Press Release

Darling, Osborne and Cable welcome ESRC decision to renew IFS funding

The Institute for Fiscal Studies (IFS) has secured fresh core funding from the Economic and Social Research Council (ESRC) that will be worth almost £6.8 million over the five years from October 2010. This follows a lengthy open competition in which our research proposals and plans to engage with the users of our work were scrutinised by leading academics and other experts.

The ESRC's decision has been welcomed by the leading economic decision-makers from all the main UK political parties. Alistair Darling, the Chancellor of the Exchequer, said that the IFS had developed "a tremendous reputation for independent and impartial advice". George Osborne, the Conservative Shadow Chancellor, said that the IFS "treats all political parties fairly and says what it thinks". And Vince Cable, the Liberal Democrat Shadow Chancellor, said the IFS had set "the quality standard for serious work on public finance".

The funding will provide a stable financial foundation for the IFS's ambitious long-term research programme, as well as helping us to respond promptly and authoritatively to policy developments and debates as they happen. It will allow us to advance our understanding across a broad range of policy areas. These include: work and retirement decisions, spending and saving behaviour, investment in education and skills, the behaviour of firms and entrepreneurs, the distribution of income and wealth, and trends in government finances.

The fruits of this research – along with that of all other IFS research – will be available from our newly revamped website (www.ifs.org.uk) as well as being communicated through a variety of different publications and events.

Robert Chote, Director of the IFS since 2002, said: “This is a tremendous vote of confidence in the IFS in our 40th anniversary year. It comes at a time when the current economic crisis and its likely aftermath make our research agenda more important and challenging than ever. We are very grateful to the Council of the ESRC for their support and we shall make the most of every pound.”

The funding will be provided through the Centre for the Microeconomic Analysis of Public Policy at IFS, which the ESRC has supported since 1991.

The Director of the Centre will be Professor Richard Blundell CBE, Research Director of IFS and President-elect of the Royal Economic Society. The Centre provides IFS with part of Richard’s time, plus part of that of 6 other professors, 23 other researchers and 5 support staff (most of whom spend the rest of their time on other IFS work, at universities or in the private sector.) The Centre will also support 5 PhD scholars, plus summer students and an extensive network of research fellows and associates from the UK and around the world.
Professor Blundell said: “This is great news. Research Centre funding from the ESRC has been at the heart of establishing IFS as a world leader in microeconomic policy research. This announcement will allow us to achieve our ambitious agenda, bringing together a unique blend of cutting-edge academic work, capacity building and active policy engagement.”

Conscious of the many competing claims on ESRC resources, and a tougher climate for research funding overall, the IFS requested funding broadly to maintain the size of the existing Centre. The Centre is expected to account for about a quarter of the IFS’s research income; for much of the remainder we will rely on charitable foundations and national and international public bodies. We are very grateful to all our funders – including our members, both corporate and individual – for their support in the past. Continued support from them will also be essential to sustain the depth and breadth of our work.

**Political reaction to the funding decision**

- Alistair Darling, the Chancellor of the Exchequer, said: “Over many years the IFS has built up a tremendous reputation for independent and impartial advice, and I welcome the continued ESRC funding made available to them.”

- George Osborne, the Conservative Shadow Chancellor, said: "As the debate about the public finances hits the top of the political agenda, the informed and impartial analysis of the IFS will become more and more important. They treat all political parties fairly and say what they think. They have a high reputation at home and abroad, and I am delighted that they can now continue their work in the years ahead.

- Vince Cable, the Liberal Democrat Deputy Leader and Shadow Chancellor, said: "The IFS has established a brand as the quality standard for serious work on public finance. Those of us in the political world working on economic policy look to the IFS for authoritative and timely analysis and for objective criticism of our own policy pronouncements”.

ENDS

Notes to Editors:

1. The Economic and Social Research Council (ESRC) is the UK’s largest funding agency for research, data resources and postgraduate training relating to social and economic issues. It supports independent, high quality research which impacts on business, the public sector and the third sector. The ESRC’s planned total expenditure in 2008/09 is £203 million. At any one time the ESRC supports over 4,000 researchers and postgraduate students in academic institutions and research policy institutes. More at [http://www.esrcsocietytoday.ac.uk](http://www.esrcsocietytoday.ac.uk)

2. The other Centres awarded funding in this year’s competition are the Centre for Economic Performance at the London School of Economics (£6.08m), directed by former IFS researcher Professor John Van Reenen, and the Centre for Competitive Advantage in the Global Economy at the University of Warwick (£3.6m), directed by Professor Nick Crafts.