



**Testimony
Before the
Subcommittee on Health
Committee on Energy and Commerce
United States House of Representatives**

**The Role of Biomedical Research in
the Economic Stimulus**

Statement of

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Good morning, Chairman Pallone and Members of the Subcommittee. I am Dr. Raynard Kington, the Acting Director of the National Institutes of Health (NIH). It is a pleasure to testify before you today on the economic impact of NIH funding. My testimony is intended to provide you information about NIH funding, not to request additional resources above and beyond the President's FY 2009 budget.

With a long history of success in scientific discovery and the best peer review system in the world, we at NIH are the proud stewards of federal funds supporting biomedical research. Our impact on public health is well known, exemplified by substantial reductions in mortality from such threats as heart disease, infectious disease, and cancer. Fueled by new advancements such as the sequencing of the human genome, we are poised to enter an era of personalized medicine that has the potential to predict, preempt, and prevent disease.

Our mission is, and must remain, dedicated to seeking scientific knowledge to improve the health of all citizens. NIH is a grant making and contracting agency, providing awards to research institutions. NIH awards go primarily to non-profit organizations in the private sector. These awards support conducting research that lead to new technologies and therapies. In turn, discoveries may lead to patents and new businesses producing additional economic benefits over the long term. NIH grants are dispersed widely, to all 50 States and covering 90 percent of congressional districts.

In Fiscal Year (FY) 2007, NIH provided 47,000 grants worth \$20.4 billion. These grants support salaries, equipment, and infrastructure.

We estimate NIH grant funding supports 300,000 jobs in the United States, approximately seven positions for each grant. To determine the long-term effect of NIH-supported research, we reviewed the outcome of 31,144 grants awarded in FY 2000. The outcomes included 30,477 invention disclosures, 17,341 non-provisional patent applications and 6,909 patents. Seventeen percent of all drugs approved by the Food and Drug Administration from 1982 to 2006 cited NIH patents as a factor. The biotechnology industry that was spawned in the United States in the late 1970s played an important role in the revolution in molecular biology that occurred as a result of Federal funding for brilliant new and continuing investigators. The biotechnology industry has been a major driver of the United States economy over the past 3 decades.

The FY 2009 Budget includes over \$3.5 billion for nearly 9,800 new grants. In total, the FY 2009 Budget supports more than 38,000 grants. Enactment of the FY 2009 Budget would enable NIH to focus on priority research areas, including: clinical trials involving genomics research in multiple disease areas; translational research in heart disease and stroke; AIDS vaccine research; asthma research; health disparities; hearing loss; mental illness; addiction; kidney disease; advances in imaging; vaccines; and cancer. These critical areas of research, among others, could be immediately funded and expanded for the benefit of the health of the people here and around the world. The development of new infrastructures for emerging technologies involving

genomics, proteomics, nanotechnology, and systems biology are required to speed new discoveries leading to the next generation of therapeutics. The investment in new research infrastructures will stimulate the acquisition of reagents and supplies necessary to advance these new fields of biomedical science.

Thus, NIH highlights an important issue to consider in regard to the current economic crisis: the potential effectiveness of medical research on the economy. Thank you, and I would be happy to answer any questions you may have.