

BOSTON LEADS NATION AGAIN IN NIH AWARDS

nearing \$1.0 billion

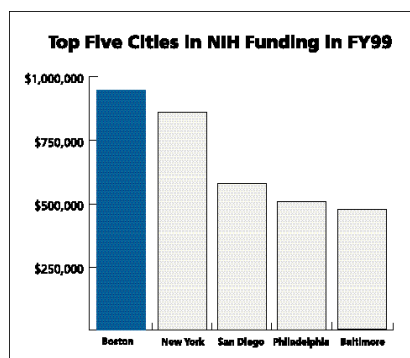
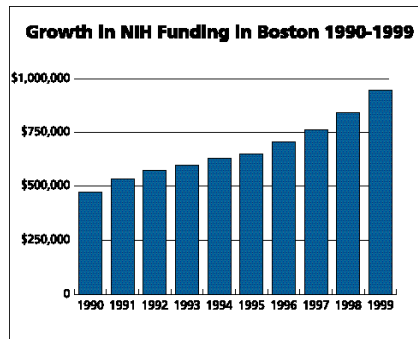
For the sixth straight year, Boston has emerged as the top-ranked city in the United States for National Institutes of Health (NIH) grant awards, receiving more than \$947 million in research grants during fiscal year 1999. This total represents an additional \$102 million dollars over 1998, a 12% increase, and a \$187 million or 25% increase since our last report on this topic in 1997.

The decade of the 90s has seen Boston gain an increased share of NIH funding compared to its closest competitors. Since Boston gained the #1 position in 1994, the city has seen its NIH funding grow from \$630 million to nearly \$1 billion, a six-year increase of 50%. Indeed, the gap between Boston and second-ranked New York City grew from \$2.1 million six years ago to \$88.3 million today.

Boston owes its success to its world-renown research institutions, especially its hospitals and universities. Hospitals and other medical research institutes accounted for more than \$479 million of Boston's NIH dollars, while universities added another \$336 million. Along with approximately \$132 million more awarded to private non-profit and corporate medical research institutes, this federal funding makes up an important part of the city's economic base.

Hospitals

Individual hospitals are setting new records in research awards. For the fifth year in a row, Massachusetts General Hospital received more NIH support than any other U.S. hospital with a total \$158 million. In fact, among all the nation's



independent hospitals, the entire top five NIH grant recipients are located in Boston, with Brigham and Women's, Beth Israel-Deaconess, the Dana Farber Cancer Institute, and Children's Hospital following Mass General in the rankings. These four hospitals are all located in the Longwood Medical Area, which is home to a number of other medical research facilities and university medical schools.

Together, the institutions in the Longwood Medical Area bring in over \$555 million in NIH grants. If Longwood were its own city, it would rank as the 4th largest recipient of NIH money among U.S. cities, ahead of places like Philadelphia and Baltimore.

Colleges and Universities

Boston's colleges and universities also make an important contribution to the city's record-breaking NIH total. Through their medical and nursing schools, schools of public health, and other research activities, eight universities received grants totaling more than \$336 million. Top honors went to Harvard's medical schools, which together were awarded over \$187 million. While NIH money predominately funds research activities, it also includes awards for fellowships and related training programs that support medical training programs, an important component of Boston's health care industry.

Non-Profit Research Institutions

More than \$129 million were awarded to another important group of Boston's medical community - the many non-profit institutions engaged in medical research. Many of these are affiliated with area universities or hospitals, so that the success of these institutions is closely linked. The Dana Farber Cancer Institute, the fourth highest national recipient of NIH awards, led this category with more than \$66 million in awards.

Private Corporate Awards

Although the amount of NIH funding to private corporations is small in comparison to the major research institutions in the city — almost \$3 million in 1999 — this category is a good example of how the R&D done in universities and hospitals can invigorate the private sector and further contribute to the Boston economy. Boston's competitive advantage leads many of the city's biotechnology,

medical devices, and related businesses to locate in Boston because it gives them proximity to the cutting-edge research generated by the medical research community. Among the growing number of private corporations in Boston successfully competing for NIH funding, Ambergen, Inc., with more than \$524,000, topped the list in 1999.

Future of Federal Support

In the last six years, since Boston became the nation's number one city in NIH funding, the city's institutions have increased their annual awards by over \$317 million dollars per year, a remarkable 50% increase that has allowed Boston to expand its lead substantially over second-place New York City. While Boston's dollar increase in NIH funds since 1994 is the largest among the top five cities, its percentage increase ranked third, behind San Diego (\$297.2 million or 106%) and Philadelphia (\$175.9 million or 53%) during this period. Over the entire decade, Boston has enjoyed a 101% increase in annual funding while San Diego has increased by 182%. Nevertheless, Boston has slightly increased its share of the total funding received by the top five cities going from 27.5% of the total in 1990 to 28.1% in 1999.

NIH funding plays a critical role in supporting the cutting-edge medical

research, education and training for which Boston is known the world over. This support is especially important in the face of cost-cutting pressures faced by teaching and research hospitals today. Hospital consolidations and managed care insurance have reduced hospital revenues considerably, often forcing them to scale back programs and cut personnel. In Washington, the Balanced Budget Act of 1997 drastically cut federal support for graduate medical education and reduced hospital revenues for Medicare payments, which previously had helped to subsidize research programs. Although Congress has moved to alleviate those cuts to some degree, hospitals and medical schools are still struggling with the consequences of three years of significant cuts.

Recognizing the importance of this research to maintaining the state's and city's role in the new global economy, the Greater Boston Chamber of Commerce has taken a leadership role in fighting for increased R&D funding, establishing the National Business Coalition for Federal Research and joining with 28 other Chambers across the nation to educate Congress about this issue. As a result, NIH funding for FY 2000 was increased by \$17.8 billion, a 14% increase and both the Clinton administration and Congressional leadership have pledged support for future increases in the NIH budget. The medical community's con-

tinued success in securing NIH dollars not only helps mitigate against funding reductions but helps them continue to attract the best and the brightest doctors, students, and research professionals.

A recent book by Professor Barry Bluestone of Northeastern University emphasizes the importance of the federal government's investment in R&D for long-term economic growth and advancements in health care. This is clearly true for Boston. Investments in the NIH and other federal R&D programs have provided a strong foundation for the continued growth of Boston's health care economy, which now provides 14% of the city's jobs. In the rapidly-changing "new economy" of the 21st century, it will be more important than ever for Boston to remain at the forefront of medical research. Continued support by the NIH will be crucial if Boston is to maintain its position as a national leader in health care innovation.

Boston's Top Ten in NIH Funding

Harvard University (Boston)	\$187,331,132
Mass. General Hospital	\$157,860,012
Brigham and Women's Hospital	\$146,505,708
Boston University	\$103,648,701
Beth Israel Deaconess Hospital	\$71,249,807
Dana Farber Cancer Institute	\$66,776,319
Children's Hospital	\$46,950,334
Tufts University (Boston)	\$34,334,508
New England Medical Center	\$25,021,705
Boston Medical Center	\$17,971,299

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