



**The Centers of Economic Excellence Program:
South Carolina's economic stimulus plan**

By Clemson University President Jim Barker, Medical University of South Carolina President Ray Greenberg and University of South Carolina President Harris Pastides

When the President-Elect unveiled the outline of his national economic stimulus plan last week, one critical component was “investing in the science, research, and technology that will lead to new medical breakthroughs, new discoveries, and entire new industries.”

Fortunately for South Carolina, our state leaders recognized the value of investing in research and innovation several years ago, and the state is already benefiting from their vision.

In 2002, the South Carolina General Assembly created the Centers of Economic Excellence Program, sometimes known as the “Endowed Chairs” program. The program’s goals are to encourage university-based research and development, build South Carolina’s knowledge economy, create high-paying jobs, and ultimately help raise the state’s per capita income, currently 82 percent of the national average.

The CoEE Program awards South Carolina Education Lottery funds to the state’s three senior research universities (Clemson University, Medical University of South Carolina, and University of South Carolina) on a competitive basis. To access lottery funds, the universities must raise dollar-for-dollar matching investments from non-state sources. The funds are then used to create Centers of Economic Excellence at the research universities and to recruit top scientists and engineers (“endowed chairs”) to lead those centers.

In just six years, CoEE has had a measurable impact on South Carolina’s economy. A few days ago, the Washington Advisory Group (WAG), a nationally prominent, independent team of experts in higher education and economic development, released a comprehensive report on the program, calling it the best of its kind in the nation.

Thus far, CoEE has attracted more than a quarter billion dollars of outside investment in South Carolina. This money would not have entered the state economy without the CoEE Program.

The WAG report also estimates that more than 2,000 jobs have been created in South Carolina as a direct result of CoEE. About half of these jobs were created by major companies such as BMW, Timken and others that have expanded R&D operations alongside Centers of Economic Excellence. The other half were created by new startup companies related to Centers, by the state’s research universities, and by the impact of the Centers on the local economy.

CoEE is helping South Carolina's economy compete globally by creating cutting-edge research programs. To date, South Carolina has successfully built 42 Centers of Economic Excellence in innovative fields such as future fuels, cancer research and automotive engineering. This R&D gives our state a huge competitive advantage. High-tech companies want to be near where discoveries are happening. Because of these Centers, it is more likely that companies in these fields will locate in South Carolina and invest in our economy.

CoEE is also attracting talented people—"research superstars" from top universities and companies across the globe. These CoEE endowed chairs (21 so far) are making important discoveries and are considered leading entrepreneurs in their respective fields. They bring tremendous brain power and fresh intellectual energy to South Carolina.

The WAG report also notes that CoEE has helped raise the reputations of South Carolina's research universities and is helping us retain the brightest young people in South Carolina. To prepare these students for the jobs of tomorrow, CoEE has been the driving force behind several new advanced degree programs such as the nation's only Ph.D. in automotive engineering offered at the Clemson University International Center for Automotive Research. Additionally, CoEE is fostering a culture of entrepreneurship at the state's universities. We are more committed than ever to moving discoveries from the lab into the marketplace.

The CoEE Program also provides a strong motivator—state match dollars—for companies to invest in university research. Corporate investors in CoEE include BMW, 3M, Michelin, BlueCross BlueShield, Fluor, Exxon Mobile and many others—more than 100 total. These companies recognize that an investment in CoEE-related research can lead to process improvements and the development of new products and services.

Commercialization of university research is measured in decades, so we are just beginning to see what the CoEE Program can accomplish for South Carolina's economy. As the WAG report notes, CoEE is a long-term strategy, and the largest benefits in terms of job creation and business recruitment are yet to come. Consider, for example, the success of investment in academic research in our neighboring state of North Carolina. In a 30-year period from 1970 to 2000, the Research Triangle Park boosted Raleigh's per capita income 53 percent. If as a state we stay committed to CoEE, we could achieve similar, if not greater, results.

Even as the current economy forces our state to evaluate budgetary priorities, we cannot afford to lose momentum. CoEE is putting South Carolina on the map in the knowledge economy. This program is critical to our state's future and must continue to be a high priority.