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**New York State the Focus of Congressional Hearing on How Research and Innovation
Fuel Local Economies**
Successful Efforts at Cornell and Stony Brook Examined for Lessons Learned

At a hearing today on Capitol Hill, experts discussed how federally funded university research drives innovation that contributes to local economies. The hearing, “Fueling Local Economies: Research, Innovation and Jobs,” was conducted by the congressional Joint Economic Committee and chaired by Rep. Carolyn Maloney (D-NY). Expert witnesses focused on the New York State economy and included Dr. Samuel Stanley, president of Stony Brook University; Zachary Shulman, senior lecturer of entrepreneurship at Cornell University’s Johnson School of business and managing partner at Cayuga Venture Fund; and Dane Stangler, Kauffman Foundation researcher on behalf of Dr. Robert Litan, vice president of research and policy at the Kauffman Foundation and a senior fellow at the Brookings Institution. Stony Brook and Cornell universities are members of The Science Coalition.

Dr. Stanley and Professor Shulman offered their perspectives – Stanley as a medical doctor, researcher and university president and Shulman as a venture capitalist, former businessman and attorney focused on finance and corporate transactions – on how their institutions are helping to transfer university-based knowledge into the broader community and what this means in terms of local job creation and economic growth.

As the largest single-site employer on Long Island and the leading technology transfer campus in the State University of New York (SUNY) system, Stony Brook is an integral component of the local, regional and national economies. The university’s aggregate economic impact amounts to more than \$4.6 billion annually. Stony Brook contributes to innovation and job creation in a multitude of ways – from nurturing students and would be entrepreneurs with business incubation programs to conducting world class research, and from hosting centers of excellence in wireless and information technology and advanced energy and research to operating the Stony Brook University Medical Center and the Brookhaven National Laboratory.

Speaking specifically about the university’s economic development programs and their impact, Dr. Stanley explained that they “enable us to partner with businesses of any size at any stage of development, from cradle to Fortune 500. Recent cumulative data demonstrate that, through these programs, our university has helped to create or retain more than 17,000 jobs and



assisted many hundreds of companies to obtain more than \$600 million in financing and increased corporate revenues.”

Among the “secrets of success” that Dr. Stanley shared with the members of the Joint Economic Committee were the importance of talent and nurturing “both the students we educate and the entrepreneurs in our midst;” the understanding that “strong national economies are based on strong economic regions;” that Bayh-Dole works, “it continues to help our nation maintain its lead in bringing innovation to people;” and that basic research funding is critical.

Speaking about Cornell, Professor Shulman called the spillover effect of research expenditures “real and measurable.” He pointed to the fact that Cornell’s home county, Tompkins, has the lowest unemployment rate in New York State. He further cited the synergy between Cornell and Cayuga Venture Fund as another contributor to the local economy. Nine of the 11 companies the venture firm currently funds are either commercializing technologies developed at Cornell or have significant grant supported collaborations with Cornell.

The nine companies currently employ more than 450 people, their payrolls are in the tens of millions of dollars, and in 2009, they generated revenues of approximately \$95 million, he told the committee. He added, “They have attracted more than \$300 million in total investment dollars from CVF and our investment partners.”

“I believe the partnership between government-sponsored research dollars, Cornell University, and Cayuga Venture Fund is a model that can be replicated in smaller cities throughout the United States that have a strong research university,” Professor Shulman testified. “This kind of partnership leads directly to new consumer products and services, job creation and retention in the community, and direct economic growth in terms of revenue generation and expansion of the tax base.”

In her opening statement Chairwoman Maloney referenced a recent report by The Science Coalition, “*Sparking Economic Growth: How federally funded university research creates innovation, new companies and jobs.*” The report traces the origins of 100 companies back to a pivotal piece of basic research conducted at a university and sponsored by a federal agency. Nine of the companies highlighted in the report are located in New York State and emanated from research conducted at a New York State university.

“[The Science Coalition] report is a dramatic demonstration of the economic impact that these research universities have on the local community and highlights a key fact: companies that grow out of university research often locate very close to that university. These universities are often the biggest employers in the community and serve as business incubators that drive new companies,” Rep. Maloney said. She added, “equally important, university communities foster creativity, talent and ideas which lead to the next generation of businesses and innovations that will drive the new economy.”



Rep. Kevin Brady (R-TX) also cited the Science Coalition report in his comments, noting that it “provides empirical support that federal funding for basic scientific research generates real economic benefits.”

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Testimony provided at today’s hearing is available at the JEC website www.jec.senate.gov. The Sparking Economic Growth report can be viewed at www.sciencecoalition.org/successstories/.

The Science Coalition is a non-profit, nonpartisan organization of 45 of the nation’s leading public and private research universities. It is dedicated to sustaining the federal government’s investment in basic research as a means to stimulate the economy, drive innovation and secure America’s global competitiveness. Learn more at www.sciencecoalition.org.