



Reshoring Institute

NEW JERSEY

State Economic Survey and Incentive Comparison

CONTACT INFORMATION

Contact Name: Rena Sherman

Contact Phone Number: 609-297-2197

Contact Email Address:
rsherman@choosenj.com

US State Name: New Jersey

State Abbreviation: NJ

State Economic Development Web Address:
<https://www.choosenj.com/>

State Economic Development Email Address:
Same as above

State Economic Development Phone Number:
(609) 297-2200

Additional Relevant Links for Relocating
Companies:

<https://www.choosenj.com/key-industries/manufacturing>

www.njeda.com

<https://www.nimep.org/>

INCOME AND OUTPUT

This section highlights your state's productivity and income to provide an understanding of the amount of business conducted and the rate of growth for businesses and individuals.

Gross Domestic Product, in millions: \$591,743

Gross Domestic Product % Growth: 2.7% (from previous year)

Per Capita Personal Income (*GDP/Population) *This is often used as a standard of living measurement:*
\$62,554

Per Capita Personal Income % Change: 2.1%

WORKFORCE

This section gives manufacturers an idea of the industry's environment in the state, including the makeup of the available workforce, the labor requirements, and recent trends.

Total Population: 9,005,644

Total Civilian Labor Force: 4,475,500

Total Number of Persons Employed: 4,283,700

Total Number of Persons Unemployed: 191,800

Unemployment Rate %: 4.3%

Manufacturing Employment: 243,845

Professional and Business Services Employment: 655,745

State Right-to-Work Law Y/N: N

Large Factory Openings during Previous year:

- Cascade – 120 new jobs, paper manufacturing
- Aerofarms – 56 new jobs, food manufacturing/indoor farming
- Gourmet Nut – 110 new jobs, food manufacturing
- Modern Meadow – 263 new jobs, biofabrication
- Transpackers – 140 new jobs, food packaging manufacturing
- Virginia Dare – 104 new jobs, food product manufacturing

Large Factory Closures during Previous year:

- Manischewitz – 169 jobs affected, food manufacturing
- Eli Lilly – 78 jobs affected, pharmaceutical manufacturing

Mimeo – 116 jobs affected, printing company

EDUCATION

This section provides further insight into the potential workforce education levels, advanced areas of education, and partnerships between higher education and industry for insight into quality of labor force and growth sustainability.

% High School Diploma or More: 28.2%

% Bachelor's Degree or Higher: 37.5%

Enrollment in Higher Education Institutions:

- As of Fall 2017:
 - 341,580 Undergraduates
 - 58,527 Graduates

Science and Engineering Graduate Students:

- Degrees awarded in 2017
 - 7,577 Associate's and Bachelor's
 - 3,043 Post-graduate degrees

List of High school, College, or University Manufacturing Partnership Programs *These are partnerships with manufacturers to help train future employees in certain skills:*

- Rutgers Advanced Manufacturing Institute - <https://soe.rutgers.edu/story/nj-advanced-manufacturing-institute>
- NJ Institute of Technology Center for Manufacturing Systems - <https://centers.njit.edu/cms/index.php>

- NJ Community College Consortium - <http://njworkforce.org/about-us/>
- NJ Council of County Vocational-Technical Schools - <https://www.careertechnj.org/career-programs/advanced-manufacturing-emerging-technologies/>

List of Additional Manufacturing Training Programs:

- NJ Advanced Manufacturing Talent Network - <https://www.njmep.org/advanced-manufacturing-talent-network/>

List of Future Planned Manufacturing Training Programs *If known please include expected implementation date:*

COST OF DOING BUSINESS

This section highlights the costs associated with doing business in your state including taxes, wages, insurance, and energy expenses.

State Corporate Income Tax %:

- Over \$1,000,000 – Currently 11.5%. Will decrease to 10.5% in 2020, then will decrease again to 9% in 2022.
- Between \$100,000 and \$1,000,000 – 9%
- Between \$50,000 and \$100,000 – 7.5%
- \$50,000 and less – 6.5%

State Individual Income Tax %:

- Graduated rates – 1.4% to 10.75% (for incomes over \$5,000,000)

State Level Sales Tax %: 6.625%

State Use Tax: 6.625%

Unemployment Insurance Tax % (estimate): Rates for new employers to the state set at 2.8%; rate currently ranges from 0.5% to 5.8%

Additional Relevant Taxes:

Workers' Compensation Employer Insurance Costs per \$100 of Payroll: Depends on industry

Average Industrial Electric Rate: 10.11 cents/kWh

Average Price of Natural Gas Delivered to Industrial Consumers: \$6.82 per thousand cubic feet

Average Hourly Earnings of Production Workers in Manufacturing:

Minimum Wage (current): \$8.60/hour

Pending Legislation Regarding Minimum Wage: Not currently

If you answered YES to the above question, What is the proposed minimum wage?:

If you answered YES to the above question, What is the legislative bill number?:

ENTREPRENEURSHIP AND INNOVATION

This section underscores the successes of the state in terms of business innovation through awards, venture capital, and intellectual property attainment.

Total Small Business Innovation Research (SBIR) Awards *Found at:* https://www.sbir.gov/reports/state-summary?year=2016&program_tid=105791: do these

New Jersey

- Number of Phase I: 59
- Phase I Obligation: \$8,319,820.54
- Number of Phase II: 39
- Phase II Obligation: \$41,928,921.18
- Total Awards: 98
- Total Obligation: \$50,248,741.72

Total Small Business Technology Transfer (STTR) Awards *Found at:* https://www.sbir.gov/reports/state-summary?year=2016&program_tid=105792:

New Jersey

- Number of Phase I: 9
- Phase I Obligation: \$1,794,945.60
- Number of Phase II: 8
- Phase II Obligation: \$8,102,888
- Total Awards: 17
- Total Obligation: \$9,897,833.60

Venture Capital Deals, in millions:

- 2017: \$747.96M
- 2018 (through Q3): \$415.45M

% of State with Internet Accessibility:

- According to Broadband Now, New Jersey has the best internet connectivity and coverage in the United States. The report can be found at the following link:
 - <https://broadbandnow.com/report/us-states-internet-coverage-speed-2018/#note-1774-3>

Newly Registered Businesses: 24,863

Newly Registered Patents: 4,602

From 1977 to 2015, New Jersey ranked fifth in most patents awarded in the country.

FOREIGN DIRECT INVESTMENT

This section provides insight into the amount of current investment overseas and the potential state market for manufacturers to reshore.

Information on expansion and relocations in NJ can be found at our website below, some of which include foreign direct investment.

<https://www.choosenj.com/stats-and-facts/major-expansions-relocations>

- Cascades
 - FDI from Canada
 - Paper Manufacturing
 - 120 new jobs, \$80M capital investment
 - News: <https://www.packaging-gateway.com/projects/cascades-corrugated-packaging-plant/>
- Y International/Lulu
 - FDI from United Arab Emirates
 - Food Distribution
 - 200 new jobs
 - News: <http://www.areadevelopment.com/newsItems/11-3-2016/y-international-distribution-center-lyndhurst-new-jersey.shtml>
- Nestle
 - FDI from Switzerland
 - Food R&D
 - 236 new jobs
 - News: <https://www.nj.com/somerset/index.ssf/2015/10/nestle.html>
- Starplast
 - FDI from Israel
 - Plastics
 - 140 new jobs
- Symrise
 - FDI from Germany
 - Flavors & Fragrances
 - Over 500 jobs, new and retained

Foreign Direct Employment: 276,400

Foreign Direct Investment, in millions:

- \$5.598 billion

TRANSPORTATION AND INFRASTRUCTURE

This section sheds light on the basic infrastructure of the state and what a company can expect in terms of the logistics of shipping their product.

Number of major 2 or 4-Lane Highways running through state: Approximately 30

Number of major railways going through state: 14 commuter, numerous freight lines

Number of major ports connected to state: Two

Number of airports throughout state: 43 public airports

Number of International airports throughout state: 1 (other international airports outside of NJ but in very close proximity and used frequently by NJ residents)

Number of distribution centers:

- Over 800 distribution centers in New Jersey
- Over 250 which are over 100,000 sq. ft.

Number of foreign trade zones: 5

INCENTIVES

Different states offer different incentives to entice companies to move to their state. This section will allow you to highlight these incentives.

Pending Legislation

Proposed Incentives Currently Pending Approval (Y/N): Proposed programs, but no pending legislation.

If you answered YES above, please describe the pending incentives including the bill number if applicable:

Cash Incentives

Does the state provide any CASH incentives? (Y/N): N

If you answered YES above, please provide details of this incentive including the contact information and website if applicable:

State Tax Credits

Does the state provide any Tax Credit incentives? (Y/N): Y

If you answered YES above, please describe the available tax credits:

Grow New Jersey: Tax credit that ranges from \$500 - \$15,000 per job per year, up to 10 years. Amount depends on location, industry, capital investment, and business function.

- https://www.njeda.com/financing_incentives/programs/grow_nj

Other tax credits available depending on industry – manufacturing, offshore wind, redevelopment, etc.

State Tax Exemptions

Does the state provide any Tax Exemptions? (Y/N): Y

If you answered YES above, please describe the available tax exemptions:

State Grants

Does the state provide any Grant incentives? (Y/N): Y

If you answered YES above, please describe the available grants:

- Grants for installing energy efficient equipment.
 - <http://www.njcleanenergy.com/commercial-industrial/programs/nj-smartstart-buildings/nj-smartstart-buildings>
- Grants/reimbursement for training workers
 - <https://www.nj.gov/njbusiness/workforce/training/>

State Loans

Does the state provide any Low-Interest Financing incentives? (Y/N): Y

If you answered YES above, please describe the available financing opportunities:

Several options can be found at the following link: <https://www.njeda.com/manufacturing>.

Training Programs

Does the state provide any Specialized Training Program incentives? (Y/N): Y

If you answered YES above, please describe the available training programs:

Please see following website: <https://careerconnections.nj.gov/>

Zoning

Does the state provide any Special Zoning incentives? (Y/N): N – not administered by the state of NJ.

If you answered YES above, please describe the available special zoning opportunities:

State Marketing and Promotions

Does the state provide any Marketing and Promotional incentives? (Y/N): N

If you answered YES above, please describe the available special marketing or promotional opportunities:

Innovation Centers

Does the state have Innovation Centers or Additional Resource available for companies? (Y/N): Y

If you answered YES above, please describe the available innovation centers or additional resources:

Several universities in New Jersey have research institutes, innovation centers, and other resources available to manufacturers. Information on these can be provided upon request.

REGIONAL INFORMATION

Many states have "regions" that specialize in certain industries such as automotive in Detroit or high tech in Silicon Valley. This section is to help you highlight these regions. If the state doesn't have any special regions please skip this page.

Please note that a "region" could be an area, county, city etc...

Region One

Name of Region (This can include nicknames such as Silicon Valley): Medicine Chest

Does this region have a designated web site? (Y/N): N

If you answered YES to the question above, what is the website:

Geographic Location Information (For example, Silicon Valley spans several major cities including San Jose, Cupertino and Palo Alto): New Jersey

What industry or industries are prominent in this region?

- Aerospace
- Apparel
- Appliances
- Automotive
- Biomedical
- Building Materials and Equipment
- Computer and Electronic Products
- Distribution Centers
- Food or Beverage
- Furniture
- Machinery and Capital Equipment
- Paper
- Plastics
- Telecom
- Toys or Children's Products
- Warehousing
- Other: Pharmaceutical

What are some unique aspects of this region? *Could include information about transportation, education, weather etc...:*

Are there any special programs or incentives for companies wanting to move to this region? (Y/N): Y

If you answer YES to the question above, please list the programs or incentives for this region if not already mentioned in the Incentives section:

In addition to the programs already outlined, additional relevant programs are below.

- Angel Investor Tax Credit Program
 - Investors in a qualified technology business can receive a tax credit up to 10% of the investment. The maximum credit allowed is \$500,000.
- NJ CoVest Fund
 - Provides seed funding to New Jersey technology and life sciences companies to further commercialize their technology and scale revenues.
- Technology Business Tax Certificate Transfer Program
 - Enables qualified, unprofitable NJ-based technology or biotechnology companies with fewer than 225 US employees to sell a percentage of net operating losses and R&D tax credits to unrelated profitable corporations.
- Additional information on relevant programs can be found at the following link:
https://www.njeda.com/technology_lifesciences

Does this region offer site selection assistance? (Y/N) *Please describe programs and resources:* Y – see above assistance

If you answer YES to the question above, please list the contact information for the site selection assistance:

See general contact information for Peter Coats at Choose New Jersey

Is there any extraordinary information that you would like to add about this region?

New Jersey is home to more than 300 biotechnology companies and 20 pharmaceutical and medical technology firms; 17 out of the world's top 20 have major facilities in the state. Since 2001, the total number of trained pharmaceutical, biotech and medical technology workers in the state has more than tripled since 2001. The industry supports approximately 150,000 workers.

Region Two

Name of Region (This can include nicknames such as Silicon Valley):

Does this region have a designated web site? (Y/N):

If you answered YES to the question above, what is the website:

Geographic Location Information (For example, Silicon Valley spans several major cities including San Jose, Cupertino and Palo Alto):

What industry or industries are prominent in this region?

- Aerospace
- Apparel
- Appliances
- Automotive
- Biomedical
- Building Materials and Equipment
- Computer and Electronic Products
- Distribution Centers
- Food or Beverage
- Furniture
- Machinery and Capital Equipment
- Paper
- Plastics
- Telecom
- Toys or Children's Products
- Warehousing
- Other

What are some unique aspects of this region? *Could include information about transportation, education, weather etc...:*

Are there any special programs or incentives for companies wanting to move to this region? (Y/N):

If you answer YES to the question above, please list the programs or incentives for this region if not already mentioned in the Incentives section:

Does this region offer site selection assistance? (Y/N) *Please describe programs and resources:*

If you answer YES to the question above, please list the contact information for the site selection assistance:

Is there any extraordinary information that you would like to add about this region?

Region Three

Name of Region (This can include nicknames such as Silicon Valley):

Does this region have a designated web site? (Y/N):

If you answered YES to the question above, what is the website:

Geographic Location Information (For example, Silicon Valley spans several major cities including San Jose, Cupertino and Palo Alto):

What industry or industries are prominent in this region?

- Aerospace
- Apparel
- Appliances
- Automotive
- Biomedical
- Building Materials and Equipment
- Computer and Electronic Products
- Distribution Centers
- Food or Beverage
- Furniture
- Machinery and Capital Equipment
- Paper
- Plastics
- Telecom
- Toys or Children's Products
- Warehousing
- Other

What are some unique aspects of this region? *Could include information about transportation, education, weather etc...:*

Are there any special programs or incentives for companies wanting to move to this region? (Y/N):

If you answer YES to the question above, please list the programs or incentives for this region if not already mentioned in the Incentives section:

Does this region offer site selection assistance? (Y/N) *Please describe programs and resources:*

If you answer YES to the question above, please list the contact information for the site selection assistance:

Is there any extraordinary information that you would like to add about this region?

AMERICAN MADE LABEL REQUIREMENTS

Federal Trade Commission oversees "Truth in Advertising" regulations including promotion or disclosure of products displaying "Made in USA" labeling. FTC requires products advertised as "Made in USA" be "all or virtually all" made in the U.S. "all or virtually all" means the product should contain no – or negligible – foreign content.

Made In USA Requirements

Does the state have any specific requirements for labeling products "Made in USA"? (Y/N): N

If you answered YES to the question above, what are the requirements for labeling products "Made in USA":

Is there pending legislation regarding these requirements? (Y/N): N

If you answered YES to the question above, please describe the proposed legislation including the bill number:

Made In YOUR STATE Requirements

Does your state have any specific requirements for labeling products "Made in YOUR STATE"? (Y/N): N

If you answered YES to the question above, what are the requirements for labeling products "Made in YOUR STATE":

Is there pending legislation regarding these requirements? (Y/N): N

If you answered YES to the question above, please describe the proposed legislation including the bill number:

Is there an organization or entity that monitors state labeling? (Y/N): N

If you answered YES to the question above, please provide the name and contact information for the organization or entity:

Date of Submission 11/8/18

Thank you for your time. Please email your responses to alevy@reshoringinstitute.org and your responses will be recorded and available online for review at www.reshoringinstitute.org.

