Assessing Innovation Hubs and Regional Innovation Engines: New Methods

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North Carolina Remains a “Persistently Rural” State

- 2nd-largest rural population in the nation with 3.6 million people.
- 2nd-largest number of small towns <10,000 in the nation.
- Urban centers less dense and more dispersed - 24 of 78 rural counties are within Metropolitan Statistical Areas (MSAs).
- Rural communities more dense.
- 78 (of 100) counties & 403 (of 556) towns.
North Carolina County Classification

Source: 2020 Decennial Census

Total Population
10,439,388

78 Rural Counties
3,646,750

16 Suburban Counties
3,073,322

6 Urban Counties
3,719,316
Review of NC Economic Development Measures

Postsecondary Attainment (Ages 25-44): 2020

- Rural: 41%
- Suburban: 51%
- Urban: 66%

Source: miFutureNC, 2020 County Attainment Profiles

Young Adult (18-29) Population Change: 2017-2021

- Rural: -3.3%
- Suburban: 2.9%
- Urban: 4.9%

Source: American Community Survey 5-Year Estimates

Broadband Availability Index: 2021

- Average Index Scores:
  - Rural: 58
  - Suburban: 73
  - Urban: 88

Source: North Carolina Department of Information Technology, 2021 Broadband Availability Index
Rural Healthcare Inequities and Social Determinants of Health

County Health Rankings: 2023

Health Ranking
- 1-25
- 26-50
- 51-75
- 76-100

Source: Robert Wood Johnson Foundation and University of Wisconsin Population Health Institute, 2023 County Health Rankings
Safe, Modern, Affordable Infrastructure

47% of renters in rural North Carolina are cost-burdened by housing costs.

20% of homeowners in rural North Carolina are cost-burdened by housing costs.

Source 1: North Carolina Housing Coalition, 2023 County Profiles
Source 2: State Water Infrastructure Authority, 2022 Distressed Local Government Units List
Small Business Support

Source: US Census Bureau, 2019 Statistics of US Businesses

Percentage of Total Employment by Business Size, 2019

- **51.2% Total Small Business Employment**
  - Rural: 20.8% Less than 20, 18.1% 20 to 99, 12.3% 100 to 499, 48.8% 500 or more

- **48.8% Total Small Business Employment**
  - Suburban: 17.9% Less than 20, 18.3% 20 to 99, 12.6% 100 to 499, 51.2% 500 or more

- **40.8% Total Small Business Employment**
  - Urban: 13.1% Less than 20, 15.4% 20 to 99, 12.3% 100 to 499, 59.2% 500 or more
Review of NC Innovation Measures

3.3F Average Annual Number of Patents, N.C. Counties, 2018–2020

3.4E Location of Venture Capital Investments in N.C., Average Annual Investments, 2018-2020

4.1C High SET Establishments as a Percentage of Total Establishments, N.C. Counties, 2020

2.1E Location of R&D Expenditures in North Carolina, 2018-2019*


Source: PitchBook Data Inc.

Source: Quarterly Census of Employment and Wages, Labor and Economic Analysis Division, NC Department of Commerce.

Note: Blue counties rank above the U.S. average.

Note: Business R&D expenditures are given in millions of dollars. Academic R&D expenditures dollars. Business establishments perform 76% of R&D in NC, universities perform 24% of R&D.

### Additional Considerations

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| Rural geographies ≠ poor economies  
  • Spillover effects from other local economies, transportation, commuting, etc. | Funding varies in all shapes and sizes  
  • Federal $, CDFI, etc.  
  • Purposes/uses of $ lent |
| Focus on long-term  
  • Reliable macroeconomic measures are most important, but slowest to change  
  • Micro-measures relevant, but harder to measure | Infrastructure  
  • Basics: water/wastewater, roads, lighting, etc. and tax $ (or other $) to support them  
  • Broadband (current levels, promised levels, delivery of on promises, etc.) |
| Investment opportunities vary considerably  
  • Federal $ are very impactful to a geography  
  • State and local requirements can enhance or prohibit opportunity | Alternative and Additional Measures:  
  • Health systems, education systems, civics  
  • STEM indicators remain important |
More Information and Questions

County Data Profiles
https://www.ncruralcenter.org/advocacy-and-research/county-data/

Data Stories (Interactive Drivers)
https://www.ncruralcenter.org/advocacy-and-research/data-visualizations/

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