

# LATEST ANALYSIS: RESEARCH FUNDING AND AMERICAN JOBS IN JEOPARDY

Expanded Drug Pricing  
Policies Would Have  
Blocked Half of All New  
Cures and Will Cost 1.2M  
Jobs Over Next Decade

WE  
WORK  
FOR  
HEALTH

The Inflation Reduction Act's (IRA) government-mandated drug pricing policies have led to a sharp decrease in medical research funding, which impacts access to existing and future cures and job security for millions across the U.S.

A new study from research firm Vital Transformation warns of further decline in new treatments for patients – especially seniors – if a House-proposed plan to further expand government drug price controls is enacted.



**According to the analysis, 4 out of 10 price-controlled drugs – treatments Americans rely on every day – would likely not exist had these policies been in effect during their development.** What's more, these policies would have a disproportionate impact on future seniors – today's 50+-year-olds who won't have the therapies they need when they become Medicare-eligible in 15 years because the drugs won't be developed today.

## FEWER CURES

On average, nearly **50% of new medicines would have never come to market** under the proposed mandates, especially treatments for aging Americans and in areas of unmet need – cancer, brain and spinal cord conditions, and rare and infectious diseases.

This shortfall of cures is made worse by a **70% reduction in biopharma firms successfully going public** since 2021, and a **50% drop in medical research funding** by venture capitalists since the introduction of the IRA, when investigating non-institutional investments under \$2 billion.

## LOST JOBS

The research shows an estimated **loss of up to 216,000 direct life science jobs**. Amid mass layoffs and rising unemployment, these policies could **cost the nation more than 1 million biopharmaceutical industry jobs**.

Workers and local economies in hubs of scientific innovation – **California, Massachusetts and New York** – would be **hardest hit**.



**Vital Transformation** refined its IRA model to fit the proposed expansion terms, and the impacts on industry revenues and employment and future research and development investments for the Medicare-aged population. **Vital Transformation CEO Duane Schulthess** and research partners **Daniel Gassull** and **Gwen O'Loughlin** performed this analysis. See the study [here](#).