

# Economic Policy is Health Policy

Income and wealth play a major role in determining health outcomes in the United States. Disparities in chronic disease burden and access to and affordability of primary care are wider here in the U.S. than in other countries.<sup>1</sup>

The interplay between income and health is multifaceted. Still, income alone has a direct relationship with health. Research shows that as income inequality rises, the gap in life expectancy between those with high and low incomes widens. Low-income Americans have an increased vulnerability to conditions like diabetes, cardiovascular disease, stroke, anxiety, and depression.<sup>2</sup> To put it simply, the lower someone's economic status, the poorer their health tends to be.

Improving health equity requires addressing income inequality and promoting economic opportunity, especially for Pennsylvania's low-income individuals and people of color. The Partnership for Better Health endorses the policies listed below

## 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 significantly improve outcomes for people already facing inequities in health. States with lower minimum wages have higher rates of obesity, low birth weights, and other poor health indicators compared to states with raised minimum wages, as research has revealed. Women and people of color make up the majority of the more than 63,000 Pennsylvanians earning the federal minimum wage of \$7.25 an hour.<sup>3</sup>

### 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. While 96% of high-wage workers have paid sick days, only 39% of low-wage workers do. Non-union and part-time workers are at a higher risk of not having paid sick days, and the variation in availability is substantial among different occupations. Only 61% of service workers – largely low-wage earners – have access to 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.<sup>4</sup>

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

Pennsylvania's preemption laws prohibit local communities from setting their own higher standards for wages and sick leave. We support the repeal of this law and oppose any new legislation that seeks to further ban municipalities from passing laws that require local businesses to provide paid sick leave.

## Support Low-Income Families with Children

### Increase funding for child care and early childhood education

Health disparities often start early in the lives of children from low-income families. Providing high-quality childcare and Pre-K education for all children can enhance health outcomes and bring substantial benefits to society. Research suggests that there is a connection between the availability of childcare and improved health outcomes, such as lower obesity rates and better cardiovascular health.<sup>5</sup> Enrolling children in early childhood education leads to higher rates of college graduation, employment, and homeownership, and lower rates of criminal convictions.<sup>6</sup>

### Support paid family leave legislation

The Family Medical Leave Act (FMLA) allows eligible workers to take unpaid leave for personal medical reasons or to care for family without losing their jobs. Unfortunately, FMLA excludes a large portion of low-income workers, particularly women and individuals from marginalized backgrounds. Black workers are 83% more likely to report that they cannot take paid leave even if they are eligible for FMLA.<sup>7</sup> 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 House of Representatives passed the Tax Relief for American Families and Workers Act of 2024, legislation expanding the Child Tax Credit up to as much as \$3,600 per child from its current \$2,000 and making it easier for more families to qualify. The legislation is pending consideration in the Senate as of February 2024. 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.<sup>8</sup>

## 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, sealing more than 36 million misdemeanor cases. Complementary fair chance policies, known as “ban the box”, 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 way to prepare lower-skilled or entry-level workers for the workforce. However, apprenticeship programs fail to address wage and equity gaps.<sup>9</sup> 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, incentivizing upskilling programs and educational benefits 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.<sup>10</sup>

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<sup>1</sup> 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.

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

<sup>3</sup> Analysis of the Pennsylvania Minimum Wage. March 2023. Pennsylvania Department of Labor & Industry. <https://www.workstats.dli.pa.gov/Documents/Minimum%20Wage%20Reports/Minimum%20Wage%20Report%202023.pdf>. Accessed December 12, 2023.

<sup>4</sup> 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>.

<sup>5</sup> The Effects of Early Care and Education on Children’s Health. *Health Affairs Health Policy Brief*, April 25, 2019. DOI: 10.1377/hpb20190325.519221.

<sup>6</sup> First Five Years Fund. (n.d.) Lifelong Gains. Accessed at <https://www.ffyf.org/why-it-matters/lifelong-gains/>.

<sup>7</sup> 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>.

<sup>8</sup> 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>.

<sup>9</sup> 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/>.

<sup>10</sup> 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/>.