

Hunter Rawlings Remarks
Press Conference
**Sequestration and the American Workforce: Academic and Industry Leaders
to Define the Short and Long-term Effects**
December 2, 2013

Thank you all for being here today. I am Hunter Rawlings, president of the Association of American Universities.

We've asked you to join us because of our deep alarm about the impact of budget sequestration on this nation's future. We are going to focus particularly on how the sequester is undermining the workforce this country needs to compete and maintain global leadership in the 21st century. We have a number of experts from key sectors of our national life, all of whom will speak about the investments our nation needs but is losing due to tight budget caps and the added impact of the sequester.

I am going to update here what I said standing next to Wes Bush at another event almost a year ago: the sequester is stupid, it is dangerous, it should not have happened, and it needs to end. It is blunt, it is reckless. It directly targets the investments our country needs to build a better future for our grandchildren and great grandchildren while allowing lots of spending that goes to people like me who do not need it to go unchecked.

I would like to lead off by describing briefly the impact that the sequester is having on university research and on those who conduct it, and would like to conduct it in the future. This research is the lifeblood of innovation. And innovation is the lifeblood of our economy, of advances in healthcare and our nation's security. Indeed, economists estimate that such innovation is responsible for well over half of the nation's economic growth.

The National Science Foundation has just reported that all funding of university R&D fell in FY12 for the first time since 1974. The first time in 38 years. This is a significant milestone, and not a good one.

AAU, the Association of Public and Land-grant Universities, and The Science Coalition conducted a survey in October of the 171 leading research universities we collectively represent to see how sequestration has affected their institutions since the cuts began in March.

Even in its earliest phase, sequestration is permeating every aspect of the work that our research universities do. The survey trends today will worsen and then be deeply entrenched a year from now if sequestration remains in place.

Sequestration took effect in March and will remain in effect for another eight years unless Congress acts.

The most commonly cited impacts of the sequester among survey respondents were a reduction in the number of new federal research grants—70 percent of responding universities—and delayed

research projects—also 70 percent. While the loss or delay of critical research is serious in itself, it is the other impacts of these reductions and delays—the financial costs, the effects on jobs and careers, and the opportunity costs—that illuminate the real consequences of sequestration.

Among the other specific findings of our survey: Fifty-eight percent of respondents cited personnel impacts at their institutions as a result of sequester. This included position reductions—50 percent—as well as layoffs—24 percent. Congress likes to talk about renewing jobs. In fact, it is killing jobs, and high-quality ones at that.

Forty-two percent of respondents cited impacts directly affecting students, including admission of fewer graduate students—23 percent—and a reduction in research opportunities for undergraduate students—30 percent. There is additional information that you can find in the handouts we've provided.

These impacts are symptoms of a growing problem for our nation. We are facing an *innovation deficit*, as research and higher education investments decline while those of our foreign competitors dramatically increase. If Congress fails to reverse course, this innovation deficit will keep growing. And as it grows, it will shrink the legacy we provide to future generations of Americans.