

Table 22

RELATIONSHIP OF AN "AVERAGE" COMPANY'S  
OWN RESEARCH AND DEVELOPMENT  
EXPENDITURES TO SALES BY SIZE OF R&D BUDGET

| Classification<br>of R&D<br>Budget- <sup>1/</sup> | "Average" Company                  |                      | R&D/Sales<br>Ratio |
|---------------------------------------------------|------------------------------------|----------------------|--------------------|
|                                                   | R&D<br>Expenditures- <sup>2/</sup> | Sales- <sup>3/</sup> |                    |
|                                                   | (thousands of dollars)             |                      |                    |
| A                                                 | \$21,500                           | \$190,110            | 11.3%              |
| B                                                 | 13,040                             | 128,990              | 10.1               |
| C                                                 | 7,155                              | 57,955               | 12.3               |
| D                                                 | 2,390                              | 27,320               | 8.7                |
| E                                                 | 685                                | 7,580                | 9.0                |
| F                                                 | 250                                | 5,460                | 4.6                |
| G                                                 | 40                                 | 1,295                | 3.1                |
| Average, All Firms                                | \$ 4,250                           | \$ 40,620            | 10.5%              |

<sup>1/</sup> See page 39, Table 19.

<sup>2/</sup> Expenditures for company financed R&D work conducted in U.S. laboratories. Excludes monies received from the government. Also excluded are company funds spent abroad.

<sup>3/</sup> Domestic sales plus all exports.