



Rhode Island's Knowledge Economy

What is the Knowledge Economy?

The primary hub of the 3 million-person Southern Sub-Market of the Boston Metro, and the second major hub of the 7 million-person Boston Metro, Providence and Rhode Island have an important strategic location on the mainline of the Northeast Corridor Mega Region, which has one of the largest concentrations of **Knowledge Economy** capabilities in the world.

Capitalizing on a wide breadth of resources, institutions and people, the state and capital city have seized the unique opportunity to reshape the region from traditional manufacturing and government-driven jobs to more nimble, Knowledge-driven economic opportunities.

The effort to build the local **Knowledge Economy** has drawn the input and engagement of more than 500 people over the course of three years covering a wide spectrum of participation from young entrepreneurs, college and university leaders, medical researchers, business leaders, students, the public sector and labor.

To date, select institutions have made more than \$376 million in capital investments; sponsored more than \$479 million in research; and received more than \$141 million in Federal Research and Development Funding in the **Knowledge Economy** sectors.

The Chamber and the City of Providence have each invested \$100,000 of their own funding in projects that have been identified as promising economic opportunities that will expand key industries and nurture the entrepreneurial spirit of the city and state. The Chamber was also successful in securing \$100,000 in Federal grant funding to continue its investment in seeding Rhode Island's growing **Knowledge Economy** sector.

The **Knowledge Economy** includes a combination of industries that are knowledge-driven, knowledge dependent and knowledge-producing.

Local Knowledge Industries include:

- **Biotech / Medical Devices**
- **Health Care**
- **Electronic/Industrial Hardware**
- **Digital Media**
- **Telecom**
- **IT / Software**
- **Scientific Research**
- **Design & Engineering**
- **Financial Services**
- **Education**



The Importance of a Knowledge Economy Plan in Providence

Knowledge Economy jobs pay higher wages; knowledge economy jobs are growing 40 percent faster than other jobs in Providence County, and 470 percent faster statewide and, the Knowledge Economy currently accounts for about 50 percent of the state and local economy.

The reasons for a “Knowledge Economy Plan” for Providence and Rhode Island are plentiful, but these reasons stand out:

Key Facts:

- *Total federal R&D funding in Providence County was \$138 million.*
- *At \$210 per person, Providence County has nearly 2.5 times more federal R&D funding per capita as the national average and more than one-third higher than the state average.*
- *The Knowledge Economy has grown 14 out of the last 15 years in the county, during a time when the traditional economy experience consistent job declines.*
- *Providence County has outperformed the state in job growth*
- *Healthcare and Education are the largest Knowledge Economy industries in Providence County, with large numbers of jobs in the region*
- *The Knowledge Economy accounts for 33% of the total Providence County economy, and creates 44% of all new jobs.*
- *The state gets 2/3 of its new jobs from the Knowledge Economy.*
- *The Knowledge Economy is growing 80% faster than the rest of the economy in Providence County,*
- *There are 40% more knowledge workers per capita in Providence County than the U.S. per capita average.*
- *The Knowledge Economy is expected to grow twice as fast as the rest of the economy in the next 5 years.*

“Our research and study of Rhode Island’s economy over the last few years has shown that we can be a leader in creating and growing a Knowledge Economy The IPIC is a tremendous example of collaboration and utilizing our strengths as a community to foster economic development and create centers of excellence in the state’s Knowledge Economy.”

Connie Howes, chair of the IPIC and president and CEO of Woman & Infants Hospital