

Cost of getting sick for older people of color is 25% higher than for white Americans—new research

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Higher costs among older people of color in US with chronic diseases

Medical costs for non-Hispanic white people are lower when they get diseases that are common in old age. And older non-Hispanic white people who still earn income through work also lose less in wages than people of color.



Credit: Chart: The Conversation, CC-BY-ND Source: Measuring Disease Cost Burden Among Older Adults in the U.S. Get the data Created with Datawrapper

As you age, you're [more likely to get sick](#). And health problems can affect your financial well-being too.

People with [health problems](#) spend heavily on health care—the cumulative cost of chronic diseases in the U.S. is [nearly \\$4 trillion a year](#)

. And illnesses make it less likely that you can work as many hours as you might have put in otherwise. Getting sick may even mean you have to stop working altogether.

[We are gerontology researchers](#) who study financial vulnerability in later life. We wanted to see if it was possible to estimate the economic tolls of chronic health problems and whether race and ethnicity makes a difference.

To do this, we took advantage of a relatively [new way to figure out the approximate](#) costs of treating illnesses and the missed income among people who are employed but have to reduce their hours or stop working. This missed income also represents lost productivity to the economy. Experts often lump these two costs into a single "[disease cost burden](#)" estimate.

This measurement is expressed in total dollars and makes it possible to better understand the costs associated with different groups of people when they get sick. When [we analyzed and cross-referenced](#) a nationally representative [panel study](#) of 11,820 U.S. adults age 60 and older using this new metric, the results were disturbing.

We found that Black people and Latinos over age 60—who are typically less able to afford to get sick than their non-Hispanic white counterparts—face bigger financial consequences when they get chronic illnesses.

\$22,734 a year

Most older Americans will have [at least one of these common and often fatal chronic conditions](#) sooner or later: diabetes, cancer, [lung disease](#), [heart disease](#), stroke and some kind of dementia, according to the Centers for Disease Control and Prevention.

Three other illnesses are also very common late in life: [hypertension](#), [arthritis](#) and [depression](#).

We used that new measurement, created by the [Milken Institute](#), a think tank, to obtain estimates for the costs of lost wages for adults age 60 and over, and total treatment costs for specific illnesses.

We adjusted these combined costs to [reflect 2022 prices](#). For people with multiple conditions, we summed up all of those costs.

We found that the average yearly [disease](#) cost burden associated with [older people](#) who are Black or Hispanic, including those who have to stop working or reduce their employment hours, is \$22,734. That's about \$4,500, or 25%, higher than the \$18,145 average cost of getting sick for their white counterparts.

Our data relayed findings regarding non-Hispanic white, non-Hispanic Black and Hispanic people. Our analysis also included similar results for other people of color but with smaller sample sizes.

Major disparities

One big reason for this disparity is that older people of color are more likely to have losses in earned income when they get sick. For example, we found that 39% of people of color lost wages due to common chronic diseases, versus 17% of non-Hispanic white older adults—a rate more than twice as high.

Most people of color are particularly vulnerable due to three factors:

1. They usually have [less wealth than white people](#).

2. The illnesses they tend to get [are costlier overall](#) as compared with non-Hispanic [white people](#)—even though health insurance covers the majority of costs for individuals in all groups.
3. They are also [more likely to have to leave the labor force](#) once they become ill.

Diminishing wealth

We also divided the population of all older people into four equal groups based on how much money they lost in wages due to illness. Those who lost the least missed out on about \$8,000 a year. Those who lost the most had to make do without more than \$30,000 of earned income they would otherwise have taken home.

We then looked at the relationship between mean [household net wealth](#)—a broad measure of [wealth](#) that includes the value of any housing someone owns—and lost wages due to [illness](#) among these four groups.

We found that older Americans who lost the most in wages due to [chronic illnesses](#) tend to have the least wealth to spend on dealing with getting sick. We also found that Black people and Latinos who get chronic diseases and lose out on the most earned income have only 15% to 22% of the net wealth of older white people.

Taken together, this means that older people of color, who generally have fewer assets that can cushion the blow from their lost economic productivity, face the highest costs for the common chronic diseases that people 60 and up tend to get.

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