

Exclusive: Life sciences generated \$23 billion in wages, 150,000 jobs for the metro area last year, report finds

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The New York metropolitan area has become the nation's leading hub for job development and investment in the life sciences, according to a new report shared exclusively with Crain's.

The report, which was conducted by the New York City Economic Development Corp. in partnership with the Department of City Planning, found that the sector generated roughly 150,000 jobs and \$23 billion in wages last year within the region. New York has 14,000 more jobs than San Francisco, the next-leading region, and 30% more life science businesses than Boston, the next-largest city.

"New York City is the gravitational center for the largest life sciences hub in the country," said Dan Garodnick, director of the Department of City Planning.

The report, which will be released later today, found that the tristate region accounts for 83,000 life science workers—the largest concentration of life science specialists in the entire nation.

But the life sciences is even broader than that: Workers include medical scientists, chemists, microbiologists, mechanical engineers and clinical laboratory technicians. The EDC report noted that for each technical specialist job generated, three other workers are employed in supporting occupations.

The city's life sciences growth has been fueled by an infusion of public and private dollars.

At \$4 billion annually, the metropolitan region is the largest recipient of National Institutes of Health funding nationally; the city received 70% of that funding. Much of that money has been channeled into the city's medical colleges and hospitals: Columbia University, Mount Sinai, New York University's Grossman School of Medicine and Weill Cornell Medical College received \$2 billion in NIH grants in 2021.

The federal funding is buttressed by venture capital dollars that flow into research teams, startups and entrepreneurs who emerge from the city's colleges and hospitals. Annual venture capital funding in health care and biotech has tripled across New York City since 2015, reaching \$3.3 billion in 2020.

"The markets identify new companies that they invest in to grow and take the early research and translate that into products that come to market," said Sue Rosenthal, the EDC's senior vice president of life sciences and health care. "Where they invest stays local to investors and institutions, and the more venture capital that comes into New York City, the more we can anticipate growth in that industry."

Local government has augmented those dollars with its own initiatives. The de Blasio administration and the EDC launched LifeSci NYC in 2016, with a 10-year focus on growing the region's life sciences economy and a \$1 billion investment.

Experts in regional planning said a confluence of factors has contributed to the city's burgeoning life science sector, including revamped zoning laws, a sprawling transportation system and an abundance of lab space.

Carolyn Grossman Meagher, director of regional planning at the Department of City Planning, noted that the City Council amended zoning rules that had excluded the construction or conversion of life science labs because they were interpreted as being for industrial-use rather than commercial-use. Clarifying the zoning rules unlocked a large amount of Manhattan office innovations in the past five years, she said.

As a result, labs and other life science hubs have popped up across the city, including the Alexandria Center for Life Science in Kips Bay and the Hudson Research Center in Midtown West.

"Two decades of rezoning work laid the groundwork for those offices on a construction basis," Grossman Meagher said. "We're now trying to unlock more locations for a spectrum of office space, both new construction office space and adaptive reuse of office spaces."

The region now has 26.3 million square feet of lab space for companies and research-and-development firms. While that still trails both Boston and San Francisco, the city is expected to gain 5.6 million square feet of new lab space in the coming years, much of it in Manhattan and Long Island City.

"That space will be available at a broad array of price points," Rosenthal said. "Being competitive and comparable with the Bay Area and Boston is part of the reason why companies, as they grow here, can find the right match in the space they need."

Matt Waskiewicz, associate regional planner at the Department of City Planning, said the region's transportation network plays a role by connecting key players across the sector. For example, he said, Metro-North or NJ Transit can connect startups that are based at Yale University or Stony Brook University on Long Island to biotech innovation labs near Rutgers University and Newark, New Jersey.

"It's the totality of these clusters, which is the reason for some of that growth and dynamism," Waskiewicz said. —Brian Pascus