



Federal R&D Funding:

The Impact on Colorado's Federally Funded Research Labs and the State Economy

2014 Economic Forecast:
Boulder & Beyond
January 30, 2014

www.co-labs.org

Perspective

"Some economists estimate that about half the nation's growth in gross domestic product per capita during the last half-century can be attributed to scientific and engineering achievements...In fact, many of the demanding challenges facing the country today will require advances in science and engineering, including challenges in providing health care, supplying energy, protecting the environment, ensuring homeland security, finding and providing water, and maintaining a vibrant economy"

**Norman R Augustine, Former Chairman and CEO of Lockheed Martin
and a Denver Native**

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Colorado Laboratories

- ❖ **26 Federally Funded Research Laboratories in the State**
- ❖ **One of the highest concentrations of federal research facilities in the nation**
- ❖ **3 Major Research Universities**
- ❖ **Significant, measurable economic benefits**
- ❖ **Considerable intangible benefits**



Why Colorado?

- ✓ **Well-educated and highly-skilled workforce**
- ✓ **Synergy between research universities, labs, businesses, and community**
- ✓ **Supportive business climate and entrepreneurial spirit**
- ✓ **Quality of life**



Statewide Impact of Colorado Labs

- **\$2.0-2.3 billion contribution to the state economy***
- **More than 15,500 direct and indirect jobs***
- **Colorado's federal labs are concentrated in Boulder, Jefferson, and Larimer counties***
- **Economic activity in Boulder, Jefferson, and Larimer counties totaled \$743.2 million, \$733.3 million, and \$148.2 million, respectively, in FY 2012**

* **CO-LABS ECONOMIC IMPACT STUDY:** *Economic and Fiscal Impacts of Federally Funded Research Facilities in Colorado, FY2011–FY2013*

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Why Focus on Federal R&D?

Colorado:

- ✓ ranked 2nd in the nation for funding from NASA, the Department of Commerce, and the Department of Interior
- ✓ was in the top 5 for the National Science Foundation, receiving more than \$2.3 billion in federal R&D expenditures, or 1.9% of the national total of \$125.3 billion in 2010
- ✓ ranked 20th for all R&D funding (federal and nonfederal) in 2010
- ✓ ranked 7th among the concentration of labs in the Federal Laboratory Consortium for Technology Transfer



Why Focus on Federal R&D?

These federal R&D expenditures impact both government research facilities and private contractors, and help support the high-tech industry clusters in the state.



Omnibus Appropriations Bill for FY2014

Better than anticipated!

Highlights:

NSF R&D at roughly \$5.8 billion in FY 2014, representing a 6.1 percent boost above FY 2013 post-sequester estimates and 2.4 percent above FY 2012

The **National Institutes of Health** budget will recover somewhat more than half the lost funding under sequestration

Low-carbon energy was one area targeted for major cuts by the House, but it looks like those cuts were averted, as the **Office of Energy Efficiency and Renewable Energy** and **ARPA-E** both make out well

The **National Institute of Standards and Technology (NIST)**, the Agriculture and Food Research Initiative at the **National Institute of Food and Agriculture (NIFA)**, and the **Department of Homeland Security's Science and Technology Directorate** have all received varying funding boosts in recent years, even in light of sequestration, and those recent trends look set to continue



Federal R&D-Vision for the Future

- **Sustains a World-Leading Commitment to Science and Research**
- **Spurs Innovation**
- **Maintains the President's Commitment to Three Key Science Agencies (NSF, DOE, NIST)**
- **Makes America a Magnet for Manufacturing**
- **Advances Clean, American Energy**
- **Improves Our Understanding of the Threat of Global Climate Change**
- **Supports Medical Research to Improve the Health of All Americans**
- **Educates Our Children in Science, Technology, Engineering, and Mathematics**



Summary

- ❖ Colorado is blessed with a vibrant community of federally funded research laboratories
- ❖ Their impact on Colorado's economy is significant and widespread
- ❖ The future for federal R&D funding is better than expected
- ❖ CO-Labs provides a unique role by supporting the Colorado federal labs



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