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Opinion

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Legislators: Stimulate the economy with biomedical research

By E. Albert Reece

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Our economy is in serious trouble. This year, economists predict unemployment will reach its highest level in more than a quarter century and gross domestic product will shrink by more than 5 percent. What our nation needs more than anything right now is to create high-paying, sustainable jobs. Investment in biomedical research is a proven economic stimulant that creates those jobs.

Academic medical centers conduct the majority of biomedical research in this country and are also major national economic engines. For example, the University of Maryland School of Medicine and its affiliated hospital system generate nearly \$5 billion in economic activity each year for the mid-Atlantic region alone. We are Maryland's third largest employer. The American Association of Medical Colleges, for which I serve as the chairman of the Council of Deans, estimates that nation's approximately 130 AMCs had a combined national economic effect exceeding \$450 billion in 2005 and are directly and indirectly responsible for the creation of more than 3 million full-time jobs, one out of every 48 full-time jobs in the United States.

Government-funded AMC research also stimulates job growth in the pharmaceutical and biotechnology industries and thousands of small businesses throughout the United States. Jobs in the U.S. pharmaceutical industry, which had an estimated \$289 billion in annual sales in 2006, pay on average double that of jobs in the overall private sector.

Unfortunately, the nation's AMCs increasingly are being stymied in their ability to create high-paying, sustainable jobs and provide economic opportunities because of tight federal research funding. Since 2004, funding for the National Institutes of Health, the nation's primary funder of biomedical research, has actually decreased by 13 percent after inflation.

Our ability to stimulate the economy while improving the health of the nation not only now but in the longer term can only be ensured by immediately increasing NIH's funding and annually indexing future NIH budgets above the rate of inflation. If the NIH budget was increased by 7 percent (or approximately \$2.1 billion) per year, it would still amount to less than 0.3 percent of the \$700 billion budgeted for the Wall Street rescue plan.

Current U.S. spending on biomedical research in relation to GDP is anemic compared with many other developed nations. We spend about 0.25 percent of our GDP on biomedical research, whereas countries such

as Finland and Germany spend four times as much, approximately 1 percent of their GDP, on biomedical research and development. They have significantly lower infant mortality rates and slightly higher life expectancies compared with the United States.

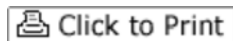
Last year, the National Science Board, the governing board of the U.S. National Science Foundation, found that the rapidly shrinking federal support for U.S. academic research is a major threat to our global competitiveness and would lead to significantly fewer jobs nationwide. In contrast, the NSB found that countries with rapidly increasing research budgets in recent years have seen a correspondingly rapid rise in GDP. China, for example, doubled its expenditure on research and development in relation to its GDP since the mid 1990s and has seen its GDP grow by more than 9 percent annually. Last year, China's economy accounted for 27 percent of the global economic growth, more than any other nation.

Our economy is in its worst shape since the Great Depression. As our elected representatives grapple with ways to fix it, we must remind them that investing in the nation's biomedical research enterprise via the NIH is a proven economic engine that improves our health and our economy. Conservative estimates have found a 15- to 20-fold return on investment in biomedical research in the United States. Although investing in the biomedical research enterprise is not the only solution to curing our current economic woes, it must not be overlooked if we are to truly get our economy back on the right track and remain competitive in the global economy.

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