

Panel: Economic Evaluation within the Context of Federal Research

ARS Workshop: Assessing the Benefits of ARS R&D within an
Economic Framework

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Rosalie T. Ruegg
Managing Director, TIA Consulting, Inc
ruegg@ec.rr.com

Economic evaluation has a definite role within an overall approach to research evaluation:

- To demonstrate the economic effectiveness of a given R&D investment (retrospective analysis)
- To guide R&D investment decisions (prospective analysis)
- To provide information to help program managers make decisions to design or revise their program, re-direct existing R&D funds, or allocate new funds
- To provide a quantitative measure that can be compared with other investments or investment opportunities

To serve these roles, attention should be given to:

- **Additionality** (i.e., benefits & cost with the public investment versus without it, and returns to the public investment)
- **Distinction between social and private benefits**
- **How to treat different types of benefits & costs**
- **Accounting for different timing of benefits & costs**
- **Interdependencies among projects** (if a cluster study or overall program analysis)
- **Accounting for risk & uncertainty**