AMERICAN BUSINESS INNOVATION

Fast facts



The share of businesses that perform or fund research and development (R&D active businesses) that introduced innovation in the past 3 years was about three times greater than the share of non-R&D active businesses that introduced an innovation during that period.



Industries that reported introducing product innovations new to the market at higher rates were

- Software publishers
- Communications equipment

- A higher proportion of female-majority-owned companies than malemajority-owned companies reported innovation (32% vs. 29%)
- More than a third of Asian-majority-owned companies (37%) and Blackmajority-owned companies (35%) reported innovation
- Over a third (36%) of Hispanic-majority-owned companies reported innovation, compared with 29% each of non-Hispanic-majority-owned and White-majority-owned companies

These fast facts represent some of the latest data available from the National Center for Science and Engineering Statistics.

Business innovation can drive advancements for many aspects of business activity, prompting improvements to national living standards, economic sectors, competitiveness, and infrastructure.

Commercially successful innovation fosters economic, employment, industry, and globalization growth, potentially transforming entire markets. These markets—whether local, national, or international-provide the opportunity for firms (i.e., business enterprises), individuals, and governments to exchange goods and services to achieve their goals.



National Center for Science and Engineering Statistics (NCSES)

Measuring America's Progress in Science, Technology, and Innovation



Navigational, measuring, electromedical, and control instruments

Innovation rates for business owners by demographic characteristics include



How does the U.S. federal statistical system measure innovation?

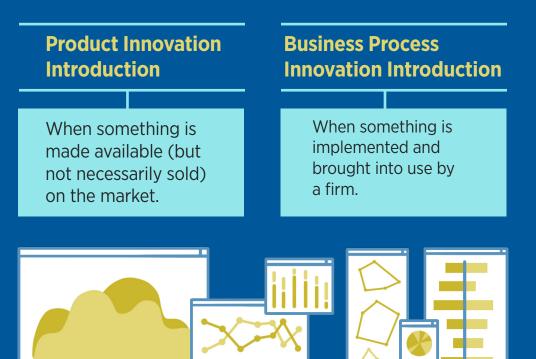
The National Center for Science and Engineering Statistics (NCSES), a principal federal statistical agency, measures and interprets the nation's product innovations using international standards and guidelines. The use of these standards can increase the comparability of statistical findings across multiple organizations, enabling more useful and accurate research. Accurate, timely, and unbiased measurement of innovation and related data can help policymakers understand the contribution of U.S. innovation to social and economic goals and assess the effectiveness of certain policies.

NCSES collects innovation data via the Annual Business Survey (ABS). The survey and development of innovation indicators are guided by the Organisation for Economic Co-operation and Development (OECD) and Eurostat's 2018 Oslo Manual, the international standard for collecting and using data on business innovation. In accordance with these new standards, NCSES recently has revised some of the questions it asks to understand innovation.

A new or improved product or process (or combination thereof) that differs significantly from the unit's previous products or processes and that has been made available to potential users (product) or brought into use by the unit (process).

for innovations.)

An innovation can be either new to the market or new only to the firm. When and how these innovations are made available or are introduced differ depending on their type.



How is innovation data collected and studied?

The ABS, developed and cosponsored by NCSES in partnership with the Census Bureau, is the primary source of information on U.S. innovation. The ABS collects data from nonfarm, for-profit businesses operating in the United States.

For businesses with **one or more** employees, the ABS guestionnaire collects data on innovation, owner characteristics, intellectual property, and technology.



NCSES analyzes data gathered from the ABS to provide useful insights regarding U.S. business innovation trends. This information can be used to help inform policy, decision-making, and investments concerning U.S. innovation endeavors. Taking a detailed look at what industries, products, and processes make up U.S. innovation can help identify where funding is focused, what type of businesses are taking the lead, and the rate and type of outputs. Additionally, ABS data provide details on the characteristics of business owners, size and location of innovating businesses, and instances where innovation attempts do not succeed.



National Center for Science and Engineering Statistics (NCSES)

To access additional innovation data, please visit the NCSES website at https://ncses.nsf.gov/interest-areas/innovation-global-competitiveness. For more information about NCSES's products and data collection process, visit https://ncses.nsf.gov. NCSES is on Twitter! Join the conversation and connect with us @NCSESgov.

The Oslo Manual (2018) defines business innovation as

(The term "unit" is used to describe the actor responsible



For businesses with **one to nine** employees, the ABS questionnaire collects research and development data.