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**Strengthening Communities:
University Impact on Regional Economic Development in Urban Settings**

Introduction

Over two decades have passed since the Bayh-Dole Act encouraged greater involvement of higher education in technology transfer and economic development. Citing the obvious successes of Silicon Valley or the Research Triangle in North Carolina, regional planners increasingly point to the presence of a research university not just as a competitive asset but as a necessary condition for success. Fueling this further is the recognition of, as Michael Porter has described it, the “location paradox.” As global competition becomes more fierce, local and regional economies are pressed to identify and develop any place-based asset that provides a leg up in a fast-paced innovation economy. It is in this context that research institutions have landed firmly on the stage with regional planners, industry, and government in charting the future economic development of their respective regions.

The Coalition of Urban Serving Universities (USU) is particularly interested in this scope of activity both because of the high level of engagement of the 35-plus member institutions, and the lack of understanding about which activities are providing a significant impact on cities. Research institutions in urban settings also face unique challenges in this regard, with a steeper learning curve and generally higher stakes. In cities such as Detroit, Pittsburgh and Cincinnati, the demise of manufacturing and loss of subsequent jobs require that the region’s entire economy and workforce be re-tooled for the new knowledge economy. The ability for urban research universities to partner with regional government and industry to identify high-growth or innovation-based industry clusters and to develop successful workforce initiatives may well be a defining factor in whether or not these cities and metropolitan regions can adapt and thrive in the years ahead.

The Problem

This is largely uncharted territory for higher education. Not only is the breadth of involvement greater – ranging from research parks to business incubators and industry-funded research and development institutes – the rate of change is unprecedented. As with all emerging trends where practice precedes policy, without data as to “what works,” little can be done to further the most innovative models for university engagement in the growth of city economies. Current understanding is limited mostly to anecdotal reports or university-based outcomes, such as number of patents or commercialization revenues.

As a result, many cities and metropolitan regions are not benefiting from the research universities in their own backyards. As highlighted in a recent report of the Economic Development Administration (EDA) on Universities and the Development of Industry Clusters, “what makes an innovative university does not automatically make a high-impact university. From another perspective, what is good for the university does not always benefit the region.” The challenge is to identify those strategies that are both high impact and of mutual benefit for universities and urban communities alike.

The Solution

Many of the 35 plus universities in the USU – from Indiana University Purdue University in Indianapolis to Arizona State University in Phoenix and Virginia Commonwealth in Richmond – are already highly involved in cutting-edge initiatives in their cities. This includes a range of activities, such as:

- Initiatives to support industry cluster development, including research parks, business incubators;
- Technology transfer and commercialization of products;
- Entrepreneur mentorship and small business assistance;
- University operated venture funds;
- Coordination with city and state economic development planning and policy; and
- Workforce initiatives linked to emerging industries.

A study and analysis of the impact of these regional economic development activities will provide useful data on best practices, as well as potential models for implementation at other urban-located research institutions within the network. It will also help to inform public policy regarding the obstacles and mechanisms that determine the success of urban research universities in stimulating local and regional economic development.

Implementation

The presidents of USU member-institutions have appointed their top economic development officials to participate in the USU Strengthening Communities Initiative on regional economic development. These leaders are poised to document existing strategies being employed by participating institutions, along with impact data. As an outcome of the analysis, the group would identify best practices and innovative models among the cohort, along with gaps in current practice or obstacles that warrant attention among urban research universities. An initial set of metrics measuring mutual benefit would be developed for use by university leaders. And finally, the USU would develop a series of recommendations for policymakers that will strengthen the interface between urban research universities with industry and regional economic planning efforts.