

*Accelerate*Arkansas

Building a Knowledge-Based Economy in Arkansas

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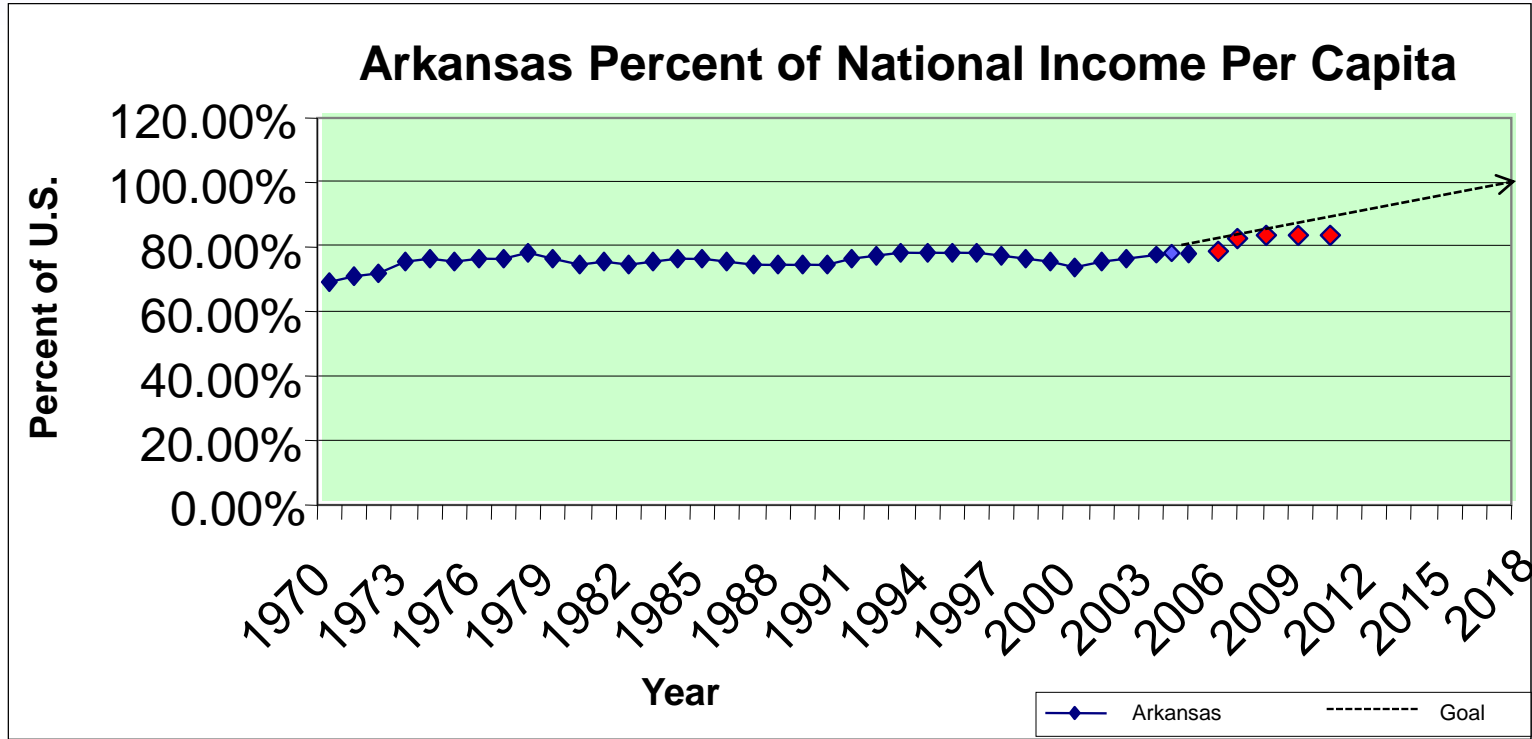
*Accelerate*Arkansas

- **Non-profit statewide volunteer group of business and public sector leaders**
- **We are not a government agency and do not intend to be one. Accelerate Arkansas receives no state funding and we are not asking for state funding.**
- **State funding supports existing economic development initiatives within the state agencies of AEDC, ADFA, and ASTA.**

Accelerate Arkansas' Goal

- To position Arkansas where it can increase its per capita income to the U.S. average by 2020 and thereby increase state tax revenues by over \$2.4 billion on an annual basis.
- **That would add almost 50% more to Arkansas's current tax revenues.**
- This achievement does not increase the tax rate, it only increases the tax base.

Here is where we are....



- **2011: 81.2%; \$33,740**
- **2010: 81.8%; \$32,678**
- **2009: 81.8%; \$32,423**
- **2008: 80.3%; \$32,695**
- **2007: 79.8%; \$31,498**

2011 U.S. average: \$41,560

Accelerate Arkansas' Core Strategies

- Develop risk capital that is available for all stages of the business cycle, especially the funding gap.
- Encourage entrepreneurship and accelerated new enterprise development.
- Support job-creating research.
- Increase the education level of Arkansans in science, technology, engineering and math (STEM).
- Sustain existing industry through advancing technology and competitiveness.

Arkansas' Knowledge-based Initiatives

- Innovate Arkansas (AEDC)
- Arkansas Research Alliance (ASTA)
- Arkansas Risk Capital Matching Fund (ASTA/ADFA)
- Seed Capital Investment Fund (ASTA)
- Basic and Applied Research programs (ASTA)
- Research Matching: EPSCOR, etc (ASTA)
- Centers of Applied Technology (ASTA)
- Post Doc Retention Program (ASTA)
- STEM Works (multi-agency support)

What is needed to grow our economy?

All of these things collectively have moved the needle in indices but, for Arkansas to compete in the 21st century economy, we must increase the **investment** in:

- Entrepreneurship
- New Companies
- Technological advancement at Existing Companies
- Growth in high-tech jobs

These entrepreneurs say it best...

Alex Lostetter (Arkansas Power Electronics), **Chuck Chalfant** (Space Photonics), and **Calvin Goforth** (Virtual Incubation Company) discuss the importance of developing research and technology-based businesses as a driver for job creation and economic growth in the state of Arkansas.

<http://www.youtube.com/watch?v=IVv84r87aOE>

These entrepreneurs say it best...

"These programs are great for start-up technology and industrial companies that have large capital needs but limited resources for early stage pre-profitability investment. We look forward to returning back to the State of Arkansas the return on their investment these programs have given us through growth in payroll and state income taxes as well as economic stability with high paying clean-tech jobs right here in NW Arkansas."

Clete Brewer, CEO, BlueInGreen

Why is this important?

**New Jobs + Higher wages =
Economic Growth**

- Job creating initiatives such as the Arkansas Risk Capital Matching Fund, Innovate Arkansas, the Arkansas Research Alliance – have a record of success and are creating high-wage jobs in Arkansas.
- **In just four years, more than 1259 high-paying direct jobs have been created as a result of these initiatives and targeted incentives with a \$3.14:\$1 return on investment.**

Economic Impact of Arkansas' Knowledge-Based Initiatives (2008-2011)

Impact Type	Employment	Personal Income (\$ in millions)	Value Added (\$ in millions)	Output (\$ in millions)
Direct Effect - Research Funding	1,404	\$91.7	\$91.7	\$191.8
Total Impact - Research	2,820	\$141.5	\$176.2	\$335.1
Direct Effect – <u>135</u> participating Arkansas Companies	<u>1,259</u>	\$88.7	\$138.1	\$514.8
Total Impact – Companies	3,251	\$172.4	\$282.7	\$756.6
Grand Total	6,072	\$313.9	\$458.9	\$1,091.7

What is needed to grow our economy?

- Education is key to creating a pipeline of educated Arkansans with 21st century skills. For FY2011, Arkansas devoted 64% of its state general revenue to education.
- However, to keep our best assets in Arkansas and make a return on the money that has been spent, we have to create high-wage opportunities to work in Arkansas.
- **We need to invest in programs that create opportunity and that will change lives and create jobs.**

Why is this beneficial to Arkansas?

- Raises the per capita income of Arkansans.
- Makes Arkansas a desirable location for technology companies.
- Raises our national rankings.
- Increases opportunity for innovation.
- Keeps our children in Arkansas.
- Increases state tax income **without raising taxes.**

Where will your children and grandchildren
find their future?



Would you like for them to be in Arkansas?