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MASSACHUSETTS: GLOBAL HUB OF RESEARCH AND INNOVATION

Report examines the Massachusetts research and innovation enterprise

WESTBOROUGH, MA (April 20, 2010) – Despite the global economic recession, Massachusetts remains a world leader in research and innovation (R&I), according to the *Index of the Massachusetts Innovation Economy*, released today by MTC’s John Adams Innovation Institute. The *Index*, published annually since 1997, is the premier fact-based benchmark for assessing the performance of the Commonwealth’s R&I enterprise and examines key trends affecting the impact of the state’s innovation-driven economy.

“The *Index* underscores the resilience of the Massachusetts Innovation Economy during one of the harshest economic climates in our nation’s history,” said Governor Deval Patrick. “The Commonwealth’s extraordinary strengths in research and innovation are a tremendous asset for the state and critical to our continued prosperity and job growth.”

In addition to its traditional benchmarking of Massachusetts against nine other leading technology states, this year’s *Index* takes important steps to better understand the state’s position in the global economy. “Massachusetts’ leadership role in research and innovation extends well beyond the U.S. borders. Our dynamic innovation economy generates exports to markets worldwide; it also attracts students, highly skilled workers and technology-based companies from across the globe,” said Patricia Flynn, Trustee Professor of Economics & Management at Bentley University and Chair of the Innovation Index Advisory Committee.

After six years of net out-migration, the *Index* shows that more individuals are now moving into Massachusetts than are leaving the state. And, Massachusetts continues to rank first among leading technology states in degrees granted in science and technology (S&T) fields that are important to the Innovation Economy. However, the fact that Massachusetts high school seniors have below average interest in these fields is of concern.

“The intensity of innovation in Massachusetts industry creates a huge opportunity for students to work in exciting and high-paying jobs at the cutting edge of S&T,” said Massachusetts State Senator Karen Spilka, Chair of the Joint Committee on Economic Development and Emerging Technologies. “This also creates an imperative for industry, academia and government to work together to increase interest in science, technology, engineering and mathematics (STEM) careers in our schools.” Senator Spilka serves on the Governor Patrick’s STEM Advisory Council launched in October 2009 and chaired by Lt. Governor Tim Murray.

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The latest edition includes international comparisons within several performance indicators as well as guest commentaries. The Index features contributions from Michael Greeley, General Partner at Flybridge Capital Partners; Pascal Marmier, Director/Consul of swissnex Boston, Consulate of Switzerland; David Meeker, Executive Vice President and Chief Operating Officer, Genzyme Corporation; Harry West, CEO of Continuum; and Bernd Widdig, Director of the Office of International Programs at Boston College.

Commentators suggest that a vibrant innovation ecosystem is one of the Commonwealth's greatest assets in the global economy. "Vibrant regions are engines of economic development, and competitive and prosperous regions tend to also be the most innovative," said Greeley. "In the venture capital industry we know that intensive innovation is always local and that's why the industry is concentrated in specific centers of innovation excellence. Massachusetts has all the required ingredients," he added. Mr. Greeley is also Chairman of the New England Venture Capital Association.

The *Index* analyzes 11 key industries and 25 economic indicators to benchmark Massachusetts against nine leading technology states – California, Connecticut, Illinois, Maryland, Minnesota, New Jersey, New York, Pennsylvania, and Virginia. Compared to these states and to innovation hubs internationally, Massachusetts excels in several measures. For example:

- Massachusetts ranks #1 among all leading technology states and top international performers in the amount of R&D performed as a percent of its gross domestic product.
- At more than double the US average, Massachusetts ranks #1 in patents per capita nationally and internationally.
- Massachusetts continues to rank #1 in Small Business Innovation Research awards per capita, receiving \$227 million in federal funds to support proof-of-concept and prototype development activities in the Commonwealth.

"Massachusetts performs well above average in many measures, but we cannot take this for granted. We need to be attentive to trends in the *Index* and be mindful that other regions and countries are trying to excel in the same industry clusters as Massachusetts," said Carlos Martínez-Vela, Director of Innovation Policy at MTC's John Adams Innovation Institute and one of the report's authors. "We also need to continue finding creative ways to extend the economic development benefits of the Innovation Economy to regions and citizens across the state," he added.

"Massachusetts is a magnet for talent and that is one of the most important reasons why we continue to grow our business here," said Harry West, CEO of Continuum, the global innovation design consultancy based in West Newton, and a commentator in the Index. "People drive innovation. Massachusetts can and must continue to compete as a place where the most precious of our natural resources - energetic, creative people - want to be."

The *Index* was developed by the John Adams Innovation Institute, a division of the Massachusetts Technology Collaborative. For a copy of the report, please visit www.masstech.org.

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