

John Kostrzewa: To win new jobs, Rhode Island's lineup needs biotech

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PAWTUCKET -- There's a lot to learn while sitting in the grandstand at McCoy Stadium and waiting for the Pawsox to take the field.

All a fan has to do is study the outfield fence covered with colorful advertisements for companies in Rhode Island.

The signs tell a lot about the business community, the economic challenges faced by the state and perhaps most importantly, what's missing.

The signs don't change much from year to year.

CVS Pharmacy, N.E. Dodge Dealers and The Providence Journal have for years dominated the advertising space surrounding the scoreboard.

Other regulars on the wall are well-known Rhode Island names such as Amica, Dave's Market, Wright's Farm, Benny's, Hasbro, Citizens Bank, Warwick Mall and others.

Then there are the food stores, including the doughnut shops -- Dunkin' Donuts and Honey Dew (there's no sign of Canadian-based Tim Hortons, which bought local icon Bess Eaton.)

Stanley-Bostitch, with its "Nail it here" sign in right field, is one of only a couple of manufacturers on display.

New signs are few and far between. Bank of America's placard replaced FleetBoston after the North Carolina bank bought the Boston-based financial institution. Webster Financial took over FirstFed America and put up a sign in almost the same spot where FirstFed had its ad.

The lineup hasn't changed much over the years.

That's one lesson from reading the wall -- the economic pie in Rhode Island may get sliced up a little differently every year but it doesn't seem to be growing much bigger.

And while the wall space is finite, the economy constantly needs to expand to create new wealth, and recent signs suggest that is not happening in Rhode Island.

The state's first-quarter jobs report showed employment growth at less than half a percent. After January and February showed some gains, the job totals slipped by 100 in March, yielding a lackluster first three months. There are still 25,400 Rhode Islanders looking for work.

So where will the new jobs and companies come from? How does Rhode Island grow its economy? What companies will be on the wall in 2015?

Financial services, once considered a best bet for the future after Fidelity's arrival in Smithfield, may not provide much help. Sure, Bank of America and others seem to be

adding call-center jobs. That's a good start, but the quality (and salaries) of the jobs needs to reach the next level.

Tourism and hospitality will grow, as baby boomers leave the work force and spend their retirement funds on food, travel and services. Rhode Island can be a key stop on New England's tourism tour. But those jobs alone won't drive future prosperity.

Here's another idea that's been talked about before: biotechnology and biomedical research, including biopharmaceutical manufacturing.

Massachusetts is an example of what can happen.

With its cluster of the world's best schools and medical facilities, the Boston area has attracted some of the world's biggest companies, such as Swiss-based Novartis. The number of jobs -- estimated at 22,500 in 2003 -- will grow with last week's announcement of a huge, new life sciences complex in Cambridge and occupied by Genzyme, Vertex Pharmaceuticals, Monsanto and Millenium Pharmaceuticals.

Rhode Island can pursue the same opportunities, and already is because of work being done at Brown University and the University of Rhode Island.

The Milken Institute, a California-based nonprofit think tank, estimated in an October 2004 study that Rhode Island had 1,850 biotechnology and biopharmaceutical jobs. Based on the economic spinoff from each of those jobs, Milken translated that to 5,600 jobs and \$148.3 million of economic output.

That number is growing with the expansion of the Amgen plant in East Greenwich that makes the rheumatoid arthritis drug Enbrel.

Milken forecasts that during the next 10 years, Rhode Island's biotech industry could grow at a faster rate than the nation's and rise to 6,670 jobs, with 20,390 jobs indirectly related to the industry.

The think tank also calculates what it calls the "biopharmaceutical innovation pipeline" that measures a state's strengths in research, investment and skilled workers.

Rhode Island ranked 16th nationwide. That will be boosted by the state-financed Slater Technology Centers that help young companies, the Biotechnology Manufacturing Training Laboratory at URI's Providence campus and the planned \$50-million research facility approved by voters last fall and planned at URI in Kingston.

Creating a pool of skilled workers is a key to attracting the jobs of the future.

The Milken study also reported that jobs in the biotechnology and biopharmaceutical fields pay \$72,600, on average, and that the Northeast's industry will grow faster than the rest of the country.

That's because the industry tends to cluster in a region.

So the expansion in Massachusetts and Connecticut -- states with much bigger concentrations -- could actually help Rhode Island.

Ten years from now the Pawsox will probably still be playing at McCoy and the wall of ads will be there for the next generation.

The more new signs that go up, while the old ones stay in place, the better off Rhode Islanders will be.