Independent Analysis of JDRF Research Grants: Only 3% of revenue allocated to Practical Cure research in 2013

Conclusions:

- In fiscal year 2013, only 15% of JDRF’s annual revenue was used for any type of cure-focused research projects, and only 3% was used for near-term Practical Cure projects.
- While JDRF has made some progress in reducing the number of research projects it funds on an annual basis (from 656 to 523), funding continues to be spread thin, with almost half the projects funded at $100K or less per year.
- To bring the research portfolio in line with donor priorities would require directing at least half of all spending to cure research, and dedicating a significant research initiative to the near-term goal of a Practical Cure.

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Half of JDRF’s annual $206 million budget is utilized for making research grants. This report will show how JDRF allocates that $106 million in research funding. In preparing the report, the JDCA team individually reviewed each of the 523 projects funded by JDRF in fiscal year 2013. We analyzed the number of research projects funded, the funding per project, and grant allocation by research focus. To our knowledge, this kind of independent analysis of research allocations is not done anywhere else in the T1D landscape.

A main finding of the report is that JDRF uses only 3% of its total annual budget for near-term Practical Cure research while only 15% of the budget goes to any type of cure-focused projects, including both Practical and Idealized cure research. The JDCA is deeply concerned that JDRF – the most powerful charitable funder of T1D research in the world– is not focusing enough resources on cure research. We encourage the new leader of JDRF to align with donor interest by substantially increasing funding for cure research in the years ahead.

**Fewer projects but still too many with small funding**

In 2012, JDRF spent $110 million on 656 research projects. In fiscal year 2013, JDRF spent $106 million dollars on 523 different projects, which represents a decline in terms of both the number of projects and overall research funding. As discussed in our previous report, the decrease in overall research spending moves JDRF away from donor interests and, in our view, should be reversed.

On the other hand, the reduction in project count is a move in the right direction. Funding fewer projects makes it possible to concentrate more resources on the most promising projects, thereby accelerating research progress.

However, there is still a very long “tail” to the project funding (Exhibit B), where nearly half the projects average under $100K annually and only 8 projects are substantially funded at over $1MM a year. We would like to see deeper focus on fewer initiatives, with bigger bets placed on projects that can yield near-term results.
Research grant allocations

Exhibit C shows the breakdown of research grant allocations within the total JDRF budget. JDRF funds projects across many different areas of research, including cure research, treatments for glucose control, therapies for complications, basic and exploratory research, and the development of research tools.

**Exhibit C: JDRF Research Grant Type as a Percentage of Total Annual Spending**

JDRF allocates only 15% of its total budget to research that has an objective of curing T1D, with only 3% directed to projects that may result in a Practical Cure.

This portfolio does not reflect the wishes of donors. In ongoing polling of the T1D community, the majority of donors consistently say they want cure research to be the top priority of all major T1D charities and research centers. In the JDCA’s most recent survey (June 2014), 88% of respondents stated that cure research is the activity they most want their donation to fund.

JDRF needs to align research spending with the priorities of donors who supply 90% of JDRF’s budget. While the budget can accommodate various types of research, more money needs to be spent on results-driven cure research. JDRF has adopted an effective research initiative to develop an artificial pancreas. We would all be well served if they did the same to advance a research initiative to deliver a Practical Cure for type 1.
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