Status and Outlook for Research Funding at U-M

90th Annual Research Report to the Regents

Steve Forrest, Vice President for Research
January 19, 2012
The Research Enterprise at U-M

3rd largest segment at U-M

– Health System: ~ $2.4 B
– Education: ~ $1.3 B
– Research: ~$1.2 B
Research and Education

The University fulfills three basic, interlocking functions: to educate youth in the widest possible variety of intellectual disciplines; to collect, increase, and disseminate knowledge that bears on these disciplines; and to perform those services for society, both individually and collectively, which, consistent with its education and research functions, it is peculiarly qualified to perform.

– Harlan Hatcher, 8th President of U-M in the 40th Annual Report on Sponsored Research, 1962

Universities and colleges serve a dual role, as the main source of basic research in the United States and as the training ground for new researchers.

The Challenge

In a time of flat or declining federal funding for research, how does U-M’s research enterprise continue to thrive and grow?
U-M Research Expenditures: Historical Trends

EXPENDITURES (Millions $)

YEAR

Trends in Research by Agency

in billions of constant FY2011 dollars

U-M Research Expenditures by Agency

Notable Growth: 2011
- NIH: +12.6%
- NSF: +10.3%
- DOD: -4.9%
- Energy: +44%
- NASA: -6.5%
The Role of Industry

A small, but important segment: **A catalyst**
A worrisome growth forecast

Global GDP

%q/q, saar

Recession line = 1.2%

Source: J P Morgan

Trends in Discretionary Spending
Budget authority in billions of constant FY11 dollars

Source: Budget of the U.S. Government, FY 2012
© 2011 AAAS
Understanding Washington DC

Federal Spending

Federal Spending as viewed by the average American

Stuff that benefits me personally

Waste

- Social Security
- Defense
- Welfare/Unemployment
- Medicare
- Medicaid
- Interest
- Other Services/Departments
Future Perspective

• We anticipate significant budget cuts across all agencies
• Near term relief should not be mistaken for long term situation
• Trends likely to persist over time (~5 years)
Staying Above the Storm

First: Focus on our strengths that are priorities for the federal government and industry, including

- Health
- Energy
- Intelligent Vehicle Systems
- Manufacturing
- Sustainability
Staying Above the Storm

Second: Build on the U-M culture/environment

• Our reputation for excellence
• Strengths across disciplines
• Interdisciplinary cooperation
• Use-inspired research
• Ties to industry
• International relationships
• NCRC
Staying Above the Storm

Third: Streamline our administrative processes

• Improve proposal competitiveness
• Improve research administration
• Reduce barriers to working with industry