Rochester, NY
State of Innovation Report

NextCorps, Inc.
June 4, 2026

© NextCorps 2026

nextcorps

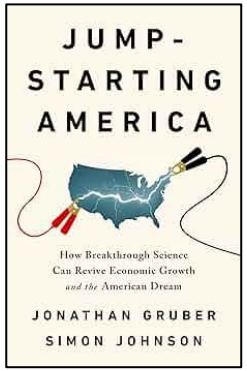
© NextCorps 2026

About NextCorps

- 501(c)3 non-profit, established in 1987 as High Tech Rochester. Re-branded in 2018 as NextCorps. An affiliate of University of Rochester.
- Mission: To help innovative tech companies launch and grow.
- Today we operate multiple programs supporting local and global startups - via our downtown Rochester incubator at the Sibley Building, our Luminate and ClimateTech accelerator programs, and more.
- Partner in the SMART I-Corridor semiconductor tech hub and the proposed STELLAR NSF Engine.
- Each year we work with >100 different companies.
- One of the longest, continuously operating tech incubators in the U.S.

© NextCorps 2026

Is Rochester a Tech / Innovation Hub?



In 2019, Rochester was ranked the #1 region in the nation by Jumpstarting America for it potential as the next national tech hub.

- Are we living up to that potential?
- How do we compare with some of the other metros that were on the list, similar in size to Rochester?
- Are we translating our innovation into economic growth?

Jump-Starting America - Top Potential Tech Hubs

Location Name	Overall Ranking
Rochester, NY	**1**
Pittsburgh, PA	2
Syracuse / Utica-Rome, NY	3
Columbus, OH	4
Bloomington / Champaign-Urbana, IL	5
Cleveland-Elyria, OH	6
Ames / Des Moines, IA	7
Binghamton / Ithaca, NY	8
Cincinnati, OH	9
Indianapolis-Carmel-Anderson, IN	10
Grand Rapids-Wyoming, MI	11
St. Louis, MO-IL	12
Atlanta-Sandy Springs-Roswell, GA	13
Akron / Canton-Massillon, OH	14
Buffalo-Cheektowaga-Niagara Falls, NY	15

© NextCorps 2026

Here’s the data we looked at:

Patent Activity
Tracking innovation from local inventors

Federal Commercialization Grants
SBIR/STTR research and innovation grants

Company Formation
The rate of new regional company formation

Job Creation
Growth and hiring from newly formed companies

Venture Capital
Investments in regional startups

Peer Comparisons
Buffalo, Syracuse, Cleveland, Columbus, Pittsburgh

© NextCorps 2026

A snapshot of key findings:

World-Class Innovation

Our region leads in producing R&D output and patents.

High-Potential Validation

Our high numbers of competitive, federal SBIR/STTR commercialization grants validate the quality of our region's R&D.

Front-End Momentum

We've made great strides in providing early-stage support via incubators, accelerators, and other programs. Demand for support is growing, showing a healthy innovation funnel.

Critical Gap: Scaling

Our region's startups need more resources to successfully move through scale-up stages to generate wealth and significant job creation.

Leadership Perception Gap

Innovation & Entrepreneurship is not yet viewed as a core pillar for economic development by community leaders, despite national data and local anecdotal evidence that shows it's *THE* #1 driver of growth.

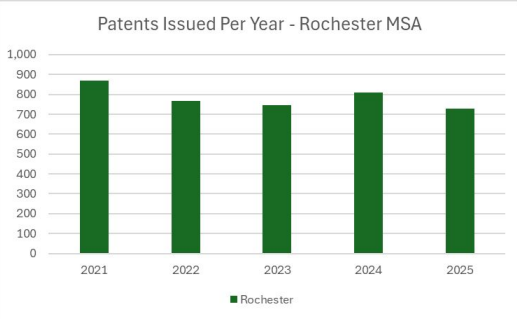
The Path Forward: Good news - We have the raw assets - we need to add the missing pieces to unlock our potential!

© NextCorps 2026

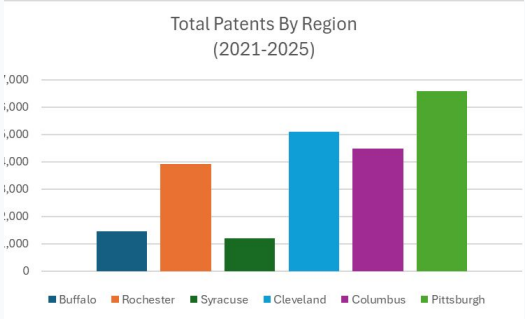
Research Data

© NextCorps 2026

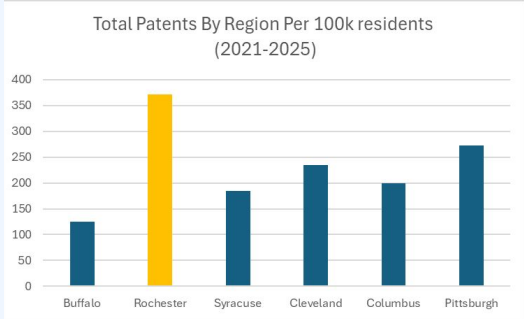
Patents issued to Rochester area inventors



Rochester area inventors are granted **700-800 patents** annually.



On a total number of patents basis, Rochester **outperforms** most peers including some larger metros (orange bar).



Key Takeaway:

On a per capita basis, Rochester significantly outperforms all of these peer metros (yellow bar).

© NextCorps 2026

Main Point

Rochester’s sustained level of patent activity demonstrates the strength of our innovation ecosystem, which has remained consistent over time.

© NextCorps 2026

Top employers of Rochester's inventors

Rank	Organization	Patents Granted 2021-2025		Rank	Organization	Patents Granted 2021-2025
1	Xerox Corp	569		14	Carrier Corp	50
2	University of Rochester	150		15	Kodak Alaris LLC	40
3	Corning Inc	149		16	Rochester Institute of Technology	37
4	LSI Solutions Inc	102		17	Attochron LLC	36
5	International Business Machines Corp	86		18	X Celeprint Ltd	35
6	X Display Company Technology Ltd	86		19	Bausch and Lomb Ireland Ltd	30
7	Eastman Kodak Co	81		20	Sony Semiconductor Solutions Corp	30
8	Kyocera Document Solutions Inc	80		21	Akoustis Technologies Corp	28
9	Taiwan Semiconductor Manufacturing Co	79		22	Graphenix Development Inc	25
10	Paige AI Inc	78		23	Eagle Technology LLC	24
11	Carestream Health Inc	57		24	Biamp Systems LLC	23
12	Vuzix Corp	51		25	Additive Technologies LLC	22
13	Crosman Corp	51				

- Xerox leads all other organizations in patents granted over the past 5 years from ROC inventors
- Kyocera, TSMC, Sony Semiconductor are all top-25 organizations for patents

© NextCorps 2026

nextcorps

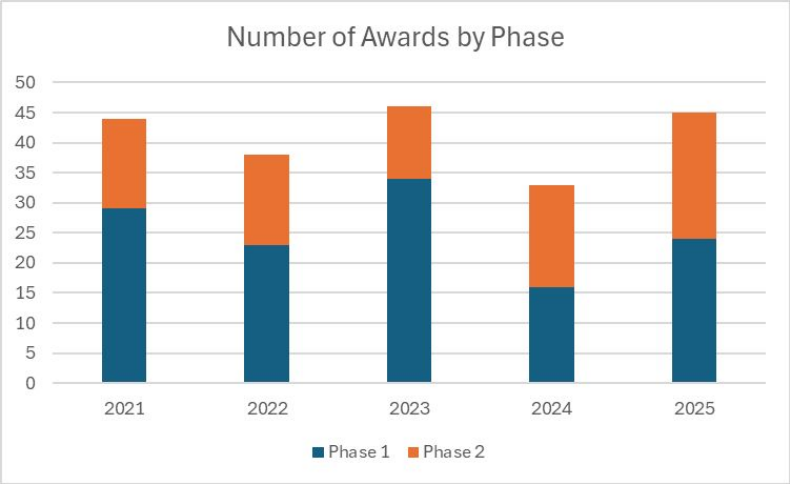
Main Point

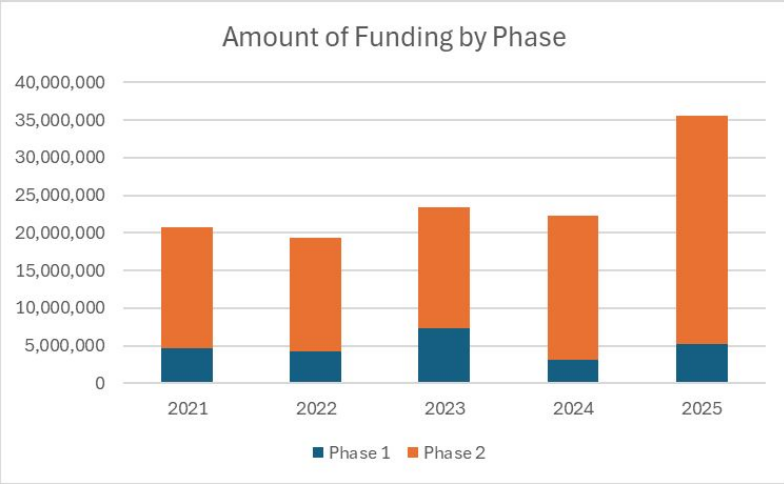
Area companies are generating significant intellectual property and new technologies. This is a huge opportunity to create more pathways for innovations to be commercialized locally, leading to new companies, jobs, and economic growth.

© NextCorps 2026

Rochester area SBIR/STTR awards

Rochester-area startups and small businesses win **35-45 highly-competitive SBIR/STTR Phase 1 and Phase 2 federal grants annually**, bringing a significant source—**$20-25M** annually—into our region to support early-stage technology commercialization.

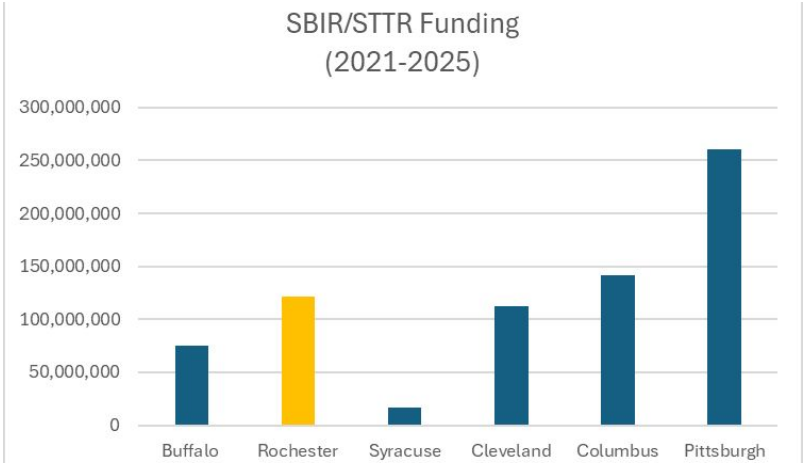




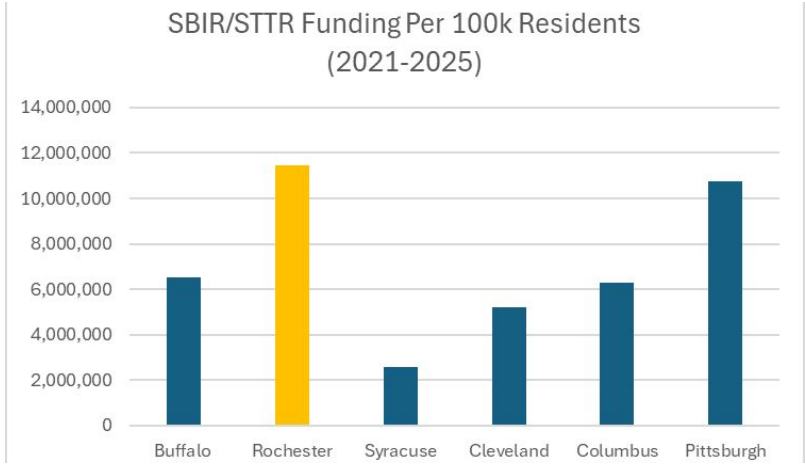
© NextCorps 2026

Peer-city SBIR/STTR awards (2021-2025)

Total Funding Basis ($M)



Per 100k Residents Basis



Rochester **outperforms nearly all peers** in total SBIR/STTR funding.

On a per capita basis, Rochester **outperforms all** peer metro areas.

© NextCorps 2026

nextcorps

Main Point

On a per-capita basis, Rochester outperforms all peer metros for SBIR/STTR grants, including regions with major research and medical institutions. This shows that the federal government is validating the commercial potential of Rochester-area inventions.

© NextCorps 2026

Top Rochester SBIR/STTR awardees (2021-2025)

Rank	Company Name	Total Awards ($M) (2021-2025)		Rank	Company Name	Total Awards ($M) (2021-2025)
1	CIRCLE OPTICS INC	13.3		11	MOSAIC MICROSYSTEMS LLC	4.0
2	OPTIPRO SYSTEMS, LLC	10.6		12	RAM PHOTONICS INDUSTRIAL, LLC	3.9
3	EOPTIC, INC.	8.6		13	PHOTONECT INTERCONNECT SOLUTIONS INC	1.8
4	Organic Robotics Corporation	8.6		14	POSPEA, LLC	1.8
5	Sydor Instruments, LLC	8.5		15	AKOUSTIS, INC.	1.8
6	KLIMA JOANNA	5.4		16	MENDON GROUP LLC	1.7
7	OWL AUTONOMOUS IMAGING INC	5.2		17	OPTIMAX SYSTEMS, INC.	1.6
8	ALCHLIGHT, LLC	4.7		18	PRISAM LLC	1.6
9	OLEDWORKS LLC	4.4		19	SIGN-SPEAK INC	1.5
10	Litron Laboratories Ltd	4.4		20	ADVANCED GROWING RESOURCES INC.	1.5

Millions of dollars are coming into the region annually to support early-stage commercialization of novel R&D.

© NextCorps 2026

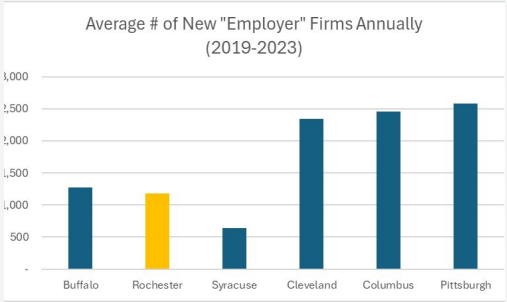
Main Point

Approximately half of the top awardees are startups that have received support from NextCorps and the ecosystem to help with growth initiatives. While many are startups, some more mature small businesses also leverage these grants to commercialize new technologies and products.

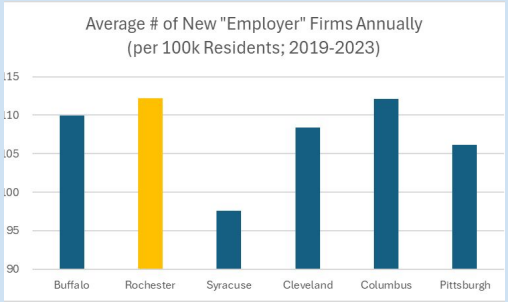
© NextCorps 2026

New “employer” firm formation*

There are **1,100-1,200** new businesses formed each year in the **Rochester region** with at least 1 employee.



On a total numbers basis, Rochester is **similar to Buffalo** but ***behind*** the larger peer metros (yellow bar).



On a per capita basis, Rochester **outperforms all** peer metro areas in new business formation (yellow bar).

*While encouraging, **these datasets do not effectively count/capture high-growth or innovation-driven companies**. The Census data used represents broad business formation across all sectors and doesn't clearly specify how many are truly tech or innovation companies versus lifestyle businesses that are not high growth/job drivers.

Most recently available data from U.S. Census Business Dynamics Statistics for new firms created with at least 1 employee.

© NextCorps 2026

nextcorps

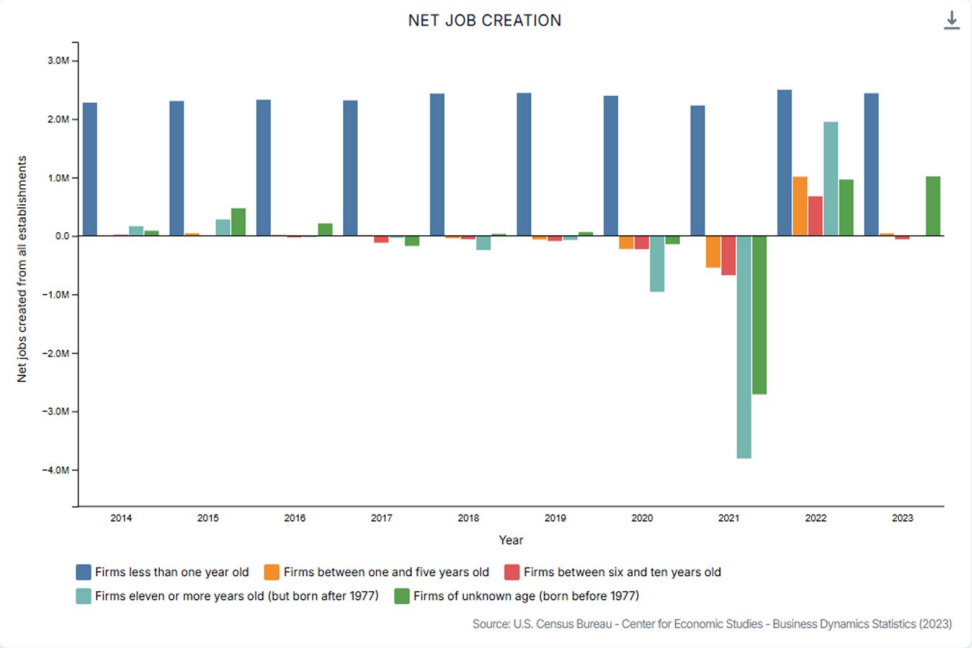
Main Point

While the overall, broad business formation stats show Rochester on par with peer metros, these data sets don't measure high-growth businesses, and therefore, different tracking metrics will need to be developed to measure our current state.

© NextCorps 2026

Job creation from young companies (national)

Ewing Marion Kauffman Foundation Research: “Startups and young businesses account for nearly all net new job creation in the United States.”



The blue bars represent jobs created by new firms (less than 1-year old), while all other colored bars are jobs created by older firms. Older firms do create net new jobs, but far fewer over time.

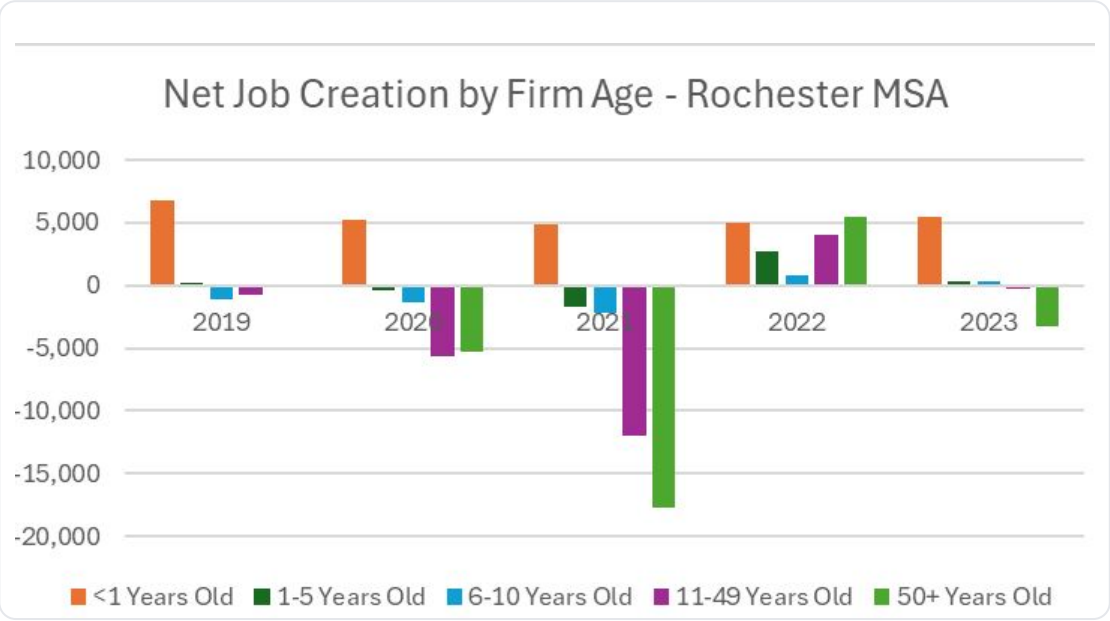
Key Takeaway:

Supporting new company formation and growth is one of the most effective ways to drive long-term job creation.

© NextCorps 2026

Job creation from young companies (Rochester)

What about here in Rochester?



In the Rochester region, new businesses are responsible for most of the net new jobs each year (similar to national trends).

However, the total actual number of jobs is relatively low.

© NextCorps 2026

nextcorps

Main Point

Rochester data follows national trends showing young companies create most of the net new jobs annually. However, the magnitude of that net job creation in Rochester is low compared to other areas. To increase these job counts, we need to increase the number of new businesses being created and supported.

© NextCorps 2026

Example of how innovation can lead to jobs

Plug Power's New Giga Factory to Create 375 Jobs

> *"Without NextCorps' support and the NEXUS program, we would never have taken that first step on the path to the Giga Factory."*
>
> - American Fuel Cell Founder

nextcorps

The origin story of the Plug Power ribbon cutting

ROCHESTER BUSINESS JOURNAL

GM to shut down fuel-cell research facility in Honeoye Falls

October 5, 2012

2014

Former GM Workers

nexus-ny

NextCorps Program

AFC American Fuel Cell

New Startup Formed

EASTMAN Business Park

Seed Funding

Excell Partners

nexus-ny

nextcorps GROWTH SERVICES

(4) Projects

2015-2017

RIT | Golisano Institute for Sustainability

NYSP2I | New York State Pollution Prevention Institute

PLUG POWER

Plug Power Acquires American Fuel Cell

2018

NEW YORK STATE OF OPPORTUNITY. | Empire State Development

GRE GREATER ROCHESTER ENTERPRISE

Adam J. Bello COUNTY EXECUTIVE

RG&E

© NextCorps 2026

nextcorps

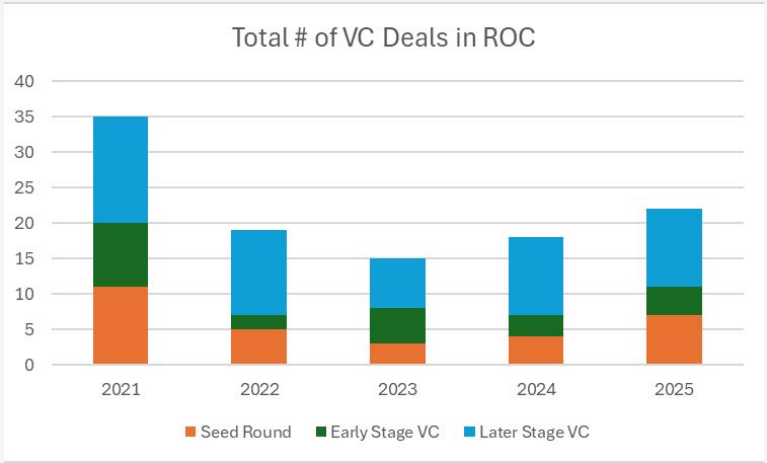
Main Point

Innovation-driven job creation doesn't happen overnight. It takes time, investment, and an entire ecosystem working together to help companies grow from ideas into employers.

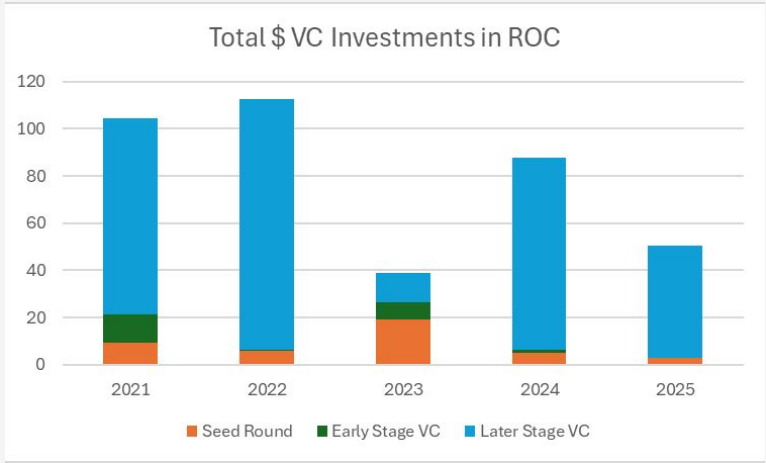
© NextCorps 2026

Venture Capital: ROC

Startups in the **Rochester region** are <u>only</u> closing approximately **15-25** venture capital deals annually, totalling anywhere from **$40M to $100M** annually.



Small # of Deals Per Year

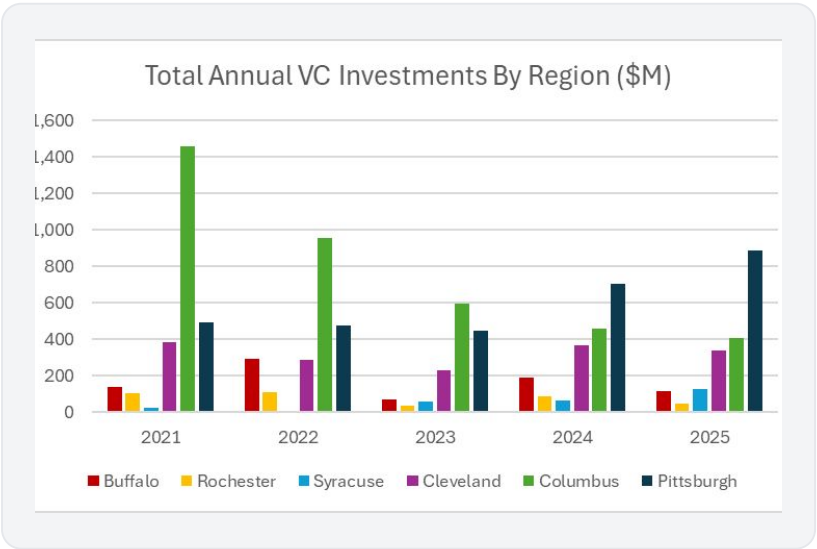


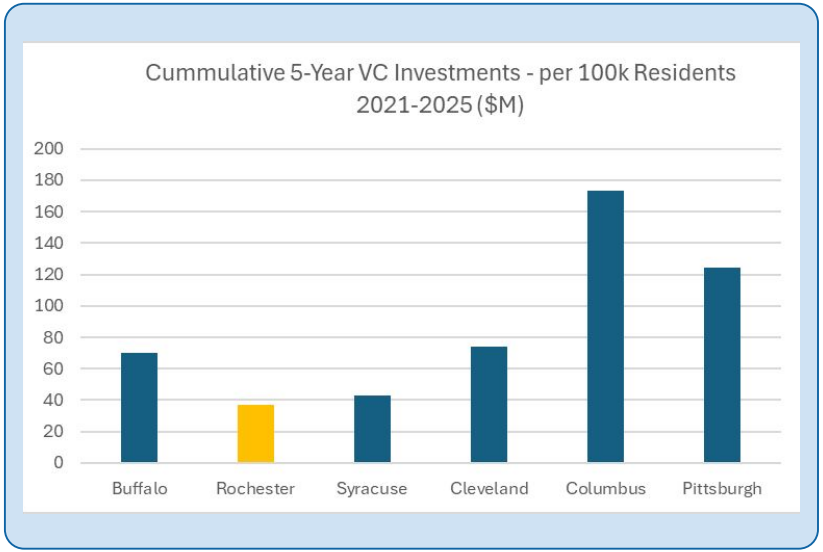
Very Little Seed & Early Stage Capital

© NextCorps 2026

Venture Capital: Peer Metros

Rochester **lags** nearly all peer metros in total VC investments annually, and even on a per capita basis is **dead last** compared to peer metros.





From ‘21-’25, Columbus had $3.9B of VC investment; Pittsburgh had $3.0B; Rochester had $394M

© NextCorps 2026

Venture Capital: Some good news

In **117 VC deals** with Rochester area companies (2021-2025), there were **174 unique investors**—mostly from out of our region and investing in later-stage deals. This shows there is interest in investing here.

Key Takeaways:

Leverage Potential

We have an opportunity to leverage and expand relationships with a large group of VCs **who are already investing here!**

The Gap

Later stage deals can successfully attract out-of-region investors, but **earlier stage deals do not**, highlighting a critical funding gap.

© NextCorps 2026

nextcorps

Main Point

Expanding access to early-stage capital—which is nearly nonexistent here compared to later-stage investments—is critical to helping more startups grow and scale in the region.

© NextCorps 2026

Community buy-in and culture

Innovation & entrepreneurship tend to be viewed as side projects vs. a core part of our region's future growth. For example: In the FLREDC strategic plan framework, Innovation & Entrepreneurship aren't included. In the 2019 BCG study regarding economic development, Innovation & Entrepreneurship weren't considered.

© NextCorps 2026

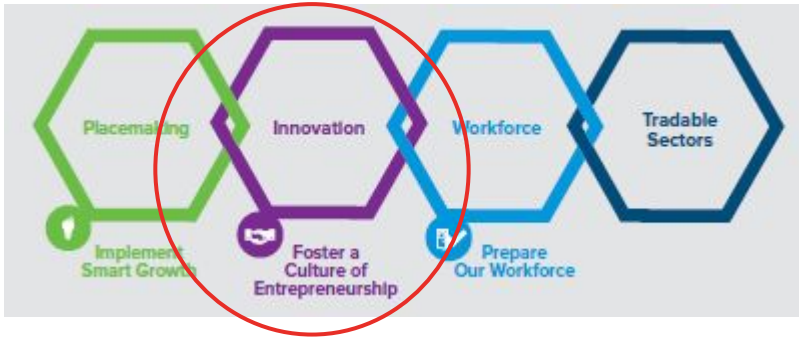
Community buy-in and culture (cont.)

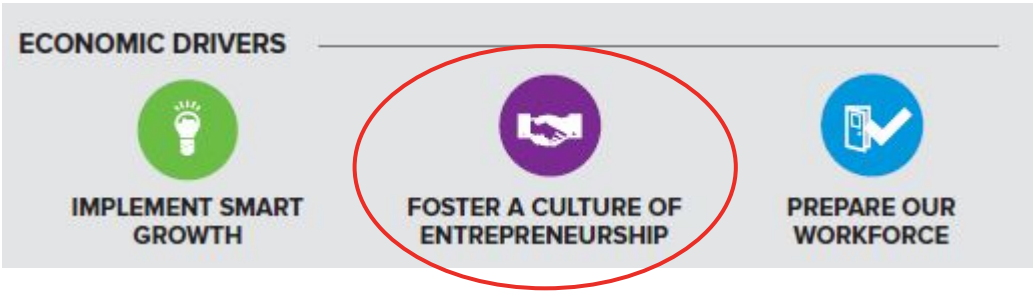
- There is little to no coverage of innovation & entrepreneurship in local media.
- Rochester does a great job promoting local businesses and quality of life, but less emphasis is placed on innovation-driven companies that create high-growth jobs and attract talent.
- Community leaders are talking about entrepreneurship, but it has not yet become a coordinated regional priority.
- To unlock our full potential, innovation and entrepreneurship must become central to the conversation about Rochester's future.

© NextCorps 2026

Buffalo's REDC strategy embeds innovation & entrepreneurship as an economic driver

FOUR STRATEGIC PILLARS





© NextCorps 2026

Research Takeaways

© NextCorps 2026

NextCorps Experience & Insights

From our experience working with hundreds of tech startups, and feedback from Venture Capital investors, growth and scale-up are impacted by three key factors beyond capital:

Talent Gap

Lack of experienced startup founders and senior staff who have "been there, done that". Investors cite team quality and experience as key to investment decisions.

Expert Access

Difficulty reaching industry experts for early-market feedback to align products with customer needs.

Market Traction

Challenge in securing initial customers to serve as proof of product/market fit to future investors.

Key Takeaway: Closing these gaps can accelerate startup growth and create more investment-ready companies in the region.

© NextCorps 2026

Key Research Takeaways

- Our region is a leader in producing high potential innovations, evidenced by numbers of patents and validation from federal commercialization grants.
- Over the past several years, entrepreneurial service organizations like NextCorps have seen increased demand for services at the earliest stages. We need to help these startups scale more rapidly. We also need to increase the overall tech startup formation rate, including the translation from research (like at our universities) into successful high growth startups.
- Our startup pipeline gets stuck in the growth and scale-up stage, due to lack of experienced C-Level talent, lack of customers and partners, and lack of venture capital.
- We know from national data (and our own history), that startups create jobs and wealth. We need to create and grow many more.
- Rochester community and business leaders don’t all rally around Innovation & Entrepreneurship as a “North Star.” The general community lacks a culture of entrepreneurship.

© NextCorps 2026

Recommendations to Consider

© NextCorps 2026

Proposed Action Plan to Unlock our Regional Potential

Focus Area	Key Challenge	Proposed Solutions / Action Items
1. Increase the overall rate of tech / high-growth startup formation throughout the region	The number of early-stage companies formed has been growing over the past several years, but we need 10x that rate. Also, the region is a powerhouse for patents and federal grants but we struggle to translate that deep-tech research into high-growth startups.	* **Create Regional Innovation Alliance:** Maintain quarterly coordination among key players (NextCorps, UR, RIT, Excell Partners, EDI, cluster organizations, etc.) to streamline the pipeline and share resources and connections. * **Launch a Venture Studio:** To complement existing organic startup formation, create a new Venture Studio to *proactively* create new high-potential opportunities by pairing innovations with the right founders and initial funding from day one. * **Attract high potential startups** here through accelerator programs that leverage our region's unique assets and capabilities (e.g., Photonics)

© NextCorps 2026

Proposed Action Plan to Unlock our Regional Potential

Focus Area	Key Challenge	Proposed Solutions / Action Items
2. The Scale-Up Bottleneck (Talent & Connections)	Startups get stuck in the growth stage in part because they lack experienced executive (CxO) talent, corporate partners, and early customers.	* **Create a CxO Network:** Build a roster of qualified executives and leverage an **ExPat Network** to bring experts back to the region. * **Corporate Catalyst Network:** Engage local business leaders to provide mentorship, industry connections, and to serve as pilot customers. * **Student Venture Fellows:** Connect area college students with startups to build a local talent pipeline.
3. The Scale-Up Bottleneck (Funding)	Early-stage startup activity is growing, but scaling requires more venture capital.	* **VC Relationship Campaign:** Build relationships with **>100 out-of-market VCs**, host local VC conferences, start a deal newsletter, and expand local angel groups. * Expand local angel investor groups, and **expand the amount of local early-stage venture capital**

© NextCorps 2026

Proposed Action Plan to Unlock our Regional Potential

Focus Area	Key Challenge	Proposed Solutions / Action Items
4. Culture & Leadership Alignment	The community does not have an overall culture of entrepreneurship. Rochester leaders don't champion Innovation & Entrepreneurship (I&E) as an economic "North Star."	* **Unified Regional Strategy:** Embed I&E as an explicit core element of all regional economic growth efforts. Drive more **private sector dollars** into supporting I&E efforts, including the already allocated Ralph Wilson Foundation dollars. * **Dedicated Media Channel:** Create a central media outlet to celebrate and share local startup wins (like “Series B” in Buffalo) to the public.
5. Data & Accountability	To create jobs and wealth efficiently, the ecosystem needs a way to measure growth and track pipeline performance.	* **AI-Driven Startup Database:** Build a tracking system to monitor local tech-startup metrics and ecosystem KPIs over time.

© NextCorps 2026

Let’s make it happen!

“By working together we can turn potential into reality, to become the next big Tech Hub in America. Please share your thoughts at nextcorps.org/innovation!”

- Jim Senall, President, NextCorps