Arizona Bioscience Jobs Continue Rapid Growth During Economic Recovery

The Associated Press

PHOENIX--(BUSINESS WIRE)--Feb 5, 2013--Arizona's bioscience sector added jobs at nearly four times the national rate over the past decade and experienced double-digit job growth during the economic recovery, a new report shows.

The new performance analysis of Arizona's bioscience sector, commissioned by the Flinn Foundation, also found that the number of bioscience establishments in Arizona continues to grow faster than the national average and bioscience wages in the state are outpacing those in other private-sector industries.

The 10th-annual study, released Feb. 5 by the Battelle Technology Partnership Practice, did reveal funding challenges for the state. In 2012, Arizona fell to its lowest venture capital investment level since 2009 and suffered a drop in National Institutes of Health funding while the top-10 funded states advanced.

"Arizona's bioscience sector continues to significantly outperform the nation in terms of job and establishment growth and has made impressive gains in building a more concentrated industry base," said Walter Plosila, senior advisor to the Battelle Technology Partnership Practice. "However, more attention must be paid to academic research performance and venture capital investment to continue the trend in years to come." Plosila added that progress has been made over the past decade on all 19 actions recommended by Battelle in 2002, including substantial progress on nine.

Arizona's Bioscience Roadmap was launched in 2002 as a long-range plan to make the state's bioscience sector globally competitive. The Roadmap was commissioned by the Phoenix-based Flinn Foundation, which committed to 10 years of major funding of Arizona biosciences and formed a network of committees involving statewide experts to implement its recommendations.

Since the Roadmap was launched in 2002, Arizona's bioscience jobs have increased by 45 percent to 99,018 in 2011. Nationally, the growth rate during this time was 12 percent. While hospitals dominate Arizona's bioscience jobs, the state's non-hospital subsectors grew 14 percent in 2011 alone. During the economic recovery years of 2009-11, the state's bioscience jobs increased 11 percent while there was no gain across the state's private sector.

There was also a major increase in bioscience establishments, rising 31 percent since 2002 to 892 firms, which is above the national growth rate of 23 percent.

Bioscience jobs in Arizona pay an average salary of $56,328, or 28 percent higher than the $44,098 for all private-sector industries. Since 2002, bioscience salaries

have increased 44 percent.

“After 10 years, Arizona has carved a niche in the highly lucrative and competitive biosciences field,” said Martin Shultz, chair of Arizona’s Bioscience Roadmap Steering Committee. “We’re one of the nation’s top emerging bioscience states, and our growth in high-wage jobs continued during both good economic times and bad.” In terms of research dollars, NIH funding in 2012 was $174 million, or 19 percent greater, than the 2002 figure. This is a decrease from $184 million in 2011. While NIH funding, the gold standard for biomedical research funding, did increase slightly faster than the national average of 18 percent over the past decade, Arizona is no longer meeting its goal of obtaining funding at a growth rate higher than the top-10 funded states. In addition, its share of the funding pool remains nearly the same as it was in 2002.

The latest data also shows: The largest non-hospital bioscience subsector continues to be research, testing and medical laboratories. This group now boasts about 8,900 workers across 466 establishments, roughly a 60 percent increase in both employees and firms since 2002. The other subsectors are drugs, pharmaceuticals and diagnostics; hospitals; medical devices and equipment; and agricultural feedstock and chemicals. Venture capital investment was $22 million in 2012, which is the lowest figure since 2009. This was a drop of 68 percent from 2011, compared to a national decline of 49 percent. Bioscience-related academic research and development expenditures at Arizona’s universities reached a record $452 million in 2011, a 55 percent increase since 2002. Arizona’s growth had outpaced the nation until 2009, but now trails the overall U.S. growth rate of 74 percent. Arizona universities spun out seven bioscience companies in 2012. University discoveries have now led to 67 new bioscience startups since 2002 as well as 180 bioscience patents. On Dec. 4, 2012, the Flinn Foundation and bioscience leaders from across Arizona came together at the Arizona Biltmore to celebrate the 10th anniversary of the launching of Arizona’s Bioscience Roadmap. The Foundation announced it has committed to continue funding Arizona biosciences and coordinating the Roadmap as it enters its next chapter.

“We recognize this is a long-term pursuit,” said Jack Jewett, president and CEO of the Flinn Foundation. “We will continue to strive to improve the lives of Arizonans today and tomorrow through new medical discoveries, access to clinical trials and the recruitment of top researchers, while also attracting high-wage jobs that will strengthen Arizona’s economy.” The Flinn Foundation is a Phoenix-based, private, nonprofit philanthropic endowment. It was established by Dr. and Mrs. Robert S. Flinn in 1965 with the mission of improving the quality of life in Arizona to benefit future generations. The nonprofit philanthropy supports the advancement of Arizona’s bioscience sector, the Flinn Scholars program, arts and culture, and the Arizona Center for Civic Leadership.

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