

State Funding Fuels Michigan's Life Sciences Industry

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Following the Great Recession of 2007-09, leaders in Michigan came up with a plan for diversifying its industries. The state's dependence on the automobile industry, the country's largest, had threatened to cripple its entire economy until the federal government intervened. The state — and the companies — might not be so lucky next time. So, the plan for a more diversified Michigan of the future includes looking to one of its core industries of the past: the life sciences.

Few people know that the first pharmaceutical companies in the U.S. were founded in Michigan (see sidebar). In the past 100-plus years, the biopharma industry has become bicoastal, with most large companies headquartered in Massachusetts, New Jersey, and California. It has also become an industry dominated by large multinational corporations that began buying up Michigan's larger companies in the early 2000s.

"We've largely recovered from that consolidation and have been growing at a nice clip," says Stephen Rapundalo, Ph.D., a former pharmaceutical researcher who now heads the Michigan Biosciences Industry Association, known as MichBio.

The current growth in Michigan's life sciences industry is largely due to efforts at the state level to fund innovation, provide affordable wet-lab space for fledgling companies, and offer incentives for established ones that are looking for a business-friendly place to relocate.

According to a 2016 Bio/TEconomy report, a total of 44,277 people are employed in the life sciences industries in Michigan, with an employment multiplier bringing that number to 248,348. Of those, 8,813 were employed in biopharma, ranking Michigan 11th in the country in terms of biopharma employment. The state is home to 105 life sciences companies, ranking it 13th in the U.S. with respect to such establishments. About 85 percent of the state's companies are located in the southern part of the state. The Michigan Economic Development Corporation (MEDC), a quasi-govern-

ment agency that is responsible for economic growth and attraction across the state, has made it a priority to make Michigan one of the top 10 states for biotech in the country.

About half of our funded companies are making exits now in one way or another, either through licensing of products or startups.



KEVIN WARD, M.D.
Executive Director, Fast Forward Medical Innovation (FFMI)

Published in 2016, MichBio's *Roadmap for Success* will be updated every year to reflect any changes, challenges, or successes the state experiences. The current plan calls for the state to focus on "agri-biosciences, medical devices, biopharma, R&D/testing, and biologics." The document is essentially a "to-do" list that helps people like Rapundalo guide discussions with lawmakers and decision makers. He says MichBio looked at the list of other comparable-sized states and saw that top states all had published strategic plans.