



Why Does Global Health Matter to California?

Probably for more reasons than you think. Even though the term “global health” refers to diseases and health issues that disproportionately affect developing countries, global health matters to California. It matters to California’s economy and to Californians’ health.

California has global ties . . .

- . . . through trade and commerce.

In 2007, California was the nation’s second largest merchandise exporter among the 50 states. It had exports that totaled \$134.2 billion headed to 222 foreign destinations – nearly 12 percent of overall U.S. exports. Some of California’s trade partners include developing countries in Asia, Africa, and South America.

- . . . through foreign investment.

California ranks first in the nation in the number of “in-sourced” jobs – employment by companies that are based outside the United States. About 542,600 Californians work for foreign-owned companies, which invest in California’s economy as they expand their operations in the Golden State.

- . . . through travel and tourism.

Every day, some 33,000 passengers depart from cities all over the world destined for California’s San Francisco International and Los Angeles International airports. Among the arrivals are international tourists and business people who spend billions of dollars a year in California, generating wages and jobs that contribute significantly to the state’s economy.

- . . . through its colleges and universities.

In the 2006-2007 academic year, 78,000 foreign students studied at California universities. International students and their families contributed more than \$2.2 billion to the state’s economy.



Global Ties Benefit California

California's global ties benefit the state's economy, providing billions of dollars in revenue and thousands of jobs. One in five manufacturing workers in California depends on international exports for his or her job.

These Ties Can Be Jeopardized by Global Health Crises

California's global ties link the state's economic health to the health and economic growth of other countries and regions. When health care crises in other countries threaten economic and political stability, they can end up affecting California as well.

What's the Link between Health and Wealth?

Epidemics and other health crises affect the ability of entire communities to work and limit the potential for economies to develop. The following examples illustrate the link between global health and economic development:

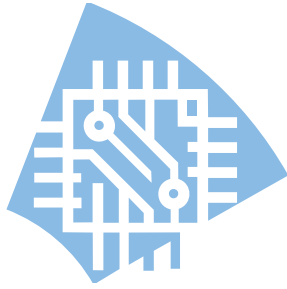
- Malaria costs Africa \$12 billion in lost economic output every year. It is estimated that without malaria, the economic output of some African countries, some of which are important trade partners for California businesses, would be 30 percent greater than it is today. California exported \$984 million worth of goods to Africa in 2007.
- UNAIDS estimates that the HIV rate in China is rising by 20-30 percent every year. China is a valuable trading partner for California, purchasing \$10.6 billion worth of California exports in 2007 alone.

Research to Improve Global Health Benefits California

The National Institutes of Health (NIH) is a world leader in biomedical research that improves health in the United States and around the world. Most of the research that is funded by NIH is conducted on university campuses across the country. NIH awards many grants to California universities, which in turn bring money and jobs to the state. In 2007, California received approximately \$3.5 billion in research grants and contracts from NIH. Some NIH grants fund research that will improve global health. For example, in 2007, NIH awarded \$15 million to University of California San Francisco's Center for AIDS Research to continue its cutting edge AIDS research. Grants like these bring jobs and higher wages to California at the same time that they help make progress in global health.

Global Health, Global Markets, and California

California's largest export category is computers and other electronic goods, which represented 35 percent of its global exports in 2006. As spending on information technology (IT) in developing and transition economies



grows, California's IT companies are expanding their reach into countries such as Brazil, Russia, India, and China. Combined IT spending by these four rapidly developing economies, known as the BRICs, is expected to grow by 14 percent each year, reaching more than \$100 billion by 2009. One California-based company, Hewlett Packard, understands all too well the potential gains to be

had from pursuing markets in developing countries. The Fortune 500 technology company draws 65 percent of its revenues from outside the U.S., and revenue from the BRICs accounts for more than 8 percent of its revenue.

In addition to their growing prominence in the global economy, the four BRIC countries also share significant global health challenges, such as HIV/AIDS and drug-resistant tuberculosis (TB), which in turn affect the growth and development of their economies. Investing in global health research and development to alleviate these challenges is good for developing countries, and it is good for California.

Conclusion

The National Institutes of Health (NIH) and the Centers for Disease Control and Prevention (CDC) are taking the lead in the research and development of drugs and vaccines aimed at improving global health and lessening the impact of deadly diseases such as HIV/AIDS, TB, and malaria.

To find out how we can accelerate the search for better medical technologies, please visit www.familiesusa.org/global-health.

Sources available upon request from Families USA.



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