



Entrepreneurship & Innovation

North Carolina's workforce has experienced immense change over the past generation. Largely, the labor force has been able to adapt in order to compete. Our state has evolved from an economy based on the "Big Three," tobacco, textiles and furniture, to become a leader in technology, pharmaceuticals, finance, food processing and manufacturing.

Today North Carolina is the third leading state in the nation for biotech. As we move toward 2030, the biotech industry should be a model for what is possible when our state gets the right resources aligned and we must apply that approach to other industry segments.

Where NC stands? The U.S. Chamber of Commerce's *Enterprising States Policies that Produce* report determines top entrepreneurship and innovation states, based on six key measures. In 2012, North Carolina ranked No. 9 for entrepreneurship and innovation. The report states: "Known for its Research Triangle Region, North Carolina ranks fifth overall in academic research activity. A strong performer overall, the Tar Heel State lands no worse than 26th in any Innovation and Entrepreneurship measure. The fastest-growing STEM job categories in the state are life scientists (43 percent), social scientists (37 percent) and mathematical scientists (21 percent)."

Why is Entrepreneurship and Innovation important? Research on economic growth at the state level suggests that new business formation is an important determinant of growth in both output and employment – perhaps the most important. According to *Enterprising States Policies that Produce*, "Innovation is the key to driving growth and prosperity. Economists estimate that up to 50 percent of annual U.S. GDP growth can be attributed to increases in innovation." The report goes on to explain, "States play a pivotal role in creating the platform for entrepreneurship and innovation through investments in postsecondary education; providing resources, capital and expertise to entrepreneurs; and fostering and coordinating partnerships between business, universities and government."

Entrepreneurship and Innovation Strategic Goals:

- North Carolina will elevate its entrepreneurship and innovation rankings to be in the top ten rankings in all areas measured by *Policies that Produce* for Entrepreneurship and Innovation.
- North Carolina will have an improved legal climate and rank consistently in the top five states in each of the areas identified by business organizations as key measures for a leading lawsuit climate.
- North Carolina will emerge as one of the top states for entrepreneurship and small businesses when it comes to tax policies.
- North Carolina will be a top-five state for venture capital, private equity and capital formation. This foundation will be based on improvements in the treatment of this type of investment and policies to promote capital formation that do not overly impede upon the free market. This will bolster the opportunity for startups to thrive in North Carolina.

North Carolina Vision 2030 – A Plan for Accelerating Job Growth and Securing North Carolina's Future, coordinated by the North Carolina Chamber Foundation, is a forward-thinking, initiative-driven plan that provides focused economic development strategies to create good jobs for North Carolinians.