

State's universities drive economic development

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One of every \$50 earned in the state of Michigan can be attributed to the economic impact of the state's three research universities, according to a new report.

"The economic impact of them is growing even at a time when the wages in the state are declining and the state budget support is declining," said Patrick Anderson, CEO of East Lansing-based Anderson Economic Group, which conducted the study.

The University Research Corridor - which consists of the University of Michigan, Michigan State University and Wayne State University - registered a net economic impact of \$13.3 billion in 2007, up 3.5 percent from 2006, the report concluded.

That figure is a "conservative estimate" that only counts wages that would not have been earned if the universities didn't exist, Anderson said. The report asserts the URC accounted for 69,285 Michigan jobs in 2007.

The report underscores the URC's concerted effort to play a greater role in the Michigan economy - which has led to the mobilization of technology licensing departments and resulted in entrepreneurial professors starting more businesses.

But it also reflects the sheer girth of the universities themselves - which directly employ 48,760 full-time workers, up 2,362 from 2006, and spend about \$6.2 billion a year.

"We have basically as many employees as the state of Michigan. We have almost as many employees as General Motors does in the state of Michigan," said Joe Serwach, a URC spokesman. "In Michigan, we tend to focus on what we've always focused on, which is these big auto companies and the state government. But this is a big chunk of the economy that's doing pretty well."

The URC spent \$1.38 billion on research projects in 2006, ranking the universities fifth among research university clusters in the country.

Among the fastest growing segments of research spending at the three universities is alternative energy. Right now, alternative energy represents just 5.8 percent of the URC's research budget.

But the federal government, which provides 71 percent of the URC's research spending, is widely expected to increase alternative energy research funding in the coming years.

"I'm certain there will be more funding for alternative energy research from both private and government because of the increasing price of oil and the interest in consumers now in finding more fuel-efficient vehicles," Anderson said. "It is something that the universities have been studying for a long time and that's one of the reasons you want to have research universities, so that you have people working on problems before they get on the front page of the newspaper."

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