



Utah Science, Technology and Research Economic Development Initiative

FREQUENTLY ASKED QUESTIONS

USTAR ECONOMIC DEVELOPMENT INITIATIVE

1. **What is the Utah Science, Technology and Research (USTAR) Economic Development Initiative?**

- An innovative, aggressive and far-reaching effort to bolster Utah's economy with high-paying jobs and keep the state vibrant and competitive in the Knowledge Age.
- It has been developed over the last 24 months by Utah's business leaders in collaboration with the Governor's Office, economic development leaders, key legislators, and university leaders.

2. **Why is it important?**

- Utah's economic future is at stake. Without a carefully planned strategy, Utah will certainly grow, but not with high-paying jobs that support a family and that generate sufficient tax revenues to support our large education burden.
- Utah is losing ground. **In 1981, Utah's average salary was 96% of the national average. Today it has dropped to 82%.**
- Low salaries have social consequences: more families needing multiple incomes to survive economically, higher bankruptcy rates, the lowest per-pupil education spending in the nation. **We ought to aspire to be a high-wage state.**

3. **How can we increase our average salaries?**

- High salaries are found in advanced technology companies. **For example, the average salary in the IT industry in Utah is 75% higher than the statewide average wage.** IT accounts for only 3.7% of Utah jobs, but 6.5% of total wages.
- Unfortunately, Utah's technology employment dropped from a high of 67,000 jobs in 2000 to only 56,000 in 2004, contributing to the decline in average salaries. **In the globally-competitive Knowledge Age, Utah is falling behind,** even as science and technology are advancing rapidly, spawning entirely new industries and high-tech businesses.

4. **How will USTAR create high-tech jobs?**

- World-class research teams will be recruited to Utah and developed internally in carefully-targeted disciplines with multi-billion dollar markets where Utah already has distinct competitive advantages, such as genomics and personalized medicine. **These teams will develop products and services that can be commercialized in new businesses and industries,** creating high-paying jobs and increasing Utah's tax revenue.

5. **What is the risk?**

- USTAR is a low-risk proposal because it has already been proven to work over and over again as **R&D at Utah's universities has been commercialized in more than 120 new businesses over the last several years.**
- USTAR proposes to dramatically accelerate the scale of R&D and business commercialization by building, recruiting and funding research teams targeting

neuroscience, biomedical, personalized medicine, defense and security, information and imaging technology, microbial technology, and advanced systems and materials engineering. **With Utah's unique assets in genomics and its Utah Population Database, no place in the world is positioned as well as Utah to actualize the rich potential of these scientific disciplines,** which lead to multi-billion dollar markets for pharmaceuticals, medical devices, biosensors, and other advanced products and services.

6. What is the return on investment?

- While USTAR's initial cost is significant, the return over several years is very high. **Conservative projections developed by the Bureau of Economic and Business Research suggest that over 30 years, USTAR will yield:**
 - \$4.9 billion in new external research funds
 - 422 new companies
 - 123,406 new jobs paying \$62 billion in salaries
 - \$5 billion in new tax revenues for Utah.
- This is real economic development that will have tremendous impact throughout Utah. **Private sector investors have expressed interest in sharing the investment risk with the state, potentially making USTAR a public-private partnership.**

7. Why is it important that Utah take action now?

- Utah's economic competitors, including neighboring Arizona and California, understand the importance of basic R&D in science and technology for high-paying jobs and economic development. The race is on.
 - Arizona: \$650 million investment over several years for basic R&D;
 - California: \$4 billion to upgrade university R&D;
 - Michigan: \$1 billion for a life science corridor;
 - Wisconsin: \$375 million research institute at University of Wisconsin-Madison;
 - In all, 32 states are spending \$29 billion in state tax dollars to encourage basic R&D and commercialization.

8. How will the entire state benefit from USTAR?

- All areas of the state will benefit as five Innovation Centers, located strategically throughout the state, support the needs of local businesses and connect them to USTAR research and development projects and other resources.

9. How will accountability be ensured?

- An Oversight Committee consisting of representatives appointed by the Speaker of the House, the President of the Senate, and the Governor's Office, with private sector representation, will direct and control distribution of USTAR funds and ensure that legislative intent is followed.

Conclusion

Utah's business community stands firmly behind USTAR as the state's biggest and most important economic development initiative in many decades. The USTAR investment will provide high returns in research grants, tax revenues and in good-paying jobs that support families and improve standards of living. The race is on to create the businesses and industries of the future, and Utah must not be left behind.