

Commercial Life Sciences Can Be New York's Next Big Industry

The Partnership Fund for New York City has released a new report, titled 'New York's Next Big Industry: Commercial Life Sciences,' which finds that New York's life sciences industry is uniquely positioned for explosive growth.

The report, done in conjunction with Dr. Susan Windham-Bannister (founding CEO of Biomedical Growth Strategies LLC) and KPMG, contrasts the strength of the city's research institutions and top scientists with its relatively small number of start-up companies, venture capital investments and jobs in life sciences. It calls for public and private actions to develop the facilities and funding needed to capture the economic benefits of New York's rich research and clinical assets.

Potential Gains

The Partnership Fund estimates that the New York metropolitan region's life sciences industry could double in terms of jobs and economic output over the next decade if the right investments are made by the private and public sectors.

The study found that for every \$1.00 of National Institutes of Health (NIH) funding that Massachusetts received in federal fiscal year 2015, its life sciences industry attracted \$1.32 of venture capital. In comparison, New York State's life sciences industry secured only \$0.06 of venture capital for every \$1.00 of NIH grants, well below the national figure of \$0.48.



Source: PwC MoneyTree™ Report

If commercial activity in Downstate New York was on par with its NIH funding, the region could see an additional 18,000–25,000 jobs and \$2.2–3.1 billion of additional economic growth.

Key Findings

This is the moment for New York to move forward with a full-scale public-private initiative to create a world class life sciences industry cluster and become a global commercial hub of life sciences. Public and private programs and investments are needed to strengthen New York's innovation capacity and state/city government, institutional leadership, and the city's investment and philanthropic communities all have essential roles in capturing this opportunity to build a significant new industry in New York.

There is a need for investment in these four areas:

Space: affordable and appropriately located wet lab space to accommodate companies both when they spin out of the university and then as they grow;

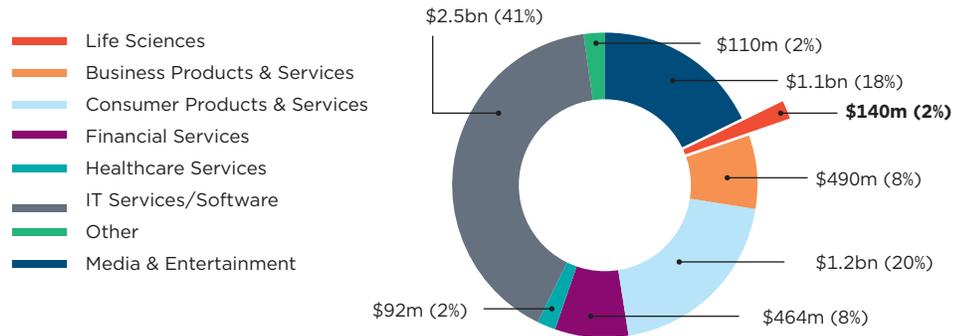
Talent: resources within the universities to support promising scientists who want to start companies and to identify talent to build those companies;

Capital: additional early-stage capital prepared to take high risk;

Promotion: better connectivity between the various stakeholders and a program to market New York's assets.

Room for Growth

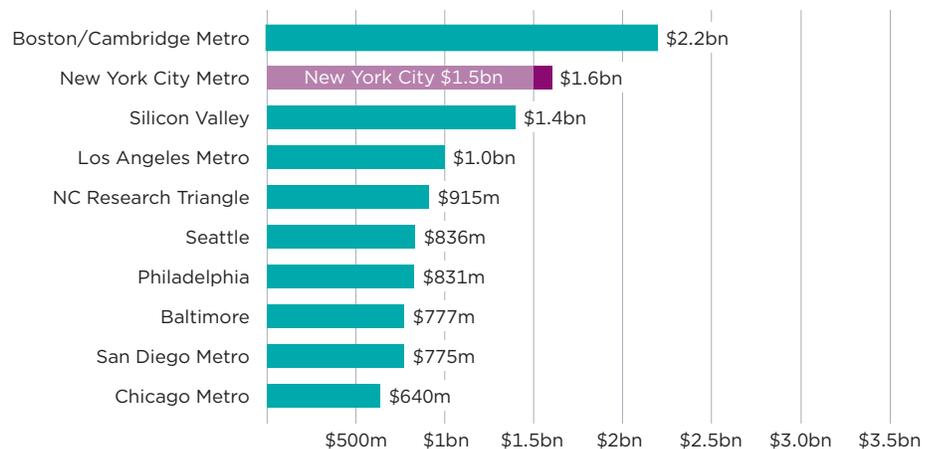
In 2015, life sciences only attracted 2 percent of venture investment in Downstate New York. Over the past twenty years successful projects such as Alexandria Center for Life Sciences, the Structural Biology Center and the New York Genome Center have been supported by city and state government, as well as research institutions and private investors. There is huge potential for additional public/private initiatives to build on the accomplishments of these projects.



Source: PwC MoneyTree™ Report

Why New York City?

New York City boasts one of the world's largest concentrations of bio-medical research institutions, world-class universities, disease-focused foundations, health-care service providers and proximity to major pharmaceutical operations. It has consistently ranked second in the amount of NIH support received by geographic cluster, after Boston/Cambridge Metro.



Source: NIH Data