

NSF Funding Leads to Economic and Societal Benefits



U.S. National Science Foundation
Evaluation and Assessment Capability

Insights from the 2026 Economic Impacts Literature Review

The U.S. National Science Foundation (NSF)'s Economic Impacts Literature Review explores how to measure the economic impact of the Foundation's research and development (R&D) funding. It also summarizes research on how federally funded R&D contributes to economic outcomes and identifies methods NSF can use to estimate the impacts of its investments.

As part of this effort, the report includes a visual theoretical model (Figure A) that shows how NSF research funding supports four core R&D activities: basic research, use-inspired research, human capital development, and research infrastructure. These activities produce outputs such as publications and patents, which can lead to new scientific methods, technologies, processes, and, in some cases, products and solutions.

Additionally, the report highlights key research strands and identifies methods, data sources, and estimates that are most useful for assessing the economic impacts of NSF's R&D funding:

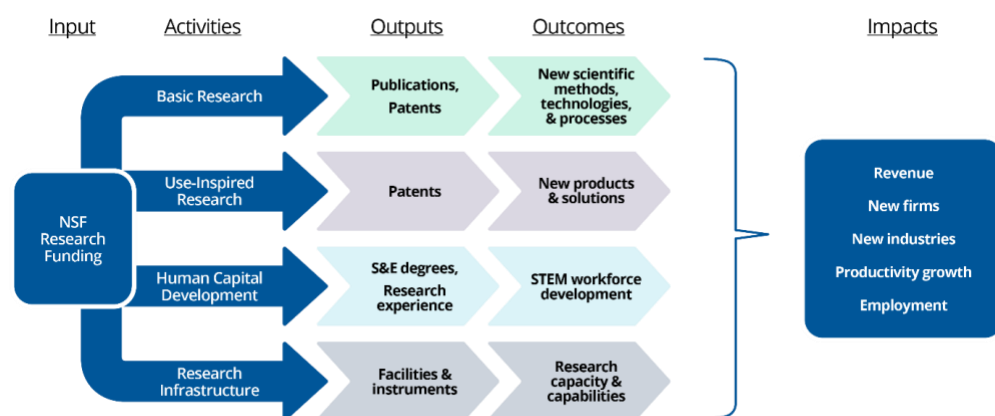
- **Input-output (I-O) models** may help estimate short-term economic impacts of NSF awards, such as jobs and gross domestic product (GDP).
- **Econometric methods** may help estimate research funding multipliers, which estimate the immediate economic impact of NSF awards.
- **Production function and cost-benefit analysis (CBA) approaches** may help estimate the long-term economic impacts of discoveries from NSF-funded research.

To learn more about the findings, review the EAC report, [NSF Economic Impacts: Literature Review](#), published in March 2026.

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How Federal R&D Investment Supports Economic Activity

Figure A: Impact pathways for NSF R&D support



Source: Schnell, Joshua, Aviva Litovitz, Jeffrey Alexander, Adams Bailey, Carly Dotson, Joshua Fletcher, Lena Leonchuk, Jonathan Merker, Meaghan McGrath, Patrick McHugh, Jennifer Ozawa, Marwa Salem, and Amanda Walsh. 2026. *NSF Economic Impacts: Literature Review*. Alexandria, VA: U.S. National Science Foundation.



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DATA SNAPSHOT