

Study: Rising costs of racial and ethnic health inequities in US surpass \$450 billion

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Using four different national databases, researchers used medical care costs, lost labor market productivity, and premature deaths to determine the economic burden placed on different racial and ethnic groups as well as educational attainment. Photo by iStock.



The study was led by Thomas A. LaVeist, PhD, dean of the Tulane University School of Public Health and Tropical Medicine and Weatherhead Presidential Chair in Health Equity.

Racial and ethnic health inequities cost the United States economy \$451 billion in 2018, a sharp increase from the [previous estimate](#) of \$320 billion in 2014, according to a new study published in [JAMA](#) by Tulane University researchers.

The study also found the total burden of education-related health inequities 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 that same year.

Other [key findings](#) include:

- Most of the economic burden for racial and ethnic inequities (69%) was borne by the Black/African American population 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.
- 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 persons had the highest economic burden of racial and ethnic health inequities in most states (33), followed by Hispanic/Latino (9 states), American Indian/Alaska Native (8 states), and Native Hawaiian/Pacific Islanders (1 state).
- The burden of racial and ethnic health inequities relative to each state's GDP varied from 0.14% (Vermont) to 8.89% (Mississippi); 17 states had a burden higher than the annual growth rate of the U.S. economy in 2018.

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When researchers looked at the economic burden of health inequalities by education levels, they found that 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. This group comprised 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%).

The study was led by Thomas A. LaVeist, PhD, dean of the Tulane University School of Public Health and Tropical Medicine, along with researchers from the National Institute on Minority Health and Health Disparities, Johns Hopkins Bloomberg School of Public Health, Uniformed Services University, TALV Corp, and the National Urban League.

“The results of this study demonstrate that health inequity represents not just unfair and unequal health outcomes, but it also has a financial cost,” said LaVeist. “Investment in achieving health equity would not only help people live longer, healthier lives, it would also pay dividends economically that would benefit community well-being long-term. To be sure, it will take significant resources to address health inequalities, but it is also true that the costs of not addressing health inequalities are substantial.”

The [study](#), which was funded by the National Institutes of Health, is the first to estimate the total economic burden of health inequities for five racial and ethnic minority groups — Asian, American Indian/Alaska Native, Black/African American, Hispanic/Latino and Native Hawaiian/Pacific Islander populations — nationally. It is also the first study to estimate the economic burden of health inequities by educational levels as a marker of socioeconomic status.

Using four different national databases, researchers used medical care costs, lost labor market productivity, and premature deaths to determine the economic burden placed on different racial and ethnic groups as well as educational attainment.

For Native Hawaiian/Pacific Islander, Black/African American, and American Indian, Alaska Native populations, most of the economic burden was attributed to premature deaths. For Asian and Hispanic/Latino populations, that burden was from excess medical care costs and lost labor market productivity, respectively.

“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 Dr. Eliseo J. Pérez-Stable.

While the economic burden of racial and ethnic and education-related health inequities is significant, the researchers noted that the burden could be reduced if investments are made to address structural contributors to 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.

Full details about the study, including data for each state, can be found at costofinequity.org.

Video of The Staggering Cost of Health Inequities