



For Immediate Release

**BioNJ Industry Study Looks Beyond Biotechnology Sector,
Finding Contributions and Needs of Life Sciences Industry in New Jersey**

TRENTON, NJ (Sept. 22, 2014) -- Recognizing the continuing evolution of New Jersey's life sciences industry, BioNJ today released a comprehensive report that documents the ongoing growth of the biotechnology sector in the State and combines and assesses the contributions of the entirety of the life sciences sector to New Jersey's economy, including employment and economic impact.

BioNJ conducted the study in partnership with EY (formerly known as Ernst & Young) the Edward J. Bloustein School of Planning and Public Policy (Bloustein School) and the New Jersey Department of Labor and Workforce Development's (LWD) Office of Research and Information. To access the study go to: <http://www.bionj.org/wp-content/uploads/2014/09/Industry-Study-9-19-14-Final-Final.pdf>.

"With this year's review of the State of New Jersey's life sciences industry, BioNJ expands on its remit of prior years by assessing the three major sectors that make up New Jersey's life sciences innovation cluster -- biotechnology, pharmaceuticals, and medical devices -- to help provide a perspective that is deeper and richer than those provided in any previous study on the New Jersey life sciences industry," said Debbie Hart, President and CEO of BioNJ.

Significant findings from the study, *Life Sciences in New Jersey: Looking Beyond Biotech*, include:

- Annual expenditures by the New Jersey life sciences industry are estimated at \$30.1 billion.
- As of September 15, 2014, the number of biotechnology companies operating in the State increased to 379 from the 340 reported in the 2012 EY (formerly Ernst and Young), BioNJ report, representing an increase of 12 percent.
- The life sciences industry directly employs 66,451 people in New Jersey and indirectly supports 146,105 additional jobs through its total expenditures for a total of 212,556 jobs.

- Despite the financial headwinds of recent years, New Jersey's biotech companies overwhelmingly planned to hire more employees in 2014.

“This report confirms what many in New Jersey already know: our life sciences industry is a huge factor for economic growth in the state,” said Lt. Governor Guadagno. “New Jersey continues to attract and retain companies in this critical industry, with a significant increase in our biotechnology sector over the past two years. We are committed to the continued development of a robust business climate in New Jersey and to providing a welcoming home for the industries that will lead our state into the future.”

Francois Nader M.D., the President and CEO of NPS Pharma and Chairman of the BioNJ Board of Trustees noted that this new perspective is very useful, because it provides the full breadth and depth of the life sciences industry in New Jersey compared to the metropolitan statistical area (MSA) designation reports that divide the state into two by combining the northern portion of the State with New York and the central and southern portions with the Delaware Valley region.

“This report is important because it demonstrates that New Jersey's life sciences industry is a distinct, well-defined and vibrant ecosystem,” said Dr. Nader.

Additional Highlights

Additional significant findings in the study include:

- The Bloustein School, while using a more research-and-development focused definition of the life sciences cluster and its constituent sectors than the LWD, agreed directionally with the LWD figures. The Bloustein School estimated 2012 aggregate contributions of the life sciences sector on the New Jersey Economy as: \$33.54 billion in Gross Domestic Product (GDP); \$20.32 billion in Compensation; \$1.53 billion in State Tax Revenues; and \$1.36 billion in Local Tax Revenues.
- While overall life science employment totals, according to the LWD, are down 12.3 percent from 2007 to 2012 -- driven by Big Pharma, which experienced mergers, site closings, patent-cliff-related R&D and sales force cutbacks, and increasing externalization of research -- biotechnology was the only therapeutics sector to post employment gains, growing 2.1 percent through the addition of 856 jobs over the same five-year period.
- Wages industry-wide averaged \$126,794 in 2012, led by pharmaceuticals (\$137,949), followed by biotechnology (\$132,576) and medical devices (\$94,652). Life sciences average annual average was 118.3 percent higher than New Jersey's total private sector average wages of \$58,093. These wage trends are an important index of the value of the life sciences to New Jersey's economy, not to mention its contribution to State revenues from payroll taxes (LWD).

- The tracking of facilities (or establishments), as opposed to companies, yields an excellent measure of the total economic impact that the broader life sciences industry has on New Jersey. There were 3,042 facilities across all sectors of New Jersey's life science industry in 2012, up 6.3 percent from 2007, led by 10.3 percent growth in the biotechnology component and 9.1 percent growth in the pharma component. Growth in establishments demonstrates New Jersey's ability to attract and retain the industry – a key measure of growth (LWD).
- Total funding of New Jersey life sciences companies spiked in 2013 with approximately \$900 million in both early and late-stage investments, according to *Venture Source*. That represents well over 200 percent growth over the prior year. Funding was helped by seven New Jersey companies that completed initial public offerings (IPOs) in 2013.
- Investment in late-stage commercial companies was robust; early stage venture investment as noted in previous reports lagged behind and was basically flat in 2012 (EY).

Recommendations

The Recommendations section notes that securing a successful future for the life sciences industry will require a best-in-class, national innovation ecosystems model that will require multiple levels of engagement by all stakeholders, including the academic, industrial and government sectors.

“Data in this report are very encouraging for all stakeholders in the life sciences ecosystem and point to clear opportunities to advance the industry in New Jersey. It is only through continued collaborations that New Jersey can become a more compelling environment for biotechnology innovation and development, driving healthcare solutions,” said Hart.

The BioNJ study recommends actions along several themes: Life Sciences Ecosystem Development Initiatives; Shareholder Integration and Coordination; Tools and Databases; Policy and Funding Initiatives; Corporate Involvement; and Marketing, Communications and Advocacy.

The recommendations include:

- The establishment of a “Life Sciences Ecosystem” that is both geographical and philosophical in nature.
- Creating a first-of-its-kind, web-based translational and clinical research collaborative suite to connect experts and key opinion leaders, ongoing trials, and industry-sourced clinical opportunities for collaboration.
- Continuing to expand upon New Jersey's current armamentarium of innovative incentives to do more to encourage, leverage and reward investment. To do this, New Jersey should partner with BioNJ, investors and other industry members to develop novel funding vehicles that provide new and different opportunities for capital formation.

Industry Study Webinar on September 22

BioNJ and its partners will conduct a webinar to review *Life Sciences in New Jersey: Looking Beyond Biotech* at Noon on Monday, September 22.

Please click here to access the webinar: <https://www1.gotomeeting.com/register/593134008>.

After registering you will receive a confirmation email about joining the webinar.

About BioNJ

With more than 325 Members, BioNJ is focused on the growth and prosperity of New Jersey's life sciences cluster. Founded in 1994 by New Jersey industry CEOs, BioNJ serves as the voice of companies located in New Jersey, seeks to advance their economic growth and development and works to encourage new and established companies from around the world to locate in New Jersey.

To learn more about BioNJ, please visit www.BioNJ.org.

About EY

EY, a global leader in professional services, is committed to restoring the public's trust in professional services firms and in the quality of financial reporting. Its 103,000 people in more than 140 countries around the globe pursue the highest levels of integrity, quality, and professionalism to provide clients with solutions based on financial, transactional, and risk-management knowledge in EY's core services of audit, tax, and corporate finance. EY practices also provide legal services in those parts of the world where permitted. Further information about EY and its approach to a variety of business issues can be found at www.ey.com/us/perspectives. EY refers to all the members of the global EY organization.

EY has a long standing commitment to the life sciences industry serving more than 40 percent of the public life science companies; EY is the largest professional services practice serving the industry. Our life sciences practice includes biotech, medical device, generic pharmaceutical, and specialty pharmaceutical companies.

Our size and success has allowed us to make enormous investments in research and keep our professionals current on the evolving issues and trends facing the industry today and what is most likely to affect the life sciences industry moving into the future. Industry focus means we recruit, train and reward our professionals within the context of industry specialization. We develop technologies and processes that are guided by industry considerations.

For more information about EY, contact: Tony Torrington, Partner - Assurance Services / Northeast Life Sciences Assurance Leader at Anthony.Torrington@ey.com.

About the Edward J. Bloustein School of Planning and Public Policy

The Bloustein School serves as one of the nation's key centers for the theory and practice of planning and public policy scholarship and analysis. As part of Rutgers, The State University of New Jersey, the school capitalizes on the strength and resources of this major research university. The Bloustein School reaches to the larger world beyond the realm of academia to contribute to the regional, national, and international communities.

For more information about the Bloustein School, go to: <http://www.policy.rutgers.edu/>.

About the New Jersey Department of Labor and Workforce Development

The New Jersey Department of Labor and Workforce Development's (LWD) Office of Research and Information (ORI) collects, analyzes and disseminates economic, labor market and demographic data, identifies workforce and economic trends for the State's key industries, and produces reports on employment and population trends. The Office develops performance metrics for the Department's programs, maintains workforce development data systems, analyzes data to inform program decisions, and produces reports on employment and labor topics. Within ORI, the Center for Occupational Employment Information (COEI) approves occupational training providers and disseminates career information.

For more information, please go to:

http://lwd.state.nj.us/labor/lpa/pub/empecon/empeconomy_index.html.

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