

# BOSTON Herald

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## Report: Innovation key to Bay State economic rebound

By JAY FITZGERALD

Massachusetts has done it before and can do it again — ingoate its way out of an economic malaise, according to a new report.

The chief conclusion: Nurturing young technology firms is more important than

most other policies pushed by business and political leaders.

It's not just about housing costs and having universities," said Robert Krim, executive director of the Boston History and Innovative Collaborative, which will release its report today

at a Boston College Citizens Seminar.

Krim said Massachusetts' economy is clearly going through tough times, with slow employment growth, the loss of large corporations headquartered here and with young people leaving the area.

But the region has rebounded before from hard times, due mostly to a "history of great innovation," from being the first to jump into textile manufacturing in the 19th century to being the first to tap into biotechnology last century, the report says.

Still, the state's rebound from current woes is "no slam dunk," Krim said, arguing the business community needs an "action plan" that doesn't rely solely on government policies.

An analysis of past boom-and-bust cycles shows that the state usually crawled out

of economic trouble via entrepreneurs or teams of leaders; a strong local network of business leaders working together; local funding of new firms and technologies, and local demand for products produced by entrepreneurs, the report says.