



THE IMPACT OF A SEQUESTER ON THE NATIONAL INSTITUTES OF HEALTH AND IMPLICATIONS FOR JOBS AND THE U.S. ECONOMY

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The National Institutes of Health (NIH) plays a significant and well-documented role in the U.S. economy by advancing the frontiers of medical research while laying the foundation for new products, services and technologies. These discoveries help maintain America's leading role in an increasingly competitive global health services sector.

Given the substantial economic returns from NIH funding, it is critical to highlight the devastating impact that a possible sequester on March 1, 2013 will have on our nation's medical research enterprise and on U.S. economic growth and job creation.

A new analysis by United for Medical Research does just that. The report illustrates the impact of a 5.1 percent sequester on NIH extramural spending on our nation's economy, jobs and economic output, in all 50 states. The report found:

- At current funding levels, NIH supports roughly **402,000 jobs and \$57.8 billion in economic output.**
- A 5.1 percent sequester is estimated to **cut the total number of jobs supported by NIH extramural spending by more than 20,500 and reduce new economic activity by \$3 billion.**

Ultimately, the real impact of a sequester on NIH and the life sciences enterprise will be enhanced by the fact that the cuts will take effect in the middle of the fiscal year and will need to be absorbed over a truncated budget calendar. (The projections by States are shown in table 1.)

Policymakers find themselves at a historic juncture where they must balance the need to preserve our fragile economic recovery in the short term, with the requirement to reduce federal debt over the long term. Our nation's commitment to NIH addresses both of these issues – by preserving jobs needed to sustain our economic recovery – and by generating the discoveries that will bolster the nation's economy for decades to come. Given its many economic, societal and health benefits, lawmakers on both sides of the aisle should make preserving NIH funding and preventing sequestration a top priority.

Jobs Supported by NIH Awards to States, Side-by-Side Comparison of Projections for 2012 and Assuming a 5.1% Sequestration Cut

State	NIH Awards (2012) (\$M)	Total Employment (2012)	NIH Awards After Sequester Model (\$M)	Reduction in NIH Awards (\$M)	Interstate Job Loss	Intrastate Job Loss	Total Job Loss
Alabama	229.9	4,630	218.2	11.7	193	43	236
Alaska	8.7	430	8.2	0.4	7	15	22
Arizona	173.4	4,197	164.6	8.8	149	65	214
Arkansas	54.0	1,568	51.2	2.8	49	31	80
California	3,334.3	59,363	3,164.3	170.1	2,623	404	3,028
Colorado	303.8	6,018	288.3	15.5	249	58	307
Connecticut	473.4	6,350	449.3	24.1	282	42	324
Delaware	32.7	520	31.0	1.7	16	11	26
District of Columbia	186.0	500	176.5	9.5	20	5	25
Florida	491.9	12,564	466.8	25.1	448	193	641
Georgia	441.2	10,378	418.7	22.5	423	106	529
Hawaii	53.9	1,229	51.1	2.7	45	17	63
Idaho	9.5	438	9.0	0.5	7	15	22
Illinois	745.9	14,248	707.8	38.0	592	134	727
Indiana	201.8	4,689	191.5	10.3	170	69	239
Iowa	184.2	3,934	174.8	9.4	157	43	201
Kansas	101.7	2,013	96.5	5.2	72	31	103
Kentucky	150.8	3,498	143.1	7.7	135	43	178
Louisiana	163.9	4,319	155.5	8.4	151	69	220
Maine	73.4	1,749	69.7	3.7	73	16	89
Maryland	969.9	14,575	920.4	49.5	681	62	743
Massachusetts	2,470.0	34,031	2,344.1	125.9	1,660	75	1,736
Michigan	619.1	11,065	587.6	31.6	479	85	564
Minnesota	478.2	8,887	453.8	24.4	389	65	453
Mississippi	30.9	1,068	29.4	1.6	27	28	54
Missouri	465.1	7,226	441.4	23.7	320	49	369
Montana	26.4	695	25.1	1.3	24	11	35
Nebraska	91.5	1,865	86.8	4.7	70	25	95
Nevada	21.5	847	20.4	1.1	15	28	43
New Hampshire	91.6	1,424	86.9	4.7	60	13	73
New Jersey	238.4	4,962	226.3	12.2	163	90	253
New Mexico	94.6	1,843	89.7	4.8	74	20	94
New York	1,998.5	32,249	1,896.6	101.9	1,400	245	1,645
North Carolina	964.4	18,779	915.2	49.2	849	109	958
North Dakota	14.7	427	14.0	0.8	11	11	22
Ohio	661.2	13,751	627.5	33.7	586	116	701
Oklahoma	81.9	2,497	77.7	4.2	81	46	127
Oregon	304.6	6,221	289.0	15.5	263	54	317
Pennsylvania	1,431.6	23,709	1,358.6	73.0	1,093	116	1,209
Rhode Island	146.9	2,289	139.4	7.5	105	11	117
South Carolina	135.7	3,350	128.8	6.9	126	45	171
South Dakota	19.9	388	18.9	1.0	11	9	20
Tennessee	451.9	8,839	428.8	23.0	389	62	451
Texas	1,040.9	25,408	987.8	53.1	985	311	1,296
Utah	155.3	3,787	147.4	7.9	159	34	193
Vermont	51.4	1,032	48.8	2.6	45	8	53
Virginia	272.0	5,404	258.1	13.9	190	86	276
Washington	859.0	14,067	815.1	43.8	642	75	717
West Virginia	37.3	980	35.4	1.9	32	18	50
Wisconsin	373.9	7,454	354.8	19.1	315	65	380
Wyoming	7.2	322	6.8	0.4	6	11	16
50 states plus DC	22,020	402,078	20,897	1,123	17,112	3,394	20,506

About United for Medical Research:

United for Medical Research represents leading research institutions, patient and health advocates and private industry, joined together to seek steady increases in federal funding for the National Institutes of Health. The coalition groups consist of the American Association for Cancer Research, American Cancer Society Cancer Action Network, American Diabetes Association, American Heart Association, Association of American Universities, Association of Public and Land Grant Universities, BD, Biotechnology Industry Organization, Boston University, Corning, FasterCures, Harvard University, Johns Hopkins University, Life Technologies, Massachusetts Institute of Technology, Melanoma Research Alliance, Northwestern University, Partners Healthcare, PhRMA, Research!America, Stanford University, The Endocrine Society, Thermo Fisher Scientific, University of Pennsylvania, University of Southern California, Vanderbilt University, and Washington University in St. Louis.