

The Economic Impact of Proposed Cuts to the NIH Budget

On April 3, the White House released its budget request for Fiscal Year 2027. It contains a proposed \$5.787 billion cut to the budget for the National Institutes of Health (NIH), which is a 12.3% decrease compared to the agency’s current FY2026 budget. While it’s impossible to predict the long-term consequences for health and quality of life of such a significant funding decrease, it is possible to estimate its immediate economic impact.

United for Medical Research (UMR) used its recently released [economic analysis](#) for FY2025 as a baseline and calculated the impact that a 12.3% cut would have on the jobs and economic activity supported by NIH research funding.

Compared to FY2025, a 12.3% cut to the NIH budget could mean a loss of nearly 50,000 jobs and \$11.58 billion in economic activity nationwide. These losses would be felt in every area of the country, with 26 states potentially losing more than \$100 million each in economic activity.

After a Decade of Economic Impact Driven by Strong NIH Funding, A Dramatic Drop

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2027	CHANGE FY25-FY27
Total NIH appropriations	\$32.31 billion	\$34.30 billion	\$37.31 billion	\$39.31 billion	\$41.69 billion	\$42.94 billion	\$45.18 billion	\$47.68 billion	\$47.35* billion	\$47.49* billion	\$41.43 billion	-\$6.06 billion
NIH research funds awarded, U.S.	\$24.59 billion	\$26.10 billion	\$28.05 billion	\$30.82 billion	\$34.65 billion	\$35.73 billion	\$36.68 billion	\$37.81 billion	\$36.94 billion	\$36.58 billion	\$32.08 billion	-\$4.5 billion
NIH research grants awarded, U.S.	52,470	54,128	57,110	59,421	61,993	62,996	64,657	65,454	64,359	58,795	N/A	N/A
Total jobs supported, U.S.	332,225	337,419	347,247	365,122	393,370	387,774	399,620	412,041	407,782	390,863	342,787	48,076
Total economic activity, U.S.	\$63.07 billion	\$66.35 billion	\$70.66 billion	\$76.96 billion	\$85.81 billion	\$87.68 billion	\$90.17 billion	\$92.89 billion	\$94.58 billion	\$94.15 billion	\$82.57 billion	-\$11.58 billion

*Number does not include funding for ARPA-H

Significantly, these economic figures don’t factor in the future return on the research that NIH funding supports — **lives saved and improved; discoveries and innovations** that lead to new technologies and companies; a highly skilled **research workforce**; and the value that comes from maintaining **American leadership in biomedical research**. The negative impact of NIH budget cuts to these areas would unfold over years and decades to come.

Rather than cut the NIH budget, we need to ensure that it stays ahead of biomedical inflation. Fortunately, Congress recognizes the incredible return on investment of medical research funding and, in bipartisan fashion, has consistently provided strong support for NIH. UMR will continue our tradition of working with members of Congress and the Appropriations committees to ensure that steady, predictable funding for the NIH remains a national priority.

This analysis was performed by Ron Horst, Inforum, on behalf of United for Medical Research using UMR’s FY2025 analysis as the baseline for calculations.



The Impact of a 12.3% NIH Budget Cut on State Economies

	FY2025 NIH Awards Disbursed (\$M)	FY2027 Estimate NIH Awards Disbursed (\$M)	FY2025 Total Jobs	FY2027 Estimate Jobs	FY2027 Estimate Jobs Lost	FY2025 Total Economic Activity (\$M)	FY2027 Estimate Economic Activity (\$M)	FY2027 Estimate Lost Economic Activity (\$M)
Alabama	351.6	308.4	4,048.1	3,550.2	-497.9	865.8	759.3	-106.5
Alaska	16.3	14.3	302.8	265.6	-37.2	64.8	56.8	-8.0
Arizona	397.1	348.2	5,437.6	4,768.8	-668.8	1,166.4	1,023.0	-143.5
Arkansas	95.3	83.6	1,333.9	1,169.9	-164.1	267.5	234.6	-32.9
California	5,243.9	4,598.9	54,325.7	47,643.6	-6,682.1	14,070.9	12,340.2	-1,730.7
Colorado	579.5	508.2	6,802.5	5,965.8	-836.7	1,623.1	1,423.4	-199.6
Connecticut	825.7	724.1	6,997.0	6,136.4	-860.6	1,878.1	1,647.1	-231.0
Delaware	94.4	82.8	700.8	614.6	-86.2	222.1	194.7	-27.3
District of Columbia	206.0	180.7	444.4	389.7	-54.7	406.0	356.0	-49.9
Florida	928.3	814.1	14,982.0	13,139.2	-1,842.8	2,981.8	2,615.0	-366.8
Georgia	788.6	691.6	11,623.3	10,193.6	-1,429.7	2,316.2	2,031.3	-284.9
Hawaii	66.7	58.5	901.9	791.0	-110.9	188.7	165.5	-23.2
Idaho	30.1	26.4	602.2	528.1	-74.1	125.4	110.0	-15.4
Illinois	1,255.8	1,101.3	14,871.4	13,042.2	-1,829.2	3,592.4	3,150.5	-441.9
Indiana	409.2	358.9	4,803.4	4,212.6	-590.8	1,100.9	965.5	-135.4
Iowa	197.4	173.1	2,182.5	1,914.1	-268.4	484.8	425.2	-59.6
Kansas	143.2	125.6	1,672.1	1,466.5	-205.7	395.6	347.0	-48.7
Kentucky	231.4	202.9	2,663.9	2,336.2	-327.7	604.9	530.5	-74.4
Louisiana	200.3	175.7	2,860.6	2,508.8	-351.9	554.2	486.0	-68.2
Maine	120.3	105.5	1,377.7	1,208.2	-169.5	280.4	245.9	-34.5
Maryland	2,136.8	1,874.0	19,129.7	16,776.8	-2,353.0	4,679.4	4,103.8	-575.6
Massachusetts	3,410.6	2,991.1	28,367.3	24,878.1	-3,489.2	7,639.7	6,700.1	-939.7
Michigan	1,001.2	878.0	11,370.3	9,971.7	-1,398.5	2,550.7	2,237.0	-313.7
Minnesota	725.0	635.8	7,735.3	6,783.8	-951.4	1,791.8	1,571.4	-220.4
Mississippi	57.7	50.6	925.3	811.5	-113.8	185.8	163.0	-22.9
Missouri	882.1	773.6	8,542.1	7,491.4	-1,050.7	2,074.0	1,818.9	-255.1
Montana	50.3	44.1	672.5	589.8	-82.7	132.8	116.4	-16.3
Nebraska	140.9	123.6	1,771.9	1,554.0	-217.9	364.6	319.7	-44.8
Nevada	41.9	36.7	1,001.0	877.8	-123.1	221.9	194.6	-27.3
New Hampshire	144.8	127.0	1,242.6	1,089.8	-152.8	349.6	306.6	-43.0
New Jersey	465.4	408.2	5,806.4	5,092.2	-714.2	1,513.5	1,327.4	-186.2
New Mexico	133.0	116.7	1,379.4	1,209.8	-169.7	309.6	271.5	-38.1
New York	3,500.6	3,070.0	29,293.8	25,690.6	-3,603.1	8,251.9	7,236.9	-1,015.0
North Carolina	1,713.2	1,502.5	18,537.3	16,257.2	-2,280.1	4,285.9	3,758.8	-527.2
North Dakota	20.9	18.4	339.4	297.7	-41.7	77.2	67.7	-9.5
Ohio	1,007.6	883.7	12,236.4	10,731.3	-1,505.1	2,627.8	2,304.6	-323.2
Oklahoma	165.3	145.0	2,477.4	2,172.6	-304.7	465.5	408.2	-57.3
Oregon	420.9	369.2	4,482.6	3,931.2	-551.4	1,021.4	895.7	-125.6
Pennsylvania	2,268.4	1,989.4	21,319.5	18,697.2	-2,622.3	5,454.6	4,783.7	-670.9
Rhode Island	241.8	212.0	1,954.7	1,714.3	-240.4	503.2	441.3	-61.9
South Carolina	259.2	227.3	3,572.4	3,133.0	-439.4	749.5	657.3	-92.2
South Dakota	28.8	25.3	431.7	378.6	-53.1	89.9	78.9	-11.1
Tennessee	826.3	724.6	9,555.2	8,379.9	-1,175.3	2,224.4	1,950.8	-273.6
Texas	1,888.2	1,656.0	29,254.9	25,656.5	-3,598.4	6,150.8	5,394.3	-756.6
Utah	299.2	262.4	4,234.9	3,714.0	-520.9	821.8	720.7	-101.1
Vermont	52.4	46.0	495.2	434.2	-60.9	120.5	105.7	-14.8
Virginia	614.5	538.9	6,843.1	6,001.4	-841.7	1,698.1	1,489.2	-208.9
Washington	1,264.3	1,108.8	11,537.4	10,118.3	-1,419.1	3,056.0	2,680.1	-375.9
West Virginia	50.3	44.1	641.8	562.8	-78.9	140.5	123.2	-17.3
Wisconsin	576.6	505.7	6,555.5	5,749.2	-806.3	1,365.2	1,197.3	-167.9
Wyoming	11.6	10.2	222.0	194.7	-27.3	45.3	39.7	-5.6
50 states plus DC	36,580.9	32,081.5	390,862.7	342,786.6	-48,076.1	94,153.0	82,572.2	-11,580.8

UMR is a coalition of leading research institutions, patient and health advocates and private industry seeking strong and sustainable increases in funding for the National Institutes of Health to save and improve lives, advance innovation and fuel the economy. UMR members include: AdvaMed, Alzheimer's Association, American Association for Cancer Research, American Association for the Advancement of Science, American Cancer Society Cancer Action Network, American Society of Hematology, Association of American Cancer Institutes, Association of American Universities, Association of Public and Land-grant Universities, Harvard University, Johns Hopkins University, Massachusetts Institute of Technology, Northwestern University, Stanford University, Texas A&M University Health, Thermo Fisher Scientific, University of Pennsylvania, Vanderbilt University, and Vanderbilt Health.

