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**A Stakeholder Meeting on Ensuring Patient Access  
to Affordable Drug Therapies**

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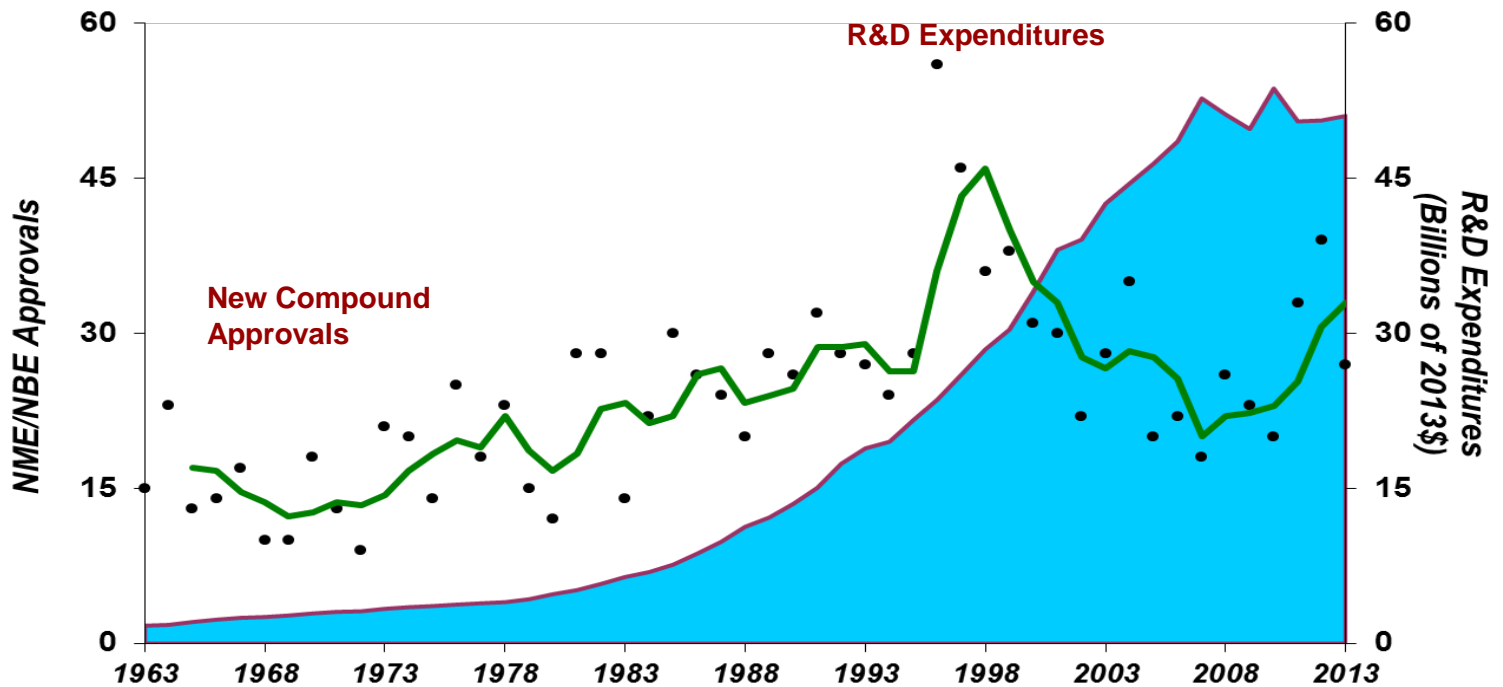
**Ronald W. Hansen**  
**Clinical Professor Emeritus of Business Administration**  
**Simon Business School**  
**University of Rochester**

**January 23, 2017**



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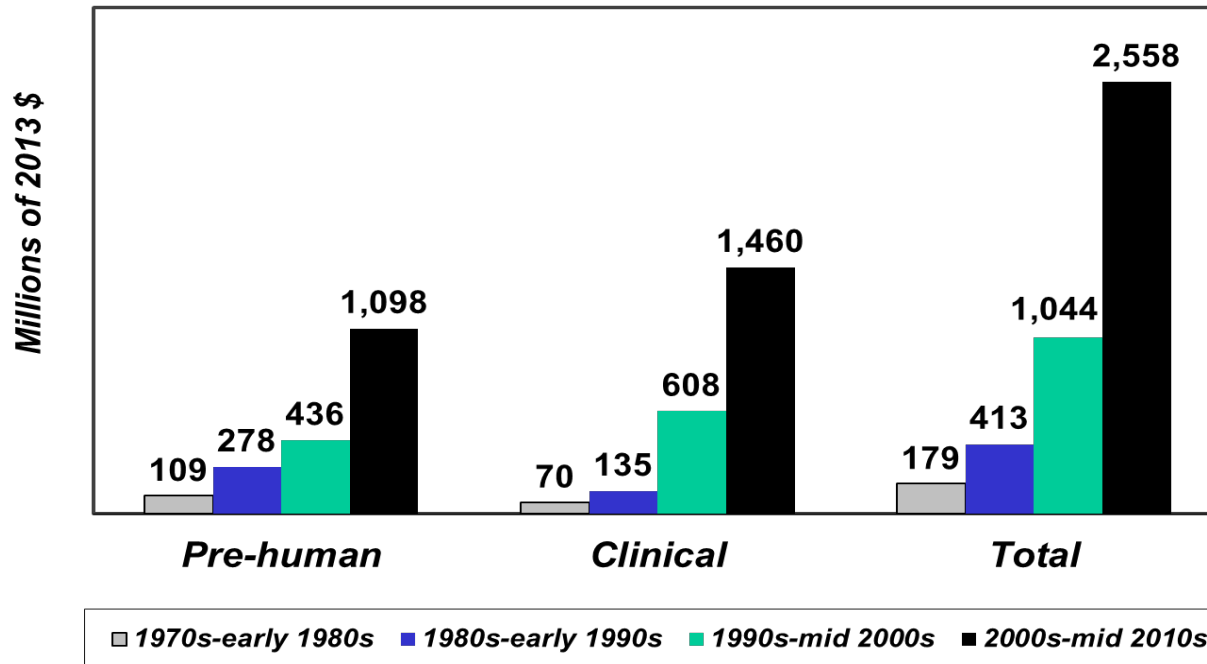
# New Drug and Biologics Approvals and R&D Spending



R&D expenditures are adjusted for inflation; curve is a 3-year moving average for NME/NBEs

Sources: Tufts CSDD; PhRMA, 2014 Industry Profile

# Fig. 3 Trends in Capitalized Pre-clinical, Clinical and Total Cost per Approved New Drug



Sources: 1970s-early 1980s, Hansen (1979); 1980s-early 1990s, DiMasi et al. (1991); 1990s-mid 2000s, DiMasi et al. (2003); 2000s-mid 2010s, Current Study

J. A. DiMasi, H. G. Grabowski, and R. W. Hansen, "Innovation in the Pharmaceutical Industry: New Estimates of R&D Costs," *Journal of Health Economics* 47, 20-33 (2016).