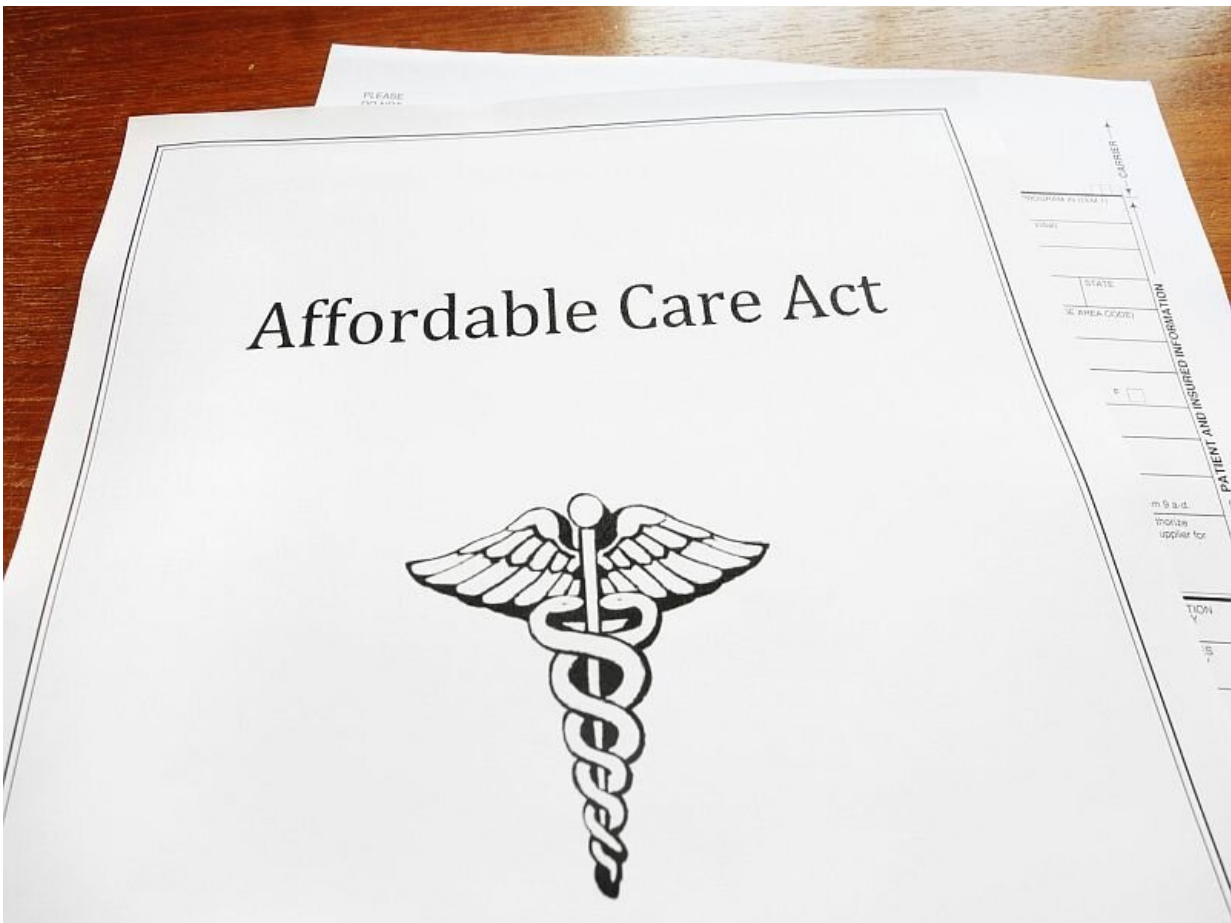


Affordable Care Act reduced income inequality in United States

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The Affordable Care Act (ACA) has reduced income inequality, with a

larger decrease in states that expanded Medicaid, according to a study published in the January issue of *Health Affairs*.

Matthew Buettgens, Ph.D., from the Urban Institute in Washington, D.C., and colleagues simulated the impact of the ACA on income inequality in 2019 compared to a scenario without the ACA. The study made use of alternative income measures that incorporate the value of the ACA health insurance changes under the law.

The researchers observed a reduction in income inequality with the ACA, and the decrease was much larger in states that did versus those that did not expand Medicaid. Nationwide, with the ACA, average income increased as a percentage of the [federal poverty level](#) by 18.8, 13.0, 8.4, and 8.4 percent for those in the 10th, 20th, 30th, and 40th income percentiles, respectively. Compared with a scenario without the ACA, with the ACA, income inequality reduced by 10.6 percent as measured by the Theil index. The ACA reduced inequality across and within groups based on race/ethnicity, age, and family educational attainments.

"These findings provide additional insight into the effect of potential repeal of the ACA," the authors write. "The ACA reduced [income inequality](#) between racial/[ethnic groups](#), age groups, and people of higher and lower educational attainment. Overturning the law would put these gains in serious jeopardy."

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