

# THE VALUE OF INNOVATION IN PENNSYLVANIA

## ▶ Manufacturers' Economic Impact and the Value of Innovation



Our nation's manufacturers are driving an innovation revolution, creating economic growth and jobs.

- Total output from manufacturing in Pennsylvania was \$85.13 billion in 2015.
- In addition, there were 566,000 manufacturing employees in Pennsylvania in 2016, with an average annual compensation of \$72,500 in 2015.

Manufacturers in the United States perform more than three-quarters of all private-sector research and development (R&D) in the nation, driving more innovation than any other sector.

- In Pennsylvania alone, businesses spent \$10.8 billion on R&D in 2014—ranking it ninth nationally.
- For the U.S. as a whole, businesses spent \$331.2 billion in 2014, suggesting that Pennsylvania accounted for 3.37% of business R&D in the country.<sup>1</sup>

This investment creates valuable Intellectual Property (IP), the lifeblood of manufacturing.

- Manufacturers of all sizes depend on patents to spur investment and foster innovation. There were 4,225 patents issued in Pennsylvania in 2015.
- Of those patents, 3,825 were utility patents or “patents for invention”—issued for the invention of a new and useful process, machine, manufacture, or composition of matter, or a new and useful improvement thereof.<sup>2</sup>

In a recent survey conducted by the NAM, respondents were asked about measures in state legislatures across the country aimed at requiring certain manufacturers to turn over IP including highly sensitive operation information, such as production, marketing and research costs that support new innovative development.

- **These targeted measures threaten manufacturing competitiveness for all.** More than 83 percent of respondents would consider these actions a threat to their competitiveness.
- **These measures, if enacted, threaten investment.** More importantly, 46.7 percent felt that such measures would force them to curtail investments in R&D of now-proprietary technologies and products.

To secure manufacturing competitiveness, it is crucial to create a policy environment in the U.S. designed to attract and retain investment and encourage innovation with strong protections of intellectual property.

<sup>1</sup> <http://www.nsf.gov/statistics/states/interactive/show.cfm?stated=53,22&year=0>

<sup>2</sup> [http://www.uspto.gov/web/offices/ac/ido/oeip/taf/st\\_co\\_15.htm](http://www.uspto.gov/web/offices/ac/ido/oeip/taf/st_co_15.htm)