

# How health systems can help build black wealth

August 31 2022

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Health systems can play important roles in helping Black communities build wealth, according to Penn Medicine and Children's Hospital of Philadelphia (CHOP) experts in a commentary published today in the *New England Journal of Medicine*.

"Health systems have a choice to make: continue with the status quo or reposition themselves as essential actors in closing the racial [wealth](#) gap," said Eugenia South, MD, the paper's first author, an assistant professor of Emergency Medicine in the Perelman School of Medicine at the University of Pennsylvania and faculty director of Penn Medicine's Urban Health Lab. "Large, sustained, societal investments are the only way to address the gap, and [health](#) systems have a [moral obligation](#) to join the movement."

South and co-authors George Dalembert MD, MSHP, a pediatrician in CHOP's Care Network and Medical Director of CHOP's Medical Financial Partnership, and Atheendar Venkataramani, MD, Ph.D., an assistant professor of Medical Ethics & Health Policy and director of the Opportunity for Health Lab at Penn Medicine, cited data showing that Black Americans comprise about 13 percent of the U.S. population but hold only about 3 percent of the country's wealth. Moreover, in 2019, the median net worth of white American families was \$188,200—several times greater than the \$24,100 median net worth of Black American families. Structural racism embedded in both historical and present-day policies and practices both contribute to the racial wealth gap.

While no single institution can solve the problem alone, the authors suggest that health systems are uniquely positioned in several ways to help Black patients, staff members, and neighborhoods in building wealth, a term which generally includes job income, savings, investments, and similar assets or revenue.

"Health systems are well positioned to directly promote wealth building among Black staff, patients, and communities," South said. "For example, the [health care sector](#) is the largest U.S. employer and the largest employer of Black Americans, but Black staff members are often among the lowest-paid employees and have the worst health outcomes. In addition, health systems help to drive their [local economies](#), with both job opportunities and purchasing power."

The authors recommended several strategies health care systems can utilize. Those steps include:

- **Reducing expenses:** Health systems could help patients learn about and enroll in public benefits programs that can cover basic needs. Many low-income households may be eligible for dozens of local, state, and federal benefit programs, such as the Low-Income Home Energy Assistance Program and the Pharmaceutical Assistance Contract for the Elderly. These types of programs allow families to save and begin building wealth.
- **Maximizing income:** According to the commentary authors, the health care sector can make a major difference by paying all employees a living wage. In addition, free tax-preparation services can help patients and employees maximize take-home pay.
- **Decreasing debt and increasing savings:** Organizations could provide tailored financial counseling, as well as increase assets for Black staff members by connecting them to long-term investment products. One example is Children's Development

Accounts, also known as CDAs or "baby bonds," special accounts that allow families to save and invest for their children starting at birth. Health systems can also partner with existing local Black-owned small businesses to build capacity and revenue.

- **Reaching Black individuals and communities:** Health systems could build pathways for "frictionless" access to wealth-building products and services for patients and employees . One way to facilitate the process, the authors suggest, would be for employees to receive time during normal working hours to participate in wealth-building activities.

The authors also point to the fact that building wealth also has an important benefit of interest to any patient or health care provider: Wealth improves health. They cited a study finding that, among people 54-64 years of age, those in the lowest wealth quintile had a 17 percent risk of death and a 48 percent risk of disability over 10 years. However, people in the top wealth quintile had a 5 percent and 15 percent risk, respectively, in the same categories.

"Wealth is foundational to health," Venkataramani said. "Wealth affords choice and stability in housing, education, and nutrition, all of which are well-studied social determinants of health. Wealth also provides a cushion for dealing with unexpected emergencies and the weathering effects of chronic stressors. Greater wealth has been associated with reduced premature mortality, lower rates of chronic diseases such as hypertension, and improved functional status throughout life."

"Health systems do not have to go this road alone—for example, at CHOP, we have laid a groundwork for implementing these strategies using an assets-based approach to this work through cross-sector financial partnerships that recognize the strengths, resources, and resilience of the community we serve," Dalembert said. "Bottom line—there is a lot health systems can do and, in this piece, we provide

[health systems](#) with a roadmap to begin to address the racial wealth gap."

**More information:** Building Black Wealth—The Role of Health Systems in Closing the Gap, *New England Journal of Medicine* (2022).

Provided by Perelman School of Medicine at the University of Pennsylvania

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