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FOR IMMEDIATE RELEASE
DATE: October 6, 2005

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CODEY UNVEILS ECONOMIC BENEFITS OF STEM CELL RESEARCH

New Jersey's Proposal Will Generate More than a Billion Dollars in Economic Activity

(SADDLE BROOK) - Acting Governor Richard J. Codey today announced the findings of a study prepared by Rutgers University that outlines the potential economic benefits from New Jersey's proposed stem cell research initiative. In doing so, Codey announced that New Jersey stands to benefit from an estimated \$1.4 billion in new economic activity, approximately 20,000 new jobs and \$71.9 million in new state revenue over the next 20 years.

These benefits would be generated by Codey's proposed \$380 million stem cell research initiative, which includes \$150 million in unused bond capacity to construct a world-class Stem Cell Institute and a \$230 million bond referendum to provide a long term and steady funding source for stem cell research grants. The study, which was prepared by Professor Joseph J. Seneca of the Edward J. Bloustein School of Planning and Public Policy at Rutgers University, based its findings on Codey's proposal.

"Everyone is rightly focused on the potential of finding a breakthrough cure, whether it's for Diabetes, Parkinson's Disease or spinal cord injuries," said Codey. "But this research also has significant economic potential, especially for New Jersey. Our life sciences and technology-based industries are the life-blood of our economy and the hope for continued economic growth in years to come."

"This report confirms what many of us have known all along - that our stem cell proposal has enormous economic benefits for our state and our residents," added Codey. "Ultimately, pursuing stem cell research isn't just good for our health, it's good for our economy."

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Codey unveiled the findings at Kessler Rehabilitation Institute in Saddlebrook, where he was joined by U.S. Senator Jon Corzine, Professor Seneca and Kessler’s Chief Medical Officer Dr. Bruce Gans, as well as patients and stem cell advocates.

“Public investments in embryonic stem cell research are about new cures, first and foremost, but it is also about keeping New Jersey competitive in the intellectual marketplace,” said Corzine. “It’s about world class science, world class careers, and world class cures for what are now incurable diseases.”

While the analysis of these benefits is complex and dependent on many variables, the study examined the components that would most likely be attributed directly to the state’s proposed initiative: economic impact of expenditures, the retention and expansion of the state’s biotechnology industry and the royalty payments from intellectual property. The study also examined the potential benefits once effective stem cell therapies are discovered and implemented.

“Investment in scientific research that can improve the human condition and alleviate suffering is a noble and appropriate responsibility of government,” said Seneca. “By investing in stem cell research, New Jersey has the opportunity to affirm its scientific legacy and participate as a full partner in this worldwide work that has such promise to improve the quality of life for so many and to significantly increase jobs and economic growth in our state.”

Highlights of the study include:

Benefits Directly Attributable to the Initiative. The estimated economic benefits to New Jersey that can be attributed directly to the initiative - the economic impact of expenditures, the retention and expansion of the biotechnology industry, and the royalty payments from intellectual property - are \$1.4 billion in new economic activity, close to 20,000 new jobs, and \$71.9 million in new state revenues (taxes and royalties) over the time period 2006 to 2025. (See p. 43 and Table 19, p. 46).

Broader Benefits to New Jersey. A broader aggregation of potential stem cell therapy benefits to New Jersey consisting of reductions in health care costs, savings in work time lost, and decreases in premature deaths will occur regardless of where the actual therapies are developed. Such benefits total close to \$73 billion using conservative assumptions about the efficacy of the therapies. State fiscal gains from both types of benefits - those directly attributable to the initiative and those that accrue to New Jersey regardless of where the research is done - are estimated to be \$1.9 billion. (See p. 43-45 and Table 20, p. 46).

Specific details of the six underlined benefit components listed above are available online in the full report at: www.policy.rutgers.edu/stemcell.pdf.

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Photos and audio and video clips from Acting Governor Codey’s press conferences are available in the Governor’s Newsroom section on the State of New Jersey web page, <http://www.nj.gov/>.