

Why Global Health Matters to North Carolina:

The Economic Impact of the Global Health Sector on North Carolina's Economy



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EXECUTIVE SUMMARY

Why Global Health Matters to North Carolina: The Impact of the Global Health Sector on North Carolina's Economy

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The state of North Carolina has long been regarded as a leading research hub for innovation, policy and service. This distinction can be credited, in part, to its efforts relating to global health. Inspired by a study by the University of Washington, the Duke Global Health Institute assembled a team of researchers at Duke University to quantify the global health sector's impact on North Carolina's economy. This study provides estimates based on data from 2007, which is the latest year for which complete information is available.

In this report, Duke researchers use an inclusive approach to account for economic activity generated by North Carolina's labor market, including data from non-profit organizations, academic institutions, and industry output. Global health activity, for the purposes of this report, is limited to organizations based in North Carolina that actively seek to improve health conditions and eliminate health disparities in *low- and lower-middle income* countries. Therefore, the study's estimates are conservative, representing a reliable "floor" of the true economic impact of global health activity in the state. Moreover, there continues to be tremendous growth in global health activity in North Carolina, which is not reflective in this report, and we expect that the total economic impact has grown substantially over the past two years.

The data have been broken down into the following three sectors: (a) for-profit, which includes private and public businesses; (b) non-profit, which includes entities that are tax-exempt, such as charitable organizations and research institutions; and (c) academic, which includes the economic impact of global health research at universities statewide. Within each of these groupings, the impact of global health was measured in terms of employment, income generated, output, and tax revenue. Economic impacts were divided between direct impacts and indirect impacts. Direct impacts are the immediate effects of global health activity on a given economic region, such as labor requirements or the value of a medical procedure produced by an entity engaged in global health. Indirect impacts are the effects of global health activities on supporting industries that are necessary for or enable global health activities, such as the construction of centers and laboratories that undertake global health research.

The main study findings were as follows:

(1) In 2007 North Carolina's global health sector supported more than 7,000 jobs and \$508 million in salaries and wages annually. The impact of global health on the state's economy ranged from \$1.7 to 2 billion.

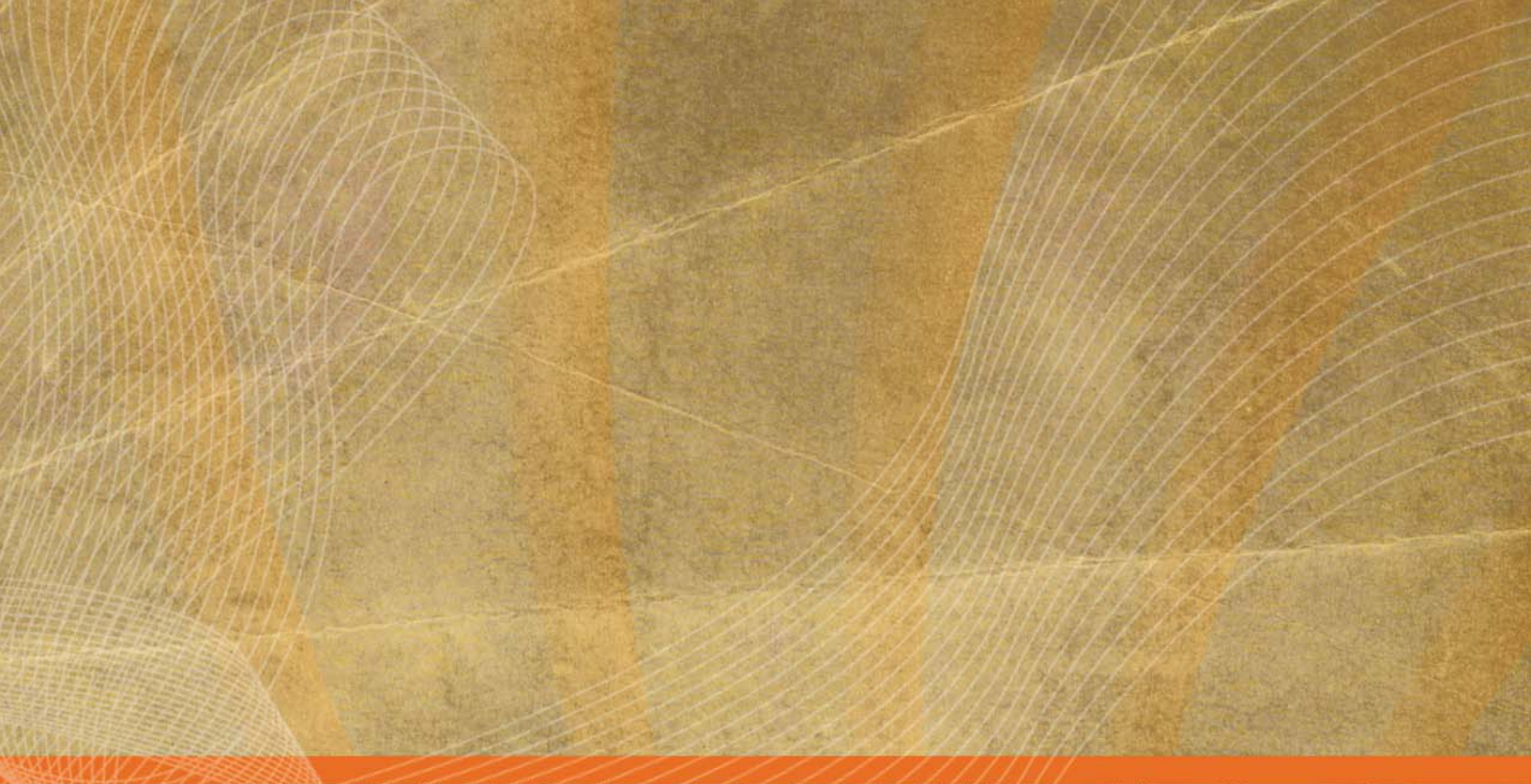
(2) The strongest contributor to global health is North Carolina's non-profit sector. Non-profit organizations, charities, and research institutions together comprised 3,400 jobs, \$267 million in wages, and more than \$1 billion in total business activity. One of the largest contributors is RTI International, headquartered in the Research Triangle Park, which is one of the oldest and largest science parks in North America. In 2007, RTI received more than \$216 million in grants for ongoing projects related to women's reproductive health issues, neglected tropical diseases and malaria eradication. That figure jumped sharply from \$165 million in 2006.

(3) North Carolina's academic community also contributes significantly to global health, with nearly \$51 million in total business activity in 2007. Duke University and the University of North Carolina at Chapel Hill account for roughly 90 percent of this sector's total impact on global health. The most significant contributors within these institutions are the UNC Gillings School of Global Public Health and the Duke Global Health Institute.

(4) Other notable considerations include the impact of North Carolina's pharmaceutical and research industries on global health. These areas represent the top two contributors within the for-profit sector, followed by medical apparatus manufacturing. Most of these companies' exports go to South Africa, Mexico, Brazil, Russia, and Turkey. In 2007, the total for-profit sector supported 3,000 jobs in global health, generated \$220 million in wages, and had an economic impact of \$591 million.

In general, the report's findings verify that there is a strong relationship between the state of North Carolina and the global health sector, providing thousands of jobs and economic benefit to the state while improving lives around the world. North Carolina's commitment to improving health conditions and eliminating health disparities is marked by its significant and tangible impact on global health, which continues to grow over time, and provides meaningful and lasting results for underserved populations around the world, as well as the citizens of North Carolina.

The complete report, "Why Global Health Matters to North Carolina: The Impact of the Global Health Sector on North Carolina's Economy" is available at <http://globalhealth.duke.edu/policy/economic-impact>



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