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## Lack of support will make Arizona lag further in tech

Phoenix Business Journal - by [Patrick O'Grady](#)

Arizona continues to lag other states in technology, and the tech sector here likely will need financial support to avoid falling even further behind, according to a report released Feb. 25 about **Science Foundation Arizona**.

The state's tech employment base is shrinking faster than national averages, the number of patents issued has declined, and university research is stagnating — all cautionary signs, said Mitch Horowitz, vice president and managing director of Battelle's Technology Partnership Practice, which produced the report.

The situation must be addressed, he said. "You can't just assume things are just going to grow from year to year."

The report — a look at one year of information from the Arizona technology sector — is evidence the state needs to continue pushing for ways to secure the industry's place among businesses, said Bill Harris, president and CEO of Science Foundation Arizona.

"In the 21st century, for a state or country to be successful, it's going to be about brains and the speed at which you need to get things done," he said.

The study found the state's tech firms had 162,000 jobs and a university research base of \$783 million through 2007. It also found all of those numbers are slipping compared with North Carolina, Georgia and Oregon, which are in the same tech tier as Arizona, Horowitz said.

The report comes after legislators pulled \$22.5 million of SFAz's state funding, making the group rely on funding from private partners. They could do the same next year as they look to close a \$3 billion gap in the state budget, but the group is considering its options.

Continued funding for technology endeavors is essential to the state for bolstering its economic base. Through a four-year legislative commitment, SFAz has been able to start industry groups that were impossible when it was under a one-year contract, Harris said.

"If we are not able to be a reliable partner, it will be hard to bring those companies to the table," he said.

In addition to decreasing patent growth and jobs, the state's education system lags in producing the kinds of employees technology firms want to hire.

The issue is linked to science, technology and math education in elementary and secondary schools, as well as graduate students coming out of the state's universities. Arizona ranks the lowest among the states in those fields, Horowitz said.

Harris said education is key to bolstering the state's technology standing. The report, which identifies Colorado as a competitor, says universities there graduate about 20 percent of their students in technology fields. In Arizona, it is about 10 percent, Harris said.

"I think we need to look at the fact and say, 'What do we want to be and how do we get there?'" he said.

SFAz is faring well in trying to draw more out of the technology industries, but ultimately the group will be judged on the number of jobs it produces. Given that the organization is a little more than 2 years old, it will be awhile before those results are in.

A copy of the report is available through SFAz's Web site, [www.sfaz.org](http://www.sfaz.org).

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