The Hidden Cost of Capping NIH Indirect Costs: How Students Pay the Price

Federal research grants from the National Institutes of Health (NIH) are competitively awarded to universities around the country to conduct vital biomedical and public health research. A key component of these grants is indirect costs—a portion of the grant used to support overall research and university infrastructure such as maintaining labs and equipment, paying support staff, and subsidizing costs for students who support the research. **Recently, the Trump Administration announced an indirect cost cap of 15% for new and existing grants, a change that would result in nearly $6 billion lost by roughly 600 universities and university systems across the country**.

Capping indirect costs will increase both the cost of tuition and graduation debt at various institutions across the United States. As a result, we are robbing ourselves of our future innovators, scientists, and medical professionals.

Such a drastic reduction in overhead costs would stall innovation and drug discovery for various health conditions; disrupt local economies due to mass layoffs at universities, with knock-on effects on suppliers and retailers that depend on university business; close down university labs and research centers; and constrict the influx of a new generation of scientists by dismantling training opportunities such as student fellowships. Some universities and medical schools have already announced reductions in graduate level students as a result. To maintain the same levels of research and innovation, universities would be forced to seek alternative sources of revenue, most likely from increased tuition costs.

Below we estimate the increases in tuition costs and median graduation debt that will result from the proposed 15% cap on indirect costs. Full results are available here or at www.amfar.org/table-how-students-pay-the-price.

University	Tuition increase required to recoup NIH indirect cap losses	% increase in annual cost of attendance*	Increase in total median graduation debt (4-year undergrad)**
Washington University in St. Louis	$9,259	45%	151%
Johns Hopkins University	$6,676	32%	92%
Duke University	$9,495	31%	136%
Emory University	$6,880	27%	90%
University of North Carolina Chapel Hill	$3,239	26%	52%
University of Pennsylvania	$6,144	24%	74%
Case Western Reserve University	$6,985	19%	89%
Indiana University-Indianapolis	$2,136	18%	50%
University of Alabama at Birmingham	$3,067	18%	60%
University of Utah	$1,376	15%	29%

*Cost of Attendance is based on average net cost for undergraduate students, including tuition, fees, books, supplies, and cost of living, and subtracting federal and state grants/scholarships. For public universities, this metric only includes students paying in-state tuition rates.

**Percentages based on median total debt at graduation for undergraduate degree students. Increase is calculated based on the accumulation of four years of average tuition increase required to replace NIH indirect costs.

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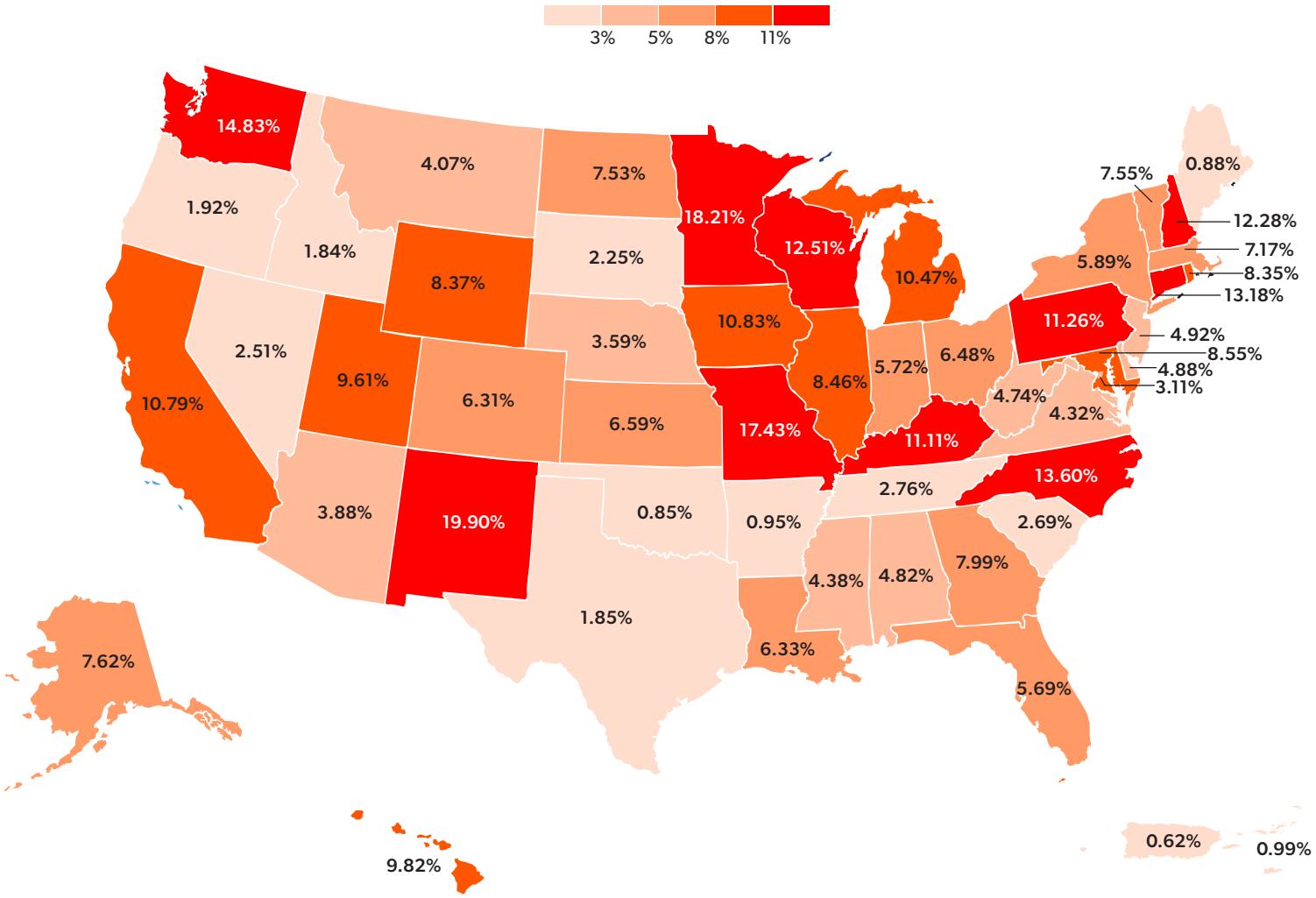
FOUR-YEAR PERCENTAGE INCREASE IN TOTAL MEDIAN GRADUATION DEBT



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