



The Impact of Sequestration on NIH November 2012

The Association of American Medical Colleges is deeply concerned about the impact of the pending sequestration mandated by the Budget Control Act (BCA) on medical research supported by the National Institutes of Health (NIH).

NIH is the largest source of funding for medical research in the world, creating hundreds of thousands of high-quality jobs by funding thousands of scientists in universities and research institutions in every state across America and around the globe. More than half of the research dollars NIH awards to institutions each year go to medical schools and teaching hospitals.

The Office of Management and Budget (OMB) has estimated that sequestration will cut non-security discretionary (appropriated) spending in FY 2013 by 8.2 percent.

- These cuts will come on top of an additional \$900 billion in discretionary spending cuts mandated by the BCA over the next decade.

For NIH, this will represent a \$2.5 billion reduction.

- The impact of this cut on NIH-funded research will be immediate and devastating.
- Testifying March 28 before the Senate Labor-HHS-Education Appropriations Subcommittee, NIH Director Francis Collins, M.D., Ph.D., stated a cut of this magnitude would mean NIH would fund approximately 2,300 fewer research grants in FY 2013, one quarter of new and competing grants the agency expects to fund. As a result, success rates for new applications and competing renewals would fall “to historically low levels.”
- Even more troubling is that this cut will come at the end of a decade that has seen the NIH budget fall by nearly 20 percent after inflation.

The scheduled \$2.5 billion cut in funding not only will jeopardize NIHs’ ability to support promising research today, but also will have long-term implications for patients.

- These cuts will undermine medical progress across all disciplines of research on the full spectrum of diseases and conditions.

Federal funding for NIH is irreplaceable.

- NIH-funded basic research is the engine that powers tomorrow’s therapeutic discoveries.
- The private sector, which requires rapid returns in investment, relies on the federal government to fund basic research.

The federal investment in NIH brings local benefits.

- NIH funded research at medical schools and teaching hospitals improves the health of both local communities and around the world.
- Thanks in large part to NIH-funded medical research, Americans today are living longer and healthier. Life expectancy in the United States has jumped from 47 years in 1900 to 78 years as reported in 2009, and disability in people over age 65 has dropped dramatically in the past 3 decades. In recent years, nationwide rates of new diagnoses and deaths from all cancers combined have fallen significantly.

NIH funding also enhances communities' economic health by creating skilled jobs and new products that lead to long-term economic growth.

- NIH funding is the foundation for long-term U.S. global competitiveness in industries such as biotechnology, drug development, medical devices, and health care.
- It has been estimated that U.S. life sciences companies support more than 7 million jobs and account for \$69 billion in U.S. economic activity.

Medical schools and teaching hospitals educate and train tomorrow's researchers.

- Sustained NIH funding is essential so that the nation can train the next generation to make tomorrow's health discoveries and to continue America's scientific leadership.

America should be investing more in medical research, not less. Cuts to NIH funding will delay medical progress and deny hope to millions of Americans.