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NEW REPORT INDICATES SCIENCE FOUNDATION ARIZONA IS MAKING A DIFFERENCE IN ADVANCING ARIZONA'S TECHNOLOGY SECTOR

State's technology sector bright spot in recovery

(Phoenix, AZ - February 10, 2010) –A new report on the performance of Arizona's technology sector and the accomplishments of Science Foundation Arizona (SFAz) shows the work of the nonprofit organization is having a positive impact on the state's economy. The study, conducted by Battelle Memorial Institute, finds mounting economic and technology development returns from SFAz's unique model of public-private grant investments targeted to advancing innovation and talent generation among Arizona's universities and other non-profit research performing institutions, as well as K-12 schools. Of particular note is the high productivity of SFAz grants in generating patents and licenses from the universities and other non-profit 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. The study found that despite negative job growth overall and rising unemployment rates in Arizona during the first year of the recession, the state's technology sector added jobs in three of five key industries.

Private sector employment fell 3.2% in Arizona between 2007-2008, yet the technology sector dipped just one-tenth of one percent during the same period. There are approximately 168,000 tech-related workers in the state, with an average salary of \$75,000 (total private sector pays an average of \$42,000). 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.

Battelle, the world's largest nonprofit independent research and development organization, also found 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. Licenses are processes or products that are then sold for commercial purposes.

Measuring Up: 2010 Annual Report Card on How Arizona's Technology Sector is Performing and the Contributions of Science Foundation Arizona also found that two years' worth of investment in university research has netted solid returns demonstrating that continued emphasis on science and

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technology utilizing the SFAz model is well positioned to propel Arizona into becoming an international leader in technology development.

Arizona does, however, continue to face challenges in becoming a top-tier technology state. When compared to eight other 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.

“The fact that SFAz grants show positive results after only a short period indicates that with an emphasis on technology and innovation, the potential for Arizona’s future is great,” said Dr. William C. Harris, president and CEO of SFAz. “This report clearly shows investing in technology pays off, and the stringent review and oversight of SFAz grants’ process facilitates a greater return to Arizonans on that investment.”

“The technology sector can be an even greater driver for this state’s economy,” said Mitch Horowitz, vice president and managing director of Battelle’s Technology Partnership Practice. “A consistent and long-term approach for fostering technology and innovation would benefit Arizona in many ways – not only are technology industries stable and high value, they pay well and are good for the economy. For this to become a reality, the state must commit to making knowledge-based industries a priority.”

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. A full copy of *Measuring Up* is available online at www.sfaz.org. □ □

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About Science Foundation Arizona: Science Foundation Arizona (SFAz) is a 501(c)(3) non-profit organization initiated in 2006 by the Greater Phoenix Leadership Inc., Southern Arizona Leadership Council and the Flagstaff Forty. The goal is to build and strengthen the scientific and education infrastructure in areas of greatest strategic importance to Arizona’s competitiveness in the global economy. These areas comprise advanced communications, biomedicine and sustainable systems that include renewable energies. For more information, visit www.sfaz.org.

About Battelle: Battelle is the world’s largest non-profit independent research and development organization, providing innovative solutions to the world’s most pressing needs through its four global businesses: Laboratory Management, National Security, Energy Technology, and Health and Life Sciences. It advances scientific discovery and application by conducting \$4.6 billion in global R&D annually through contract research, laboratory management and technology commercialization. Headquartered in Columbus, Ohio, Battelle oversees 20,400 employees in more than 130 locations worldwide. Battelle also is one of the nation’s leading charitable trusts focusing on societal and economic impact and actively supporting and promoting science and math education. The Technology Partnership Practice focuses Battelle’s broad experience to develop strategic solutions for economic development organizations, universities, industry associations, and non-profit organizations across the United States.