Arizona fertile ground for health-related innovation

W e've all heard the phrase “the changing face of health care,” and in Arizona we have examples of 21st Century medicine everywhere you look. Our state has hundreds of startups, small businesses and educational health care resources that are putting Arizona on the bioscience map.

Our Health Care of the Future special report this week highlights seven of them. A corresponding event earlier this week at the University of Arizona College of Medicine–Phoenix gave attendees a sneak peek at the amazing spectrum of the innovations being made here in the Valley.

We saw some of the ways health care is advancing through tech ranging from a catheter-like device that can modify nerves in the kidneys to lower blood pressure, to a computer system that simulates the implantation and anticipates the effects of medical devices in individual patients. There's also another cutting-edge medical resource right in our own backyard. If you aren't familiar with the UA College of Medicine and the Phoenix Biomedical Campus, then you need to tour the facilities and see what these students, faculty and researchers are up to. It's truly mind-blowing.

In addition to helping solve the national physician shortage (estimated at 130,600 doctors by 2025), the medical school has had a $961 million impact on the state. That's the equivalent to two Super Bowls. Not too shabby.

A few of us toured the high-tech simulator lab on campus, and “cutting-edge” doesn’t begin to describe the out-of-the-box ways students are being trained—basically from their first day of medical school. The lab features robotic dummies that talk, bleed and even deliver babies. It's the only simulation center of its kind at a U.S. medical school. That's pretty impressive stuff.

The school's Phoenix campus also supported 7,185 jobs both directly and indirectly in 2014 and generated more than $44.5 million in state and local tax revenue as a result of operational employee and visitor spending.

The Phoenix Biomedical Campus—which includes operations of UA, Arizona State University, Northern Arizona University and the Translational Genomics Research Institute—had an economic impact of $1.26 billion in 2013, and by 2025 that number is expected to surpass $3 billion a year.

And the 30-acre campus, which currently houses six completed projects totaling 695,000 square feet, will continue with a $447 million expansion that includes three more buildings planned at 700,000 square feet. One of those is nearly complete: the $100 million Arizona Cancer Center at Dignity Health St. Joseph’s.

How to please both parties equally

P leasing both political parties in Arizona is impossible, right?

Well, not really. In fact, there's an easy way to make bitterly divided Democrats and Republicans happy: Just raise the tax base so they have more money to spend.

And how exactly do we do that? Buy local.

I know you've heard this “buy local” mantra over and over, but let's explain why it's so important to our state. You see, 50 percent of our state revenue comes from sales tax.

Though all businesses pay sales tax, when you purchase from a locally owned business, you create a financial impact that is 76 percent greater than when you buy from a chain big box or spend your money with a large online retailer. You might have heard statistics like this before, but let's dig into what they really mean.

A study commissioned in the Portland, Maine, area in 2011 found that the overall impact of buying local was boiled down to simplified economics we can all understand. Based upon the 2010 census, the Phoenix metro area is eight times the size of Portland. So if we extrapolate what can happen when we simply shift 10 percent of our consumer spending out of national chains and into local businesses, the impact is huge. In a year, we could create almost 7,000 new jobs; generate more than $1 billion in new economic activity; and generate close to $100 million in new sales tax.

What's the key to making this happen?

Consumers have to be more conscious about where they shop, and stop being too lazy to support our local businesses.

If we can make this shift toward local in a meaningful way, we end up with more jobs, more state revenue and a better business climate for the state.

What state politician wouldn’t get on board with that?

Mike Auger is president and CEO of Pickfly. He can be reached at mike@pickfly.com.

LETTER TO THE EDITOR

ROBERT SARVER IS ANOTHER NOTABLE DOWNTOWN STEWARD

Dear Editor:

Mike Sunnucks’ story about the Warehouse District was yet another reflection of the strong economic future of downtown Phoenix. The transformation of downtown into a vibrant, diverse community is accelerating at an unprecedented pace.

Mike's story focused on new faces and longtime “downtown warriors” whose entrepreneurial energy is making a difference. However, no story about the emergence of downtown is complete without a “shout out” to the Phoenix Suns, Phoenix Mercury and management of US Airways Center, which will deliver more than 200 event days downtown this year.

In addition to his ownership of the Suns and Mercury, Robert Sarver has brought hundreds of jobs to Phoenix through his stewardship of Alliance Bank. Many of these jobs were based in another state and could easily have migrated to a nondescript suburban office park. Alliance’s leadership, too, has become an important part of our downtown community.

DAVID KRIETOR
PRESIDENT AND CEO, DOWNTOWN PHOENIX INC.