



EDA Presentation at Building the Arkansas Innovation Economy Conference

Federal & State Programs and Synergies Session

March 9, 2010





The World has Changed

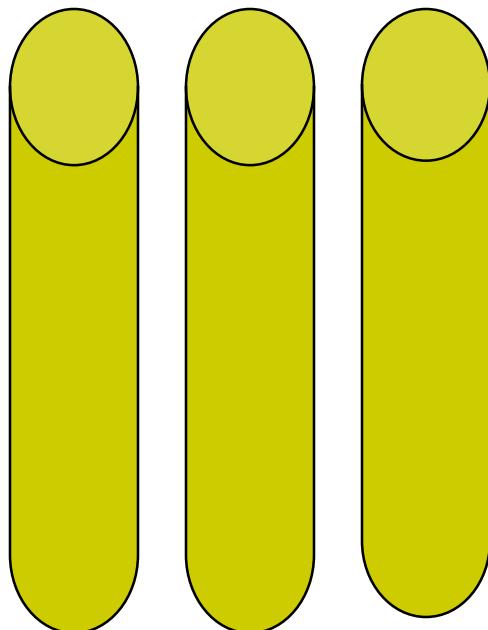
- Markets have become more global
- Increased mobility of knowledge, goods, and labor
- Growing off-shoring and out-sourcing of American companies and jobs that used to be the economic bedrock of communities across the nation
- Competitive advantages are increasingly tied to human capital and innovation
- Workers have been forced into a knowledge-driven economy, whether or not they have the skills to compete



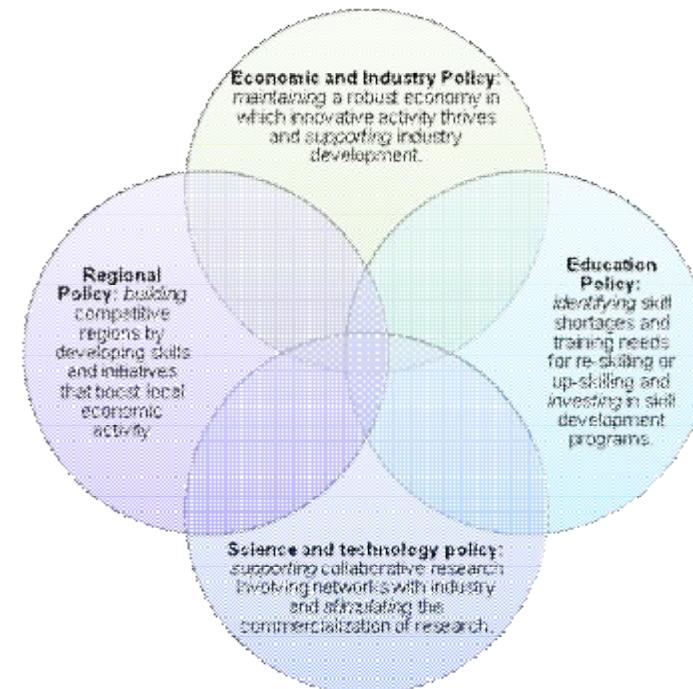
Our Policy and Practice Must Change

Unprecedented challenges require innovative solutions for creating jobs and promoting regional prosperity.

From Silos ...



... to Collaboration.





Regional Innovation Clusters

RICs are a geographically-bounded, active network of similar, synergistic or complementary organizations which leverage their region's unique competitive strengths to create jobs and broader prosperity.



Why do RICs Matter?

- On average, jobs within clusters pay higher wages.
- Regional industries based on inherent place-based advantages are less susceptible to off-shoring.
- Create many new job opportunities for American workers.
- They stabilize communities by re-purposing idle manufacturing assets, engaging underutilized human capital, and contributing to improvements in the quality of life.

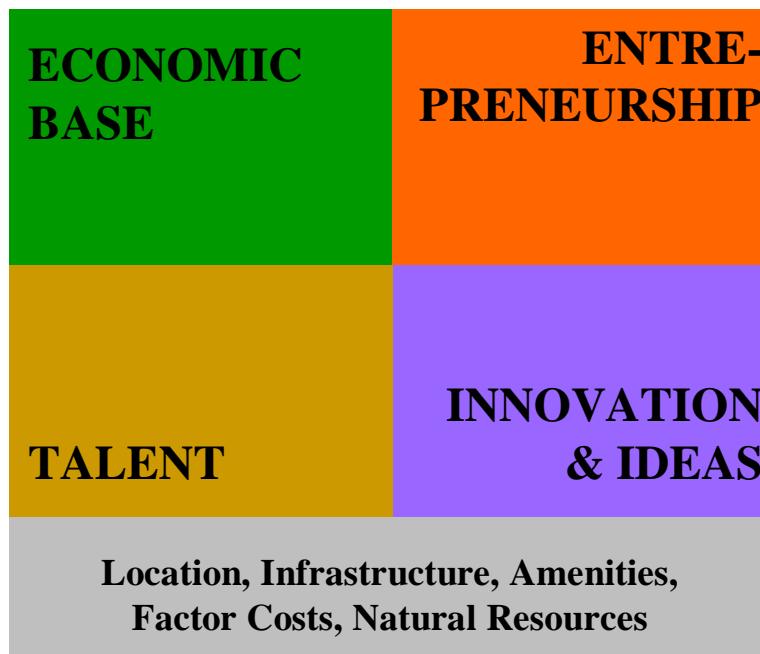


Regional Assets

Five Key Components to Consider When Defining Unique Regional Assets

What you make, including your existing & prospective industry clusters

What you do: your workforce skills & human capital base



Your capacity to create companies wholly new or from existing firms

Your capacity to innovate and generate new ideas

The basic conditions defining the economic milieu of the region



Arkansas Assets for RICs

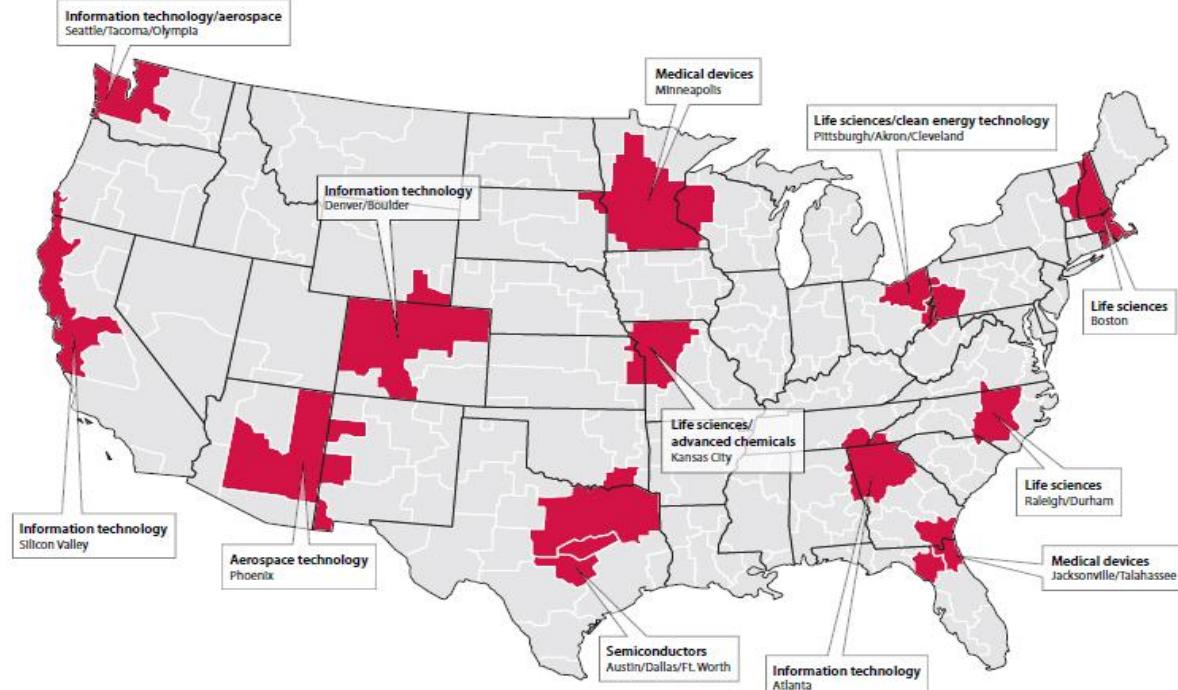
- A strong network of higher-education institutions
- Geography and infrastructure that allow for efficient transport of goods and services
- Some of the nation's best health-care facilities
- Low factor costs for operating and starting a business
- Diverse mix of industries composing the State's economic base, including aerospace, automotive, biotechnology, financial services, food processing, healthcare, IT, logistics and distribution, and tourism
- An integrated network of local, regional, and State development organizations working to build upon the State's existing assets



RICs Are Diverse

- All parts of the nation
- Can be in wide array of industries
- Vary in size, shape, and reach
- Often cross local, county, and state boundaries
- Urban and rural

A SNAPSHOT OF U.S. INNOVATION CLUSTERS
A selection of high-tech clusters in different parts of our country

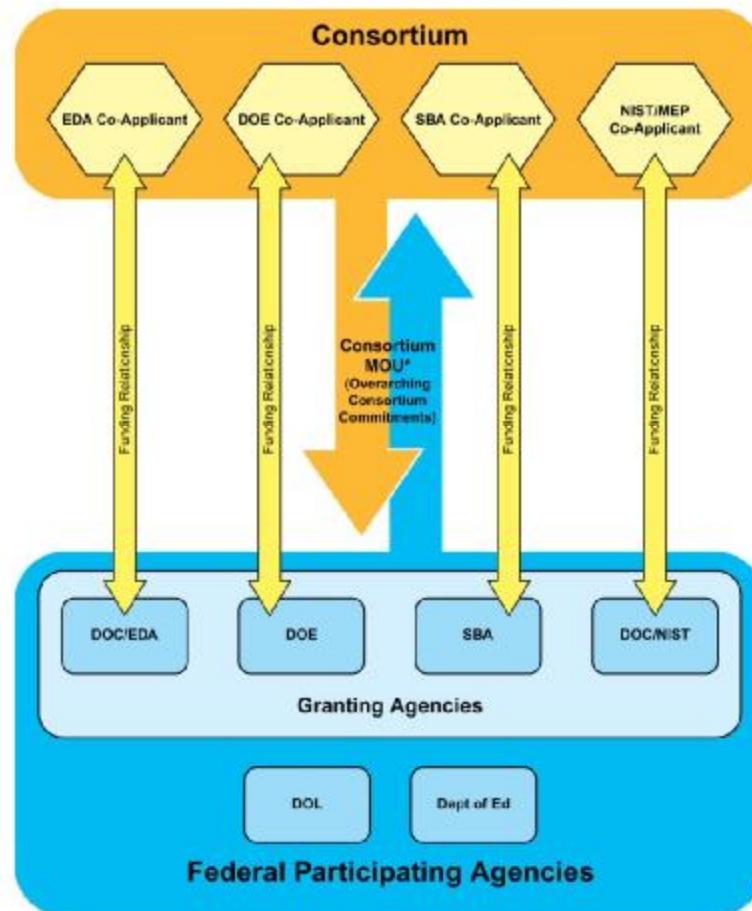


Source: Cluster Mapping Project, Institute for Strategy and Competitiveness, Harvard Business School. Copyright © 2005 President and Fellows of Harvard College. All rights reserved.



Federal Collaboration on E-RIC

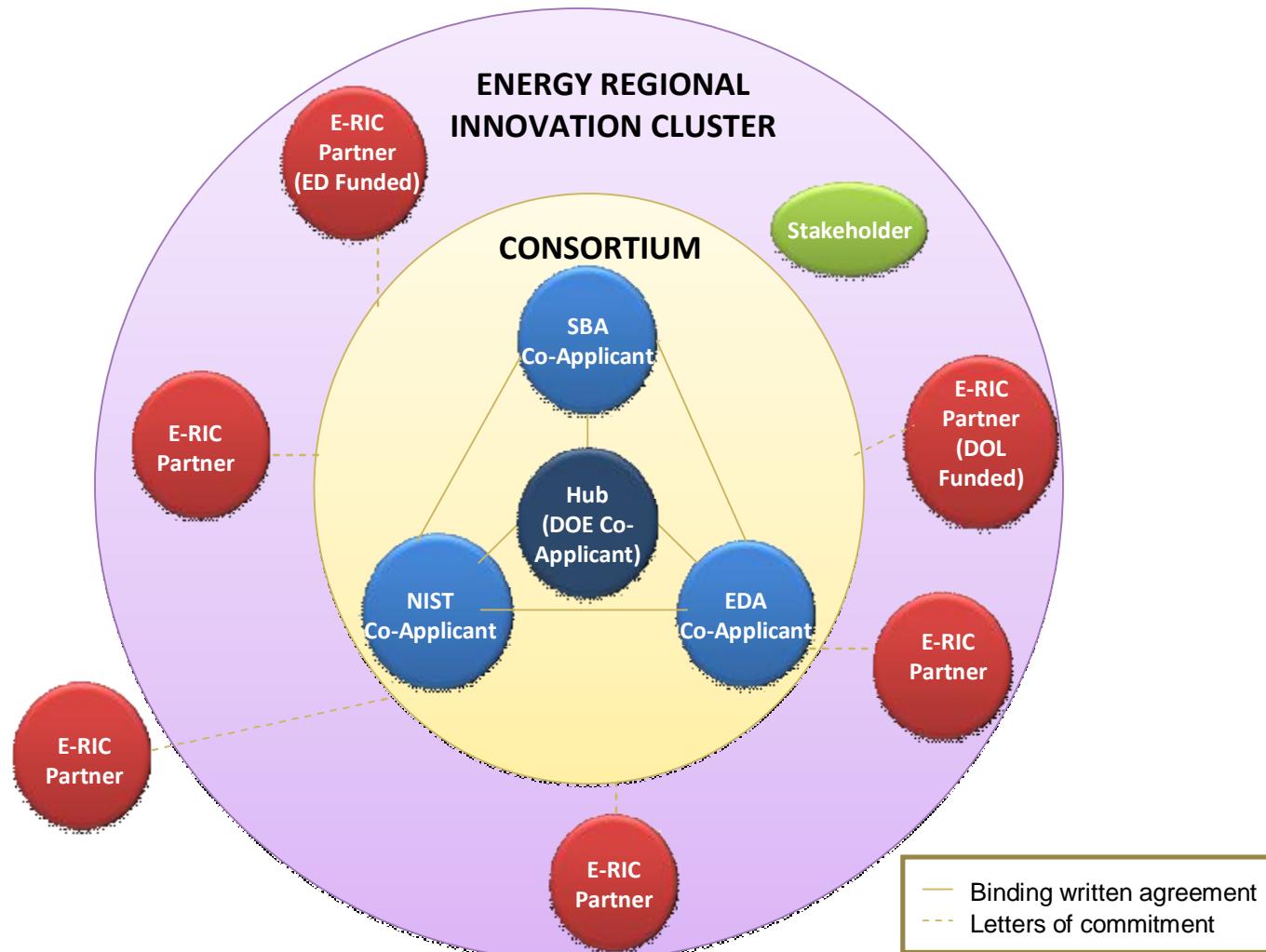
Relationship Between the Consortium and Federal Participating Agencies



*The NSF intends to be a party to the Consortium MOU



E-RIC Framework





EDA's Programs Support RICs

EDA's diverse programs allow it to make grant-based investments that provide critical support for RICs:

- The Research Program provides resources to examine gaps in innovation, cluster, and regionalism policy.
- The National Technical Assistance Program provides resources to develop and disseminate tools for measuring and assessing the innovation capacity of a region.
- The Planning Program provides funds to help regional development organizations develop comprehensive economic development strategies that build on their regional assets.
- Other EDA programs (such as Public Works, Economic Adjustment Assistance, etc.) provide resources to fund the implementation of regional innovation cluster strategies.



EDA Investments in Arkansas

- In 2009, EDA made 14 investments in Arkansas to support planning and implementation efforts aimed at encouraging regionalism, innovation, and clusters across the State.
- A recent EDA Technical Assistance grant helped to establish the Center for Regional Innovation at the University of Arkansas at Little Rock.
- A \$1.75 million EDA Public Works grant to Arkansas State University/ Jonesboro helped to establish the Arkansas State Biosciences Institute Commercial Innovation Center