

The Value of Economic research at NIH

A Statement by the American Economic Association Committee on Government Relations

Contact information: dan.newlon@aeapubs.org

The NIH mission is to “seek fundamental knowledge about the nature and behavior of living systems and the application of that knowledge to enhance health, lengthen life, and reduce the burdens of illness and disability.” Research to identify disease cures is part of that mission, but not the only part. Behavioral and social research, including economic research, also has been critical to the fulfillment of the NIH mission. Consider by way of illustration just three examples of the contributions made by NIH-funded economic research:

Addressing poor behaviors. As knowledge about how to live longer has progressed, translation of that knowledge to behavior has lagged. Many authors argue that the leading causes of death in the United States are not a result of unalterable disease courses, but of behaviors that contribute to disease and death – high rates of smoking and obesity, poor adherence to medication, and lack of adequate screening. NIH-funded economists have pioneered new approaches to help people to make better choices about their health. This research has been published in leading biomedical journals and is fundamentally transforming prevention activities across the country.

Improving the productivity of medical care. Medical care is fundamental to a healthy life, but the medical care system is of mixed quality. New technologies have been a major part of greater longevity, but unnecessary or inappropriate care wastes hundreds of billions of dollars annually. NIH-funded economic research has been instrumental in diagnosing the valuable and less valuable parts of medical care, and in designing interventions to improve the productivity of the system. These findings have been published in top economic and biomedical journals and have led to a revolution in how medical care payers and providers carry out their mission.

Understanding the burden of poor health. Poor health influences quality of life, but also such dimensions of life as whether a person can work, how much they earn, which public programs they qualify for, how much they save for retirement, and how much they will spend on medical care. Understanding the many consequences of poor health has been a central activity of much NIH-funded economic research. These findings, which have been published in scientific areas from medicine to biology, have led to new methods of preparing older workers for retirement, and new strategies to alleviate the adverse impacts that aging can bring.

If funding for economic research disappears, it is unlikely to be picked up elsewhere. No other organization inside or outside government has the mission or resources to pick up the slack. In the language of the NIH mission, eliminating such funding would substantially reduce our ability to enhance health, lengthen life, and reduce the burdens of illness and disability. We cannot let this occur.