

NATIONAL ENDOWMENT FOR THE ARTS RESEARCH ON DESIGN, MANUFACTURING, AND INNOVATION



[*Rural Arts, Design, & Innovation in America: Research Findings from the Rural Establishment Innovation Survey*](#) and the accompanying [*Research Brief #3: Innovation and Design Use by Small Manufacturers*](#)

Among the advantages of design for U.S. business growth and innovation noted in this research report are:

- Business innovation rises sharply with design use. Among U.S. small manufacturers that invest in design, 83.7 are substantive innovators, a designation of the Rural Establishment Innovation Survey that recognizes businesses that encourage new practices and products.
- Businesses that have fully integrated design within their practices report expanded offerings and access to new markets.
 - 80 percent of design-integrated businesses report growth in market share or having entered new markets. By contrast, 47 percent of businesses that do not systematically use design realized those outcomes.
 - 34 percent of design-integrated businesses recently have begun to export goods and services, compared with seven percent of businesses that do not systematically use design.

Industrial Design: A Competitive Edge for U.S. Manufacturing Success in the Global Economy

The above and other findings from *Rural Arts, Design, & Innovation in America* complement an earlier NEA report [*Industrial Design: A Competitive Edge for U.S. Manufacturing Success in the Global Economy*](#), released on May 2, 2017. That report concluded that design is a key ingredient in innovation and the future success of small and medium-sized manufacturers that produce parts and components for larger businesses.

Among the benefits of industrial design noted in that report are:

- Increased corporate value, with some design-led companies outperforming the S&P by 219 percent (Design Management Institute's Design Value Index)
- Greater product innovation and company growth, where companies that integrate design have a 9.1 percent higher employment growth rate and 24 percent greater likelihood of product innovation (Fernando Galindo-Rueda and Valentine Millot, *Measuring Design and its Role in Innovation*)
- Cost savings, recognizing that 70-90 percent of a product's cost are determined in the design phase.