CALIFORNIA LIFE SCIENCES

2026 SECTOR REPORT

California's Life Sciences Industry at a Glance

336K
JOBS STATEWIDE

$396B
ECONOMIC IMPACT

$21B
VENTURE CAPITAL

CALIFORNIA LIFE SCIENCES (CLS) is the state's most impactful life sciences public policy organization, advocating for the sector and its diverse innovation pipeline. For more than 30 years, CLS has served the community by supporting companies of all sizes, from early-stage innovators and startups to established industry leaders in the fields of biotechnology, pharmaceuticals, and medical technology. CLS also works closely with universities, academic and research institutions, the investment community, and other critical partners that promote this vibrant sector.

CLS works to shape public policy, improve access to breakthrough technologies, and educate lawmakers. In doing so, CLS fulfills its mission to protect and nurture California's life sciences industry, empowering discoveries that lead to healthier lives around the world.

TECONOMY PARTNERS is a national leader in research and strategy focused on science, technology, and innovation-based industries. The firm supports states, regions, universities, and associations in measuring and strengthening innovation-driven economies.

For this report, TEConomy combined data from public sources (like BLS, NIH, and NSF) with proprietary tools (including PitchBook and Lightcast) to deliver a complete picture of the life sciences sector in California.

CALIFORNIA LEADS THE NATION

GENERATING BILLIONS IN ECONOMIC VALUE

$396 BILLION
Total Economic Impact

1.02 MILLION
Direct & Indirect Jobs Supported Statewide

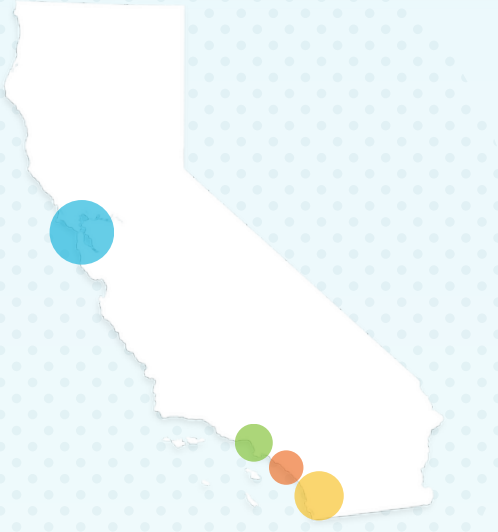
$20.4 BILLION
State & Local Tax Revenue

$188,883
Average Wage (2x CA Average)

Life Sciences Employment
336,505 JOBS

NIH Funding
$5.24 BILLION

Life Sciences Venture Capital
$21.0 BILLION



WHAT MAKES EACH REGION UNIQUE

BAY AREA
Global Hub for Biopharma

LOS ANGELES
Fast-Growing Ecosystem

ORANGE COUNTY
Medtech Capital of the State

SAN DIEGO
Startup-Rich Biotech Center

CALIFORNIA

A LIFE SCIENCES LEADER ON THE GLOBAL STAGE

California is home to the **largest and most dynamic life sciences ecosystem** in the United States. With a workforce of more than 336,000 industry professionals across almost 16,000 businesses, the state leads the nation in **industry employment**, **NIH funding**, and **venture capital investment**. The sector spans early-stage research, startup innovation, advanced manufacturing, and large-scale commercialization, with strengths distributed across every major region.

Life sciences are essential to California's economy and global reputation. The sector **supports high-wage jobs**, **drives scientific discovery**, and **generates critical public revenue**. Its continued success depends on strategic investments in infrastructure, research, education, and access to capital.

ECONOMIC IMPACT

California's life sciences industry **generates nearly $400 billion in annual economic output**, contributing billions of dollars in public revenue and supporting **wages**, **research**, and **innovation** across the state. The figures below reflect the full scope of that economic footprint, from direct company activity to the broader ecosystem it sustains.

$396 BILLION
Total Economic Impact

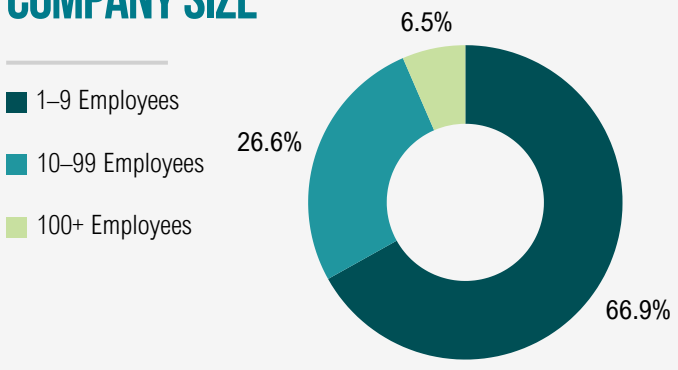
15,660
Life Sciences Establishments in California

$20.4 BILLION
State & Local Tax Revenue

$123.6 BILLION
Wages & Benefits

1.78 ECONOMIC OUTPUT MULTIPLIER
Every $1 billion in output creates $780 million in additional economic activity

COMPANY SIZE



STATEWIDE OVERVIEW

WORKFORCE & TALENT

California's **life sciences workforce is the largest in the country** and among the most diverse and high-performing, with jobs spanning R&D, biotech manufacturing, clinical development, and data science across all regions. Employment declined modestly in 2025, a reminder that the state's position at the top of the national rankings requires continued investment to maintain.

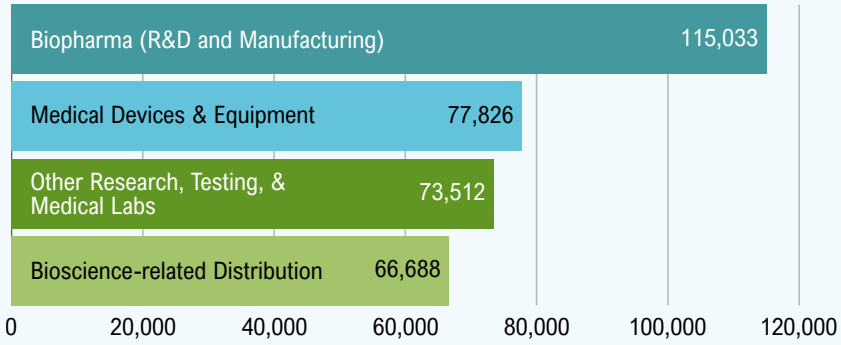
336,505
Direct Life Sciences Jobs

1.02 MILLION
Total Jobs Supported

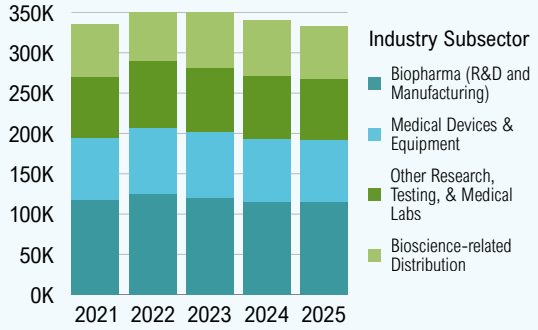
1.27 LOCATION QUOTIENT
Almost 30% more Life Sciences jobs than the national average

2.86 MULTIPLIER
Each job supports 1.86 additional jobs

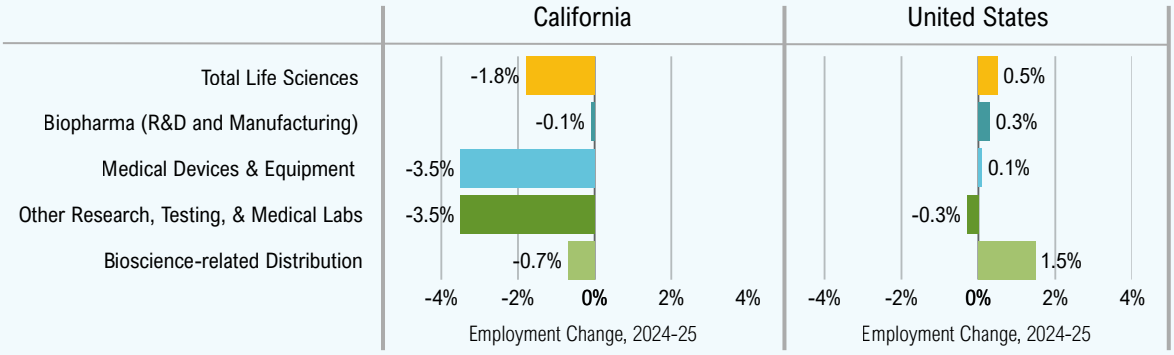
California Life Sciences Industry Employment by Subsector, 2025



Trend in California Life Sciences Industry Employment, 2021-2025



Change in Life Sciences Industry Employment, 2024-2025



Sources: TEConomy Partners' analysis of Bureau of Labor Statistics' QCEW data and Lightcast (Datarun 2026.1)

CALIFORNIA

RESEARCH & DISCOVERY

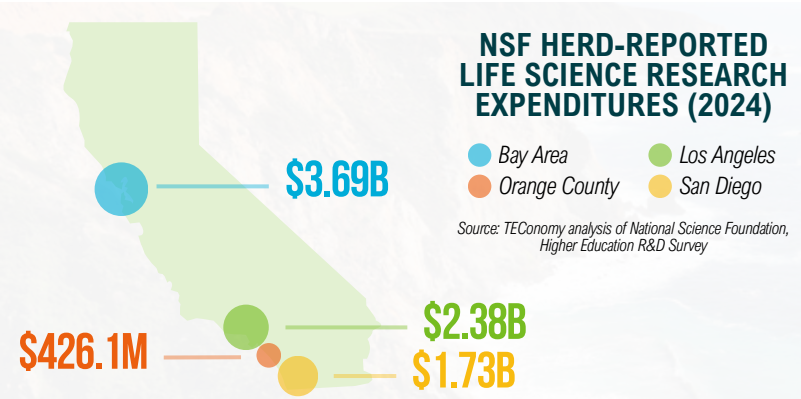
California **leads the nation in NIH funding** and consistently outpaces every other state in the scale and output of its biomedical research enterprise. That federal investment flows directly into the same talent pipeline and innovation infrastructure that the private sector depends on.

#1
IN THE NATION

$5.246 BILLION
IN NIH FUNDING TO CALIFORNIA ORGANIZATIONS

TOP FUNDED ORGANIZATIONS

UCSF · Stanford · UC San Diego · UCLA · USC University of Southern California



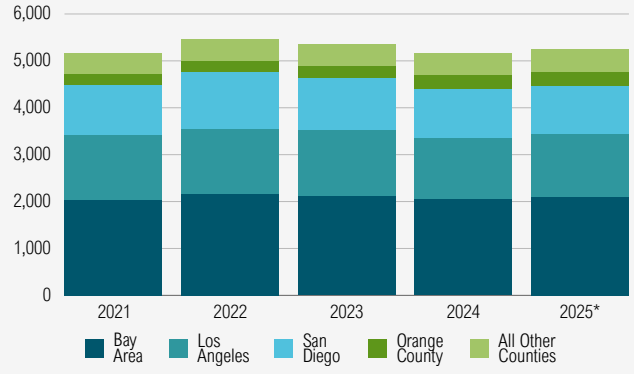
NSF HERD-REPORTED LIFE SCIENCE RESEARCH EXPENDITURES (2024)

Bay Area · Los Angeles · Orange County · San Diego

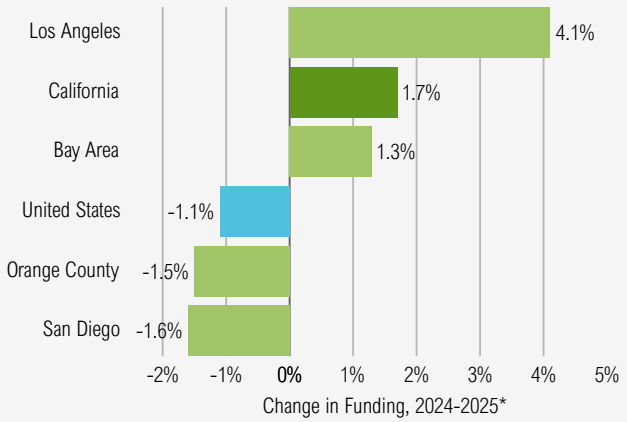
Source: TEConomy analysis of National Science Foundation, Higher Education R&D Survey

California's research universities **invested $9.32 billion in life sciences research expenditures** in 2024, funding that flows directly into the state's economy across all four major regions. While distinct from industry spending, this academic research activity represents billions in economic output that **strengthens the same talent pipeline, infrastructure, and innovation ecosystem** that California's private life sciences sector depends on.

Trend in NIH Funding to California Organizations, FY 2021 – 2025 (in Millions)



Change in NIH Funding, FY 2024 – 2025



**2025 reflects a change in NIH grant accounting, with a larger share of awards funded up front as multi-year obligations rather than distributed incrementally across future years.*

Sources: TEConomy analysis of NIH RePORTER data

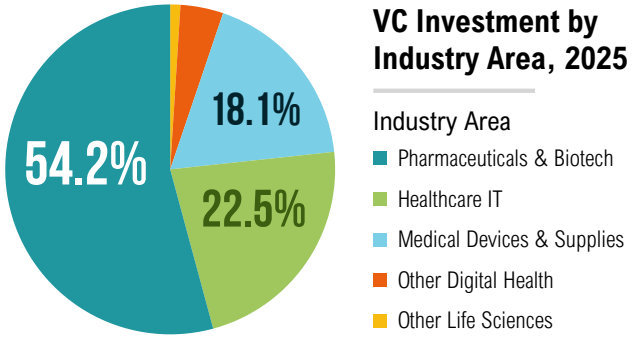
STATEWIDE OVERVIEW

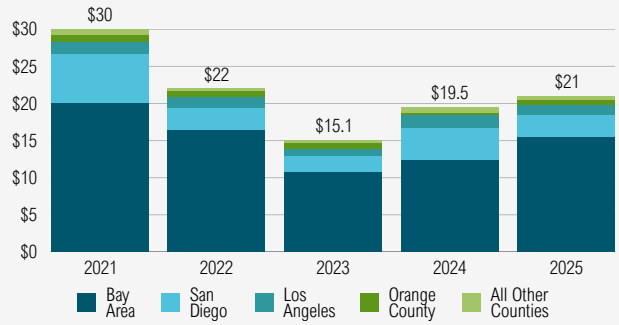
CAPITAL & INVESTMENT

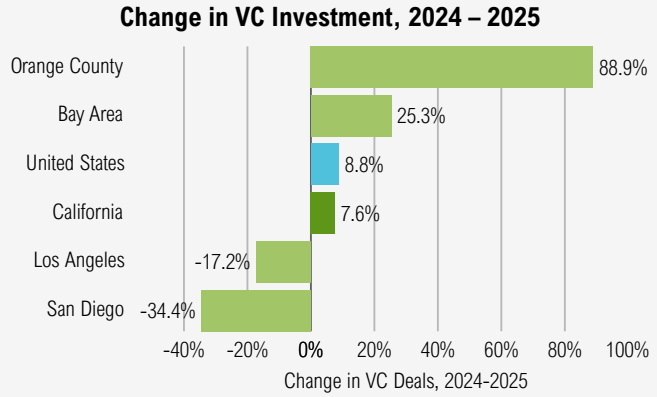
California attracted **$21 billion in life sciences venture capital in 2025**, more than any other state in the nation, with **over half flowing into pharmaceuticals and biotech**. That concentration of private capital reflects both the depth of California's innovation pipeline and the continued confidence investors place in it.

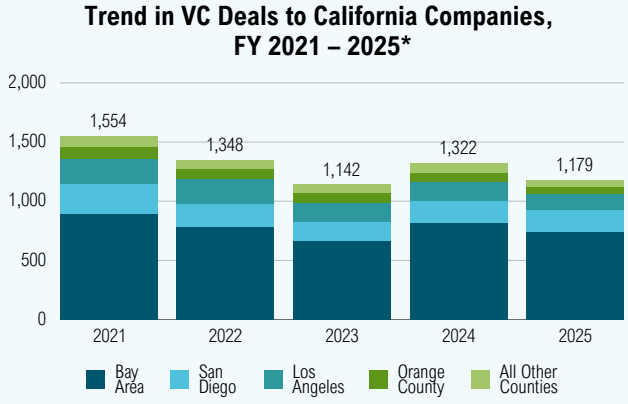
#1
IN THE NATION

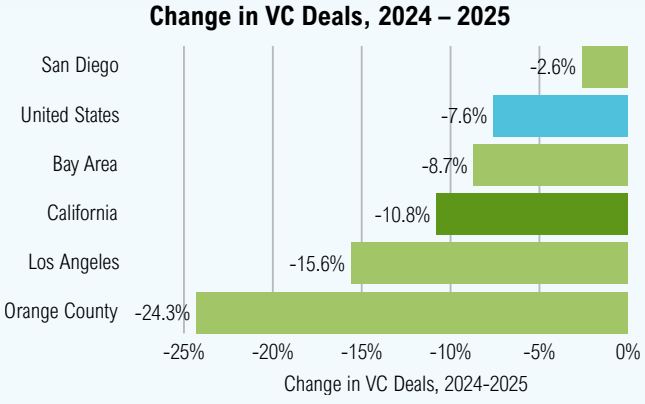
$21 BILLION
IN VENTURE CAPITAL INVESTMENT











**Pre-2024 data totals reflect original PitchBook analyses and have not been updated. 2024 figures have been refreshed and may differ from previously reported values due to database updates.*

Sources: TEConomy Partners' analysis of Pitchbook data

BAY AREA

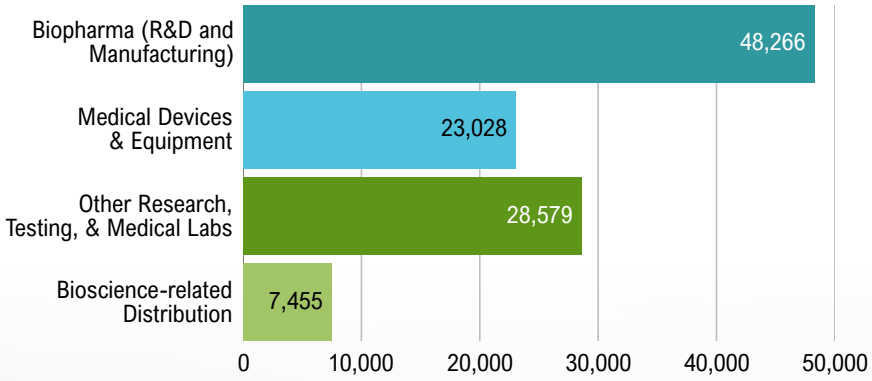
BIOTECH POWERHOUSE AND R&D LEADER

The Bay Area is **California's most concentrated life sciences hub** and one of the leading clusters in the world, with over twice the national average job density and more than 3,000 industry establishments. It leads the state in NIH funding, venture capital, and the development of advanced therapeutics and diagnostics, making it a key driver of scientific breakthroughs and economic growth.

EMPLOYMENT

The Bay Area remains a cornerstone of California's life sciences economy, with more than **107,000 industry jobs across 3,126 business establishments**. The region accounts for **one-third of all life sciences employment** in the state, despite making up just 19 percent of California's private-sector workforce. This exceptional density reflects the Bay Area's deep strengths in **biopharmaceuticals**, **medical devices**, and **research and development.**

Bay Area Life Sciences Industry Employment by Subsector, 2025



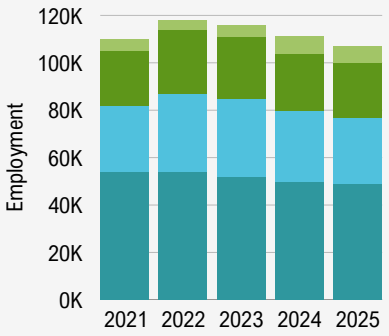
107,409
Direct Life Sciences Jobs

201,674
Total Jobs Supported

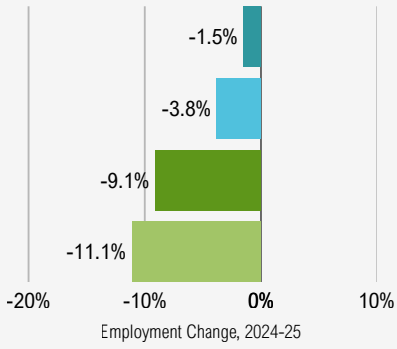
1.77 EMPLOYMENT MULTIPLIER
Each job supports 0.77 additional jobs

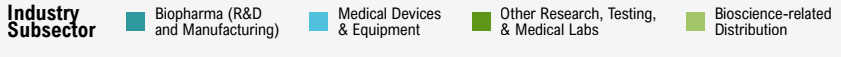
2.12 LOCATION QUOTIENT
112% more Life Sciences jobs than the national average

Trend in Bay Area Life Sciences Industry Employment, 2021-2025



Change in Bay Area Life Sciences Industry Employment, 2024-2025





Sources: TEConomy Partners' analysis of Bureau of Labor Statistics' QCEW data and Lightcast (Datarun 2026.1)

REGIONAL SNAPSHOT

INNOVATION & INVESTMENT

The Bay Area receives a larger share of California's NIH funding than any other region, anchored by UCSF and Stanford, and **attracted nearly three-quarters of all California life sciences venture capital in 2025**. Investment grew substantially year-over-year even as deal volume fell, continuing a pattern of capital concentrating into the region's most established players.

$2.1 BILLION

IN NIH FUNDING

$15.6 BILLION

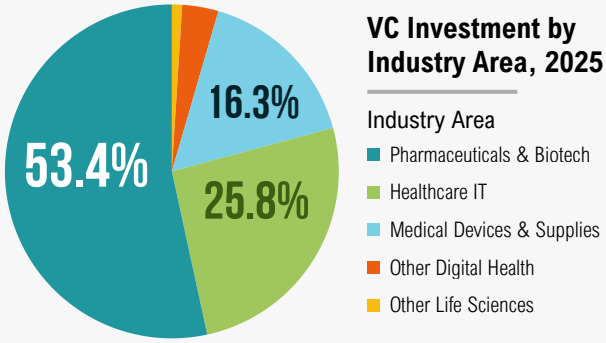
IN VENTURE CAPITAL FUNDING

KEY FOCUS AREAS

ARTHRITIS

MUSCULOSKELETAL

SKIN DISEASE



ECONOMIC IMPACT

The Bay Area's life sciences sector delivers major returns for the regional economy. In addition to generating **more than $111 billion in economic output**, the industry contributes billions in wages, tax revenue, and local business activity. This impact extends far beyond labs and headquarters, reaching suppliers, service providers, and communities across the region.

$111.9 BILLION
Economic Output

$4.28 BILLION
State & Local Tax Revenue

$40.31 BILLION
Wages & Benefits

$3.69 BILLION

IN UNIVERSITY LIFE SCIENCE RESEARCH EXPENDITURE

UCSF	$2.06B
Stanford	$1.24B
UC Berkeley	$309.7M
University of California Office of the President	$45.9M

1.33 ECONOMIC OUTPUT MULTIPLIER

Every $1 billion in output creates **$330 million** in additional economic activity

LOS ANGELES

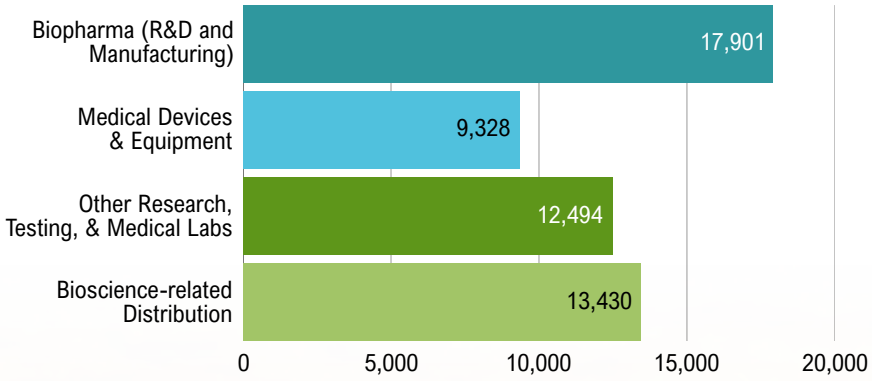
DIVERSE & EMERGING INNOVATION HUB

Los Angeles is one of **California's fastest-growing life sciences hubs**, driven by top research institutions and a dynamic mix of startups, biopharma companies, and health tech firms. With strengths in diagnostics, oncology, regenerative medicine, and digital health, the region is expanding rapidly in both R&D and commercialization, backed by rising NIH funding, strong venture investment, and a deepening talent pipeline.

EMPLOYMENT

Los Angeles is home to one of the state's most diverse and steadily growing life sciences workforces. With more than **53,000 direct industry jobs** and **over 2,900 businesses**, the region plays a critical role in advancing diagnostics, biopharma, medical devices, and research. Its workforce spans academic labs, startup incubators, clinical settings, and large-scale manufacturers, making LA a key player in building California's future talent pipeline.

Los Angeles Life Sciences Industry Employment by Subsector, 2025



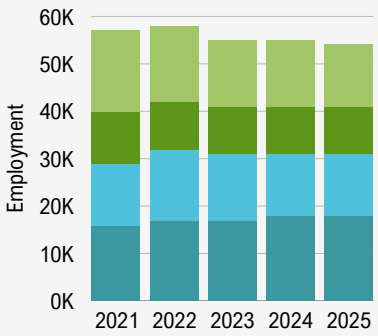
53,478
Direct Life Sciences Jobs

149,507
Total Jobs Supported

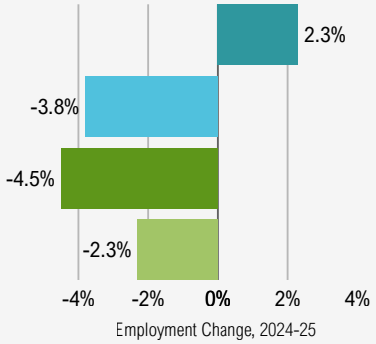
2.46 EMPLOYMENT MULTIPLIER
Each job supports 1.46 additional jobs

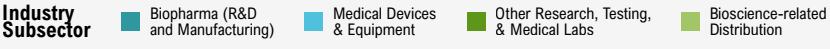
0.75 LOCATION QUOTIENT
25% fewer life sciences jobs than the national average

Trend in Los Angeles Life Sciences Industry Employment, 2021-2025



Change in Los Angeles Life Sciences Industry Employment, 2024-2025





Sources: TEConomy Partners' analysis of Bureau of Labor Statistics' QCEW data and Lightcast (Datarun 2026.1)

REGIONAL SNAPSHOT

INNOVATION & INVESTMENT

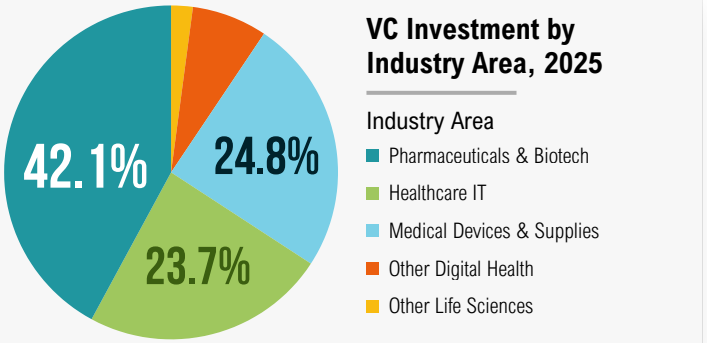
Los Angeles is an **emerging innovation leader, anchored by some of the state's most productive research institutions**. In 2025, NIH funding to Los Angeles institutions grew 4.1 percent, reflecting momentum in the region's research base. Venture capital investment declined, though the region continued to attract capital across a diversified mix of industry subsectors.

$1.3 BILLION
IN NIH FUNDING

$1.4 BILLION
IN VENTURE CAPITAL FUNDING

KEY FOCUS AREAS

- CANCER
- HEALTH DISPARITIES
- DENTAL & CRANIOFACIAL



ECONOMIC IMPACT

Life sciences generate **over $56 billion in annual economic output** in the Los Angeles region. The industry contributes to regional stability and long-term growth by supporting public revenue, fueling innovation corridors, and strengthening healthcare infrastructure across Southern California.

$56.83 BILLION
Economic Output

$2.86 BILLION
State & Local Tax Revenue

$15.24 BILLION
Wages & Benefits

$2.38 BILLION
IN UNIVERSITY LIFE SCIENCE RESEARCH EXPENDITURE

UCLA	$1.34B
USC University of Southern California	$854.8M
California Institute of Technology	$100.5M

1.59 ECONOMIC OUTPUT MULTIPLIER
Every $1 billion in output creates **$590 million** in additional economic activity

ORANGE COUNTY

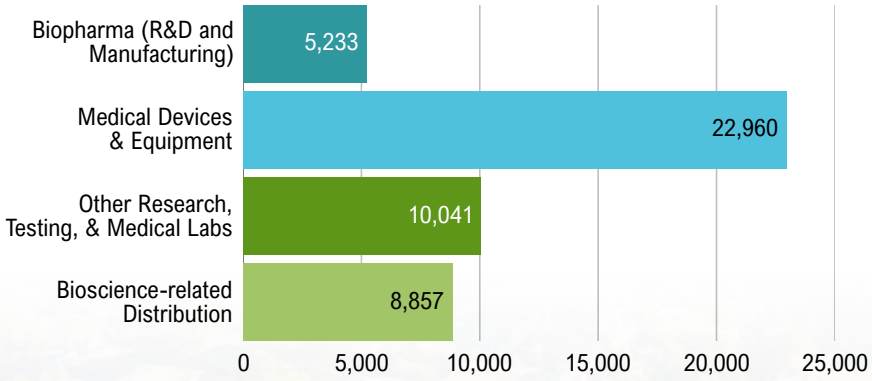
MEDTECH CAPITAL OF CALIFORNIA

Orange County is **California's leading hub for medical device manufacturing**, with one of the highest concentrations of medtech jobs in the nation. Backed by top engineering talent, strong academic partnerships, and a long-standing focus on innovation, the region plays a critical role in advancing surgical tools, implantable devices, and diagnostics. It is well-positioned to grow its influence in manufacturing and commercialization across the state.

EMPLOYMENT

Orange County's life sciences workforce is highly specialized, with **almost half of all industry jobs focused on medical devices**. The region supports a full spectrum of activity, from early-stage design and testing to large-scale manufacturing. Backed by strong engineering talent and academic partnerships, Orange County plays a key role in advancing medtech innovation and strengthening California's life sciences production and workforce pipeline.

Orange County Life Sciences Industry Employment by Subsector, 2025



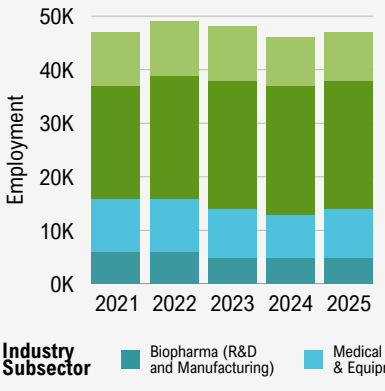
47,257
Direct Life Sciences Jobs

114,093
Total Jobs Supported

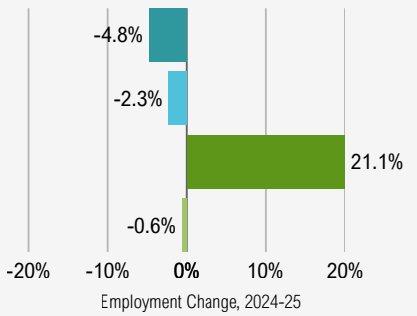
2.35 EMPLOYMENT MULTIPLIER
Each job supports 1.35 additional jobs

1.85 LOCATION QUOTIENT
85% more life sciences jobs than the national average

Trend in Orange County Life Sciences Industry Employment, 2021-2025



Change in Orange County Life Sciences Industry Employment, 2024-2025



Industry Subsector: Biopharma (R&D and Manufacturing); Medical Devices & Equipment; Other Research, Testing, & Medical Labs; Bioscience-related Distribution

Sources: TEConomy Partners' analysis of Bureau of Labor Statistics' QCEW data and Lightcast (Datarun 2026.1)

REGIONAL SNAPSHOT

INNOVATION & INVESTMENT

Orange County's innovation ecosystem is **closely tied to medical devices and translational science**. UC Irvine plays a central role in the region's research strength, and local companies continue to attract targeted venture capital investment focused on commercialization and advanced manufacturing.

$285 MILLION

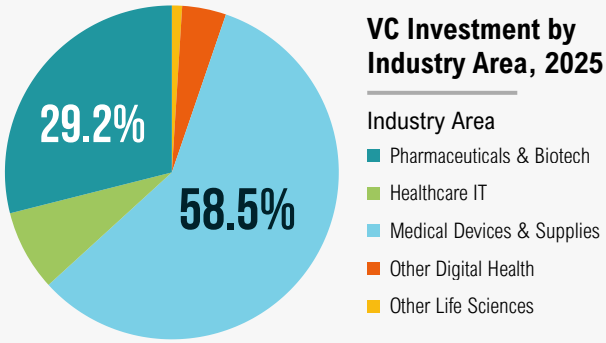
IN NIH FUNDING

$658 MILLION

IN VENTURE CAPITAL FUNDING

KEY FOCUS AREAS

- AGING
- CHILD HEALTH
- EYES
- TRANSLATIONAL SCIENCE
- ARTHRITIS, MUSCULOSKELETAL & SKIN DISEASES



ECONOMIC IMPACT

Life sciences generate **nearly $42 billion in economic output** in Orange County each year. The sector supports high-wage jobs, advanced manufacturing, and supplier networks that extend across the region and the state. This economic activity also contributes significantly to local tax revenue and helps sustain a range of industries connected to healthcare, research, and production.

$426.1 MILLION

IN UNIVERSITY LIFE SCIENCE RESEARCH EXPENDITURE

UC Irvine $398.9M

$41.93 BILLION

Economic Output

$2.09 BILLION

State & Local Tax Revenue

$13.17 BILLION

Wages & Benefits

1.61 ECONOMIC OUTPUT MULTIPLIER

Every $1 billion in output creates **$610 million** in additional economic activity

SAN DIEGO

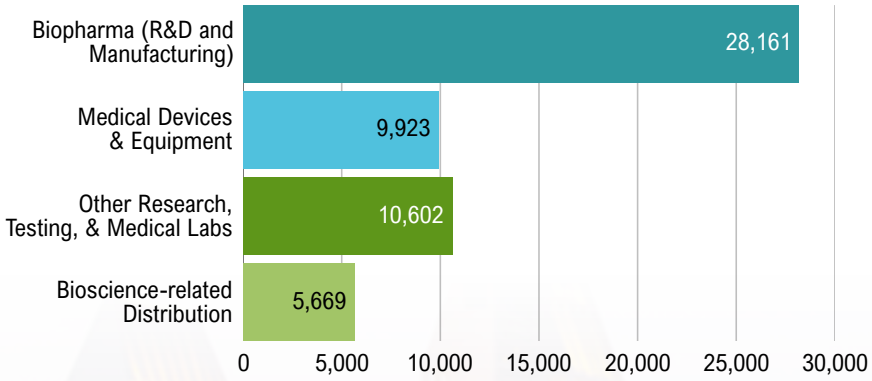
STARTUP DYNAMO & RESEARCH POWERHOUSE

San Diego is one of the **most research-intensive life sciences hubs in the country**, known for its leadership in biotech, translational science, and startup activity. Anchored by world-class institutions and a deep pool of scientific talent, the region excels in drug discovery, neuroscience, oncology, and vaccine development. Its innovation-driven ecosystem plays a vital role in advancing statewide progress and local economic growth.

EMPLOYMENT

San Diego has one of the most concentrated and productive life sciences workforces in California. With **over 54,000 direct jobs** and an **employment concentration more than twice the national average**, the region reflects exceptional specialization in biopharmaceuticals and R&D. Employment declined 4.0 percent in 2025, a trend worth watching in a region whose strength has historically been built on a dynamic and growing industry base.

San Diego Life Sciences Industry Employment by Subsector, 2025



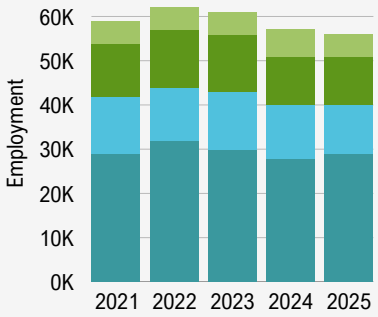
54,398
Direct Life Sciences Jobs

150,385
Total Jobs Supported

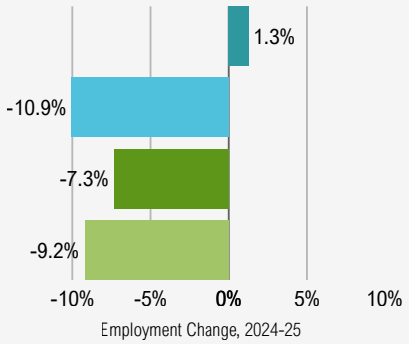
2.55 EMPLOYMENT MULTIPLIER
Each job supports 1.55 additional jobs

2.48 LOCATION QUOTIENT
148% more life sciences jobs than the national average

Trend in San Diego Life Sciences Industry Employment, 2021-2025



Change in San Diego Life Sciences Industry Employment, 2024-2025



Industry Subsector: Biopharma (R&D and Manufacturing); Medical Devices & Equipment; Other Research, Testing, & Medical Labs; Bioscience-related Distribution

Sources: TEConomy Partners' analysis of Bureau of Labor Statistics' QCEW data and Lightcast (Datarun 2026.1)

REGIONAL SNAPSHOT

INNOVATION & INVESTMENT

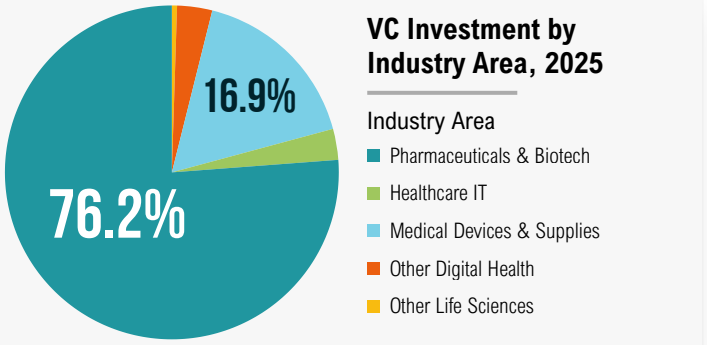
San Diego is a **nationally recognized research and innovation powerhouse**. In 2025, the region's institutions secured **over $1 billion in NIH funding**, and its life sciences companies raised **nearly $3 billion in venture capital**, supporting both early-stage biotech and late-stage commercialization.

$1.03 BILLION
IN NIH FUNDING

$2.9 BILLION
IN VENTURE CAPITAL FUNDING

KEY FOCUS AREAS

- ALLERGY
- INFECTIOUS DISEASE
- DRUG ABUSE
- TRANSLATIONAL SCIENCE
- ALCOHOL ABUSE



ECONOMIC IMPACT

Life sciences generate **over $52 billion in annual economic output** in the San Diego region. The industry contributes to regional stability and long-term growth by supporting public revenue, fueling innovation corridors, and strengthening healthcare infrastructure across Southern California.

$52.13 BILLION
Economic Output

$2.46 BILLION
State & Local Tax Revenue

$16.81 BILLION
Wages & Benefits

1.65 ECONOMIC OUTPUT MULTIPLIER
Every $1 billion in output creates **$615 million** in additional economic activity

$1.73 BILLION
IN UNIVERSITY LIFE SCIENCE RESEARCH EXPENDITURE

UC San Diego	$1.17B
Scripps Research	$501.5M
SDSU San Diego State University	$50.0M

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WASHINGTON, D.C.

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HOW THIS REPORT WAS BUILT

This report was researched and produced by TEConomy Partners using 2024 and 2025 data drawn from the U.S. Bureau of Labor Statistics, NIH RePORTER, PitchBook, Lightcast, and IMPLAN economic modeling. It covers employment, investment, and economic impact across California's life sciences sector, defined by five subsectors: biopharma, medical devices, R&D and testing labs, bioscience-related distribution, and agricultural and industrial biosciences.

For full methodology and data definitions, visit **ca-ls.org/2026sectorreport**