National Institutes of Health:
THE ECONOMIC IMPACT OF INVESTING IN BIOMEDICAL RESEARCH

The National Institutes of Health is one of America's most important national research *and* economic engines. It supports research that produces new medical treatments and hope for millions of families, and simultaneously benefits local and national economies now and for the future. A strong NIH helps ensure that the U.S. remains a competitive global science leader.

NIH funding is a major economic stimulus in local communities, producing well-paying jobs that can make an immediate impact. Once a grant is awarded to a local university or hospital, researchers and staff can be hired who use their salaries to purchase goods and services, contributing to the local and national economies. Due to this multiplier effect, the economic benefits of NIH dollars are greater than just the funds awarded to the research institution. High-quality, peer-reviewed grants already in the pipeline are ready to go with additional funding.

Facts

- **Biomedical Research Spurs High-Wage Job Growth**: In 2007, NIH grants and contracts created and supported more than 350,000 jobs that generated wages in excess of $18 billion in the 50 states. The average wage associated with the jobs created was $52,000, nearly 25 percent higher than the average U.S. wage.
- **Scientific Research Builds Stronger Communities**: Between 80 and 90 percent of NIH's $29 billion annual budget funds research in local U.S. communities — universities, medical research centers, hospitals and independent research institutes in every state in the U.S.
- **NIH Funding Enhances States' Economic Health**: Every dollar of NIH funding generated more than twice as much in state economic output: an overall investment of $22.846 billion from NIH generated a total of $50.537 billion in new state business in the form of increased output of goods and services.

Background

- U.S. funding of medical and health research from all government and private sources was approximately $122.4 billion in 2007 according to a new report from Research!America. This represents just 5.5 percent of the $2.25 trillion projected for 2007 health spending overall in the United States.
- Six years of stagnant funding has decreased NIH's purchasing power by nearly 15 percent, limiting critical breakthroughs that can advance the health of our citizens.
- 73 percent of Americans believe research is a solution to rising health care costs.

Long-Term Implications

- Research funding leads to discoveries and treatments that produce gains in life expectancy and better health, which also positively impact the economy. A flat NIH budget compromises these improvements and threatens the nation's ability to develop essential medical advances.
- The March 2008 report *A Broken Pipeline? Flat Funding of the NIH Puts a Generation of Science at Risk* warns that America stands to lose a generation of young researchers and valuable scientific discovery if the investment in NIH is not strengthened and sustained. Enhanced support for early career researchers ensures that the U.S. has the human resources to drive future innovation and economic growth.
- Federal research investment forms the foundation and platform for research sponsored by the private sector. The U.S. government's commitment to basic science has made our nation the world leader in medical and scientific discovery — a position at risk if federal funding does not even keep pace with inflation.
- Economists agree that escalating health care costs, particularly for the aging population, are a major economic challenge. Research that leads to improved health and treatments for elderly Americans will have an enormous impact on the nation's economic health in the coming decades.

Neuroscience research, in particular, not only leads to medical advances that heal and save lives — it can reduce the economic consequences of devastating neurological and psychiatric diseases that cost society billions. In the U.S., more than 1,000 such disorders cause more hospitalizations than any other disease group, including heart disease and cancer. Neurological illnesses strike more than 50 million people annually, and cost more than $460 billion. Mental disorders strike 44 million people at a cost of $148 billion. Delaying the onset of Alzheimer's disease by five years alone could save $50 billion in annual health care costs.

AMERICAN COMMUNITIES NEED MORE BIOMEDICAL RESEARCH. *NOW*.