

Third Frontier Fact Sheet

January 2010

I. The Basics

- The Third Frontier is a visionary public-private partnership created in 2002, and now spanning the administrations of Governors Bob Taft and Ted Strickland, with bipartisan legislative support and leadership. Its purpose: to firmly establish Ohio as an innovation leader.
- With a 10-year initial life and a commitment of \$1.6 billion, the Third Frontier has emerged as the centerpiece of the State's technology-based economic development platform through a balanced portfolio of research and commercialization, entrepreneurial assistance, cluster development, and expansion of the talent pool.
- Program capstone was passage of a \$500M bond issue in 2005 to be spent in last seven years of the program, adding much needed operating support to what had been primarily capital budget expenditures to that point.

II. Third Frontier Results *

- Ohio Third Frontier has attracted \$3.2B in follow-on dollars on top of the \$473M it has expended through June 30, 2009 on technology-based programs
- Product sales from OTF funded projects have grown to \$440M per annum and are estimated to total at least \$900M by 2013
- The return on investment has averaged 22% per annum over the life of the OTF
- 50% of the OTF investment made to date has been repaid through tax receipts with the entire \$1.35B OTF investment forecast to be repaid by 2014
- Employment in high tech industries in Ohio has grown significantly over the period 2004 through 2008, and in particular, it has grown faster than almost all other Midwest states
- Employment growth in the five OTF target high-tech clusters has been much faster than for those same clusters in the US over the same 2004 to 2008 period
- Venture capital investment growth in Ohio has outpaced the U.S., growing 20.4% versus 8.6% per year since 2003
- Licensing income earned by Ohio's leading research institutions has more than doubled from 2002 to 2007, rising from \$16M to \$40M
- Ohio's research base has increased 61% from \$1.1B in 2002 to \$1.8B in 2008
- During last bond issue campaign there was a projection the Third Frontier would create 96,000 jobs over the life of the program – 58,000 have been confirmed and projected through Dec 2009 with optimism that achieving the 96,000 goal is doable as promised, providing the program maintains its momentum.

III. Results = The Case for Renewal

The Third Frontier is living up to its commitment, delivering measurable results. In this challenging economy, we must embrace state initiatives that foster innovation, leverage follow-on dollars, return cash flow, create companies and grow high wage jobs. The Third Frontier does all of that and more. It has proven itself and must be renewed in as robust and timely fashion as possible.

* Data sources derived from recent independent analyses performed by SRI International and the Ohio Business Roundtable