

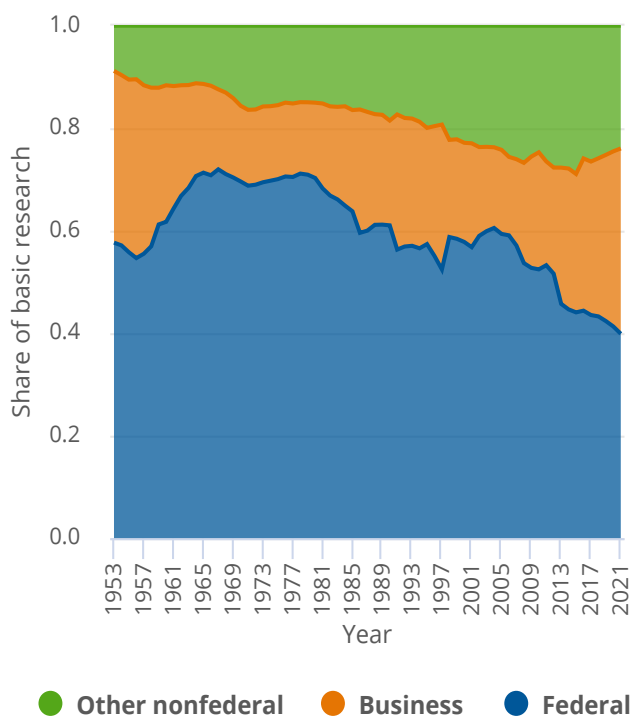
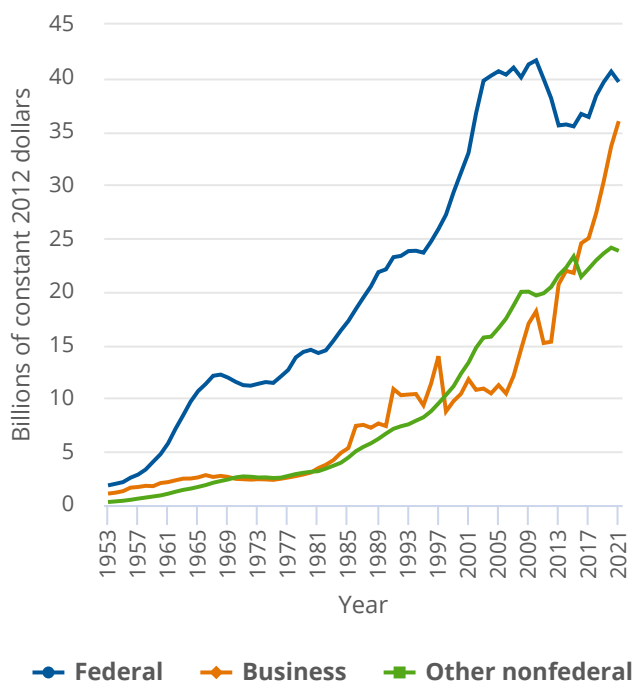


InfoChart

Business Sector Increases Funding for Basic Research

NSF 23-338 | June 2023 | Gary Anderson

Figure 1 | U.S. basic research performance, by source of funds: 1953–2021



Note(s): Some data for 2020 are preliminary and may be revised. The data for 2021 include estimates and are likely to later be revised. The other nonfederal category includes the R&D funded by all other sources—mainly, by higher education, nonfederal government, and nonprofit organizations.

Source(s): National Center for Science and Engineering Statistics, National Patterns of R&D Resources (annual series).

Expenditures on the performance of basic research funded by the business sector have increased dramatically over the past 2 decades. Based on the institutions that performed the work, funding from the business sector for basic research has increased from \$10.4 billion in 2000 to an estimated \$36.0 billion in 2021 in constant 2012 dollars. Although federal funding for basic research performance increased in real terms from \$31.1 billion in 2000 to \$40.6 billion in 2005, little has changed since. Subsequently, federally funded basic research performance has essentially remained near or below \$40 billion. The longer-term trends in funding shares follow a similar pattern of decreased relative importance of the federal government as a funding source. From 1961–70, on average the federal government funded 70% of basic research performance and the business sector funded less than 20%. The latest estimate for 2021 indicates that the federal government funded 40% of basic research and the business sector was responsible for 36% of basic research funding. Prior to 2016, the 1950s were the last time that business funded 30% or more of basic research performance.

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