



# Why Does Global Health Matter to Kentucky?

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 Kentucky. It matters to Kentucky’s economy and to Kentuckians’ health.

## Kentucky has global ties . . .

- . . . through trade and commerce.

In 2007, Kentucky exported \$19.6 billion worth of goods to 194 foreign destinations. Some of Kentucky’s trade partners are developing countries in Asia, Africa, and South America.

- . . . through foreign investment.

Kentucky benefits from foreign investment and the creation of “in-sourced jobs” – employment by companies that are based outside the United States. About 86,000 Kentuckians work for foreign-owned companies, which invest in Kentucky’s economy as they expand their operations in the Bluegrass State.

- . . . through its colleges and universities.

In the 2006-2007 academic year, 5,160 foreign students studied at Kentucky universities. International students and their families contributed \$94 million to the state’s economy.



## Global Ties Benefit Kentucky

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

## These Ties Can Be Jeopardized by Global Health Crises

Kentucky'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 Kentucky 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 several African countries, some of which are important trade partners for Kentucky businesses, would be 30 percent greater than it is today. Kentucky exports \$81 million worth of goods to Africa every year.
- UNAIDS estimates that the HIV rate in China is rising by 20-30 percent every year. China is a valuable trading partner for Kentucky, purchasing nearly \$578 million worth of Kentucky exports in 2007 alone.

## Research to Improve Global Health Benefits Kentucky

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 Kentucky universities, which in turn bring money and jobs to Kentucky. In 2007, Kentucky received approximately \$142 million in research grants and contracts from NIH. Some of this research will go on to spur innovations in medicine that will improve domestic and global health. Grants from NIH bring jobs and higher wages to Kentucky at the same time that they help the world make progress in global health.

## Global Health, Yum! Brands, and Kentucky

Today, many American companies have a stake in global health progress. Louisville, Kentucky is home to the world's largest fast food restaurant company (in terms of systems units). Yum! Brands is the parent company of Kentucky Fried Chicken (KFC), Pizza Hut, and Taco Bell. The franchise has more than 35,000 restaurants worldwide in more than 110 countries and territories. Yum!'s global sales totaled more than \$10 billion in 2007.



Since 1997, Yum! has invested in business developments in China – in 1997 alone, the company made \$20 million in operating profit and has continued to grow rapidly. Yum! has focused on an aggressive international expansion strategy, knowing that the future growth of the company lies in countries where populations are experiencing increases in income, like China and South Africa.

However, developing countries like these also experience the greatest global health burdens. Yum! Brands understands the important effects that global health can have on its business development and global sales. In 2004, for example, avian flu scares in China prompted Yum! to closely monitor outbreaks of this disease around the globe. A team was mobilized to prepare contingency plans in case the issue needed to be addressed. Although there was a 20 percent decline in Chinese sales for six weeks following the outbreak, by educating the public about the disease and safeguarding their food supply, Yum! continued to see a growth in profits in the following years.

Yum! CEO David Novak said, “When I go to China, government officials greet me. They embrace the investment we’re making. Our economies are intertwined.” Kentucky benefits when global health improves because healthy citizens make for productive workers and dependable consumers. As Yum! Brands continues to expand its market into developing countries like Vietnam, India, and Nigeria, employees and consumers of these countries will be challenged with diseases such as malaria and HIV. The health of Yum! employees and consumers is essential to its bottom line – a good product and a good profit.

## 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/issues/global-health](http://www.familiesusa.org/issues/global-health).

Sources available upon request from Families USA.



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