Company researchers often have difficulty obtaining funds for high-risk research, whether from internal company resources or from external sources of support. Through its cost-shared funding, the Advanced Technology Program (ATP) provides leverage to and validation of company efforts in high-risk research. Evidence from the Survey of ATP Applicants 2002 shows that an ATP award helps the company to attract additional funding to a research area.
ATP Awards Attract Additional Funding

Respondents were asked to estimate:

a) The amount of funding their company devoted to the research area represented by their proposed ATP project in the 3 years leading up to the proposal

b) The amount of funding committed to the research area since proposal submission

Respondents also were asked to indicate how much of the funding came from internal company sources, and how much from external sources (government programs, including ATP, or outside investors).

ATP awards attract additional funding from internal company sources

- In the 3 years prior to submitting the proposal, Awardees on average devoted $830,000 in funding from internal sources to the research area represented by the proposed ATP project. Since submitting the proposal, company funding commitments increased to $970,000 on average. (See Figure 1.)

- By comparison, Nonawardees on average experienced a substantial decrease in funding, $1.3 million before submitting the proposal, versus $620,000 after. (See Figure 1.)

- Among Awardees, 57% indicate that funding from internal sources has increased since submitting the proposal; this is fewer than was found for the 2000 Awardees (72%). Among Nonawardees, only 22% indicate that internal funding has increased since submitting the proposal, a figure similar to that found for Nonawardees in the 2000 competition (26%).

ATP awards attract additional funding from external sources

- In the 3 years prior to submitting the proposal to ATP, Awardees and Nonawardees, on average, devoted a similar amount of funding from external sources to the research area represented by their ATP proposal. On average, Awardees committed $490,000 from external funds, and Nonawardees devoted $510,000. (See Figure 2.)

- Since submitting the proposal, Awardees on average experienced a 12-fold increase in the amount of funding from external sources devoted to the research area of the ATP proposal.

- In contrast, Nonawardees on average experienced more than a 50% decline in the amount of external funding committed to the research area of the proposed ATP project since the time of proposal submission.

FIGURE 1.
Funding from Internal Sources Devoted to Research Area Represented by Proposed ATP Project

FIGURE 2.
Funding from External Sources Devoted to Research Area Represented by Proposed ATP Project
Companies seeking to partner with the Advanced Technology Program (ATP) submit proposals to the ATP. Proposals must be for the development of innovative technologies that could not obtain private funding due to the high technical risk and that have the potential to produce widespread benefits to the economy and society. Proposals are evaluated for technical and economic merit in a rigorous competitive review process.