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**Independent Research Company Releases Report Card on Technology
and Innovation in Arizona**

*Science Foundation Arizona on the Right Track and Continued Need to Address
the State's Economic Competitiveness*

PHOENIX, Feb. 25, 2009 –Science Foundation Arizona (SFAz) is demonstrating impact and results for Arizona, according to a Report Card tracking the performance of Arizona's technology sector and the investments of Science Foundation Arizona. This Report Card was prepared by the technology-based economic development consulting group of Battelle, the world's largest non-profit independent research and development organization, and was commissioned by Science Foundation Arizona with private funds. The Report Card indicates that Arizona continues to lag leading American technology states and finds warning signs of the state being at risk if immediate action is not taken to increase the state's competitiveness for technology-based industries. **SFAz is holding a press conference to announce significant findings of this first annual Report Card on Technology and Innovation in Arizona, Wednesday, Feb. 25, 10 a.m. at the Arizona Mining and Mineral Museum, located at 1502 W. Washington, Phoenix.**

The Report Card's findings point to the tangible results from SFAz's investments in less than two full years of grant making, including generating an additional \$1.18 in awards from industry participants, venture capital attracted, federal grant awards and nonprofit funding for each \$1 invested by SFAz. This is above and beyond the dollar-for-dollar match from private and philanthropic sources by SFAz for the public funding coming from the state of Arizona through The 21st Century Fund, a commitment of \$135 million over five years.

The Report Card also indicates that in Arizona, SFAz funding is outperforming the typical output of research-performing enterprises in technology development. One example is patents generated per research funding. SFAz projects are generating one patent for every \$2.6 million compared with the average university-wide performance in Arizona of one patent for every \$27 million in research funding.

"SFAz's support for university-industry partnerships is making a difference in advancing technology development with its unique focus on advancing research activities ripe for industry new product

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development and forming of new technology firms,” said Mitch Horowitz, vice president and managing director of Battelle’s Technology Partnership Practice. “Arizona faces particular challenges in talent generation and raising the overall level of its technology competitiveness, which require sustained investments to make a difference. Neglecting these key issues puts Arizona’s economy at a disadvantage and threatens the state’s economic recovery.”

The Report Card finds that Arizona is a substantial technology state with a technology-industry base of 162,000 jobs and a university research base of \$783 million in 2007. However, the state’s recent performance, weighed against the national average and eight benchmark states, indicates a competitive decline for Arizona in many key indicators:

- Employment in the technology-based industries is declining faster than the national average
- Patent growth is falling well off national growth rates
- University research growth is not keeping pace with comparable universities throughout the country
- Arizona ranks lowest among all benchmark states with post-secondary degrees in science, technology, math and engineering fields

“Battelle’s research findings make clear the necessity for bold and innovative investments for the viability of Arizona’s economic future,” said William C. Harris, president and CEO, Science Foundation Arizona. “Bringing together university and industry partnerships today will create high-paying jobs, attract investors and diversify Arizona’s economy for the future.”

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About Science Foundation Arizona:

Science Foundation Arizona (SFAz) is a 501(c)(3) nonprofit organization initiated in 2006 by the Greater Phoenix Leadership Inc., Southern Arizona Leadership Council and the Flagstaff Forty. Its goal is to build and strengthen scientific, engineering and medical research programs and infrastructure in areas of greatest strategic value to Arizona’s competitiveness in the global economy. SFAz is investing in partnerships between nonprofit research institutions and industry; other science, engineering and math programs; and in the education pipeline to help Arizona create a knowledge-driven economy.

In June 2006, the state appropriated the first \$35 million through the Arizona 21st Century Competitive Initiative Fund, which was contracted in November 2006 to Science Foundation Arizona from the Arizona Department of Commerce. The 59 grants made through year-one, leveraged \$43.8M, of which \$15M was from Federal grants. Founding executive leadership groups are funding operating costs for SFAz through 2012, enabling public and philanthropic funds to be directly applied to foundation initiatives. 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.