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

New Jersey -- Statewide

- Health care and social assistance: 44.49%
- Retail trade: 15.94%
- Accommodation and food services: 13.82%
- Professional and technical services: 9.03%
- Administrative and waste services: 8.05%
- Other: 8.68%

Southern New Jersey

- Health care and social assistance: 35.43%
- Retail trade: 17.65%
- Accommodation and food services: 15.71%
- Manufacturing: 15.54%
- Administrative and waste services: 6.91%
- Other: 7.98%
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
- 20.92%
- 3.56%
- 3.91%
- 13.78%
- 15.27%
- 40.85%

Burlington County
- 41.73%
- 8.94%
- 8.99%
- 14.70%
- 9.55%
- 22.60%

Camden County
- 36.98%
- 8.34%
- 8.66%
- 14.59%
- 14.59%

Cape May County
- 23.88%
- 5.43%
- 5.69%
- 15.56%
- 20.53%
- 28.92%

Cumberland County
- 28.05%
- 7.06%
- 16.11%
- 19.06%
- 7.00%
- 4.10%

Gloucester County
- 34.17%
- 8.80%
- 9.97%
- 10.10%
- 15.29%
- 21.69%

Salem County
- 38.14%
- 7.85%
- 10.65%
- 15.67%
- 16.79%
- 10.92%
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

<table>
<thead>
<tr>
<th>Understanding Location Quotients</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>LQ is greater than 1.0</td>
<td>Local industry has competitive advantage</td>
</tr>
<tr>
<td>LQ is equal to 1.0</td>
<td>Local industry has same share as reference area</td>
</tr>
<tr>
<td>LQ is less than 1.0</td>
<td>Local industry needs development</td>
</tr>
</tbody>
</table>
County Location Quotients

**Accommodation and food services**

- Cumberland County, New Jersey: 0.78
- Salem County, New Jersey: 0.87
- Burlington County, New Jersey: 0.90
- Camden County, New Jersey: 0.98
- Gloucester County, New Jersey: 1.12
- Southern New Jersey: 1.72
- Cape May County, New Jersey: 3.20
- Atlantic County, New Jersey: 4.52

**Administrative and waste services**

- Cape May County, New Jersey: 0.37
- Atlantic County, New Jersey: 0.43
- Cumberland County, New Jersey: 0.67
- Salem County, New Jersey: 0.72
- Camden County, New Jersey: 0.78
- Gloucester County, New Jersey: 0.86
- Southern New Jersey: 1.08
- Burlington County, New Jersey: 1.19

**Agriculture, forestry, fishing and hunting**

- Burlington County, New Jersey: 0.00
- Atlantic County, New Jersey: 0.00
- Camden County, New Jersey: 0.22
- Cape May County, New Jersey: 2.04
- Southern New Jersey: 2.45
- Gloucester County, New Jersey: 3.88
- Salem County, New Jersey: 11.43
- Cumberland County, New Jersey: 20.25

**Arts, entertainment, and recreation**

- Cumberland County, New Jersey: 0.56
- Burlington County, New Jersey: 0.74
- Salem County, New Jersey: 0.75
- Atlantic County, New Jersey: 0.91
- Gloucester County, New Jersey: 0.93
- Southern New Jersey: 0.98
- Camden County, New Jersey: 1.03
- Cape May County, New Jersey: 3.12

**Construction**

- Atlantic County, New Jersey: 0.96
- Burlington County, New Jersey: 0.99
- Camden County, New Jersey: 1.03
- Southern New Jersey: 1.13
- Cumberland County, New Jersey: 1.17
- Cape May County, New Jersey: 1.40
- Salem County, New Jersey: 1.64
- Gloucester County, New Jersey: 1.65

**Educational services**

- Cape May County, New Jersey: 0.16
- Salem County, New Jersey: 0.30
- Atlantic County, New Jersey: 0.32
- Cumberland County, New Jersey: 0.39
- Gloucester County, New Jersey: 0.41
- Southern New Jersey: 0.45
- Cape May County, New Jersey: 0.55
- Atlantic County, New Jersey: 1.03
County Location Quotients
County Location Quotients
County Location Quotients

Other services, except public administration

<table>
<thead>
<tr>
<th>County</th>
<th>Quotient</th>
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<tr>
<td>Salem County, New Jersey</td>
<td>0.63</td>
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<tr>
<td>Cumberland County, New Jersey</td>
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</tr>
<tr>
<td>Atlantic County, New Jersey</td>
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<tr>
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<tr>
<td>Southern New Jersey</td>
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<tr>
<td>Camden County, New Jersey</td>
<td>0.95</td>
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<tr>
<td>Gloucester County, New Jersey</td>
<td>0.99</td>
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<td>Cape May County, New Jersey</td>
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Unclassified

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<tr>
<td>Cape May County, New Jersey</td>
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<tr>
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<tr>
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<tr>
<td>Cumberland County, New Jersey</td>
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<tr>
<td>Burlington County, New Jersey</td>
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<tr>
<td>Southern New Jersey</td>
<td>0.39</td>
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<tr>
<td>Gloucester County, New Jersey</td>
<td>0.57</td>
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<tr>
<td>Camden County, New Jersey</td>
<td>0.85</td>
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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
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