

# Invigorating Georgia's Technology Industry

## Georgia's Challenge

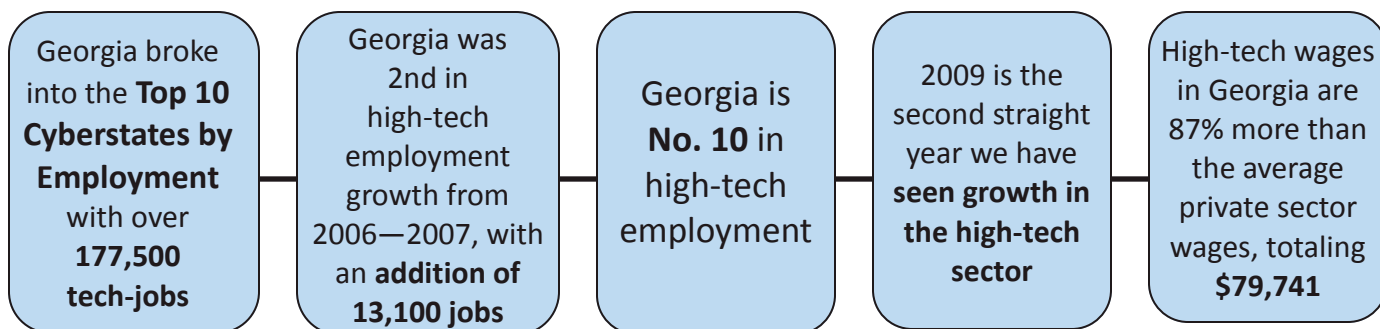
With a crippled economy and unemployment rates at an all-time high, Georgia is increasingly seeing entrepreneurs who are products of our state's top colleges and universities take their ideas out of Georgia — taking with them jobs, revenue and intellectual property. **Economic growth depends on keeping these start-ups in our state**, by promoting policies that will nurture the progress of technology companies. These companies will then provide high-quality, high-paying jobs for Georgians, thus enhancing economic development statewide.

- **40%** of Atlanta's high-tech start ups **leave the state** within three years
- Georgia's Science and Technology ranking has steadily decreased in the past 6 years.  
**#15 in 2002** → **#18 in 2004** → **#25 in 2008**
- In the Average Yearly Growth of High-Tech Industries subcomponent, Georgia ranked **43rd**.
- In the Technology and Science Workforce Composite Index, **Georgia fell 19 spots in 4 years**.  
**#11 in 2004** → **#30 in 2008**

Source: the Milken Institute's State and Technology Index 2008

## Opportunity for Economic Growth

As these alarming statistics indicate, the time for action is now to achieve economic recovery in Georgia. Technology-based economic development strategies are the solution to launch Georgia to the forefront of emerging technologies. Fortunately, **Georgia has all the resources necessary** to become a top competitor in this technologically-driven economy. According to TechAmerica's *CyberStates 2009* Report:



*Supporting and growing Georgia's high-tech and tech-enabled companies will position Georgia as a leader in the industry of innovation, thereby rejuvenating the economy and bringing home **more jobs for Georgians**.*

# Leveraging Georgia's High-Tech Assets

## Characteristics of the New Economy

The New Economy is distinguished by knowledge jobs, globalization, economic dynamism, transformation to a digital economy, and technological innovation capacity. Georgia currently ranks **No. 26** among states judged by these factors, based on the Kauffman Foundation's 2008 *State New Economy Index*. According to this study:

- High economic growth stems from an **increase in knowledge and innovation**.
- It is not the volume of existing businesses, but **how the state leverages and utilizes** them that accounts for almost 90% of the growth seen in income per worker.
- **Technological innovation is a fundamental driver of growth** because it transforms the way business assets are utilized and sustains a high level of economic success.
- Higher levels of innovation are **correlated with greater per-capita income growth**.

## Georgia is ranked...

### 37th in Scientists and Engineers...

Even though we have the No. 4 engineering school in the nation, Georgia Tech. This demonstrates the need for stronger STEM (Science, Technology, Engineering, and Math) Education at the K-12 level.

### 33rd in Industry Investment in R&D...

A setback because research and development, which yields product innovations and adds to the knowledge base of industry, is a key driver of economic growth.

### 35th in Workforce Education...

Without significant on-the-job training, Georgians can't keep up with the newest innovations within their respective fields. Some states have even established tax credits for company investments in workforce development.

*Source: Kauffman Foundation 2008 State New Economy Index*



***In this fast-paced environment,  
technology and innovation are the keys  
to reinvigorating Georgia's economy.***