

# U.S. Site Selection Profile: Life Sciences

by **Chris Schwinden**, on Mar 15, 2024 8:30:00 AM

Life sciences continues to be one of the most active industries that Site Selection Group monitors. Whether established companies are making multibillion-dollar expansion investments or foreign companies are looking to establish footholds in the U.S., the industry remains active. The article below highlights some key data points and trends that Site Selection Group has observed.

## States with strong life sciences growth and presence

The table below represents job growth and overall presence in the life sciences sector by state from 2022-2023. Because life sciences is a blend of different requirements, we use a mix of data representing the manufacturing side of the industry and the research and development-based operations.

We measure growth in terms of absolute job count change and percentage change, as looking at either of these figures on their own does not tell the full story. We also give weight to states with a strong presence in the industry, as life sciences is much smaller and more specialized than other industrial sectors. As a result, the data in the table below reflects an index score that blends those three data points.

## Life Sciences Growth by State



## State Life Sciences Industry Growth Score (2022-2023)

Massachusetts	78.0%
Michigan	82.3%
Minnesota	66.8%
Mississippi	42.6%
Missouri	77.0%
Montana	37.9%
Nebraska	56.9%
Nevada	30.4%
New Hampshire	54.7%
New Jersey	89.9%
New Mexico	31.7%
New York	61.1%
North Carolina	87.7%
North Dakota	47.7%
Ohio	61.8%
Oklahoma	52.6%
Oregon	28.8%
Pennsylvania	53.8%
Rhode Island	27.0%
South Carolina	29.2%

## Life Sciences Industry Growth by State

The top five states in total growth and presence over the last year were New Jersey, North Carolina, Michigan, Indiana and Massachusetts. This represents a mix of states that have a strong presence in both pharmaceutical manufacturing and research and development (e.g. New Jersey and North Carolina), ones that specialize more on the manufacturing side (e.g. Michigan and Indiana), and ones that are much more focused on research and development (e.g. Massachusetts). While each has a different value proposition for life sciences companies, they are all states with well-established life sciences clusters – an industry that tends to cluster more than other sectors.

## Notable recent life science announcements and incentive deals

The list below has examples of notable life sciences announcements over the past year. We highlight examples from some states noted above and include other high-profile

announcements from states with smaller life sciences sectors. Please note that the example incentives information below may not be a comprehensive sum of all support provided by local and state governments and utilities for economic development.

- **Eli Lilly** – Lebanon, IN

The global pharmaceuticals firm announced an additional \$1.6 billion investment in two sites in Lebanon, Indiana, just northwest of Indianapolis, which will create 700 new jobs. The project was supported by nearly \$300 million in tax credits and a \$4.5 million grant from the Indiana Economic Development Corp.

- **Eli Lilly** – Durham, NC

The company also announced a major expansion of its pharmaceutical manufacturing operations in Research Triangle Park, North Carolina, resulting in \$450 million in new capex and 100 new jobs. The project was supported by state and local incentives.

- **ProKidney** – Greensboro, NC

This biotechnology company develops regenerative treatments for chronic kidney disease, investing more than \$450 million and creating 330 jobs in Greensboro, North Carolina. The company was awarded \$15 million in support from local government for the project.

- **Zoetis** – Kalamazoo, MI

Zoetis focuses on animal health and is expanding its footprint in Kalamazoo, Michigan, investing \$115 million in manufacturing, lab and support space.

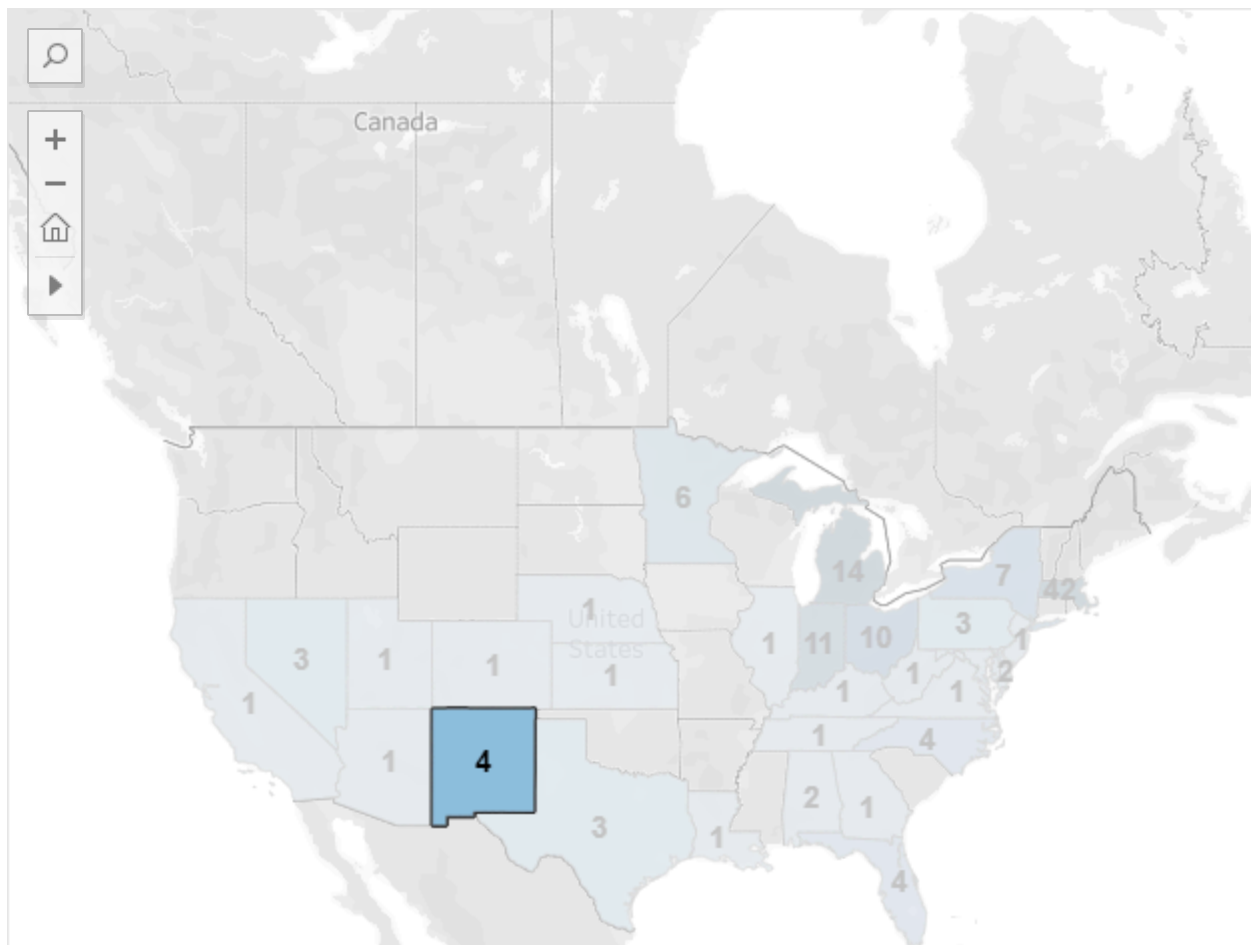
- **Meissner Filtration Products** – Winterville, GA

This company manufactures microfiltration and therapeutic systems and is investing \$250 million in a new facility near Athens, Georgia. The project was supported by an \$11 million grant through the Georgia Economic Development, Growth, and Expansion Program and \$1.5 million from the county.

The map below represents the count of incentivized life sciences projects by state in 2023, with darker blue states indicating a higher count of project announcements. Please note, this only includes projects that received publicly reported economic incentives.

## 2023 Incentivized Life Sciences Projects by State





## SSG's 2024 outlook for life sciences

Site Selection Group continues to see significant market activity in the biotechnology space, and we do not expect that to change in the new year. However, we do anticipate some key trends to develop:

- **Looking Beyond Major Life Science Clusters**

The state-level data above shows continued growth in major life sciences states and markets. However, because of competition and cost constraints, we expect more life sciences companies to explore alternative options. For example, Massachusetts and New Jersey will continue to be major life sciences clusters, but cost considerations will push companies to consider cheaper alternatives. Even markets in very attractive and competitive states are getting saturated. For example, companies previously looking in the Research Triangle Region of North Carolina are likely to broaden their search to alternative regional markets (e.g. Greensboro, Charlotte, and/or alternative markets in South Carolina, Georgia

and Virginia).

- **Flexible Workforce Training is Paramount**

Establishing a foothold in the life sciences industry can be difficult for many regions because the skill requirements are so specialized. Quite simply, it's hard to attract life sciences companies when a community doesn't have a preexisting presence of life science companies. As a result, it's important for both economic development organizations and companies searching for new locations to look at how existing training programs and skill sets in a region of interest can be repurposed to meet the needs of biotechnology. For example, leveraging existing food production and chemical training programs can be one way to bridge the gap for companies looking to tap into nascent life sciences markets.

- **Dedicated Industrial Sites and Real Estate Can Open Up New Markets**

Many major life science markets are dominated by institutional development making it difficult to find and acquire attractive sites meeting the stringent technical requirements for life sciences companies. Some communities and developers in attractive, less well-known life sciences markets are making strategic investments in specific sites and full-scale industrial parks dedicated to the specific needs of life sciences companies. For example, the greater Dallas-Fort Worth region has several developments focused on using sites to attract life sciences companies.

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