

Innovation helps pump up Massachusetts economy

By Thomas Burke/Special to the Daily News

Section: Business

Page: C1

November 19, 2011

[MetroWest Daily News](#)

The Massachusetts economy is doing just fine if your measure of commercial vitality is innovation.



Dignitaries at the Middlesex Savings Bank 2011 Economic Breakfast in Newton this week included, from left, bank Executive V.P. and Chief Investment Officer Brian Stewart, Executive V.P. and Chief Lending Officer David Falwell; Bentley University Professor Patricia Flynn; and Bank Chairman, President and CEO John Heerwagen.

According to indicators such as research and development expenditures, venture capital investment levels, number of patents awarded and the education level of the commonwealth's workforce, Massachusetts remains an innovative leader among the 10 American states designated as "Leading Technology States" of 2010 by the John Adams Innovation Institute, a division of the Massachusetts Technology Collaborative.

But a close examination of those same indicators shows that the state's competitive advantage is narrowing. The state's "high-tech infrastructure" needs renewed attention from leaders in politics, business and education if we are to remain an innovative region that continues to spawn new technologies and industries

that generate more jobs and higher incomes, in the view of Patricia M. Flynn, who spoke to some 400 business executives this week at the Middlesex Savings Bank's annual economic breakfast the Newton Marriott.

Flynn, a professor of economics and management at Bentley University in Waltham, delved into the latest available figures and statistics from the Technology Collaborative

annual Innovation Index. She outlined aspects of the index's categories and suggested that a highly skilled and technically proficient workforce, well-grounded in science, engineering and math, will be the most important factor underlying continued prosperity in the coming years.

She cited figures from The College Board showing that since 2007 there have been substantial increases in the number Massachusetts high school seniors intending to major in engineering, engineering technologies and biological sciences. She said this may be a result of the "CSI Effect," a surge of interest in science prompted by the sophisticated investigative techniques portrayed in television crime dramas. Lasting impact will come if the majority of those students stick with their contemplated majors and go to work in related industries after graduation, she said.

A total of 67 businesses were spun out of universities in Massachusetts in 2008. That placed the commonwealth second behind California's 86 in this job-creating activity, but on a per-capita basis Massachusetts was first among the index's 10 leading technology states, she said. But Flynn also pointed out that Massachusetts ranks ninth of those 10 states in per-pupil support for public higher education.

Brian Stewart, Middlesex Savings Bank executive vice president and chief investment officer, summarized the current state of the U.S. economy, and said a strong finish to 2011 will be important because about 20 percent of all retail spending takes place during the holidays. He said sales during that period rose by 4 percent in 2009 and are projected to increase by about 3 percent this year.

Stewart also cited energy prices as a "silent tax," noting that whenever the economy seems to be improving, oil and gas prices rise and put a crimp in consumer spending. Overall, he said, the economy is healthier than it was in 2008 and can be expected to grow between 1.5 and 2 percent in 2012.

[Copyright 2011 The MetroWest Daily News. Some rights reserved](#)