

## MEASURING THE MUSCLE OF R&D SPENDING

THE \$419 BILLION CHEMICALS INDUSTRY IN THE U.S. IS A research-driven affair. And yet its share of total U.S. research and development has been declining for years, from 11% in 1956 to about 8% in the past decade. Nobody knows why chemical spending is receding in the total R&D pie. But one reason may be that nobody has ever quantified exactly what kind of bang chemical companies get for their research buck.



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Until now, that is. A new report from the Council for Chemical Research (CCR) analyzes data from more than 80 publicly traded chemical companies and concludes that on average, every dollar invested in chemical R&D today yields \$2 in operating income over six years.

Members of the CCR suspected there was a substantial payback. "But until now, everything had been quite anecdotal," says Richard M. Gross, vice-president for research at Dow Chemical Co. and vice-chairman of the CCR. "We wanted to fill that void." In the next phase of the study, CCR plans to look at results from specific types of R&D and mine them for leads on which topics should be pursued most vigorously.

*Neil Gross*