

Why Does the U.S. Health Disadvantage Matter to Businesses and the Economy?

The U.S. health disadvantage has major implications for businesses and employers due to the adverse effects on the health of workers and their dependents. Employers share the burden as chronic diseases, such as obesity and diabetes, grow in prevalence in the workforce and among dependents. This poor health generates costs for employers, such as greater healthcare expenses; while higher rates of disability (as defined by the Social Security Administration), absences for illness and medical appointments (for themselves and dependent family members), and presenteeism (i.e., working while sick) generate indirect costs that reduce workforce productivity and contribute to declines in labor force participation. For example, the average full-time worker with diabetes misses an estimated 5.5 workdays per year; unplanned absences for this disease cost U.S. employers \$20 billion annually in lost productivity. The indirect costs of diabetes to employers may approach \$90 billion per year (Table 1.2).

Table 1.2 Indirect costs to U.S. employers due to diabetes

Problem	Productivity losses	Costs (\$ billion)
Reduced productivity days among persons not in labor force	14 million days	2.3
Work days absent	14 million days	3.3
Mortality	277,000 deaths	19.9
Reduced performance at work	114 million days	26.9
Reduced labor force participation due to disability	182 million days	37.5
Total	—	89.9

Many American companies are discovering that there are economic benefits in the choice to address the vital conditions required for health (Boxes 1.1a and 1.1b). Poor education, unstable housing, and food insecurity affect the health status of workers and their productivity on the job. In a knowledge-based economy, businesses already understand the value of an educated and skilled workforce, but the larger health benefits of education may not be fully appreciated—nor is the price tag for gaps in education. Workers with less education or income are more likely to have chronic illnesses and complications, higher healthcare costs and more absenteeism and presenteeism. Even the ability to conduct manual labor, such as lifting packages or climbing stairs, varies by level of education (Figure 1.5). Lower income adds to psychological distress, an important consideration

in an era of increasing deaths from drug use, problem alcohol use, and suicide. The opioid epidemic, a phenomenon with far less impact on businesses in other countries,⁴ costs U.S. employers billions of dollars per year in healthcare costs and lost productivity.

BOX 1.1A: WHAT ARE VITAL CONDITIONS FOR HEALTH, WEALTH, AND WELL-BEING?

Our ability to survive and thrive—as individuals, institutions, industries, and even as a nation—depends on having a consistent set of *vital conditions*, such as clean air, fair pay, humane housing, early education, routine healthcare, and other pragmatic necessities (see graphic below). The status and quality of the vital conditions shape each person’s ability to attain his or her best possible health, wealth, and well-being. Everyone—including the public, private, and nonprofit sectors and individuals, families, and communities—has a role to play in assuring the vital conditions, equitably, for all Americans.

When any of the vital conditions is not met, a variety of threats predictably arise. Those threats drive demand for urgent services that people facing adversity might need temporarily to regain their best possible health, wealth, and well-being (Box 1.1b). If services are unavailable or inadequate, the consequences of unmet vital conditions may be devastating to individuals, families and communities, and the costs, which are considerable, are borne by society. Everyone pays.

The changing states of these vital conditions and urgent services shape the prospects for people and places across the United States, now and for generations to come.

People have no say in the vital conditions that they inherit from their predecessors. At the same time, people today can transform current and future vital conditions, for better or for worse.

Note: Belonging and Civic Muscle forms the core of the other elements because it is both a vital condition unto itself and a practical capacity expressed through every other kind of work. Graphic of the seven vital conditions is adapted with permission from WE in the World, on behalf of the WIN Network, Rippel Foundation, and Well Being Trust.



⁴ An increase in opioid prescribing has been observed in other countries (e.g., Australia, Canada, Denmark, Finland, Germany, Sweden, United Kingdom), but no country has experienced an increase in drug overdose deaths comparable to the United States.

BOX 1.1B: A DEEPER LOOK AT THE VITAL CONDITIONS

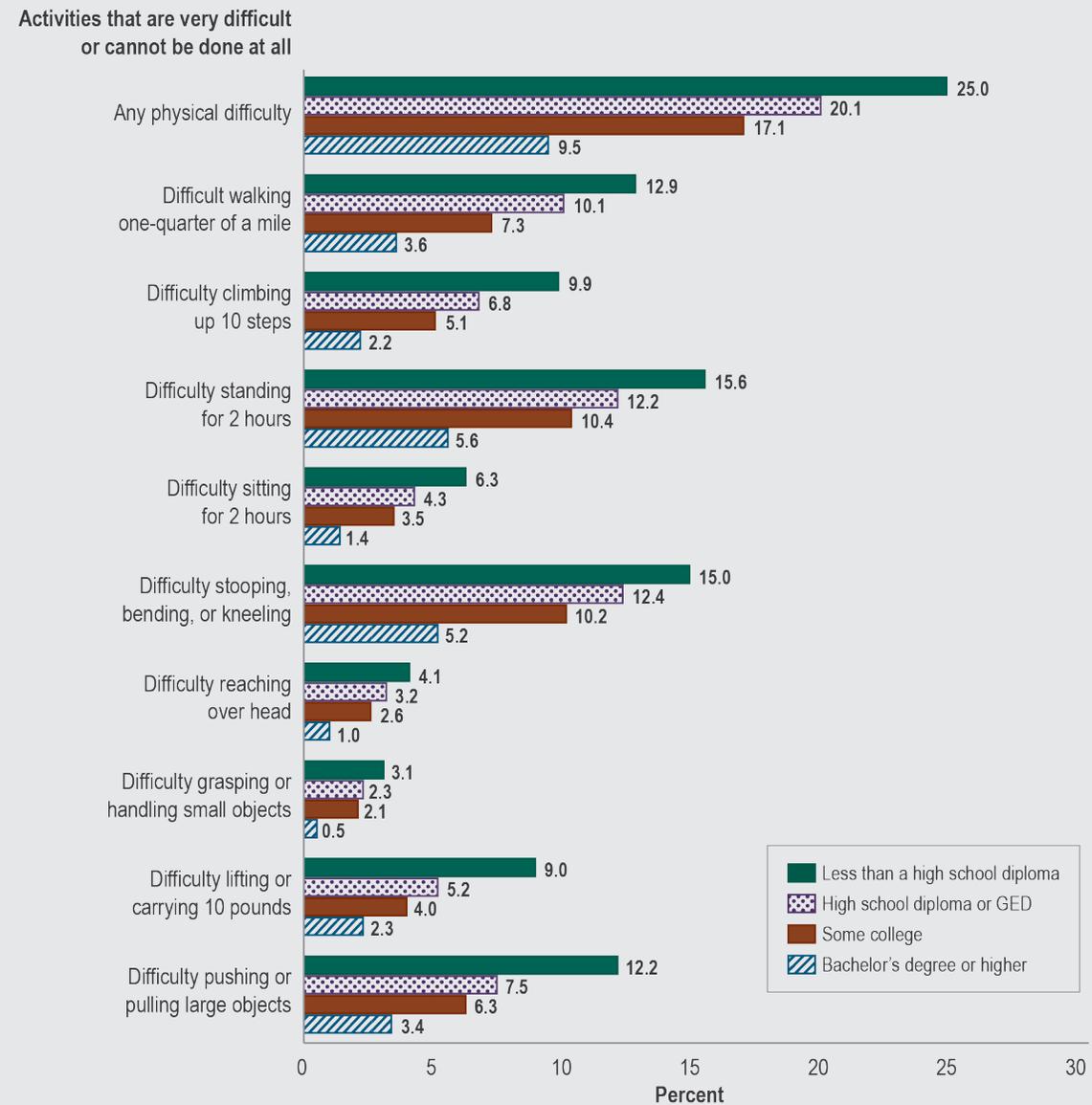
The vital conditions that shape each person’s ability to attain his or her best possible health, wealth, and well-being are defined in greater detail (in teal). When one or more vital condition is unmet, the demand for urgent services increases (in orange). Unmet vital conditions can be devastating to individuals, families, and communities and generate costs that are borne by all of society. Although the lack of a specific vital condition does not result in a specific urgent need, the adversity that results from one or more vital conditions being unmet can create any number of urgent needs, some of which are illustrated here. Belonging and civic muscle (in blue) is both a vital condition and component of each vital condition. When belonging and civic muscle are strong, assuring the vital conditions becomes easier.

Investments to Assure Vital Conditions Properties of places and institutions that all people need all the time to be healthy and well		Services to Address Urgent Needs Services that anyone under adversity may need temporarily to regain or restore health and well-being	
 <p>Basic Needs for Health and Safety</p>	<p>Basic requirements for health and safety</p> <ul style="list-style-type: none"> • Adequate air and water • Nutritious food • Routine physical activity • Sufficient sleep • Safe, satisfying sexuality and reproduction • Freedom from crime, injury, violence, traumatic stress, and addiction • Routine health care (physical and mental) 	 <p>Acute Care for Illness or Injury</p>	<p>Acute and post-acute care for physical and mental illness</p> <ul style="list-style-type: none"> • Emergency medical services • Acute hospitalization • Trauma-informed care
 <p>Lifelong Learning</p>	<p>Continuous learning, education, and literacy</p> <ul style="list-style-type: none"> • Cognitive, social, and emotional abilities • Early childhood experiences • Elementary and high school • Higher education • Career and adult education 	 <p>Addiction Treatment</p>	<p>Services to stop addictive behavior and begin recovery</p> <ul style="list-style-type: none"> • Substance abuse treatment and support
 <p>Meaningful Work and Wealth</p>	<p>Rewarding work, careers, and standards of living</p> <ul style="list-style-type: none"> • Job training/retraining • Well-paying, fulfilling jobs • Family and community wealth • Savings and limited debt 	 <p>Crime Response</p>	<p>Efforts to fairly adjudicate alleged violations of the law</p> <ul style="list-style-type: none"> • Police, fire, and first responders • Courts • Incarceration
 <p>Humane Housing</p>	<p>Humane, consistent housing</p> <ul style="list-style-type: none"> • Adequate space per person • Safe structure • Affordable costs • Diverse neighborhood (without gentrification, segregation, and concentrated poverty) • Close to work, school, food, and recreation/nature 	 <p>Homeless Services</p>	<p>Short-term housing for people experiencing homelessness</p> <ul style="list-style-type: none"> • Emergency shelters

BOX 1.1B: CONTINUED

Investments to Assure Vital Conditions Properties of places and institutions that all people need all the time to be healthy and well		Services to Address Urgent Needs Services that anyone under adversity may need temporarily to regain or restore health and well-being	
 <p>Thriving Natural World</p>	<p>Sustainable natural resources and freedom from climate hazards</p> <ul style="list-style-type: none"> • Clean air, water, and soil • Natural spaces • Freedom from extreme heat, flooding, wind, radiation, earthquakes, and pathogens 	 <p>Environmental Clean-Up</p>	<p>Efforts to clean up hazards in air, water, soil, homes, workplaces, and communities</p> <ul style="list-style-type: none"> • Lead abatement • Water treatment • Brownfield decontamination • Disaster response and recovery
 <p>Reliable Transportation</p>	<p>Reliable, safe, and accessible transportation</p> <ul style="list-style-type: none"> • Close to work, school, food, and leisure • Safe transport • Active transport • Efficient energy use • Few environmental hazards 	 <p>Unemployment and Food Assistance</p>	<p>Assistance for those who are disadvantaged, out of work, or disabled</p> <ul style="list-style-type: none"> • Federally supported programs for disadvantaged families (TANF, SNAP, WIC) • Food banks • Energy assistance • Childcare assistance
Efforts to Strengthen Belonging and Civic Muscle Special capacities of people and institutions that convey to all a sense of belonging and power to influence the policies, practices, and programs that shape the world			
		<p>Efforts that strengthen belonging and civic muscle include</p> <ul style="list-style-type: none"> • Arts, culture, and spiritual life • Social support • Freedom from stigma, discrimination, and oppression • Support for civil rights, human rights • Civic agency, engagement (voting, volunteering, public work) • Collective efficacy • Nonprofit organizations • Civic science • Transparency • Communications, information technology, and social networking • Politics and partisan discourse 	

Figure 1.5 Age-adjusted prevalence (%) of difficulties with physical functioning among U.S. adults, 18 years of age and older, by level of education, 2017



Note: GED = General Education Diploma.

Like economic and social status, geography also plays a role in health. Today's business leaders must consider the disparate living and health conditions to which their workers return at the end of their workday. The vital conditions in employees' neighborhoods—from the quality of housing and drinking water to the amount of green space to instances of racial segregation—affect health at the worksite and the cost of healthcare. Different conditions in different neighborhoods mean that two workers at the same company will have different educational and economic opportunities, community supports, health statuses, disease risks, and life expectancies—for themselves and their children.

The bottom line is clear: Businesses have an economic interest in improving the vital conditions in workers' neighborhoods and in working with community partners to maintain or create an environment that is healthy and safe. The same conditions that shape health are also the features that enable employers to attract and retain talented workers. Such conditions include good schools, resources for sports and physical activities (e.g., parks, playgrounds), modern, efficient infrastructure (quality affordable housing, broadband Internet access, transportation), and healthy social environments (e.g., lack of segregation and violence). Businesses have powerful incentives to act to improve the vital conditions that shape health (Box 1.2).

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BOX 1.2: INCENTIVES FOR BUSINESSES TO IMPROVE THE VITAL CONDITIONS THAT SHAPE HEALTH

The National Business Coalition on Health described the incentives for businesses to invest in building healthy communities:

- “Improve the health status, and therefore the productivity, of an employer’s current and future workforce;
- Control direct (healthcare) and indirect (absenteeism, disability, presenteeism) costs to the employer;
- Create both the image and the reality of a healthy community that may help recruitment and retention of workforce talent in tight labor markets;
- Increase the buying power and consumption level for business products, in particular nonmedical goods and services, by improving the health and wealth of a community;
- Strengthen an employer’s brand and recognition in the community;
- Generate, for individual business leaders, positive feelings of civic pride and responsibility and of being a constructive member of the community;
- Channel corporate philanthropy in a direction that will improve community relations, goodwill, or branding with the potential for a positive return for the business enterprise;
- Help create public and private partnerships and a multistakeholder community leadership team that can become the foundation for collaboration, cooperation, and community-based problem-solving for many other issues affecting the business community, such as economic development and education.”

The decline in U.S. health transcends the business environment and affects the nation’s economy. For example, state and local economies suffer when poor health and living conditions make it difficult to attract new industries or force companies to relocate, taking jobs with them. The same adverse conditions that affect the health of a community also stifle upward mobility and

the well-being of communities, creating conditions for social discord, crime, and violence. Lack of upward mobility and associated income inequality are costly to the economy. The U.S. health disadvantage puts the nation at a competitive disadvantage in the global marketplace, as U.S. companies compete with overseas companies that enjoy a healthier, more productive workforce and lower healthcare costs per capita. The rise in U.S. healthcare costs places unsustainable economic pressures on public payers (e.g., Medicare, Medicaid), employers, and patients who struggle with out-of-pocket expenses, while reductions in the health of the working-age population and reductions in participation in the labor force place economic pressures on businesses themselves. The U.S. health disadvantage has even raised national security concerns, as military leaders encounter a high prevalence of obesity and other health problems in active-duty personnel and future recruits.

Conclusion

The U.S. health disadvantage began to emerge in the 1980s. Although this chapter focuses on the decline in life expectancy as a signal of that disadvantage, the contributors to that decline are powerfully important. Increases in disease (e.g., obesity and diabetes) and substance misuse, which exceed that of peer nations, and substantial disparities in the vital conditions of health (meaningful work, safe environment, quality education, and humane housing) constitute pathways to reduced participation in the labor force, poorer health, and early death. To improve the nation's health, wealth, and well-being, Americans must transform the disadvantaged communities in which too many live, grow, learn, work, and raise families. As demonstrated in the next chapter, health happens in communities and is largely driven by conditions outside the healthcare system that compromise health, limit opportunity, and shorten life. Children pay a particularly high price for these poor conditions, and today's children are tomorrow's workers and national leaders. They are the next generation of teachers, doctors, business leaders, and military personnel. If the U.S. health disadvantage of today is not fixed, by strengthening communities and expanding opportunities, then the future population—and workforce—will almost certainly be burdened with greater sickness, lower productivity, higher costs, and shorter lives. The U.S. health disadvantage is a threat to the business community and the national economy.

APPENDIX A: TOOLS AND RESOURCES

Appendix A identifies tools and resources addressing topics explored in Chapter 1. The tools and resources were created by such businesses and organizations as John Hancock Insurance Company, Organisation of Economic Cooperation and Development, The Kresge Foundation, and others.