RUTGERS
Senator Walter Rand Institute for Public Affairs

# 2012 SOUTHERN NEW JERSEY INDUSTRY CLUSTERS

The Senator Walter Rand Institute for Public Affairs
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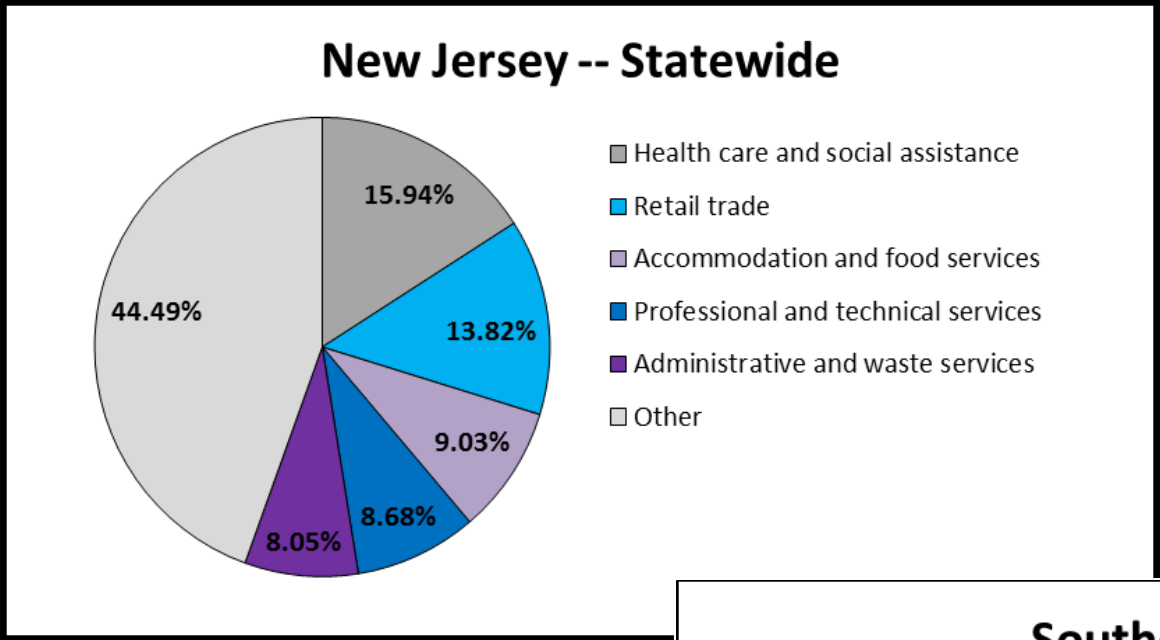
# Introduction

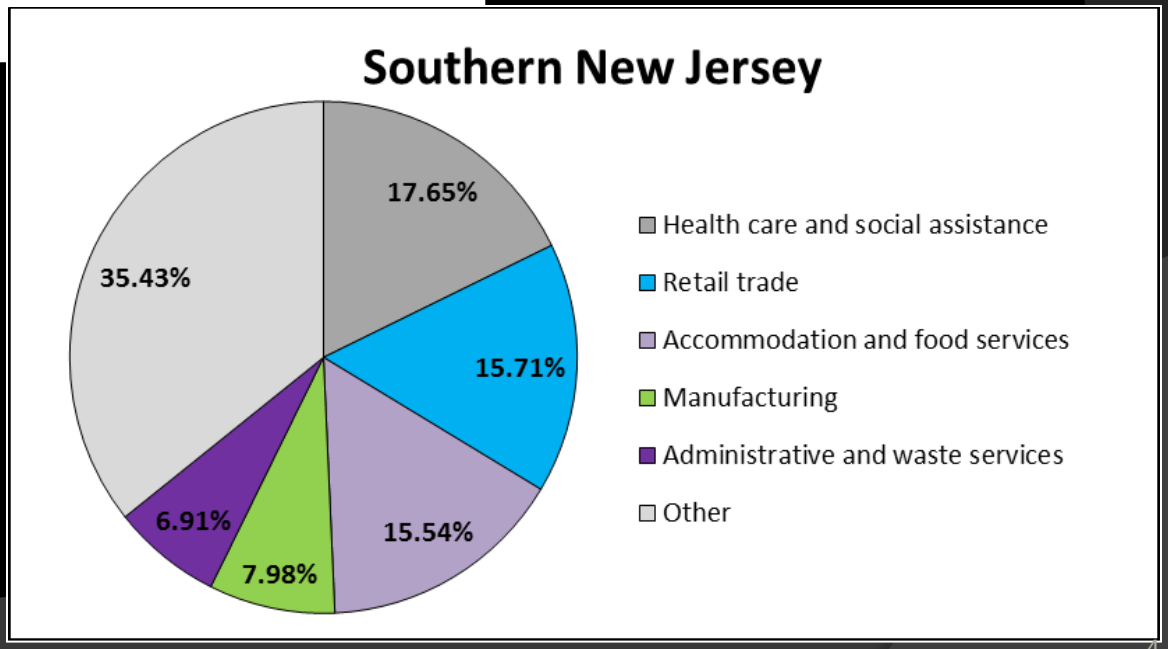
- Industry clusters are employment concentration of a particular industry within a geographic region
- Industry clusters are important concept in regional business development
- There are several industries that have been known to cluster in Southern New Jersey region

# Purpose

- Identify and measure the 2012 industry clusters in each county
- Identify and measure the 2012 industry clusters in South Jersey region
- Use industry cluster techniques to measure trends represented in the 7 counties and Southern New Jersey region

# 2012 Employment Percentage

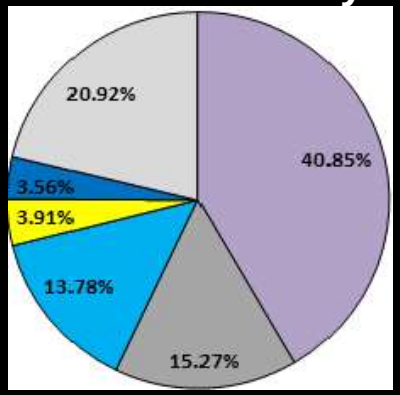


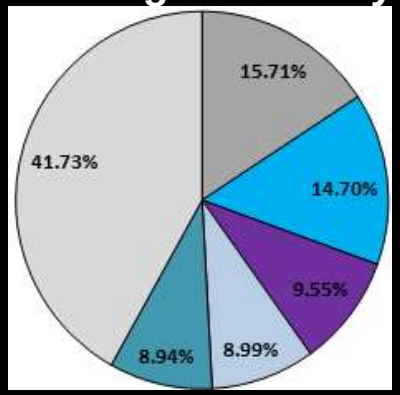
# 2012 Employment Percentage

| Legend Key |
|---|
| Accommodation and food services |
| Administrative and waste services |
| Agriculture, forestry, fishing and hunting |
| Arts, entertainment, and recreation |
| Construction |
| Finance and insurance |
| Health care and social assistance |
| Manufacturing |
| Other |
| Professional and technical services |
| Retail trade |
| Utilities |
| Wholesale trade |

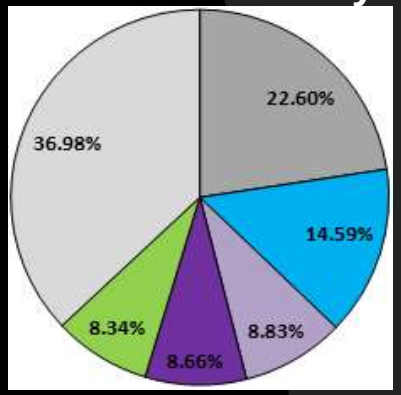
## Atlantic County



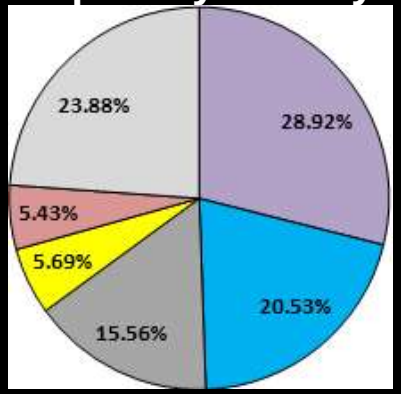

## Burlington County



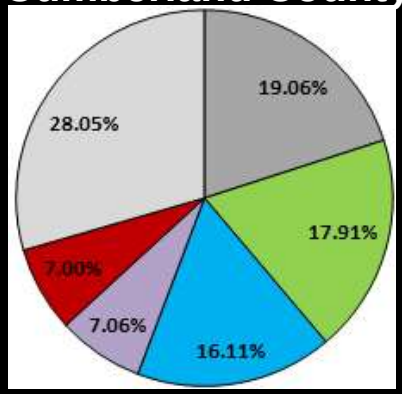

## Camden County



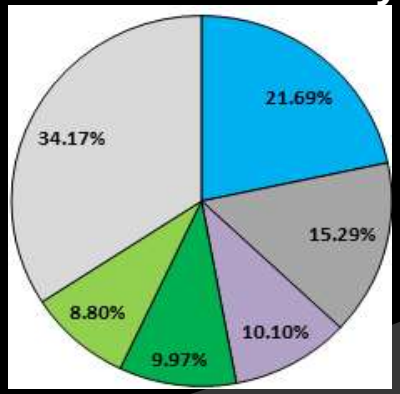

## Cape May County



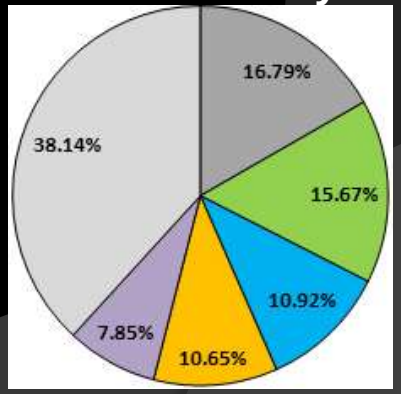

## Cumberland County




## Gloucester County




## Salem County

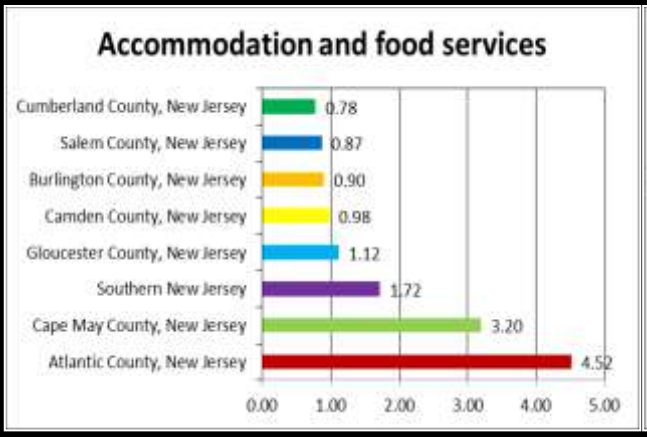


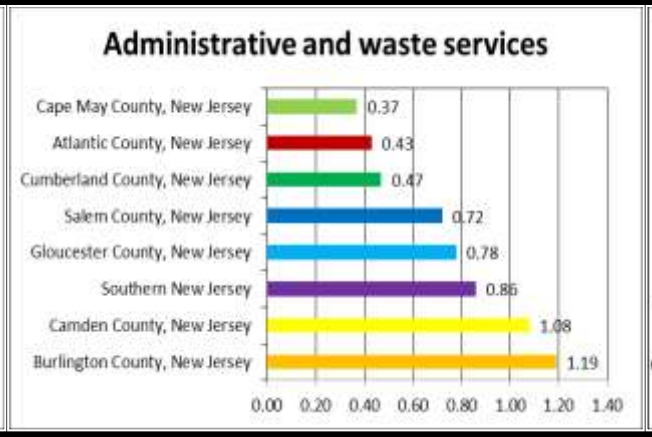
# Industry Location Quotient

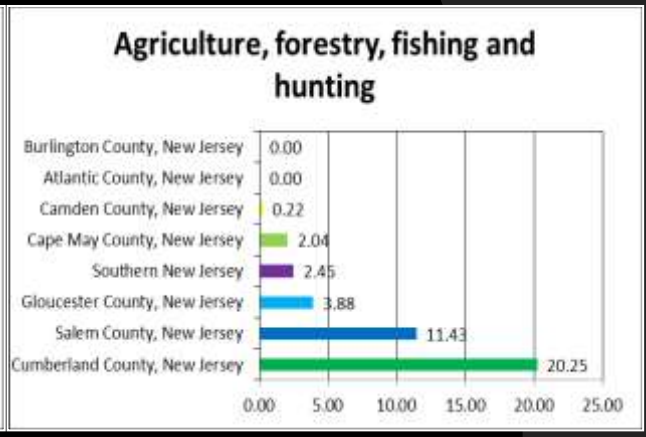
- A calculated ratio between the local economy and the economy of reference unit
- Quantifying how “concentrated” an industry is in a region compared to a larger geographic area

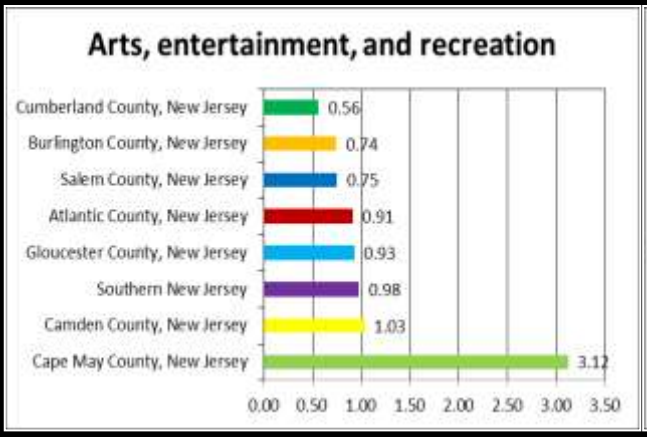
| Understanding Location Quotients | |
|---|---|
| **LQ is greater than 1.0** | **Local industry has competitive advantage** |
| **LQ is equal to 1.0** | **Local industry has same share as reference area** |
| **LQ is less than 1.0** | **Local industry needs development** |

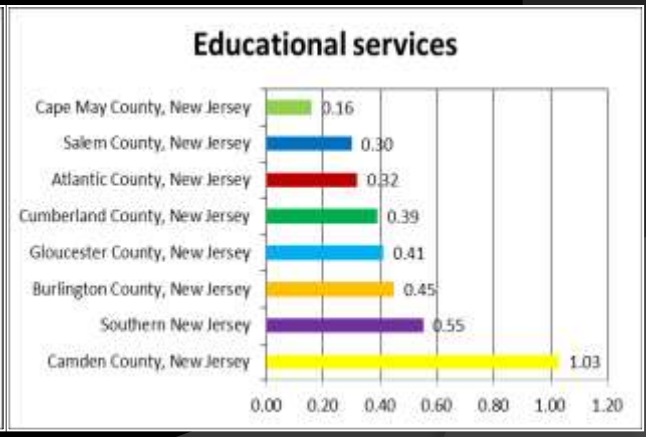
# County Location Quotients





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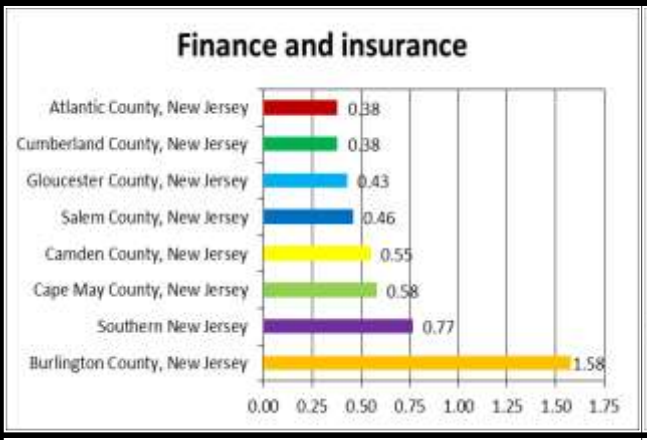


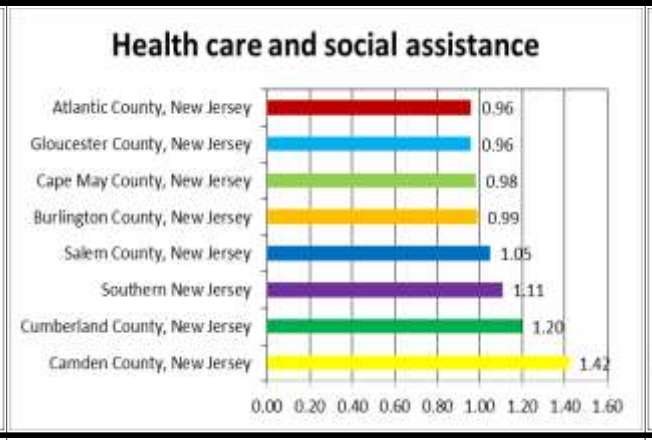


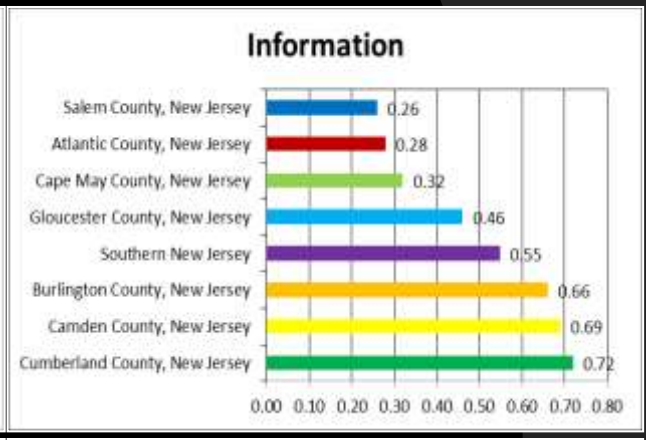


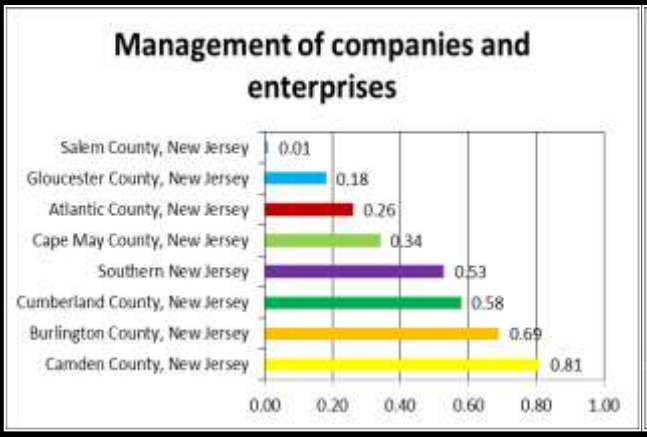


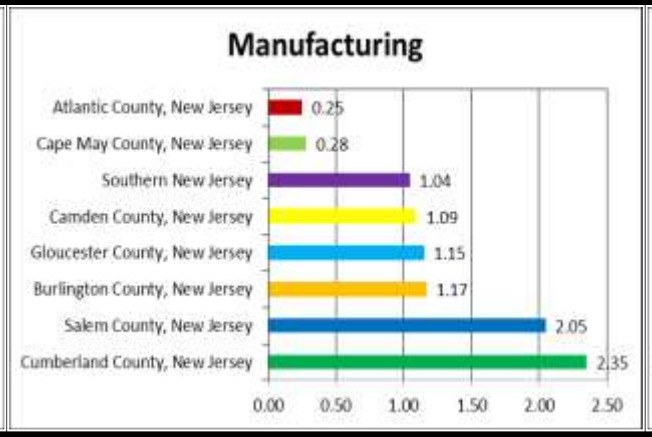


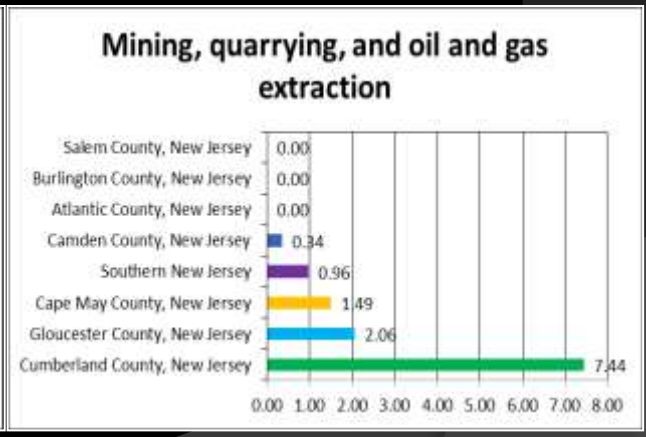

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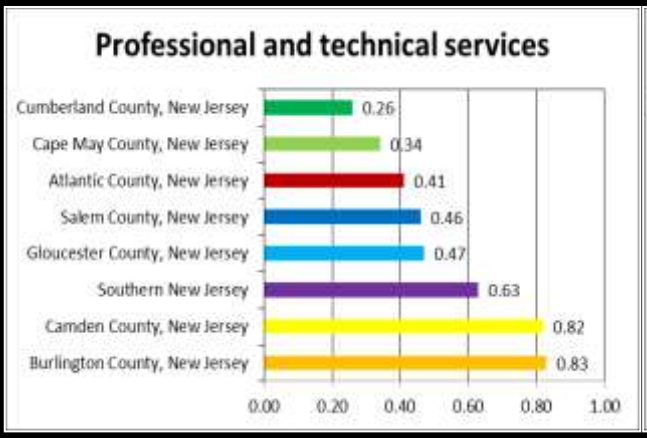

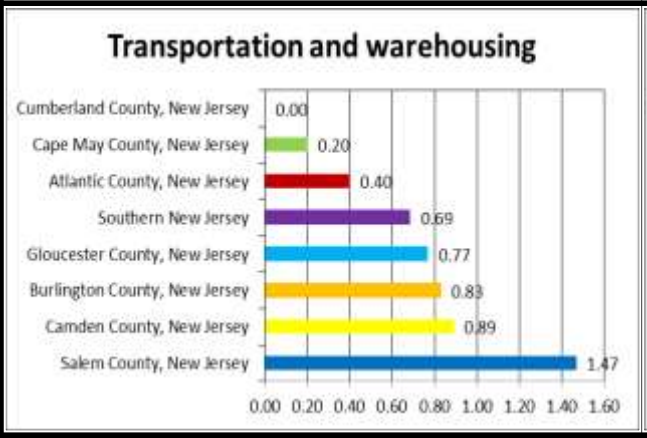


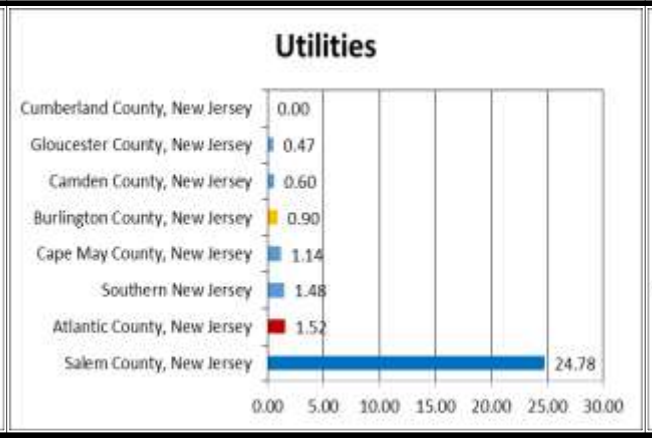

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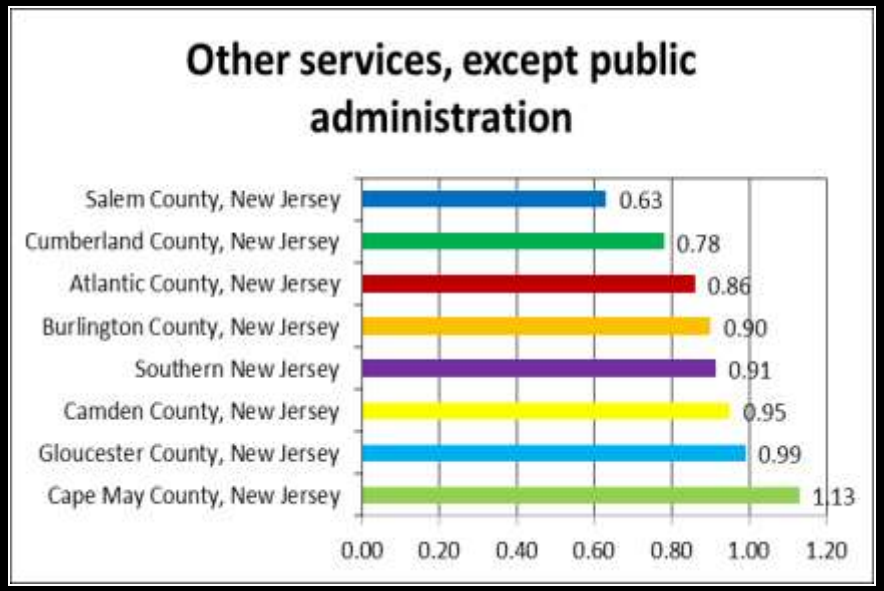


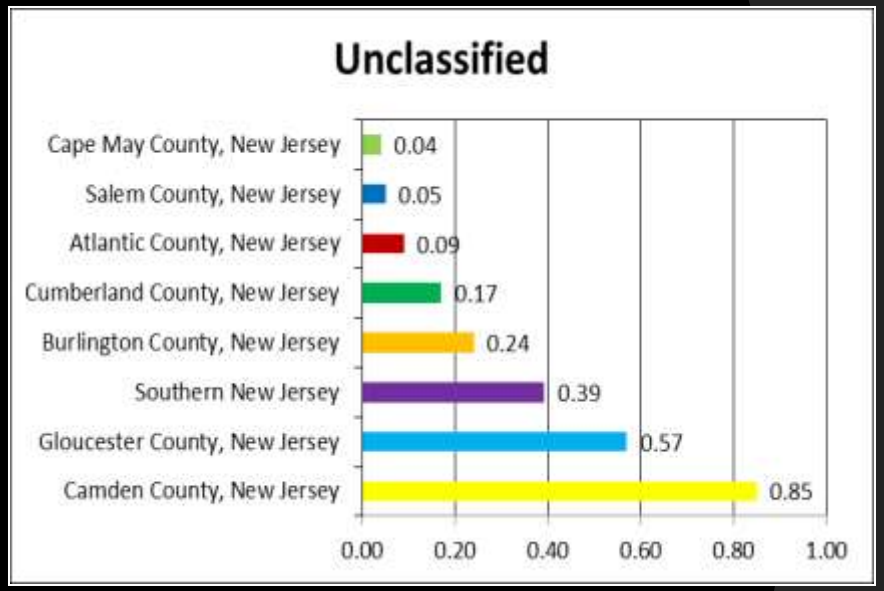

# Summary #1

- In 2012, Southern New Jersey has a high employment percentage in the following industries:
  1. Health care and social assistance
  2. Retail trade
  3. Accommodation and food services
  4. Manufacturing
  5. Administrative and waste services

# Summary #2

- In 2012, the top highly concentrated industries in Southern New Jersey were ranked as followed:
  1. Agriculture, forestry, fishing, and hunting
  2. Accommodation and food services
  3. Utilities
  4. Retail trade
  5. Construction
  6. Health care and social assistance
  7. Manufacturing

# Conclusion

- Health care and social assistance industry in Southern New Jersey is:
  - Top percentage of employment in region
  - Higher concentrated compare to New Jersey
- Retail trade industry, accommodation and food services industry, and manufacturing industry are:
  - Top percentage of employment in region
  - Higher concentrated compare to New Jersey
- Agriculture, forestry, fishing, and hunting industry and utilities industry are:
  - Bottom percentage of employment in region
  - Higher concentrated compare to New Jersey