&D-intensive industries (also referred to as knowledge- and technology-intensive industries) include such industries as information technology services, software, pharmaceuticals,

and air and spacecraft (see NSB-2022-6 for a full list of industries and definitions). The states with the next largest shares were Texas (8.0%), Washington (6.2%), New York (5.2%), and Massachusetts (4.5%). California and these four states together amount to nearly half of U.S. value-added production from R&D-intensive industries in 2020. The eight states with the next largest shares (2.6%–3.6% each) collectively accounted for nearly a quarter of U.S. value-added production.

Suggested citation: Hill D, Muche M; National Center for Science and Engineering Statistics (NCSES). 2023. *California Accounted for a Quarter of U.S. Value-Added Production by R&D-Intensive Industries in 2020.* NSF 23-332. Alexandria, VA: National Science Foundation. Available at https://ncses.nsf.gov/pubs/nsf23332.