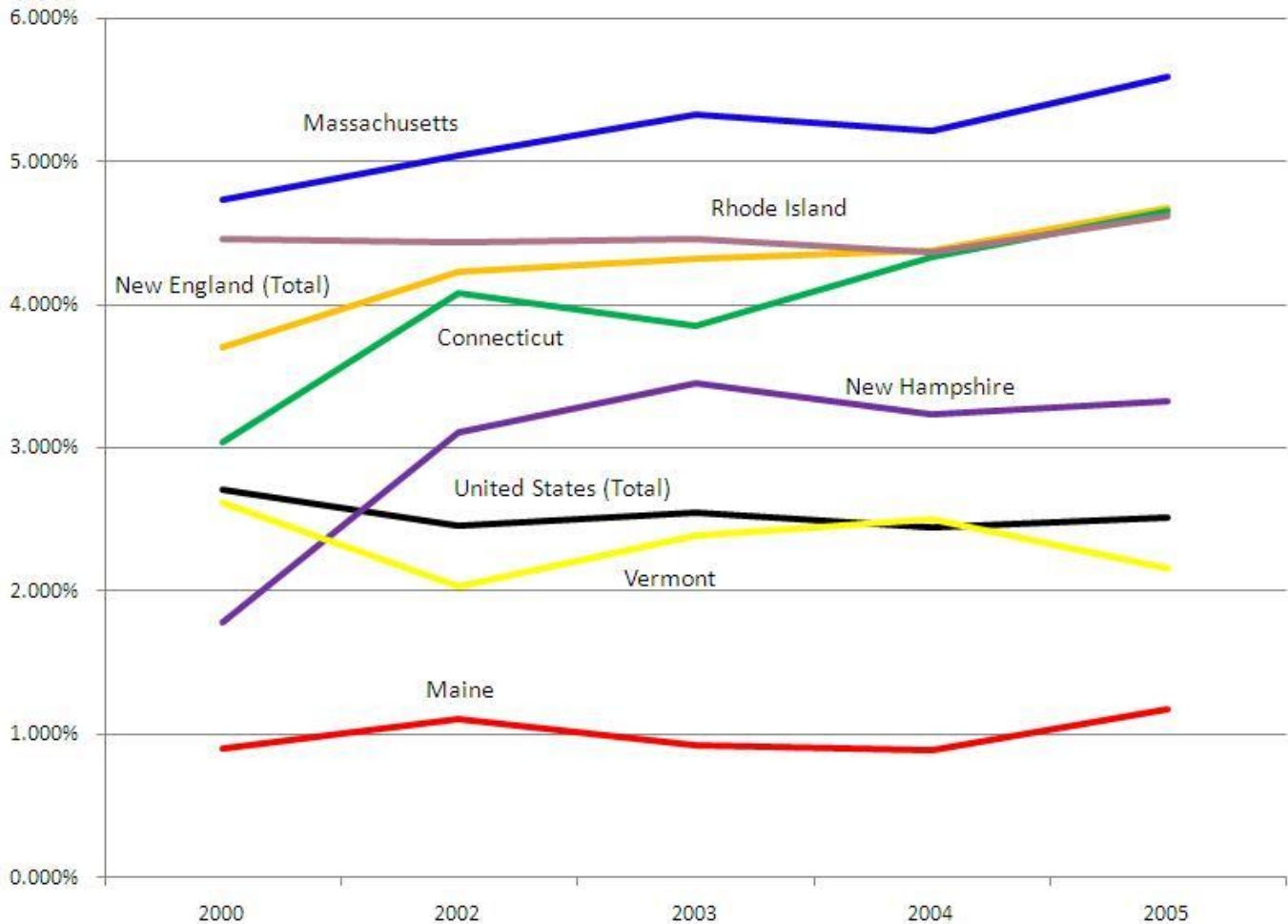


## Featured Indicator No. 2

May 2009

### Total R&D as % of GDP-State New England States and U.S. - 2000 - 2005



Massachusetts continues to be a leader in New England with regard to Total R&D Spending as a percent of GDP-State followed by Rhode Island, Connecticut, New Hampshire, Vermont and Maine. The United States as a whole falls below more than half of the New England states, coming in just above Vermont.

Connecticut has seen continuous increases since 2000, except for a small decrease between 2002 and 2003. Maine has remained at the bottom of the six New England States but has remained stable since 2000 and seen an increase in the latest year available. Massachusetts has seen a steady increase since 2000 with the exception of a decrease occurring between 2003 and 2004. New Hampshire has remained stable over the last few years after a significant increase from 2000 to 2003. Rhode Island has remained stable since 2000 with an increase in the last available year putting it on the same level as Connecticut. Vermont was the only New

England state to see a decline from 2004 to 2005 after a period of incline for the two years prior.

### **Why This Is Significant**

In today's global economy, regions and states need to foster innovation to be able to compete and drive economic growth. An innovation economy requires investments in research and development to generate the knowledge and discoveries that lead to new commercial products and services. Such research is conducted by industry, academia, not-for-profit laboratories, and government. Expressing R&D expenditures as a percent of gross state product measures both the impact of R&D on the economy and the intensity of R&D that is occurring.

New England as a whole, outperforms the U.S. as a whole on this indicator. On many other indicators including energy costs, infrastructure age, and labor costs New England typically is at a disadvantage in terms of competition for economic development. A strong R&D sector provides an opportunity for New England business and political leaders to join together and market this strength globally letting others know that this region is poised to compete in the future innovation economy.

### **Sources**

Total R&D Performed - National Science Foundation/Division of Science Resources Statistics;  
<http://www.nsf.gov/statistics>

Gross State Product - Bureau of Economic Analysis, U.S. Department of Commerce, Accelerated Estimates for 2005 and Revised Estimates for 1997-2004;  
<http://www.bea.gov/bea/regional/gsp.htm>

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