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Intel-Newsweek Report Based on PSB Research: Economic Growth Will be Fueled by Technology Innovation

NEWS HIGHLIGHTS

- 3 of 4 Americans say technological innovation is “more important” than ever.
- 61 percent of Americans believe the recession has hurt U.S. businesses’ ability to innovate.
- Europeans largely believe that technology innovation has improved quality of life and the economy, yet only 14 percent predict they will lead in this area in the future.
- 63 percent of Chinese believe that China will overtake the United States on technology innovation over the next 30 years.

NEW YORK and SANTA CLARA, Calif., Nov. 16, 2009 – Despite one of the worst recessions in history, Americans have increasing faith in technology innovation as an engine of economic growth, but are plagued with doubts about the nation’s ability to maintain its global leadership mantle. These were among the telling findings of a report released today by Intel Corporation and Newsweek, and detailed in Newsweek magazine, available on newsstands today.

While a global majority said that the economic downturn has hurt the United States’ ability to innovate, the prevailing view across every nation polled was technology innovation is critical to America’s future economic success. In the United States, almost half of Americans said the recession has resulted in an increased reliance on technology innovation; and 3 of 4 Americans said that technology innovation will be “more important” during the next 30 years.

However, even as Americans see technological innovation as a key growth driver, they have significant doubts about their country’s ability to hold on to global leadership. Despite many nations giving the United States credit for leadership in technology innovation today, only one-third of Americans saw themselves leading over the next 30 years.

Americans are not alone in their belief that they risk losing the mantle of innovation leadership. A large majority of Europeans gave technology innovation a nod for improved quality of life and positive economic impact. However, Europeans are even less optimistic than Americans about their own ability to be innovative long-term. Only 14 percent saw a European country leading on technology innovation in the future, and the rest ceded future leadership to nations such as China, Japan and India. In contrast, China shows strong confidence in its future strength as 54

percent of Chinese people predicted that their country will pioneer the next society-changing technology and overtake the United States in the next 30 years.

“Innovation is not merely an attribute, it’s a process that starts with idea generation, research and development,” said Justin Rattner, Intel’s chief technology officer. “This report underscores the need for a culture of investment which leads to new ideas and discovery, along with a 21st century model of research in the United States – one supported by business, academia and policy to shore up America’s historical pace of innovation.”

“We are more aware than ever of America’s faith in innovation and the necessity of its place in our future,” said Kathleen Deveny, Newsweek’s global business editor. “Newsweek’s partnership with Intel is an opportunity to explore the importance of innovation as a driving force for economic and social transformation as we move forward in this new global landscape.”

“Now more than ever, it is critical for us as a nation to recognize how critical innovation is to spurring sustained U.S. economic growth,” said Dr. Robert D. Atkinson, president of the Information Technology & Innovation Foundation, a Washington, D.C.-based think-tank. “In the aftermath of the largest economic crisis since the Great Depression, we are collectively looking for solutions to propel our nation forward. The answer rests with technology and how collectively – business and government – can join together to bring about an innovation nation.”

Spurring Innovation: Perceived Gaps and Barriers

Americans’ doubts regarding future leadership are largely based on something they consider to potentially be the nation’s biggest liability: 82 percent believed the United States is lagging behind other countries in the quality of K-12 math and science education. Reinforcing this concern, the National Assessment of Educational Progress, commonly called the “nation’s report card,” revealed in a report released in October that fewer than 40 percent of fourth-graders and eighth-graders in the United States are proficient in math.

Most Americans look to the corporate environment as well as business start-ups for the next ground-breaking innovation. Others in the United States look to the government to offer incentives to spur innovation with 78 percent believing a “national innovation initiative” would be effective. In Europe, over 75 percent of Germans and Brits polled are supportive of a similar type of national initiative in their countries. In contrast with Americans, Europeans and Chinese are both more likely to look to universities to be future sources of innovation as well.

Research Methodology: This survey was conducted online between Sept. 28 and Oct. 13 in China, Germany, the United Kingdom and the United States by Penn, Schoen & Berland Associates on behalf of Newsweek and Intel. Survey participants included 4,800 adults, ages 18 and older, across four countries. Interviews were conducted with members of the general population and among business executives. For complete survey methodology please contact the media contact below.

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