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**NEW REPORT: COMPANIES CREATED FROM FEDERALLY FUNDED UNIVERSITY RESEARCH FUEL
AMERICAN INNOVATION, ECONOMIC GROWTH**
Sequestration Jeopardizes this Source of Progress, Jobs and Growth

WASHINGTON, DC, Oct. 29, 2013 – A new report released today by [The Science Coalition](#) illustrates one of the many returns on investment of federally funded scientific research: the creation of new companies. *Sparking Economic Growth 2.0* highlights 100 companies that trace their roots to federally funded university research and their role in bringing transformational innovations to market, creating new jobs and contributing to economic growth. An accompanying online [database](#) provides free access to company profiles and allows users to sort companies by federal funding agency, university affiliation, type of innovation and other criteria.

The basic scientific research that gives rise to companies like those in this report is in jeopardy. Federal funding for R&D has been on a downward trend for the past decade, with funding levels in 2013 at historic lows. Sequestration, which began in March 2013, is set to run through 2021 and will wring an additional [\\$95 billion](#) from federal R&D budgets over this period. This national disinvestment in science will have real consequences. As the *Sparking Economic Growth 2.0* companies illustrate, research and the transformative discoveries that flow from it require sustained funding over many years to yield results.

"Innovation is a cornerstone of American progress, improving our lives in countless ways and providing jobs and economic growth. For decades, innovation has been fueled by federally funded research that is conducted at universities across our nation," said University of Wisconsin-Madison Chancellor Rebecca Blank, an economist and former Acting Secretary of the U.S. Department of Commerce. "America's future economic prosperity depends on increased investments in research and education that will accelerate innovation and inspire future generations of scientists."

Chancellor Blank is one of several experts on innovation, competitiveness and technology transfer who provide comments in the report. Others include Lita Nelsen, director of MIT's Technology Licensing Office, Dr. Terri Lomax, vice chancellor of the Office of Research, Innovation & Economic Development at North Carolina State University, and Deborah Wince-Smith, president and CEO of the Council on Competitiveness.

"Sparking Economic Growth 2.0: Companies Created from Federally Funded University Research, Fueling Innovation and Economic Growth" is a companion report to one published in 2010 by The Science Coalition. That report also identified 100 companies created from federally funded university research. The companies in both reports were self-selected by the member universities of The Science Coalition and are illustrative of the many companies created from federally funded university research, as well as the far-reaching paybacks on federal research funding.

The estimated total investment in the fundamental university research that contributed to the discovery or core technology behind the companies in Sparking Economic Growth 2.0 was approximately \$330 million*. This funding often occurred over many years and even decades. It is a relatively small sum compared to problems such as cancer, which costs the U.S. economy \$552 million every day or cybercrime which costs \$383.6 million a day. Federally funded researchers are working every day to solve these and countless other problems that adversely affect our health, safety and economy.

“This report demonstrates the power of the federal investment in basic scientific research,” said Science Coalition President Tim Leshan. “While research is only a small portion of the overall federal budget, the results are huge: discoveries with profound implications for our health, safety and quality of life; training for future generations of scientists, doctors and teachers; and innovations that give birth to new technologies, companies and industries.

“If America wants to maintain its innovative edge, create meaningful jobs and realize economic growth, then we must ensure that funding for scientific research is prioritized, even in times of cost-cutting,” he said.

The Sparking Economic Growth 2.0 report details:

- How university research and the companies born of such research are a driving force behind much of the innovation in the United States, providing essential seed corn for U.S. industry;
- The impact that research universities have on local economies, including through spin-out companies that locate close to their founding universities, contributing to the formation of regional innovation hubs and creating jobs;
- The factors that make university research-based companies unique and contribute to their success, including the nurturing ecosystem of research universities, which provides ready access to essential tools like technology transfer offices, business incubators, business schools and workforce talent; and
- The success rate of the companies in the 2010 Science Coalition report, specifically those companies that were less than five years old at the time. Eighty percent of those companies remain operational today.

Sparking Economic Growth 2.0 and accompanying database are available at www.sciencecoalition.org/successstories.

* Estimates are available for 91 out of 100 companies and focus on funding of the initial university research that gave rise to the discovery or core technology behind the companies.

The Science Coalition is a nonprofit, nonpartisan organization of more than 50 of the nation’s leading public and private research universities. It is dedicated to sustaining the federal government’s investment in basic scientific research as a means to stimulate the economy, spur innovation and drive America’s global competitiveness. Learn more about The Science Coalition at www.sciencecoalition.org.