



America's Innovation Engine: The Power of Small and Mid-Sized Biotechs



Big Innovations Start Small

Lifesaving treatments emerge from a vibrant ecosystem that includes university research, federal investment, small biotech laboratories, and larger pharmaceutical partners.

Small and mid-sized biotech companies play a pivotal role by transforming early-stage scientific discoveries into breakthrough therapies for cancer, rare diseases, and chronic conditions. Their high-risk, high-reward work fuels America's world-leading biotech sector.



Outsized Impact

Across the more than 2,000 biotech companies in the U.S., approx. 300 are publicly listed, and most are small or mid-sized companies. Today, these small and mid-sized companies:

71%

Account for 71% of the industry's total employment

~50%

Lead approx. half of all industry-sponsored clinical trials and new active substance (NAS) launches

54%

Originate 49% of all new drugs launched globally and 54% of FDA filings

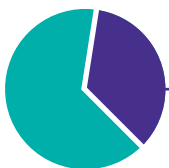
74%

Represent 74% of companies participating in clinical trials

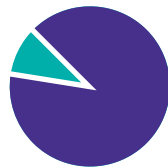


A Journey to Patients

These small companies, which often operate without revenue, rely heavily on investor capital and partnerships to fund the long pathway from the lab to the clinic and ultimately to patients.



More than 35% of biotechs have less than a year's worth of cash on hand – up from just 18% in 2021.



90% of biotechs report that they outsource manufacturing to other entities like third-party "contract development and manufacturing organizations" (CDMOs) in order to focus on R&D.

The Takeaway

To protect our health, economy, and national security, we must advance smart policies that account for the full biotechnology ecosystem and do not undermine small- and mid-size American innovation success stories.



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By The Numbers

Small and mid-size companies represent about 99% of U.S. biotech business establishments. On average, these companies have fewer than 1,500 employees and are focused on a handful of clinical or commercial research programs.

Company Type	Est. # of U.S. Firms	Public v. VC-Backed (Rough Share)	Typical Employees (Median)	Innovation Footprint (Typical # of Programs)
Small Biotech	~1,900-2,200	Public ~220-260 (NBI-linked) VC-Backed	~25-75 (often <50)	Typically between 1-3 preclinical or research programs
Mid-Size Biotech	~120-180	Public ~60-90 VC-Backed ~60-90	~300-1,500	Typically between 2-5 preclinical or clinical programs; possibly 1 or 2 commercial
Large Biopharma	~25-40	Almost all public	5,000-90,000+	Typically between 10-80 preclinical or research programs and a portfolio with numerous commercial medicines
Total U.S. Biopharma	~2,100-2,400	Public ~260-300 VC-Backed/Private ~1,800-2,100		

