According to Upstate employers, Life Sciences is the sector of the Upstate economy that is most likely to see job growth and private sector investment in the next 4 years (http://www.thepartnership.org/documents/Zogby_Analystics.pdf). That makes sense, given the enormous amount of academic R&D work that is being conducted in the Life Sciences by Upstate universities such as Cornell University, the University of Rochester, SUNY Albany and SUNY Buffalo. Collectively, the top research universities in Upstate spend about $2.3 billion annually on R&D - over half of which is allocated to the Life Sciences.

So far, so good.

It turns out, however, that Upstate faces some significant challenges in converting all of this academic innovation into new technologies and businesses. A new report by Judy Albers and Tom Moebus of SUNY, entitled "Entrepreneurship in New York: The Mismatch between Venture Capital and Academic R&D (http://opensuny.org/mp/index.php/minerva/catalog/book/171)" highlights the key issues.

First, the good news. New York is #2 in the nation in University-based R&D, and this R&D effort is well balanced (roughly 50/50) between Upstate and Downstate. Also, New York State’s share of national venture capital (VC) investment rose from just 4% in 2007 to 7% in 2012. That’s a very encouraging trend.

Unfortunately, the VC investment growth was all in New York City. In fact, only 3% of total VC investment in NYS comes Upstate. Small wonder that the report calls Upstate NY “a venture capital desert.”

Also of concern is that New York’s "investment patterns are unlike anywhere in the world.” Nationally, 26% of VC investments go the Life Sciences. If one includes the Physical Sciences then 44% of all VC investment goes to the “hard sciences”, which represent the main focus of academic R&D.

In New York, only 15% of VC investment goes to the “hard sciences”, with just 8% to the Life Sciences. A whopping 85% goes to the digital technologies (such as Information Technology and media/financial/retailing services). That’s a profound mismatch with academic R&D, and a huge lost opportunity.

Which takes me back to Upstate employers, and their sense that Life Sciences represents the future for our region. We urgently need to identify new sources of investment for both the Life Sciences and the Physical Sciences in Upstate, if we are to reap the rewards of our outstanding academic R&D engine.

Read or Share this story: http://on.rocne.ws/1gZF209