Study Highlights Financial Toll of Health Disparities in the United States

NIH study provides national and state estimates of the economic burden of health disparities by race, ethnicity and education.

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New research shows that the economic burden of health disparities in the United States remains unacceptably high. The study, funded by the National Institute on Minority Health and Health Disparities (NIMHD), part of the National Institutes of Health, revealed that in 2018, racial and ethnic health disparities cost the U.S. economy $451 billion, a 41% increase from the previous estimate of $320 billion in 2014. The study also finds that the total burden of education-related health disparities for persons with less than a college degree in 2018 reached $978 billion, about two times greater than the annual growth rate of the U.S. economy in 2018.

The findings from this study by researchers from NIMHD; Tulane University School of Public Health and Tropical Medicine, New Orleans; Johns Hopkins Bloomberg School of Public Health, Baltimore; Uniformed Services University, Bethesda, Maryland; TALV Corp, Owings Mills, Maryland; and the National Urban League were published in JAMA.

This study is the first to estimate the total economic burden of health disparities for five racial and ethnic minority groups nationally and for all 50 states and the District of Columbia using a health equity approach.

The health equity approach set aspirational health goals that all populations can strive for derived from the Healthy People 2030 goals. It establishes a single standard that can be applied to the nation and each state, and for all racial, ethnic, and education groups. It is also the first study to estimate the economic burden of health disparities by educational levels as a marker of socioeconomic status.

“The exorbitant cost of health disparities is diminishing U.S. economic potential. We have a clear call to action to address social and structural factors that negatively impact not only population health, but also economic growth,” said NIMHD Director Eliseo J. Pérez-Stable, MD.

Key findings from the study included:

Economic burden by racial and ethnic minority groups

National estimates

- Most of the economic burden for racial and ethnic disparities was borne by Black/African American population (69%) due to the level of premature mortality.
- Native Hawaiian/Pacific Islander ($23,225) and American Indian/Alaska Native ($12,351) populations had the highest economic burden per person.
- Most of the economic burden was attributed to premature deaths for Native Hawaiian/Pacific Islander (NHPI) (90%), Black/African American (77%), and American Indian/Alaska Native (AI/AN) (74%) populations. For Asian (55%) and Hispanic/Latino (43%) populations, most of the burden was from excess medical care costs and lost labor market productivity, respectively.

State estimates

- Five states with the highest burden of racial and ethnic health inequities were among the most populous and diverse states: Texas ($41 billion), California ($40 billion), Illinois ($29 billion), Florida ($27 billion), and Georgia ($21 billion).
- Black/African American people had the highest economic burden of racial and ethnic health inequities in most states (33), followed by Hispanic/Latino (nine states), American Indian/Alaska Native (eight states), and Native Hawaiian/Pacific Islander (one state) individuals.
- The burden of racial and ethnic health disparities relative to each state’s GDP varied from 0.14% (Vermont) to 8.89% (Mississippi). Seventeen states had a burden higher than the annual growth rate of the U.S. economy in 2018.

Economic burden by educational levels

National estimates

- Per person, adults with a high school diploma had the highest burden ($9,982), followed closely by adults with less than a high school diploma ($9,467) and then adults with some college ($2,028).
- Although most of the burden of education-related health inequities was borne by adults with a high school diploma/GED (61%), a disproportionate share was borne by adults with less than a

high school diploma/GED—they were only 9% of the population but bore 26% of the burden.

- Across all educational levels, most of the burden was attributable to premature deaths (66%), followed by lost labor market productivity (18%) and excess medical care costs (16%).

State estimates

- Per person, the economic burden of health disparities varied substantially across states by educational levels. For adults with less than a high school diploma, the burden ranged from $3,152 (California) to $21,372 (Kentucky). For adults with a high school diploma, it ranged from $6,201 (West Virginia) to $25,555 (South Carolina), and for adults with some college, it ranged from $1,072 (Illinois) to $8,374 (South Carolina).
- In 31 states, adults with less than a high school diploma/GED had the highest economic burden of education-related health inequities. In 20 states, the burden was greatest among adults with a high school diploma/GED. Adults with some college had the lowest burden of education-related health inequities in all 50 states and the District of Columbia.
- The burden of education-related health inequities relative to each state's GDP varied from 1.90% (District of Columbia) to 18.29% (South Carolina). Forty-six states had a burden higher than the annual growth rate of the U.S. economy in 2018.

"The results of this study demonstrate that health inequity represents not just unfair and unequal health outcomes, but it also has a significant financial cost," said lead author Thomas LaVeist, PhD, dean of Tulane University School of Public Health and Tropical Medicine. "While it surely will cost to address health inequities, there are also substantial costs associated with not addressing them. Health inequities is a social justice issue, but it is also an economic issue."

Researchers collected and analyzed data from four databases to estimate the burden of racial and ethnic and education-related health inequities: 2016-2019 Medical Expenditure Panel Survey, 2016-2019 Behavioral Risk Factor Surveillance System, 2016-2018 National Vital Statistics System, and 2018 American Community Survey.

Specifically, estimates were produced using medical care costs, lost labor market productivity, and premature deaths for Asian, AI/AN, Black/African American, Hispanic/Latino, and NHPI populations. Previous estimates did not include the AI/AN and NHPI populations as together they constitute about 2.5% of the U.S. population. Education-related inequities were estimated for adults without a four-year college degree, who were categorized into three education groups (adults with less than high school/GED, those with high school/GED, and those with some college).

While the economic burden of racial and ethnic and education-related health disparities is significant, the researchers noted that the burden could be reduced if investments are made to address structural contributors to known inequities, including racism and socioeconomic inequalities. They also recommended that federal and state health policymakers and offices of minority health could use these estimates to inform areas where policies and programs are most needed to address health inequities.

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