



Oregon Bioscience Association

CREATING OPPORTUNITY THROUGH
COMMUNITY | COLLABORATION | COMMERCIALIZATION

FOR RELEASE – Friday, Dec. 10, 2010

CONTACT:

[Nathan Gibson](#), Board chair, Oregon Bioscience Assoc., Skanska, (503) 641-2500

[Dennis McNannay](#), Executive Director, Oregon Bioscience Association, (503) 548-4432

[Dianne Danowski Smith](#), Board member, Oregon Bioscience Association, (503) 201-7019

(Several industry contacts/interviewees are listed at the end of this release)

ECONOMIC BRIGHT SPOT IN OREGON: STATEWIDE BIOSCIENCE INDUSTRY ADDS MORE JOBS AND ECONOMIC BENEFITS THAN PREVIOUS YEARS

Today's release of the Oregon bioscience industry's new economic impact study shows biotechnology, life sciences and medical research are 'recession-proof,' contributing more than \$7.2 billion in economic activity and 36,000-plus jobs to Oregon's economy, with an increase noted in 2009 biotech workers' wages. Federal research funding for Oregon is also at its highest. The study can be viewed at www.oregonbio.org.

(Portland, Ore.) - Despite Oregon's continued recessionary slump and recent grim economic news of Multnomah County's job losses, Oregon's biotechnology and life sciences industries gained jobs, grew personal income, and raised more revenue from property and personal taxes in 2009, and since 2007 than in prior years. The report, "*The Dimensions and Contributions of the Bioscience Industry in Oregon in 2009*," by consulting firm ECONorthwest, is posted on the Oregon Bioscience Association's Web site.

As a comprehensive economic analysis for the Oregon's bioscience sector, the 2009 data show the sector directly contributed \$4.1 billion in revenue (up 18.3 from 2007), at least 14,220 direct jobs (up 4.3 percent) and \$882 million in biotech workers' personal income (up 10.4 percent) to the state economy in 2009. This is three times greater than the economic impact of the state's wine industry.

The employment and personal income growth between 2007 and 2009 in the bio sector far exceeded the growth for the state of Oregon, according to the report. This report reviews trends and impacts in state and private company data for 2009, and follows last year's report examining Oregon's 2007 labor, tax and income data. The Oregon bio economic study uses the same benchmarks and measurement methodology as the 2010 national study, "Battelle/BIO State Bioscience Initiatives," implemented annually by the Biotechnology Industry Organization (BIO) and the Battelle Institute.

"We believe that a vibrant bioscience sector is not only essential to the health of the Oregon economy, but is critical for enabling the transfer of research from OHSU to companies in Oregon's innovation ecosystem," said Arundee Pradhan, Associate Vice President for Technology Transfer and Business Development at Oregon Health & Science University (OHSU). Pradhan adds that OHSU research is responsible for between two and four startup companies per year, with a majority of these companies being located in Oregon. Since 2004, OHSU has invested approximately \$75,000 in helping in the creation of these startups, resulting in over \$22 million in SBIR/STTR awards and equity financing.

"Over the past year, we're again seeing the growth curve and resiliency in Oregon's bioscience space, with the data showing the industry is overcoming current recessionary impact," says Nathan Gibson, vice president of business development for Skanska and 2010 chair of the board for the Oregon Bioscience Association.

In Oregon, the bioscience industry provides an employment multiplier of 2.6, showing that every 10 jobs

in the bioscience industry, on average, support an additional 16 jobs in other sectors of the economy. For comparison, the weighted average employment multiplier for the state of Oregon is 1.85. The industry provides a personal income multiplier of 2.2.

Adds Oregon Bioscience Association Executive Director, Dennis McNannay, “This multiplier effect illustrates the larger impact of bio in this state, and now we know its impacts are profoundly broader than many knew.” The report notes that the overall employment growth of 585 direct jobs, a 4.3 percent increase over 2007, is attributable to private bioscience industry. He adds, “This industry strongly ripples in the local economy.”

Counting the direct and secondary impacts, ECONorthwest estimates that spending by the bioscience industry and its employees is associated with \$7.2 billion in economic activity, including \$1.9 billion in personal income and almost 36,800 jobs in Oregon in 2009. “With its above-average wages and strong local supply chain links, this industry has a significant multiplier effect on the state economy,” said Alec Josephson, an ECONorthwest senior economist and report author.

Wages have also increased in the bioscience sector, the report also shows. Those employed in the bioscience sector again fared substantially better in take-home pay than other workers in Oregon. The average annual wage for an Oregon worker in the bioscience sector was \$56,200 in 2009, compared to the average annual wage for all covered employees in Oregon in 2009, at \$39,980. The bioscience worker’s pay exceeds his/her counterpart by a higher differential of 41 percent. In 2002, the state’s figures showed the average yearly wage for a bioscience worker at \$42,520, compared to the average wage for all covered employees in Oregon in 2002, at \$33,685; a differential of 26 percent.

Additionally, the bioscience industry generated approximately \$273.9 million in state and local tax revenues, up 9 percent since 2007. Secondary economic impacts also increased through wholesale trade, purchased goods and services, household consumption, and support of other business sectors and are associated with a job multiplier of 2.6. Combining direct and secondary impacts, the bioscience industry provided \$7.1 billion in economic activity, 36,793 jobs and \$1.9 billion in personal income to Oregon in 2009.

In fiscal year 2009, \$510 million came to Oregon in federal research funding, an increase of 9 percent over 2007. This funding came through grants from a [combination of entities including](#) National Institutes of Health (NIH), National Science Foundation, Centers for Disease Control and Prevention, Department of Health and Human Services and Agency for Health Quality and Research. Additionally, NIH funneled another \$55 million to Oregon research organizations for fiscal year 2009 via the American Recovery and Reinvestment Act. The NIH and federal funding allocation are not counted in *The Dimensions and Contributions of the Bioscience Industry in Oregon in 2009* report but still a key indicator of Oregon’s growing sector strength.

One of the many innovations in Oregon’s growing biotechnology and life sciences cluster is a drug development accelerator, the Oregon Translational Research and Drug Development Institute (OTRADI). The institute fosters and accelerates research and drug development leading to the commercialization of therapeutics and bioscience technologies from biotech companies and research universities in Oregon. “OTRADI is a unique resource to help grow the start-up community and help universities and fledgling entrepreneurs compete in the bioscience industry,” said OTRADI’s Executive Director, Patricia Beckmann, Ph.D. Through its new grants program, OTRADI provides Innovation and Commercialization Fund (OICF) awards to researchers from biotech businesses and universities to support and promote projects with potential for future commercialization and bioscience growth in Oregon. OTRADI also develops a library of chemical combinations that may soon be used to develop life-saving or disease-preventing medications such as anti-malaria treatments and vaccines.

The Oregon bioscience economic impact study, commissioned by the Oregon Bioscience Association and conducted by ECONorthwest, reveals:

- Oregon employment and payroll data, called ES202, and the federal NAICS code classifications show the bioscience cluster is a broad, multi-sector industry drawing from private industry, public institutions and academia.
- Output continues strong growth prospects with the subsector of medical devices and equipment manufacturing as the biggest and growing portion of the cluster. In addition to devices, the other subsectors comprise research, testing and medical laboratories; drugs and pharmaceuticals; and bio-agricultural feedstocks and chemicals.
- 644 establishments, or bioscience-related companies, labs and institutions are in existence, which is about three times more than the number previously counted.
- National Institutes of Health and other federal funding for Oregon's biosciences increased more than 26 percent since 2001 and totaled \$510 million in fiscal year 2009.

According to a 2007 cluster report, *Oregon Bioscience Industry Segmentation and Cluster Analysis*, commissioned by the Oregon Bioscience Association, Oregon was home to bioscience and related companies in five key subclusters. Their approximate percent of companies in each subcluster are medical devices (39%); pharmaceuticals and diagnostics (23%); reagents, services and equipment (20%); software (8%), health care (5%) and agriculture (4%).

The Oregon Bioscience Association's economic impact study, *The Dimensions and Contributions of the Bioscience Industry in Oregon in 2009*, was commissioned by the Oregon Bioscience Association and conducted by ECONorthwest. A complete copy of the study can be found at www.oregonbio.org.

###

Sidebar of Success: Key Oregon biotechnology and life sciences successes in 2009 and 2010:

- **BIO touts growth in Oregon bioscience industry in 2009:** The 2009 Battelle Institute/BIO national benchmarking study was released in May, 2010. It found that "During the last six years, \$109 million in venture capital was invested in Oregon bioscience companies, mainly in pharmaceuticals and medical/ health information technology. The 879 bioscience patents issued over the same six-year period were well diversified across fields." In the full report, Oregon is specifically called out as being one of "eight states—Minnesota, Indiana, Iowa, Florida, Oregon, North Carolina, Arizona, and Colorado—and Puerto Rico contributing large employment gains (more than 1,000 jobs)" in medical devices and equipment. Additionally, on page 45 of the full report, Oregon is again cited as having among the highest growth rate in NIH funding: "Of those states that had at least \$200 million in NIH funding in FY 2004, five states—Georgia, Tennessee, Florida, Michigan, and Oregon—had growth rates of 30 percent or greater from FY 2004 to FY 2009."
- **OHSU has record year of raising research \$\$:** In the 2009-2010 academic year, OHSU raised \$392 million in research grants, up 28 percent from the 2008-2009 year.
- **OSU has record year:** Oregon State University brought in more than \$275 million in external science contracts and grants in 2009-10, generating spin-off companies and boosting Oregon's economy, the university announced this week. This is an increase of 9 percent over 2008-'09.
- **Bio worker training and workforce development program successful:** To date, Oregon Bioscience Association has trained more than 1,400 workers in compliance and skill enhancement classes.
- **Grant funding from the Affordable Care Act:** On Nov. 5, 21 biotechnology and life science companies in Oregon were named awardees of more than \$5.4 million in grants under the new Qualifying Therapeutic Discovery Project Credits and Grants (QTDP). Twenty-six projects were funded in Oregon under this new federal, stimulus-type program.
- **Wet labs open:** New bio lab space opened in late October at the Portland State Business Accelerator; a \$1.5 million bioscience facility which will provide 2,700-square-feet of specialized lab space for six promising bioscience companies.
- **Blacktoe Medical:** The Beaverton-based diagnostic imaging specialist is getting more than \$1 million in federal funds to further development of its ultrasound equipment. Blacktoe Medical procured \$244,479 from the Qualified Therapeutic Discovery Project program and \$780,000 from the U.S. Army's Telemedicine and Advanced Technology Research Center.
- **Genentech opening:** On April 6, 2010 international drug maker, Genentech, opened up its Oregon plant in Hillsboro, in a new \$400 million facility that will employ at least 250 people.

- **OTRADI gets Dept. of Commerce grant:** The Oregon Translational Research and Drug Development Institute received \$1 million in i6 Challenge grant funding with an additional \$1 million follow-on grants available to Oregon companies that are in SBIR Phase 2 funding, who collaborate with OTRADI.
- **Home Dialysis Plus obtains money:** Home Dialysis Plus, a Portland medical technology company, landed \$50 million in private investment to bring its kidney treatment to market.
- **Planned for construction in 2011:** OSHU will kick off construction of the Life Science Collaborative Complex in early 2011, creating commercial, teaching and research space for health and science companies.

Quotable Quotes

- Patricia Beckmann, Ph.D., OTRADI: *“I think the ongoing success of OTRADI and the addition of a Bioscience Accelerator will not only bolster bioscience, but also speed economic development and create bioscience jobs for Oregon. We are planning three new positions at OTRADI in the new year; one technical, one as a grants administrator and another as an Entrepreneur in Residence.”*
- Adrian Polliack, PhD., President, SAM Medical Products: *“At SAM Medical Products, we set a long-term company goal to develop and launch one new product and one product enhancement or line extension each year. Our relocation to Wilsonville in September 2010 allowed us to expand our R&D facilities and consolidate our manufacturing plant and corporate offices under one roof. This also brought us closer to important industry associations such as the Oregon Bioscience Association, research institutions, and community colleges. In addition, we are able to improve our shipping logistics and widen our talent pool for recruiting, ultimately giving us the ability to manufacture more of our products in-house. . . SAM Medical Products is forecasting strong growth for 2011, despite the current economic environment. This growth is derived from expansion of our existing markets, introduction of new products, and aggressive growth activities internationally. . . SAM Medical Products is looking to hire a product manager in the next six months. In addition we are waiting on approval of a Department of Defense R&D appropriation. If we are awarded the contract, we will be in a position to hire two full time R&D engineers and approximately three production employees . . . SAM Medical Products is fortunate to have close ties to Legacy Health Center, OHSU, and the Portland VA Medical Center. Leveraging our local research institution partners has resulted in technology licensing agreements and funding of research studies. In addition, SAM Medical has a history of securing Department of Defense appropriations contracts and this has resulted in research studies and testing being carried out via OHSU and other local testing facilities.*
- Rex Richmond, Biotronik: *“At Biotronik, Inc., we remain optimistic about the future of the medical technology business sector. While impending health care reform legislation is important to consider as we plan strategically, we have the advantage of experience. Biotronik, Inc., has conducted business in over 100 countries worldwide that possess various unique challenges, as such we believe we will be able adjust according to the changing demands of this dynamic industry. While our growth trajectory has slowed somewhat, we continue to grow faster than any of the competitors in our market on a year over year revenue basis, and expect to be able to take advantage of the opportunities presented by the current supply of talented and experienced potential employees in the Portland and surrounding areas.”*

About the Oregon Bioscience Association

The Oregon Bioscience Association advocates for its members and the industry to create opportunity through community, collaboration and commercialization. Oregon Bio promotes the growth and quality of the bioscience industry in Oregon and continually seeks ways to support sustainability and growth in the life science, bioscience, biotechnology and device manufacturing industries and to create acceleration initiatives so members can achieve their full scientific, economic and social potential. Oregon Bio, a nonprofit membership association, is the Oregon affiliate of the Biotechnology Industry Organization.

Oregon has 631 bioscience establishments and 13 life science research institutions generating a cumulative \$7.1 billion in economic activity, 36,800 jobs, \$1.9 billion in personal income and \$273.9 million

in local and state tax revenues. More about the Oregon Bioscience Association can be found at www.oregonbio.org.

Interview sources:

Nathan Gibson – 2010 Oregon Bioscience Association Board Chair Vice President, Skanska (503) 641-2500; nathan.gibson@skanska.com	Alec Josephson Senior economist, ECONorthwest (503)222-6060; josephson@portland.econw.com
Dennis McNannay Executive Director, Oregon Bioscience Association (503) 548-4432; dennis@oregonbio.org	Patricia Beckmann, Ph.D. Executive Director Oregon Translational Research and Drug Development Institute (OTRADI) 503.706.1590, pbeckmann@otradi.org
Arundee Pradhana Associate Vice President, Technology Transfer and Business Development, OHSU, (503) 494-4186; pradhana@ohsu.edu	Adrian Polliack, PhD President, SAM Medical Products 800.818.4726 adrian.polliack@sammedical.com
Rex Richmond Vice President of Marketing, Biotronik (503) 744-8601, Rex.Richmond@biotronik.com	