

Economic Policy is Health Policy

Income and wealth contribute significantly to health in the United States. While lower-income people in countries around the world face disparities in chronic disease burden, as well as access to and affordability of primary care, those disparities are wider here in the US.¹

The interplay between income and health is complex, and other factors - particularly race - affect the relationship. Still, it is clear that income by itself is directly related to health. Research shows that as income inequality grows, so does the disparity in life expectancy between high income and low-income individuals. Americans with lower incomes are at higher risk of diabetes, cardiovascular disease, stroke, anxiety and depression.² Simply put, the lower someone is on the economic ladder, the less healthy they are likely to be.

Improving health equity requires addressing income inequality and promoting economic opportunity, particularly for Pennsylvania's low-income individuals and people of color. To that end, the Partnership for Better Health supports the following policies.

Improve Job Quality at the Low End of the Economic Ladder

Increase the minimum wage to \$15 an hour and index to inflation

Raising the minimum wage would directly improve incomes for people already facing inequities in health. Research has shown that states with lower minimum wages have higher rates of obesity, low birth weights, and other indicators of poor health than states that have raised the minimum wage. Over 90,000 Pennsylvanians earn the federal minimum wage of \$7.25 an hour—the majority of them are women and one third are people of color.

Guarantee paid sick days for all employees

Paid sick days provide workforce stability and are an important benefit to keep employees, their co-workers, and customers healthy. Yet only 61 percent of workers have paid sick days. Low-wage and part-time workers are even less likely to have paid sick days. Workers without paid leave are three times more likely to not seek medical care for themselves, and 1.6 times less likely to seek it for a family member.³ Providing a modest number of paid sick days will prevent employees from losing income when they are sick and will encourage them to seek care when they need it.

Oppose preemption legislation that prevents local governments from setting higher minimum wages or paid sick leave requirements

Pennsylvania's preemption laws are preventing counties and municipalities from setting higher minimum wages. Pending legislation also seeks to ban counties and municipalities from requiring businesses to provide paid sick leave. While pursuing the policy goals listed above at the state and federal levels, we should also oppose and repeal preemption laws that prevent local communities from setting their own higher standards for wages and sick leave.

Support Low-Income Families with Children

Increase funding for child care and early childhood education

The health disparities experienced by children in low-income families often begin early in life. Making sure children have access to high quality child care and pre-K education can help mitigate these setbacks. Research shows correlation between access to child care and lower obesity rates, fewer risk factors for cardiovascular disease, and other health indicators.⁴ There are also significant benefits to our society. Parents experience increased participation in the workforce and sustained wage growth, while children enrolled in early childhood education go on to have higher college graduation, employment, and home ownership rates, while also having lower rates of criminal convictions.⁵

Support paid family leave legislation

The Family Medical Leave Act (FMLA) is designed to help workers care for themselves or a family member contending with a medical condition while protecting their jobs. However, the legislation fails to provide a meaningful benefit to most low-income workers, especially women and people of color. Black workers are 83 percent more likely to report that they are unable to take paid leave even if they are eligible for FMLA.⁶ Creating a paid family leave program in Pennsylvania would provide significant economic security to many

low-wage workers and allow people to care for themselves or their families when they face medical conditions that require more than a few days of treatment and rest.

Expand the child tax credit

The American Rescue Plan passed in early 2021 temporarily expanded the child tax credit to provide a larger credit to more families. The tax credit provides an additional \$1000-\$1600 per year to low- and moderate-income families with children. As a newer tax credit, its total impact on health will take more time to track. However, research on the similarly structured Earned Income Tax Credit has demonstrated vital health and educational benefits, which include improved school performance by children whose families received the maximum earned income tax credit.⁷

Improve Access to Jobs for People Most at Risk of Unemployment

Support ban the box legislation to prevent discrimination against people with criminal convictions

Pennsylvania has become a leader in reforming our criminal justice system to reduce barriers to employment. Our state has the best clean slate law in the country—having sealed more than 36 million misdemeanor cases. Complementary “ban the box” policies would prevent employers from asking about criminal convictions on job applications and further reduce the barriers people with criminal records face in obtaining employment.

Dedicate more funding for apprenticeship programs that serve disadvantaged workers

Apprenticeship programs are a popular approach to improving employment prospects for lower-skilled workers that simultaneously meet the specific workforce development needs of employers. However, some research shows that apprenticeship programs do not adequately address wage and equity gaps seen in employment as a whole.⁸ Efforts to increase apprenticeship programs should prioritize funding of programs that demonstrate success in enrollment and employment of women, people of color, people with disabilities, people in recovery, and people with criminal records.

Incentivize businesses to establish upskilling programs or provide educational benefits

Despite a well-documented skills gap in the US workforce, employers are investing less in on-the-job training and education. While the reasons for this vary from company to company, one driving factor is that Americans no longer spend their careers dedicated to just one or two long-term employers. In today’s dynamic job market, workers may gain training in one place and then move on to another place. For employers, this makes broad economic incentives to continually invest in training and education valuable, as workers move and grow across different sectors. As a win-win policy, it creates a long-term return on investment for businesses, workers, local economies and community health. Several states provide such incentives already and Congress is considering a national tax credit for training investments.⁹

¹ Doty, M. M., Tikkanen, R. S., Fitzgerald, M., Fields, K., & Williams, R. D. (2021). Income-Related Inequality in Affordability and Access to Primary Care in Eleven High-Income Countries. *Health Affairs*, 40(1), 113-120. DOI: 10.1377/hlthaff.2020.01566

² Health, Income, & Poverty: Where We Are & What Could Help. *Health Affairs Health Policy Brief*, October 4, 2018. DOI: 10.1377/hpb20180817.901935

³ DeRigne, L., Stoddard-Dare, P., & Quinn, L. (2020). Workers Without Paid Sick Leave Less Likely to Take Time off for Illness or Injury Compared to Those With Paid Sick Leave. *Health Affairs*, 35(3), 520-527. Accessed at <https://www.healthaffairs.org/doi/10.1377/hlthaff.2015.0965>

⁴ The Effects of Early Care and Education on Children’s Health. *Health Affairs Health Policy Brief*, April 25, 2019. DOI: 10.1377/hpb20190325.519221

⁵ First Five Years Fund. (n.d.) Lifelong Gains. Accessed at <https://www.ffyf.org/why-it-matters/lifelong-gains/>

⁶ Mason, J., & Molina Acosta, P. (2021) *Called to Care: A Racially Just Recovery Demands Paid Family and Medical Leave*. National Partnership for Women & Families. Accessed at <https://www.nationalpartnership.org/our-work/resources/economic-justice/paid-leave/called-to-care-a-racially-just-recovery-demands-paid-family-and-medical-leave.pdf>

⁷ Simon, D., McInerney, M., & Goodell, S. (2018) *The Earned Income Tax Credit, Poverty, and Health*. Health Affairs. <https://www.healthaffairs.org/doi/10.1377/hpb20180817.769687/full/>

⁸ Zessoules, D., & Olugbenga, A. (2018) *Wage Gaps and Outcomes in Apprenticeship Programs*. Center for American Progress. Accessed at <https://www.americanprogress.org/issues/economy/reports/2018/12/12/462019/wage-gaps-outcomes-apprenticeship-programs/>

⁹ Fitzpayne, A. & Pollack, E. (2018) *Worker Training Tax Credit: Promoting Employer Investments in the Workforce*. Aspen Institute. Accessed at <https://www.aspeninstitute.org/publications/worker-training-tax-credit-update-august-2018/>