Table 21

AVERAGE RESEARCH AND DEVELOPMENT EXPENDITURES
PER COMPANY, 1965
(thousands of dollars)

Classification of R&D Budget[1]	Number of Firms	Human Use Drugs	Veterinary Use Drugs	Total Company Financed	Government Financed	Average, All Firms
A	6	$20,475	$2,590	$23,065	$1,260	$24,325
B	7	13,715	725	14,440	415	14,855
C	8	7,570	85	7,655	345	8,000
D	16	2,390	60	2,450	30	2,480
E	9	670	60	730	--	730
F	18	250	--	250	--	250
G	13	40	--	40	--	40
Average, All Firms	77	$ 4,270	$ 295	$ 4,565	$ 180	$ 4,745

Government Funds for Industry Research: Government financing of industry research accounted for less than four percent of total research activity reported. No government funds were received by firms with budgets of less than one million dollars. More than half was accounted for by firms with budgets exceeding $20 million. About four-fifths was received by PMA members with annual research and development expenditures of $10 million or more.

Research and Development to Sales Ratio: On the average, an R&D performer allocated 10.5 percent of its 1965 sales volume of $40.6 million to research and development. For companies with annual research and development spending exceeding $500,000 the ratio was nearly 11 percent.

[1] See page 39, Table 19.