

## ***Measuring Up: 2010 Annual Report Card on How Arizona's Technology Sector is Performing and the Contributions of Science Foundation Arizona***

- New report shows Science Foundation Arizona's (SFAz) investments are having a positive impact on the state's economy, based on two years' of grant-making and returns on investment
- Conducted by Battelle Memorial Institute, the world's largest nonprofit independent research and development organization, the report finds SFAz grants are especially effective in generating patents and licenses from the universities and other nonprofit research-performing institutions
- The study also indicates Arizona's economy benefits greatly from its technology sector, and would be in far worse condition now were it not for investment in knowledge-based industries and research; despite negative job growth overall and rising unemployment rates in Arizona between 2007 and 2008, the state's technology sector added jobs in three of five key industries:
  - Software and services, +4.5%
  - Biosciences, +4.3%
  - Aerospace and defense, +1.9%
- During the same period, overall tech employment dipped only minimally, -0.1%, while employment in the overall private sector dropped by 3.2%
- Tech jobs pay higher, on average \$75,000, compared with \$42,000 for the private sector
- University research has also helped bolster the state economy, growing by \$48.9 million from 2007 to 2008, with an estimated total economic impact of adding 732 jobs in Arizona

- SFAz-generated projects produce one patent for every \$1.8 million in research funding generated by SFAz grants compared to the total university wide average of one patent for every \$12.5 million in research funding. SFAz also provided more value from its grants in the area of technology licenses, producing one license for every \$10.4 million in research funding generated, while the statewide university average was one license for every \$16.4 million.
- Arizona does continue to face challenges in becoming a top-tier technology state; in a comparison to eight peer states (those with similar population, growth and technology-based employment), Arizona lags considerably in measures of innovation and talent, and has had a mixed performance in technology industry growth and research growth across universities and industry
- For purposes of the report, Arizona's peer states (similar in population and tech employment) are Colorado, Georgia, Minnesota, North Carolina, Oregon, Virginia, Washington and Wisconsin
- In 2007 and 2008, SFAz leveraged \$60 million from the state's 21<sup>st</sup> Century Competitive Initiative Fund with industry match dollars to provide funding to nonprofit research performing entities for purpose-driven research; for every dollar invested, SFAz leveraged \$2.18

