



THIRD CLASS
Bulk Rate

NSF ESTIMATES 1975 R&D SPENDING AT \$34.3 BILLION

Total R&D spending in the United States is projected at \$34.3 billion in 1975, 7 percent above the 1974 level of \$32 billion—according to recent estimates prepared by the National Science Foundation. In constant dollars, a 3-percent decrease is expected between the 2 years. The Federal Government is expected to spend \$18.2 billion on R&D programs in 1975, up 7 percent over 1974. The major increases in the Federal R&D effort between the 2 years will be in the areas of defense and energy.

Overall expenditures for research and development will comprise the same portion of the gross national product (GNP) in 1975 as in 1974—2.3 percent. This is the first year this ratio has not declined since 1967, when research and development accounted for 2.9 percent of the GNP. The steady decline can be attributed to the Federal share of R&D funding which has decreased as a percentage of the GNP during the past 11 years; by contrast, the non-Federal sector of R&D support has been a constant fraction of GNP, remaining between 1.0 percent and 1.1 percent for the past 20 years.

Slightly more than one-third of U.S. R&D spending is devoted to research. Total expenditures for basic research performance will reach \$4.1 billion in 1975, rising 2 percent over 1974. In constant dollars there is an estimated 8-percent decrease between the 2 years. Funds for applied research activities are expected to reach \$8 billion in 1975, an increase of 7 percent over 1974 and

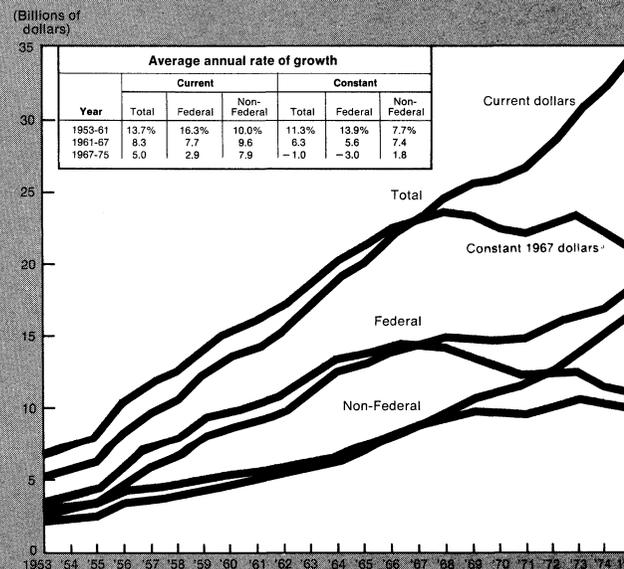
above the average rate of growth in the past 10 years (6 percent annually). Development expenditures are estimated at \$22.3 billion for 1975, an increase of 8 percent over a year ago.

Universities and colleges are the primary performers of the Nation's basic research, devoting 61 percent of their entire R&D outlays to this particular type of research. They are expected to conduct 54 percent of total basic research performance in 1975, and their associated Federally Funded Research and Development Centers will represent another 7 percent. The Federal Government and industrial sectors each perform 16 percent of basic research and other non-profit institutions 7 percent.

Nearly 528,000 scientists and engi-

neers were employed on a full-time-equivalent basis on R&D activities in 1974, 1 percent more than in 1973. During the past two decades the employment of R&D-performing scientists and engineers grew at an average annual rate of 4.1 percent, slightly faster than all professional and related workers, and 1.6 times the rate for all workers. R&D scientist and engineer employment declined, however, at an average annual rate of 2.2 percent from the 1969 peak to 1972. In the last 2 years, an average increase of less than 1 percent resulted in a rise of 7,000 personnel from the low point in 1972. The decline from 1969 to 1972, and the subsequent increase over the next 2 years, resulted primarily from changes in industrial employment.

**R&D
funding trends:
1953-75**



* The GNP implicit price deflator has been used to convert from current to constant dollars.
SOURCE: National Science Foundation.