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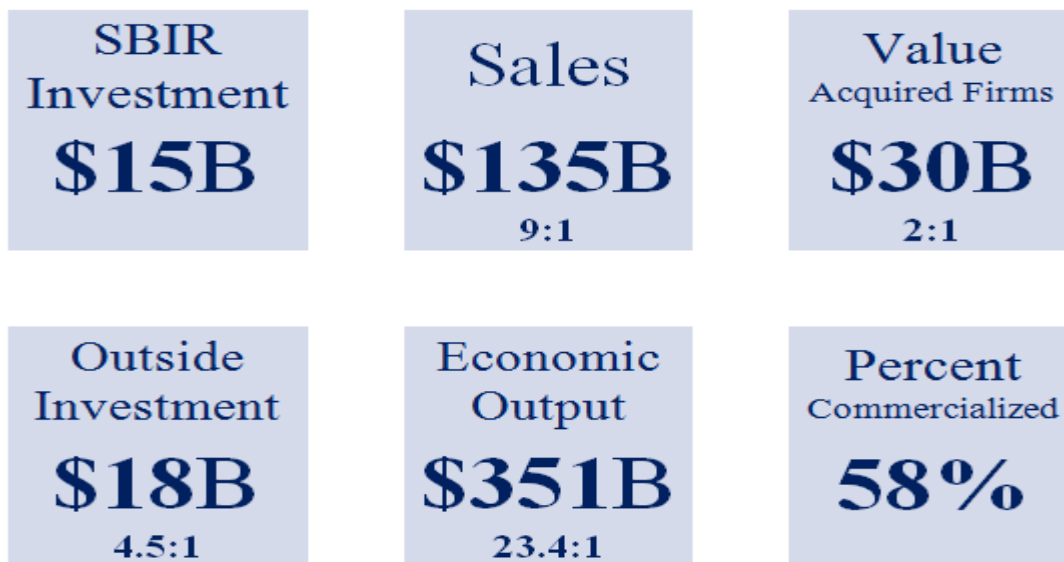
# **MAKE SBIR&STTR PERMANENT**

## ***The Best Return for the Taxpayer Dollar***

With SBIR/STTR set to expire on **September 30, 2025**, it is essential that Congress begin working on reauthorization soon to prevent any possible disruption to the programs in 2025.

The small percentage of DOD R&D funding that is invested in the SBIR program is producing enormous returns. SBIR/STTR Economic Impact Studies for the DOD and NCI have shown the remarkable impact that these programs have had on the American economy. These include economic returns in excess of \$15 to \$23 for every dollar spent,<sup>1</sup> in addition to improved military strength and capability, significant cost-savings, further economic impacts from new industries with new products and services, new life saving medical techniques and products, and added sales and profits (not counted in the studies) at other companies from acquisitions of the new technology businesses and licensing of their new technologies.

**SBIR generates \$23 in economic returns  
for every \$1 invested.**



**This chart is a summary of 4 economic studies funded by the Air Force, Navy, DOD and National Cancer Institute. 5,000 SBIR and STTR firms were surveyed. Returns are reported as understated. The study was conducted by TechLink, a federally funded technology transfer center at Montana State University-Bozeman, in collaboration with the Business Research Division (BRD) of the Leeds School of Business at the University of Colorado Boulder.**

1 Techlink, 2018: "National Economic Impacts from the Air Force and Navy SBIR/STTR Programs, 2000-2013"



A recent National Cancer Institute study into the economic impacts of the SBIR/STTR program showed that there is a **\$3.80 return in tax receipts for every \$1 dollar invested into the SBIR/STTR program**. The SBIR/STTR program invests a small fraction of Federal R&D in small business and entrepreneurial energy to solve Federal agency mission challenges. The program is highly competitive (with only 1 in 20 proposals reaching Phase II), awarding some 3.2% of Federal extramural R&D to small businesses (in comparison with small business employing around 1/3 of the nation's scientists and engineers).

Additionally, a 2022 National Academies study showed that from 1996 to 2020, 12% of all new drugs were developed by firms receiving SBIR/STTR funding, including 16% of drugs receiving "priority review", indicating significant advances over existing treatments.

The Small Business Technology Council (SBTC) urges Congress to adopt these and other changes in the upcoming SBIR/STTR reauthorization bill.

### **SBTC SBIR/STTR Reauthorization Recommendations**

1. Make SBIR&STTR permanent
2. Increase SBIR allocation increase to 7%
3. Increase STTR allocation to 1%
4. Ensure agencies follow SBIR/STTR policies, including for Phase III recognition and support, further streamlining and simplification of proposals, admin, and accounting.
5. Support the DOD Rapid Innovation Fund (RIF).
6. Require Agencies to give feedback to companies flagged by the Foreign Risk Management provisions

SBIR & STTR are incredibly effective in terms of both helping the agencies fulfill their missions and generating massive economic returns on the taxpayer investment. While there are areas where small incremental changes could improve the programs, wholesale & fundamental changes would likely cause more harm than good. SBIR and STTR should not be the only R&D-focused small business programs in government. Congress should consider creating new small business programs to achieve objectives not currently attended to by SBIR & STTR, rather than demand that these successful but relatively small programs serve all possible small business R&D purposes.

Above all, Congress must use the next reauthorization to make SBIR **permanent**. Over 40 years of success has proven that SBIR's concept works. High-tech small businesses need the stability and predictability to grow and plan for the future. Additionally, a lapse in programs would not just end SBIR awards, but data rights protections and Phase III awarding as well. The time has come to make the programs permanent to enable the sustained investment and returns that come from longer term perspectives.

*The Small Business Technology Council ([www.SBTC.org](http://www.SBTC.org)) is the nation's largest association of small, technology-based companies in diverse fields. SBTC advocates on behalf of firms who participate in the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs.*