Six States Perform Around 90% of Semiconductor Business R&D, Led by California

Note(s): Data are for domestic R&D paid for and performed by companies with 10 or more domestic employees that performed or funded $50,000 or more of R&D. Detail may not add to total because of rounding. Industry classification is based on the dominant business code for domestic R&D performance.


U.S. research and development (R&D) performed by the semiconductor and other electronic components manufacturing industry (NAICS 3344) reached $47.4 billion in 2021, an increase of 9.8% from 2020 in current dollars (see NSB-2024-6 for definitions and historical data). Of this amount, $45.5 billion was R&D paid for and performed by the company. California performed by far the most company-funded U.S. semiconductor business R&D among states at $23 billion, or 51% of total. The next five states, which include Oregon, Arizona, and Texas, had a combined share of 38%. For related regional production data by computer manufacturing and other knowledge- and technology-intensive (KTI) industries, see the sidebar Geography of Domestic KTI Production in NSB-2024-7.