

## NAM Report Finds Biopharmaceutical R&D Investment Crucial for Patients, the Economy

In a recent report, the National Association of Manufacturers (NAM), a PULSE partner, examines the pharmaceutical industry's significant commitment to research and development (R&D) and its impact on our economy and our health. The findings of the report, "Creating Cures, Saving Lives: The Urgency of Strengthening U.S. Pharmaceutical Manufacturing," underscore the economic value of competition policy that incentivizes continued investment in America's life sciences industry.<sup>1</sup>

*"Pharmaceutical manufacturers are a major contributor to the U.S. economy, employ millions of Americans and drive innovation. The industry's investments in R&D have led to lifesaving treatments and therapies that have improved the quality of life for all Americans"*

—Chad Moutray, Chief Economist, NAM

### Some key findings from the report are highlighted below:



The pharmaceutical industry is among the most R&D intensive and is driven by significant private sector investment.

- The industry **invested more than \$102 billion in R&D** in 2021.
- Biopharmaceutical companies **invest in R&D at more than 3.5 times the rate of other industries.**



Pharmaceutical manufacturers **employ an estimated 291,000 individuals** and support a total of 1.5 million jobs.

- For every one job in the pharmaceutical industry, **four jobs are created** in supporting industries.



Pharmaceutical manufacturers contribute significantly to the U.S. economy and economic growth.

- Pharmaceutical manufacturers **contributed \$355 billion in value-added output** in 2021.
- The industry directly contributed \$192 billion to the U.S. economy in 2021, a **24% increase** over the previous two years.

Every dollar that life sciences companies spend on R&D is critical to advancing our understanding of diseases and how to treat them. However, these investments carry with them inherent risk; less than 10% of potential new treatments and cures ultimately advance to market, according to the Biotechnology Innovation Organization (BIO).<sup>2</sup>

**A core tenet of what makes the U.S. life sciences ecosystem among the best in the world is its approach to competition policy that supports pro-innovation mergers and acquisitions (M&A).** M&A allows companies to bring together their unique resources, expertise and infrastructure to advance biopharmaceutical breakthroughs. M&A also helps smooth the path to market for new medicines by incentivizing critical investment that offsets the staggering costs of development.

*"The industry invests in an uncertain future, but this investment requires a regulatory environment that is certain and supports innovation."*

—NAM

<sup>1</sup> National Association of Manufacturers. Creating Cures, Saving Lives: The Urgency of Strengthening U.S. Pharmaceutical Manufacturing. 2024. [https://documents.nam.org/COMM/NAM-Creating%20Cures.%20Saving%20Lives\\_FINAL3.pdf](https://documents.nam.org/COMM/NAM-Creating%20Cures.%20Saving%20Lives_FINAL3.pdf)

<sup>2</sup> BIO, Informa Pharma Intelligence, QLS Advisors. Clinical Development Success Rates and Contributing Factors 2011–2020. [https://go.bio.org/rs/490-EHZ-999/images/ClinicalDevelopmentSuccessRates2011\\_2020.pdf](https://go.bio.org/rs/490-EHZ-999/images/ClinicalDevelopmentSuccessRates2011_2020.pdf)