Executive Summary

This report, *What Will It Take To Support New Jersey's Regional Innovation Clusters (RICs)?*, provides the results and interpretation of a collaborative research project completed by the New Jersey State Chamber of Commerce and PlanSmart New Jersey. The Chamber and PlanSmart NJ conducted this project to explore the concept of Regional Innovation Clusters (RICs), a theory that is explicitly promoted as a means to achieve targeted economic growth in various state level economic development initiatives. This report documents the relationship between New Jersey's industry clusters and the state's existing infrastructure to evaluate how infrastructure investment and economic development align on the ground.

The report generated the following findings:
- All eight industries exhibit a clustering pattern which is supported by the Nearest Neighbor Ratio statistic and visual map observations.
- The Life Sciences, Healthcare, Finance, Technology, and Transportation, Logistics, and Distribution industries are more concentrated in New Jersey than the rest of the country.
- The Life Sciences and Healthcare industries are considered strong and growing industries within the state.
- Research shows that both hard infrastructure and soft infrastructure, such as higher education institutions, play a critical role in the development and prosperity of industry clusters.
- A relationship exists between the location of employment density and the state's existing infrastructure as evidenced by the report's eight unique cluster maps.

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Section 1 of this report explains industry cluster theory and lists examples of successful RIC initiatives implemented around the country. Section 2 records the methodology used to complete this report. Section 3 analyzes eight industry clusters identified through the advisory board feedback process: life sciences; healthcare; advanced manufacturing; finance; technology; transportation, and logistics, and distribution; aerospace and defense; and tourism. Following this list, in section 4 is an overview of the hard and soft infrastructure needed to support the state's eight industry clusters including: transportation, water and sewer, power, telecommunications, business parks and industrial facilities, higher education institutions, hospitals, institutions for collaboration, and quality of life. Section 5 utilizes mapping to visually demonstrate the linkages between the eight key industries described in Section 3 and infrastructure described in Section 4. Section 6 concludes future initiatives that are planned as a result of this study. The appendix contains two case studies that will examine the clustering of the life sciences industry in Princeton and the effects of Superstorm Sandy on the tourism industry and infrastructure at the Jersey Shore.

This report is meant to serve as a starting point to spur further research on the relationship between industry and infrastructure in New Jersey. We hope that the knowledge gained from these analyses can spark meaningful discussion and policy ideas that can further the goals of state level initiatives concerned with but not limited to regional innovation clusters, economic development incentives and future state planning efforts.