Current Trends and Challenges in State Innovation Programs

Presentation by:

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State Science and Technology Institute

- Mission
  - Leads, supports, and strengthens efforts to improve state and regional economies through science, technology, and innovation
- Funders
  - Carnegie Corporation
  - Kauffman Foundation
  - MEP
  - More than 180 state, local, and university TBED organizations

Elements for Tech-based Economy

- Intellectual infrastructure
- Spillovers of knowledge
  - from universities
  - from informal networks
- Physical infrastructure
- Technically skilled workforce
- Capital
- Entrepreneurial culture
- Quality of life

Trends

- Widespread acceptance of action needed to encourage economic growth through science, technology and innovation

Public Support

- 84% of Americans believe there will be a “lot more jobs in the future that require math and science skills”
- 88% agrees that students with advanced science and math skills will have an advantage when it comes to college opportunities
- California: 52% to 27% believe that state policymakers are not making technology and innovation enough of a priority
- 78% of Americans think “a national innovation initiative would be effective”

Public Support

Trends

- Cycles of emphasis over the years on different elements; elements continuing on the rise
  - Increasing expectation for comm of university research
  - Growth of venture development organizations, private accelerators, and start-up weekends
  - Capital
- Reorganization of economic development efforts
  - Public-private partnerships
  - State TBED orgs merged into state economic development departments
  - Regional emphasis

Challenges

- A changing economy with a different recovery pattern
- Shortage of skilled works once recovery in full swing
- Different expectations for higher education
- 28 new governors
- Fiscal pressures
- Federal approaches changing slowly

Activities in Select States

- Indiana
  - 21st Century Research and Technology Fund created in 1999 focused initially on university research, shifted emphasis to company commercialization
  - $238.5M awarded through June 30, 2009
  - Estimated 11,132 jobs created as a result

Activities in Select States

- Michigan
  - Since 1999, concentrated focus on life sciences, alternative energy, advanced manufacturing, and homeland security
    - Life Sciences Corridor, Technology Tri-corridor, 21st Century Jobs Fund
  - Focused on commercialization and seed capital
  - $573.2M in state funds committed with 24,407 jobs, $1.8B in private and federal money leveraged

Lessons Learned

- Committed high-level leadership is required that understands:
  - Economic impact further down the road than other approaches
  - Research does not always succeed
  - Significant cultural differences between actors
- Action should be based on:
  - Understanding of needs, capabilities, and gaps
  - Filling gaps to encourage change in private sector behavior

Lessons Learned

- Characteristics of successful TBED programs
  - Three hallmarks for long-term sustainability
    - Do good work
    - Measure whether they're doing good work
    - Telling people they're doing good work
  - Champions from more than one sector (ideally all three)
    - Private sector, university, government (gov or legislature)
  - Effective management and staff
  - Entrepreneurial in approach/responding to change

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