



DEATHS OF DESPAIR

AND THE FUTURE OF CAPITALISM
ANNE CASE & ANGUS DEATON

Princeton University Press

“Rising Morbidity and Mortality in Midlife Among White non-Hispanic Americans in the 21st Century.” 2015. *Proceedings of the National Academy of Sciences*

“Mortality and Morbidity in the 21st Century.” Spring 2017 *Brookings Papers on Economic Activity*

“Suicide, Age and Wellbeing: An Empirical Analysis.” 2017. Chapter 10 in *Insights in the Economics of Aging*, David A. Wise (ed.), University of Chicago Press

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This work would not have been possible without publicly available national data

- National Vital Statistics System – publicly available death records (1989-2018)
 - NVSS – county-level identifiers (available through application)
 - National Health Interview Survey
 - Behavioral Risk Factor Surveillance System
 - CDC Bridged-Race Population Series
 - Human Mortality Database (International comparisons)
 - World Health Organization Mortality Database (International comparisons)
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- Current Population Survey
 - American Community Survey
 - General Social Survey

Deaths of Despair and the Future of Capitalism Overview

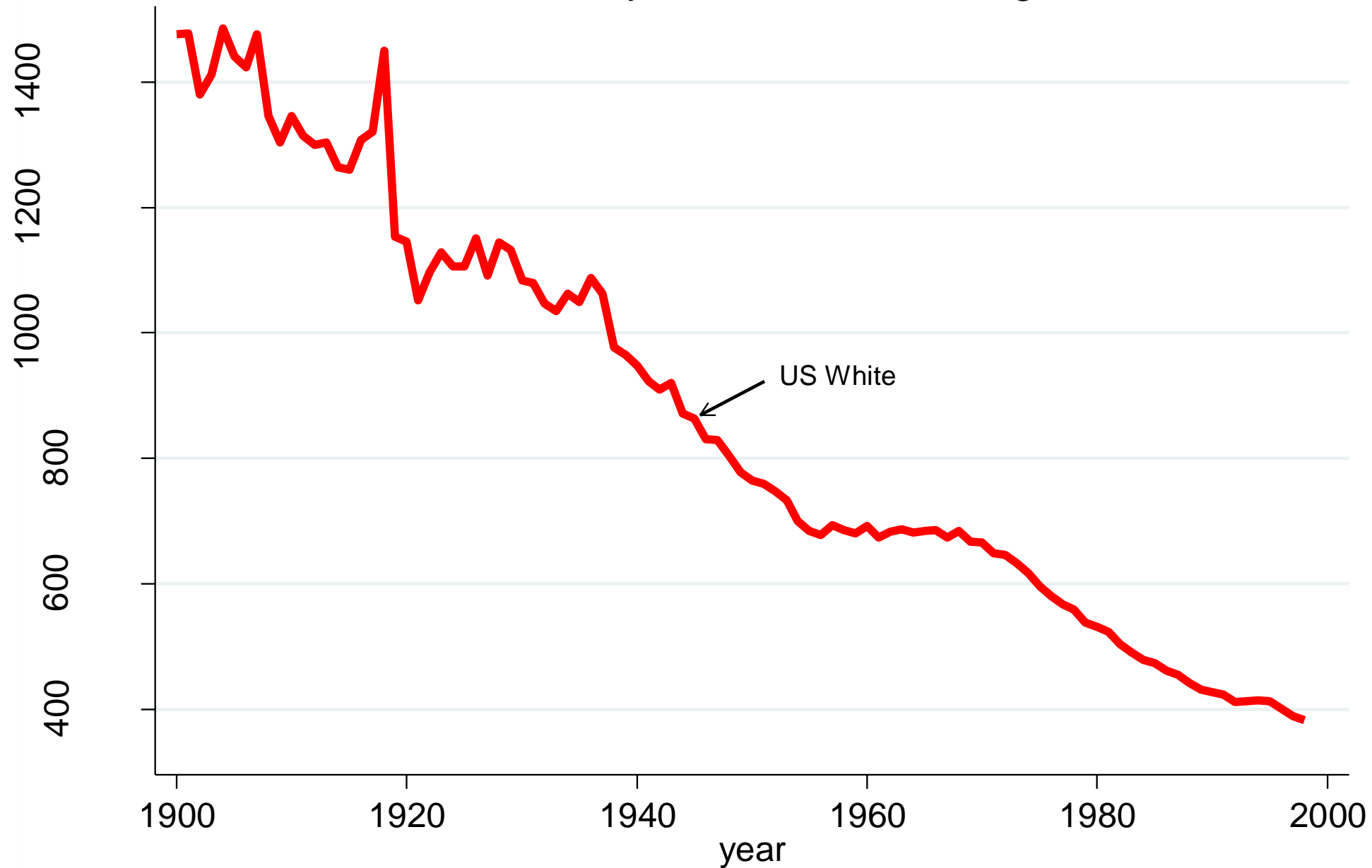
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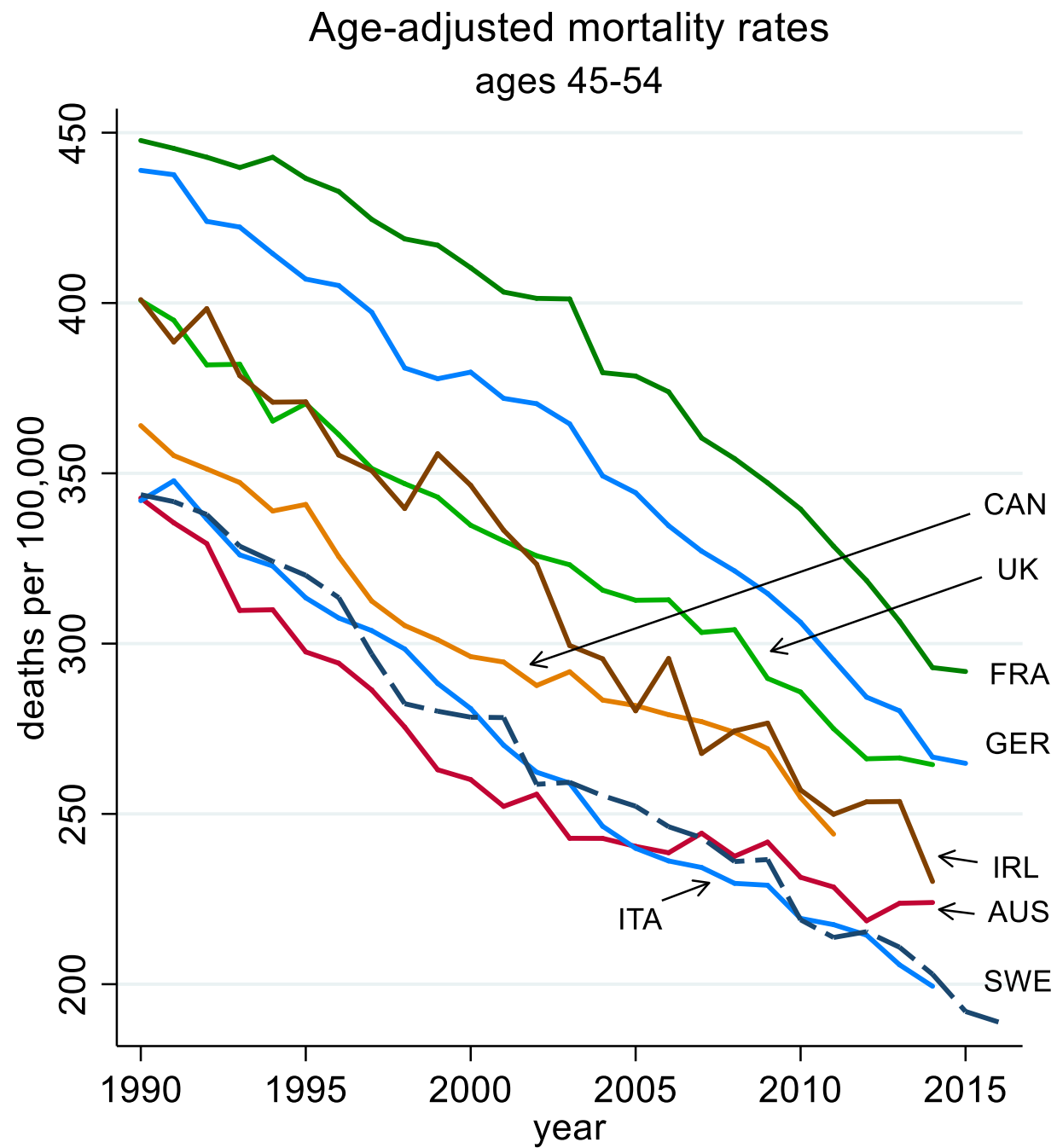
Even before the arrival of COVID-19, the lives of Americans without a bachelor's degree — two-thirds of the population aged 25 to 64—were coming apart

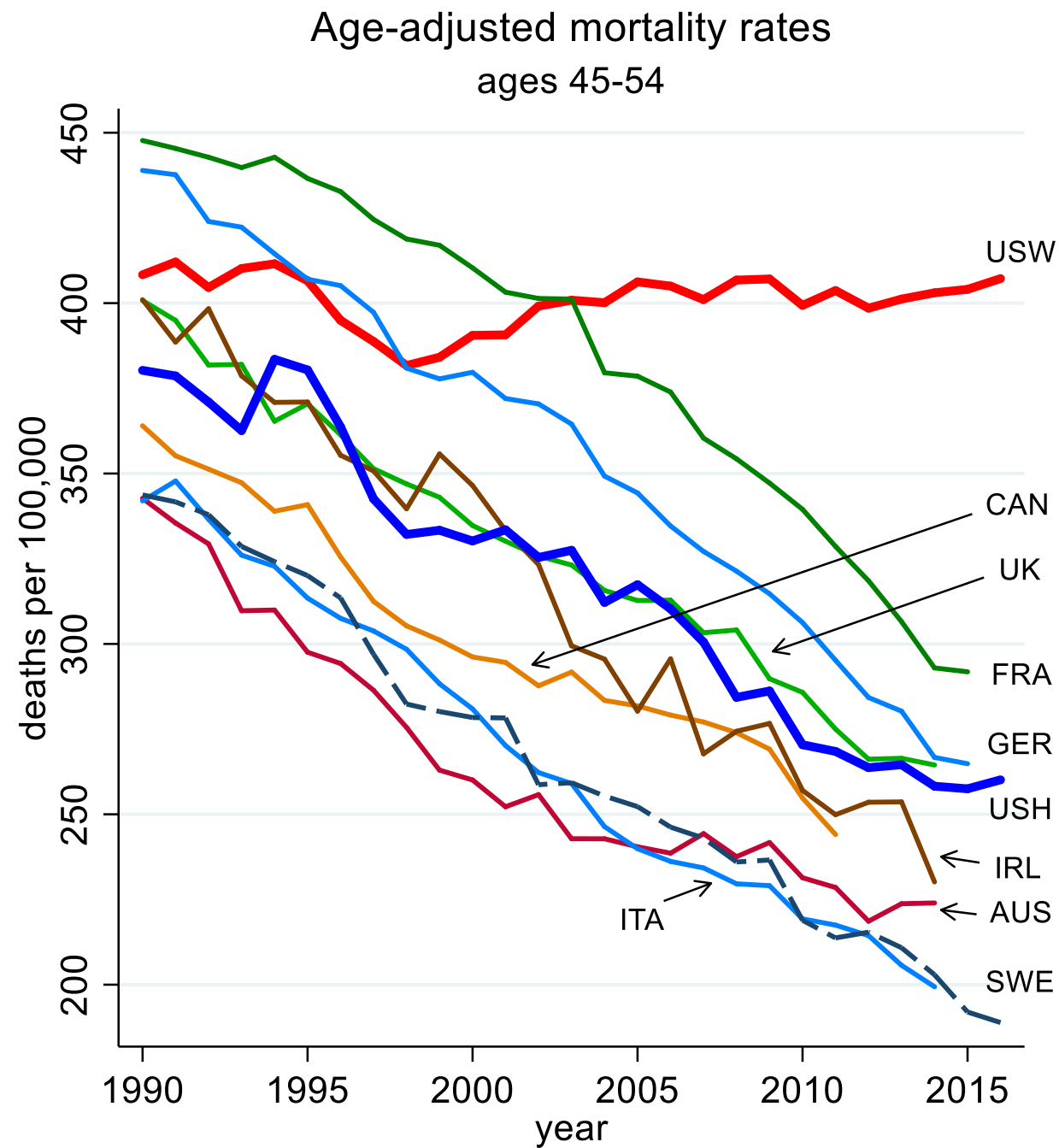
Document what that means in terms of despair and excess mortality

Discuss the long-run forces behind this

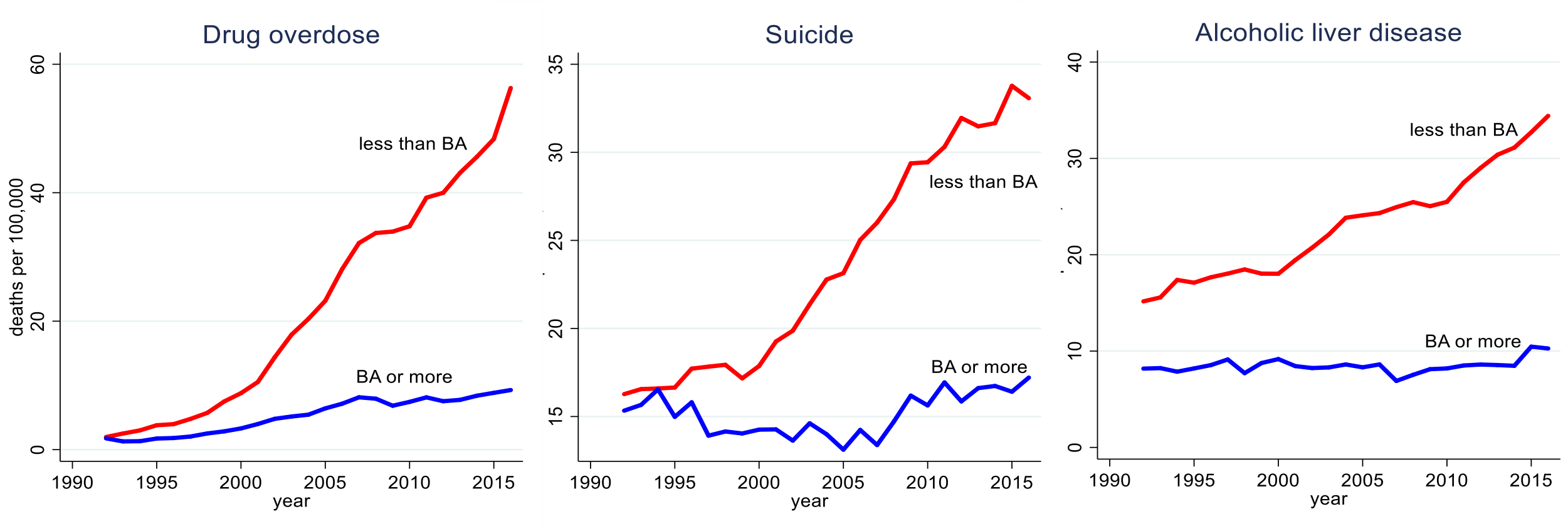
All-cause mortality, men and women ages 45-54





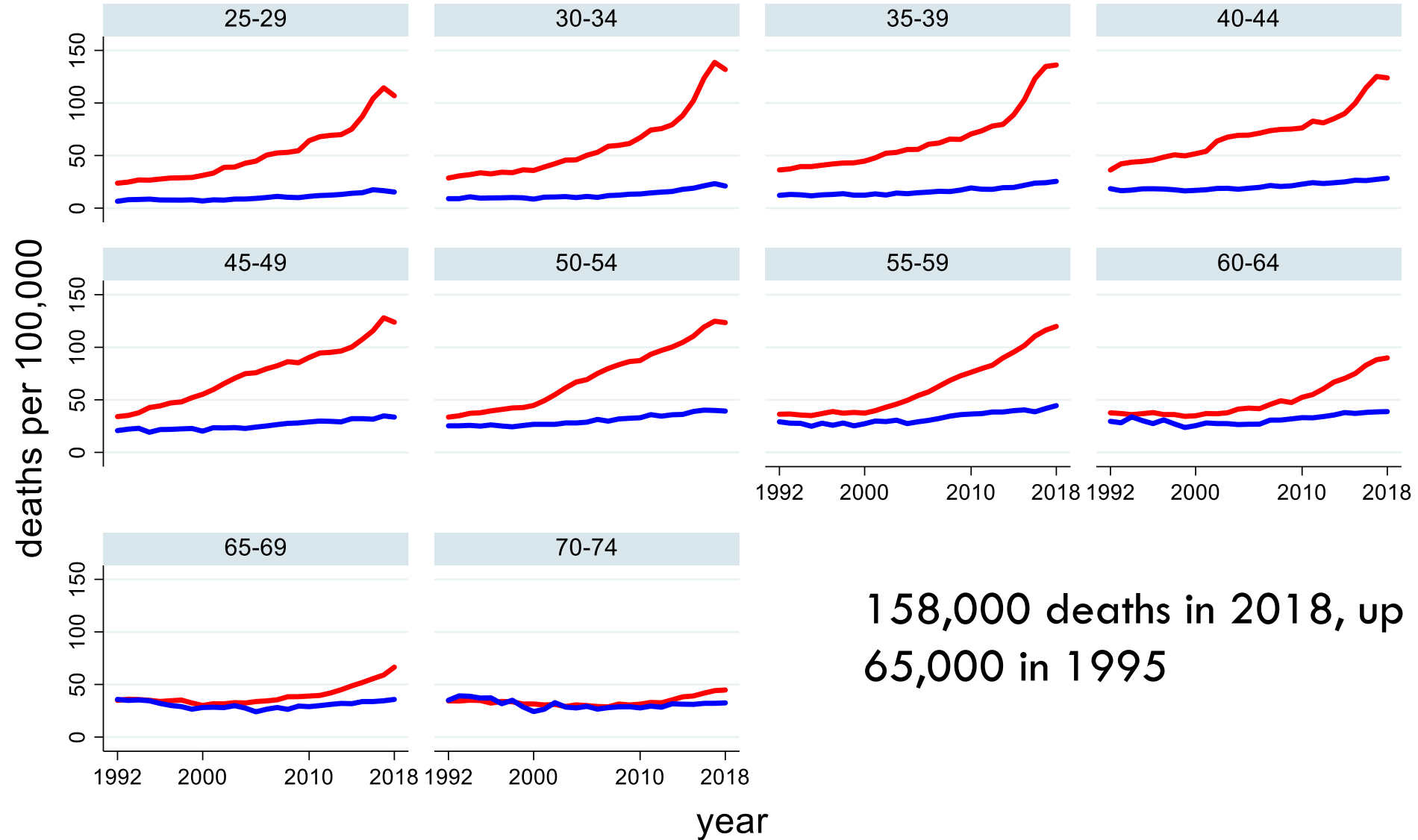


US white non-Hispanics ages 50-54



A 4-year college degree is a meaningful dividing line - and the fraction with a BA has changed little since the birth cohort of 1945
(and education is recorded on publicly available death certificates)

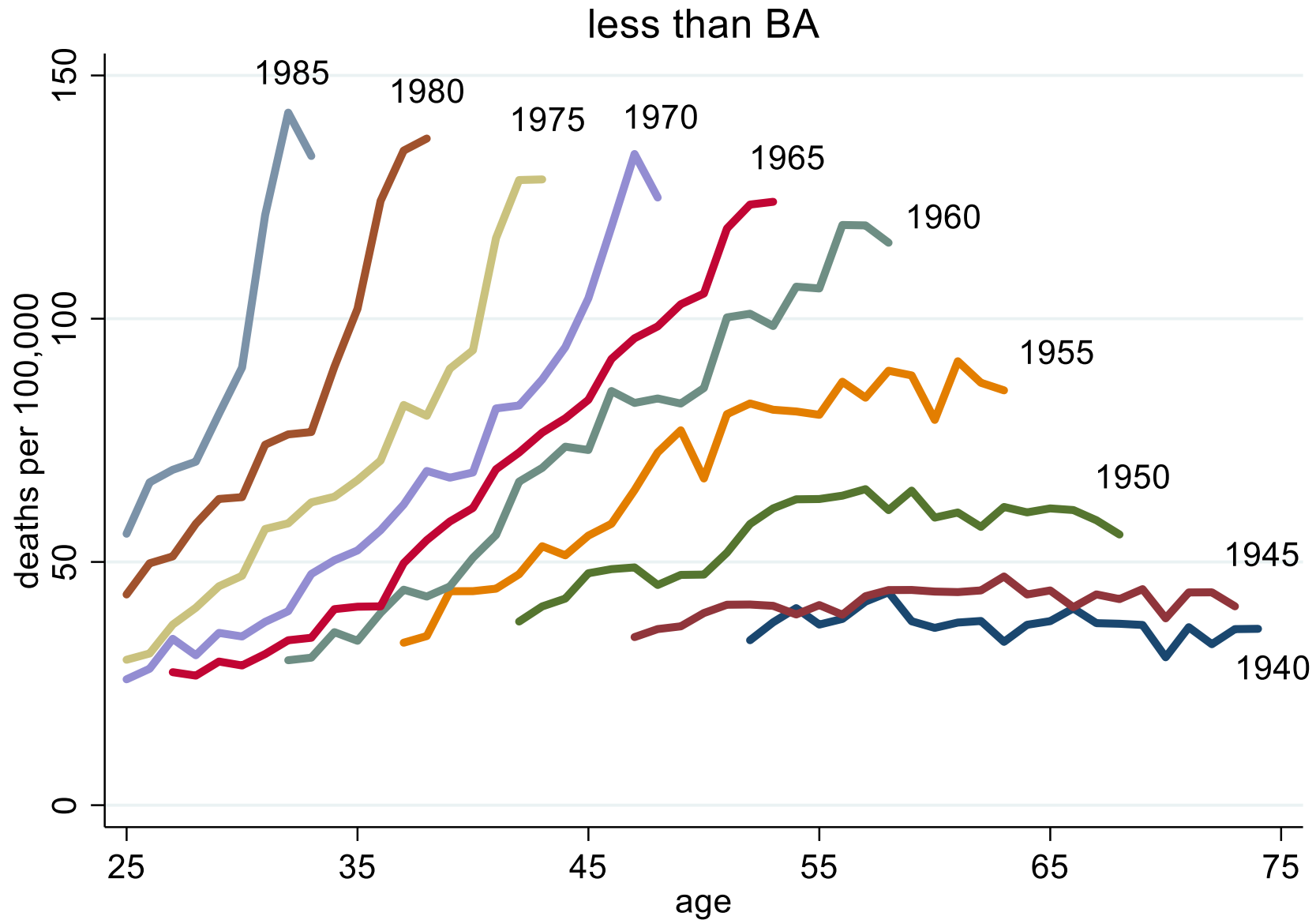
Drug, alcohol and suicide mortality, white non-Hispanics, 1992-2018



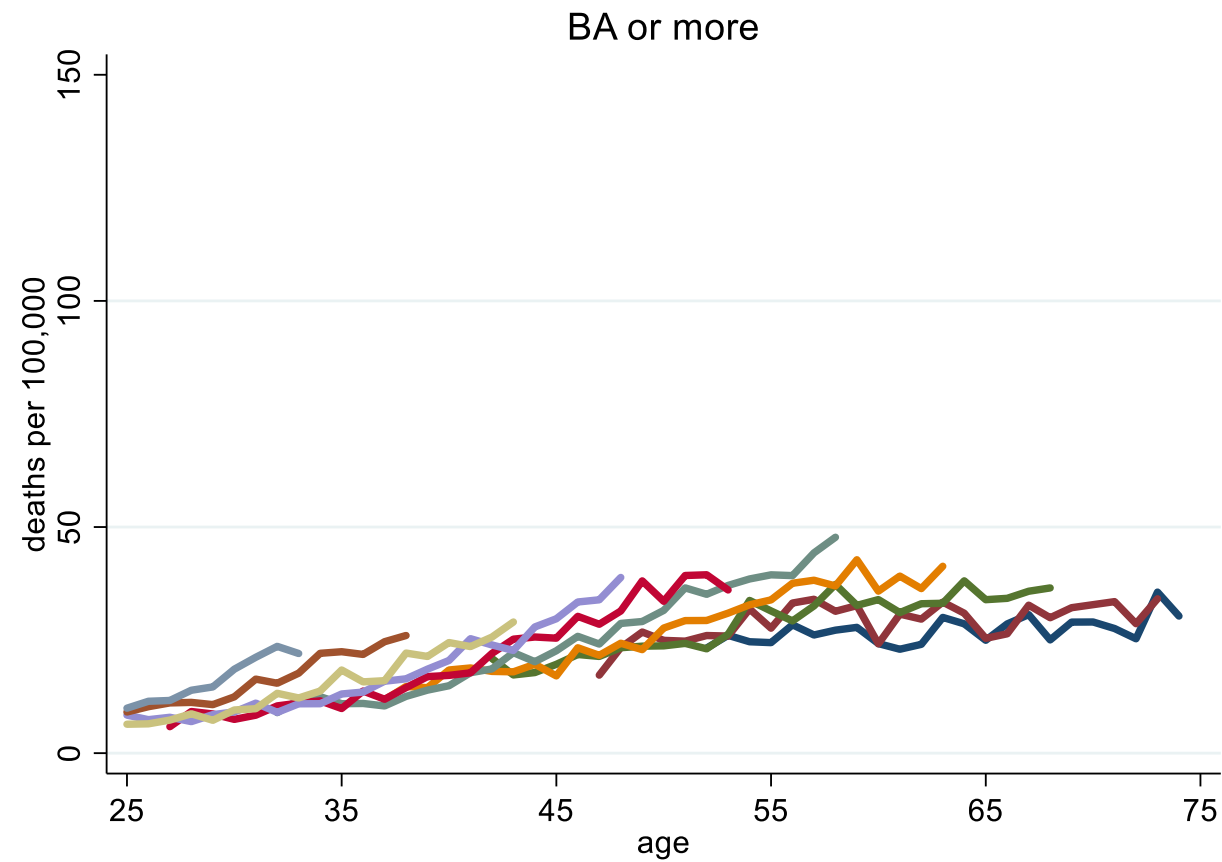
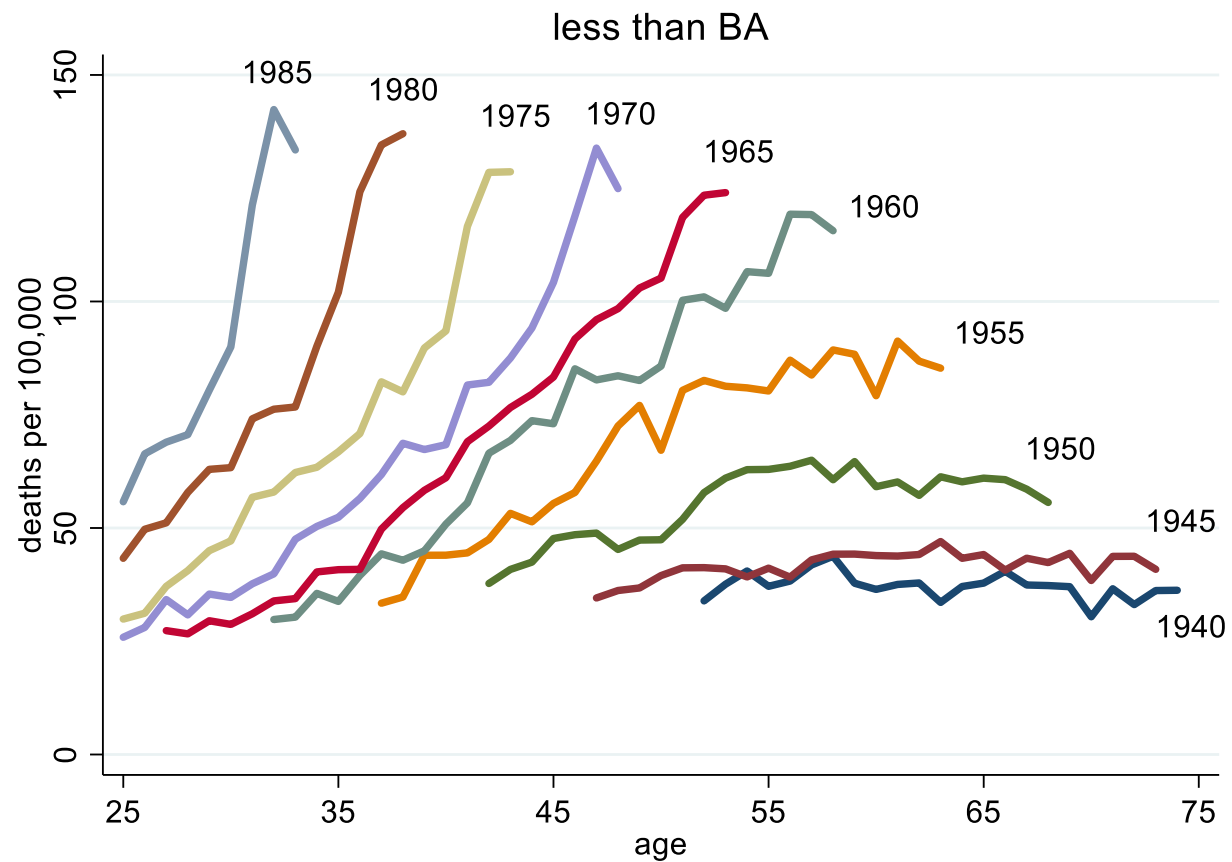
158,000 deaths in 2018, up from 65,000 in 1995



Drug, alcohol and suicide mortality by year of birth



Drug, alcohol and suicide mortality rates, white non-Hispanics



Suicide

- Durkheim *Suicide* (1897)

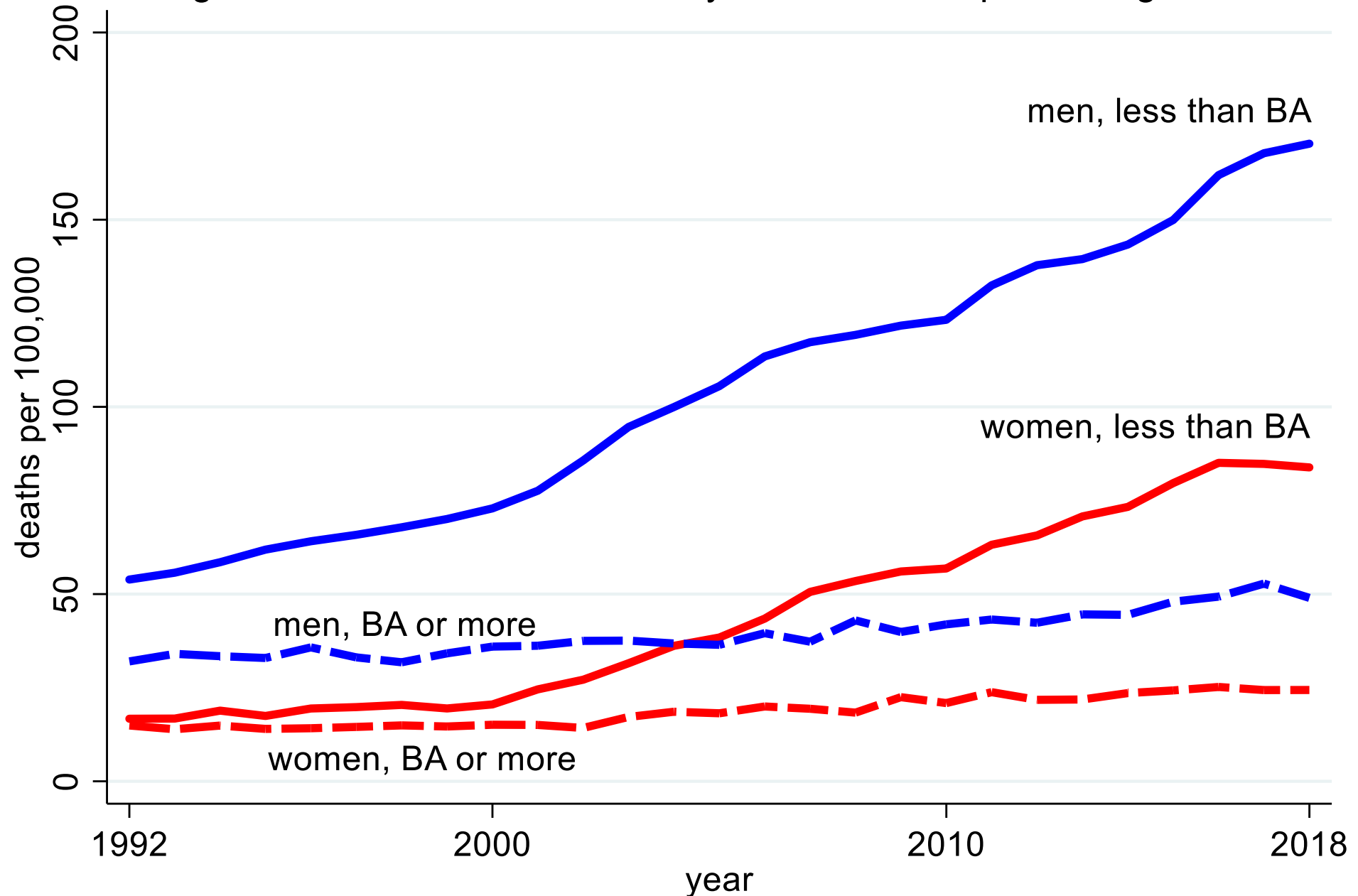
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- Social integration and social regulation

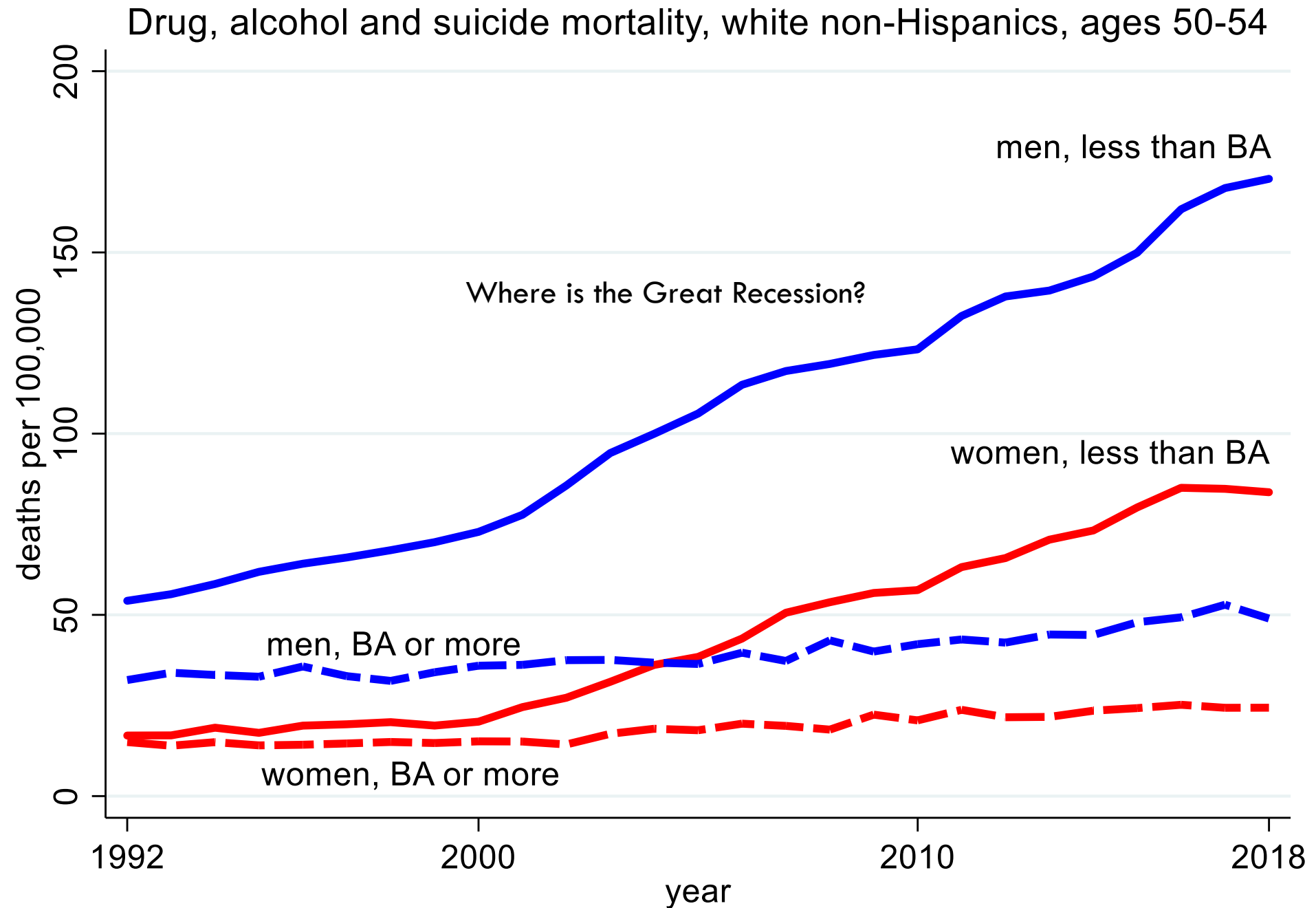
- Suicide more likely at times of great upheaval

- What do we know about who is dying?

Drug, alcohol and suicide mortality, white non-Hispanics, ages 50-54



Those without a BA were a constant proportion (~67%) of this population over this period



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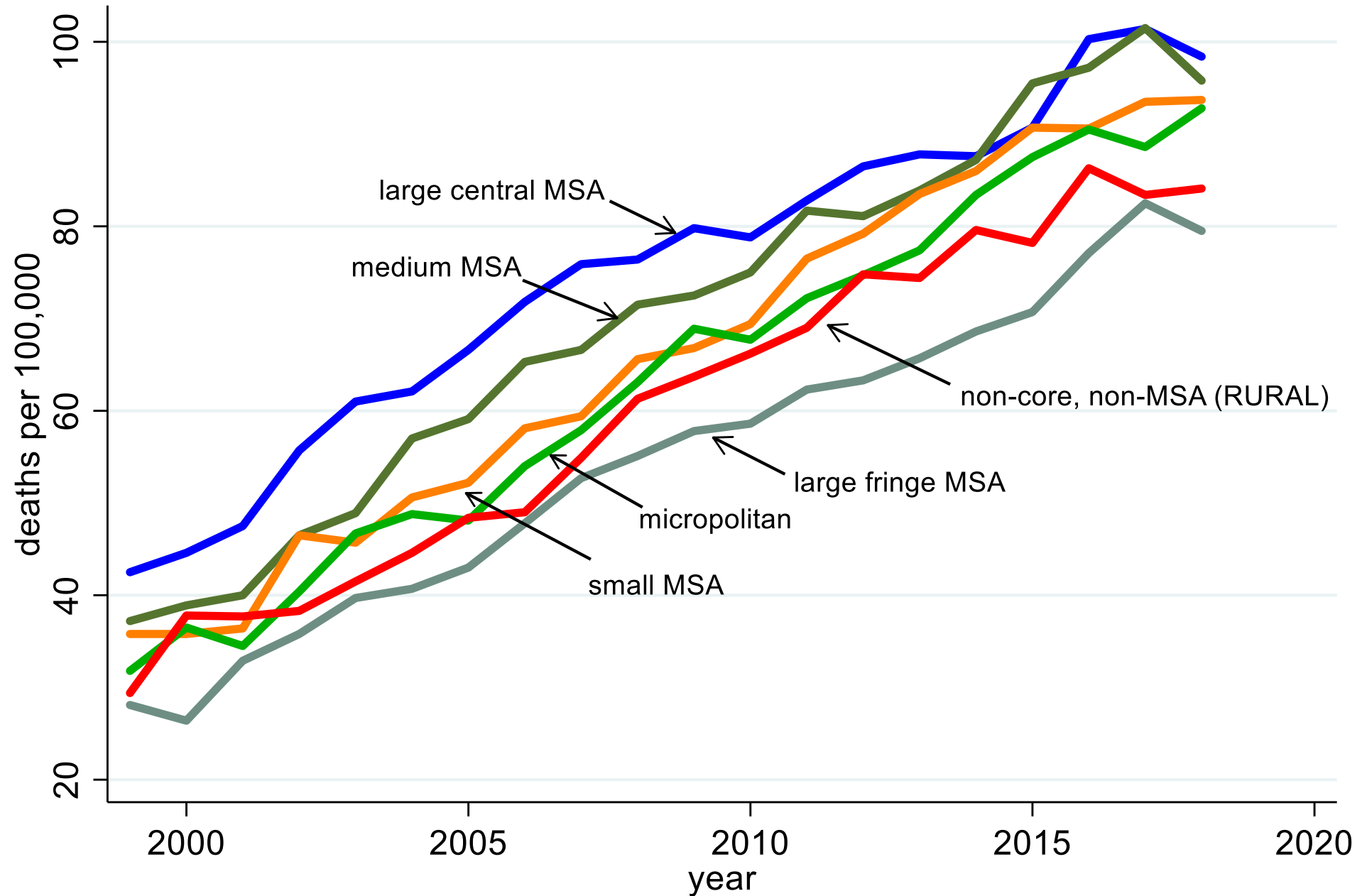
US Deaths of despair

Alcoholic liver disease: in every US state, age-adjusted mortality rates rose for white non-Hispanic prime-aged adults (ages 25-64) from (1999-2000) to (2017-2018)

Suicide: in every state, suicide rates rose for prime-aged WNH from (1999-2000) to (2017-2018)

Accidental or intent undetermined drug poisoning: mortality rates increased in every state from (1999-2000) to (2017-2018) – but classifying the underlying drugs is shooting at a moving target -- Prescription opioids, heroin, fentanyl

Drug, alcohol and suicide mortality, white non-Hispanics, ages 50-54



Underneath the mortality counts, we find increasing pain and poorer mental health among those with less than a college degree

Because these are self-reported, they are easier to dismiss. But when combined with increases in mortality, they fit into a larger picture.

Roots of despair

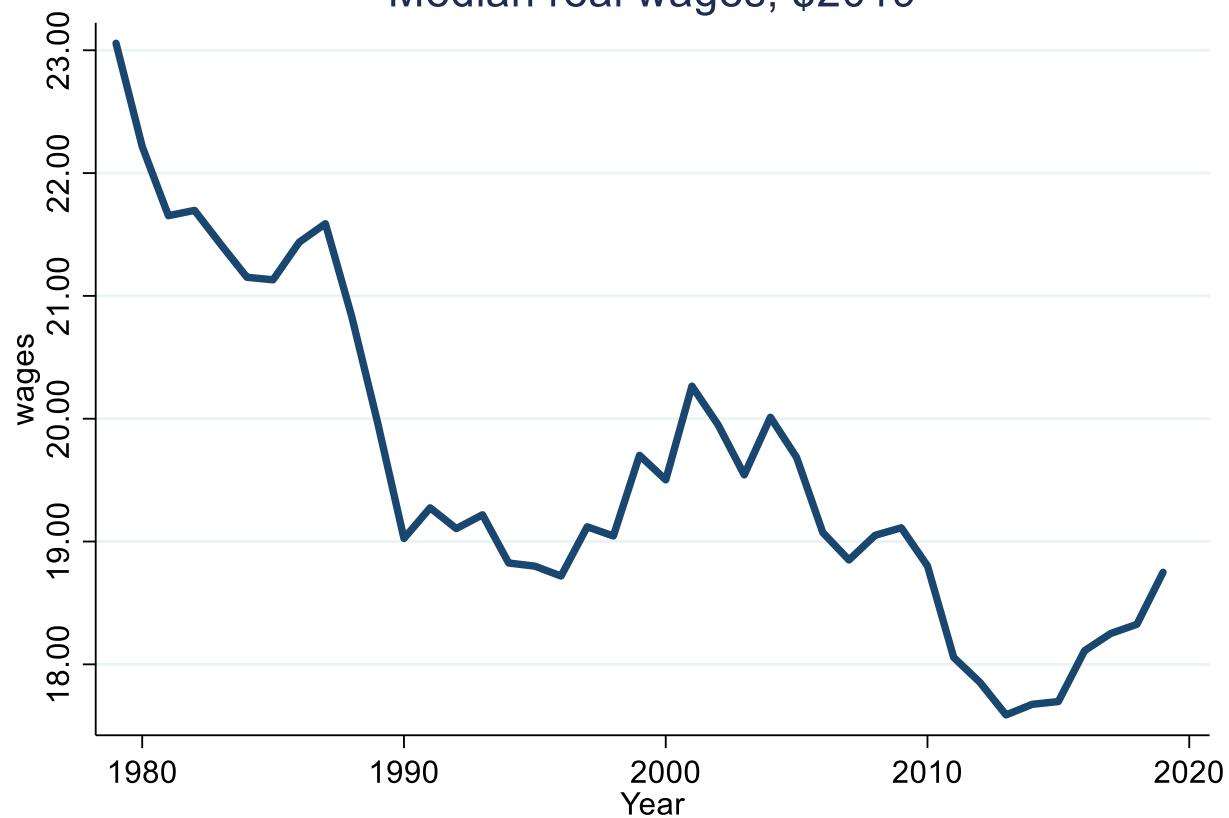
Long term labor market decline

Material welfare may not be the direct cause

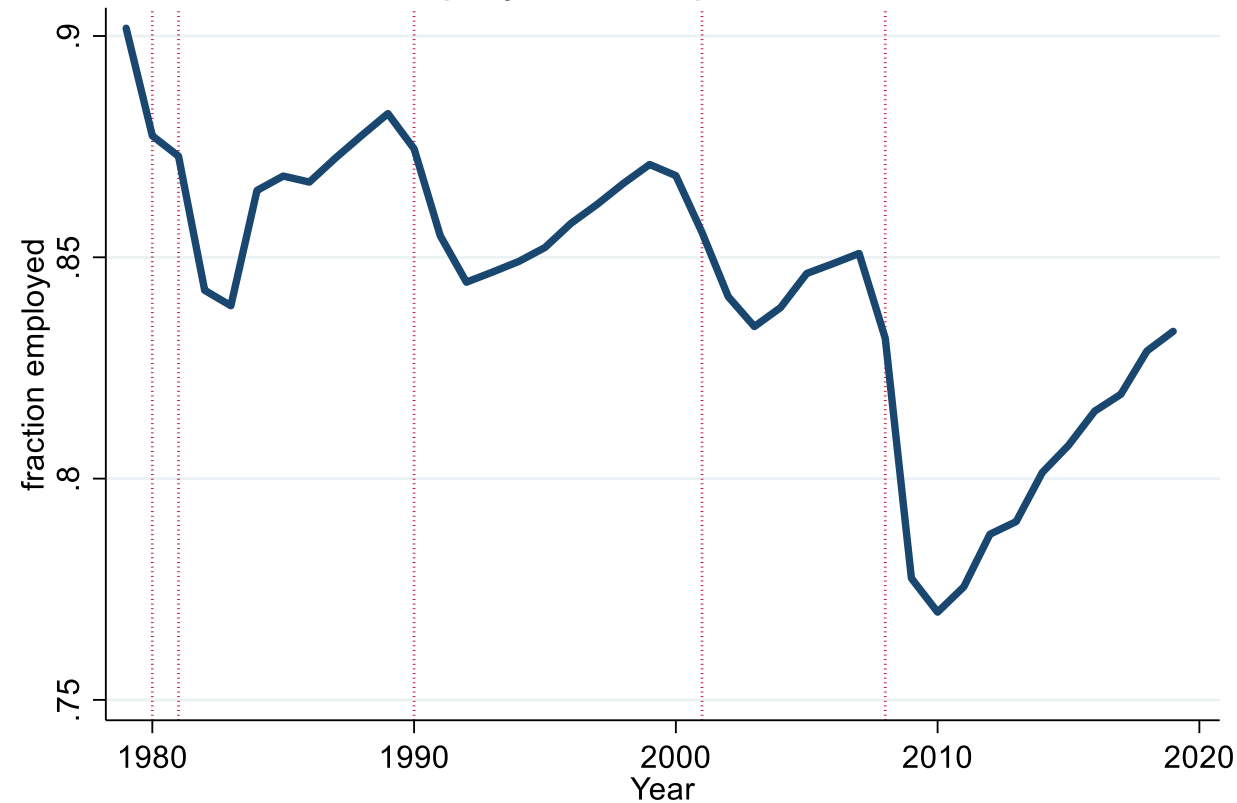
But it brings loss of community, marriage, meaning, status

Wages and labor market attachment, men ages 25-54, less than a four-year degree

Median real wages, \$2019



Employment/Population ratio



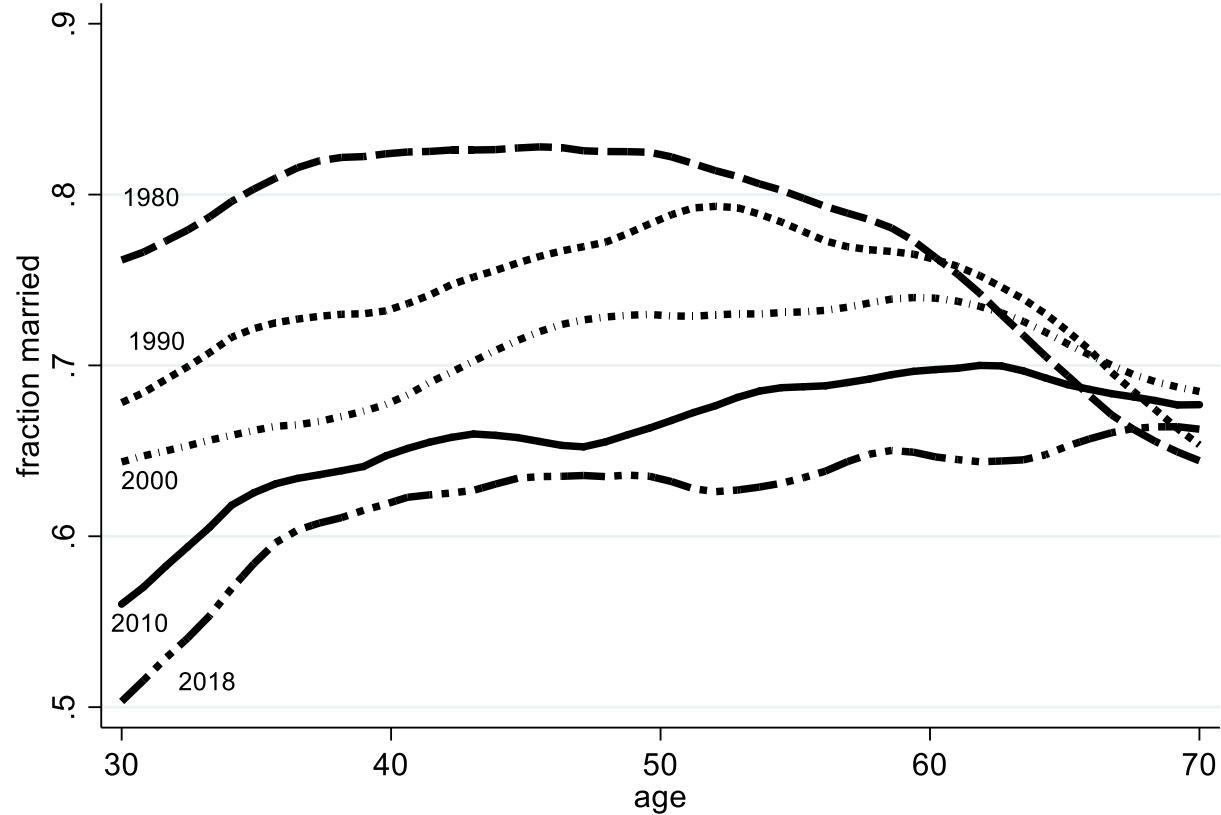
Losing good jobs

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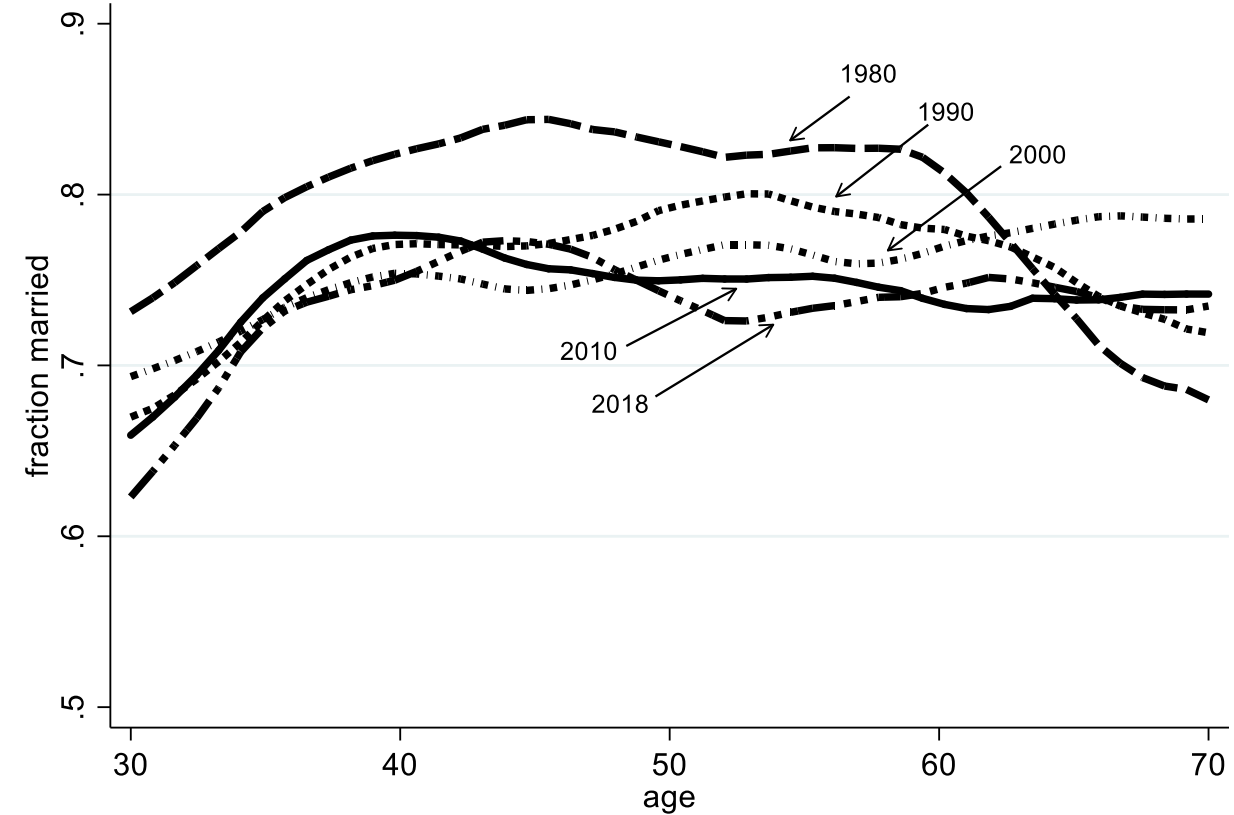
- Little wage change WITHIN a job
 - Loss of wages & lower labor force participation come from losing and replacing jobs
 - Many replaced jobs are worse, e.g. outsourced jobs for transport, security, food services
 - ▣ Less commitment by either employers or employees
 - ▣ These jobs have less meaning, harder to see as part of a good life
 - ▣ Even low skilled workers could see themselves as “belonging” to a large company
 - People drop out of the labor force, and often eventually return, but incompletely so
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- We see this process less as loss of *material* wellbeing
 - More as a loss of meaning through work
 - Marriage rates declining simultaneously
 - Out of wedlock childbearing increasing

Fraction white non-Hispanics married, by age and education

Currently married, white non-Hispanics, less than BA



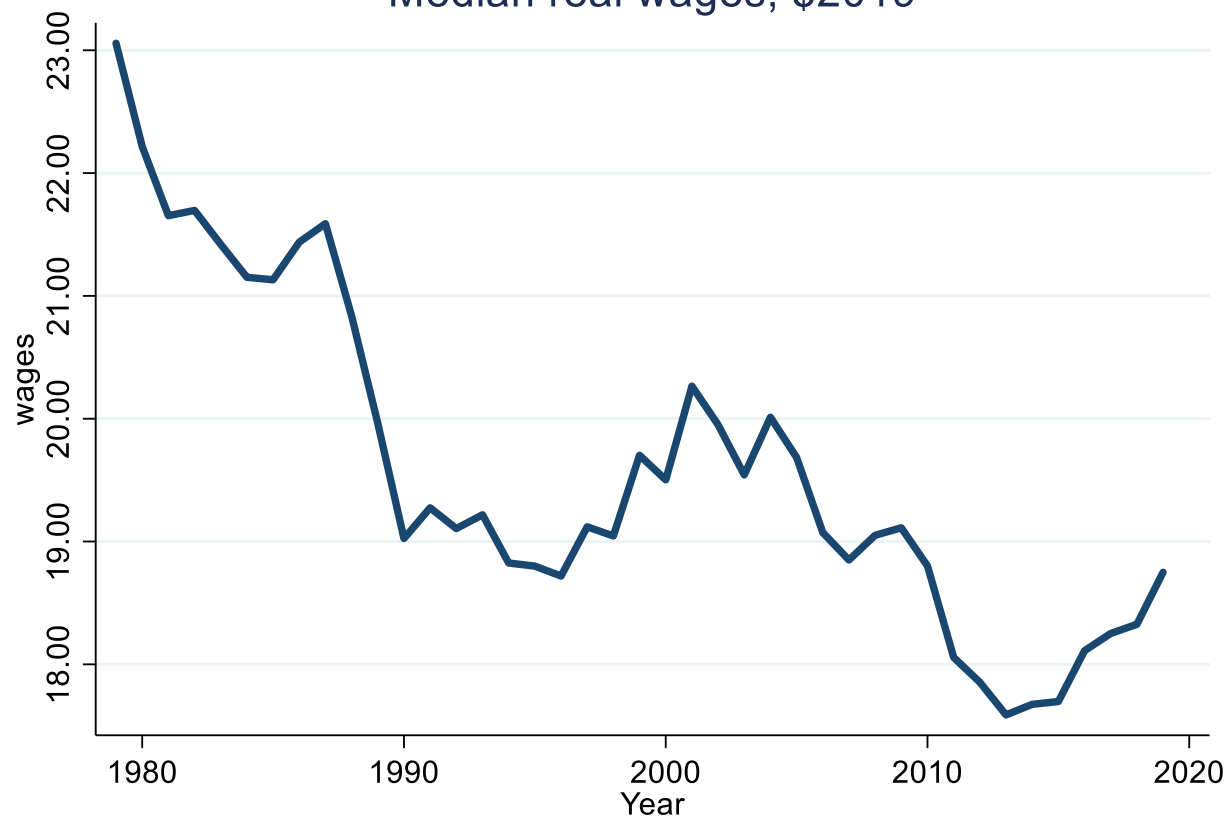
Currently married, white non-Hispanics, BA or more



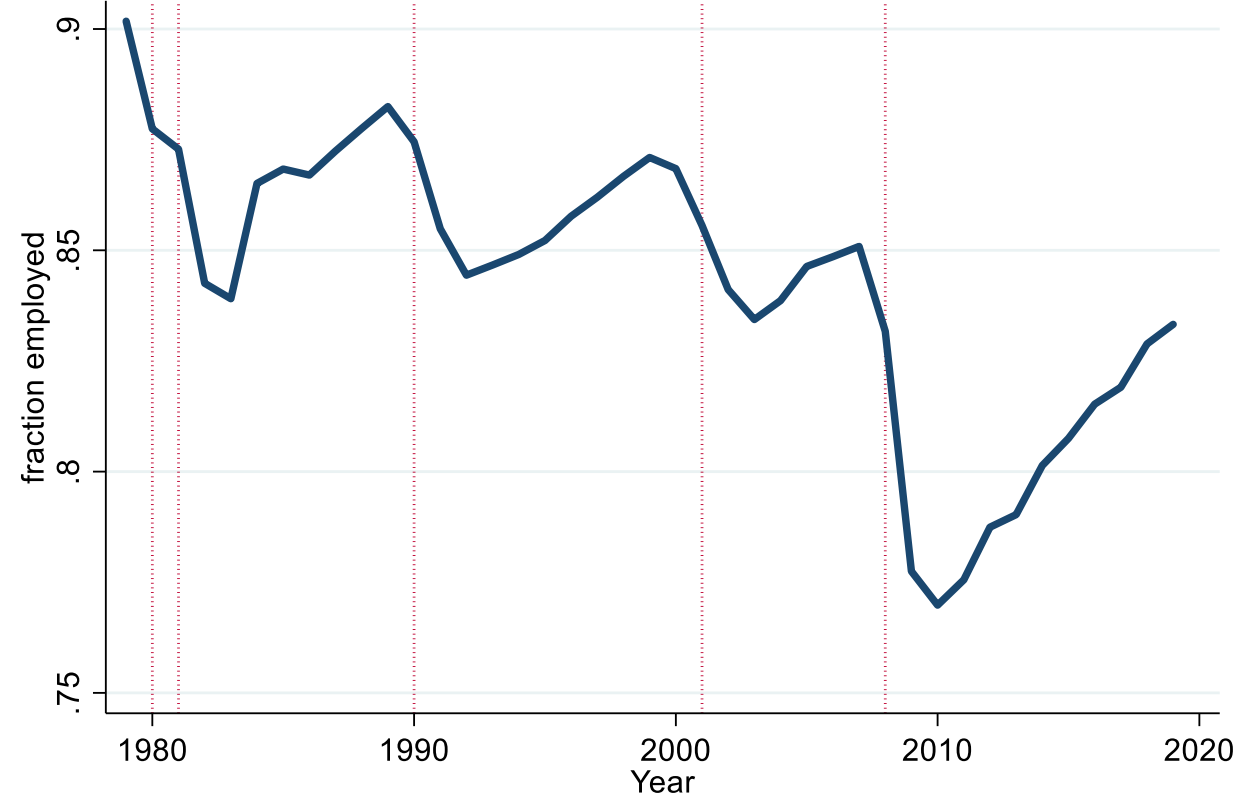
- We argue that, in many respects, what has happened to white working class Americans mirrors what happened to African Americans beginning in the 1960s, and can be seen as another chapter in the saga of American labor.
- Many of the same arguments made about “black culture,” going back to the Moynihan Report [“at the center of the tangle of pathology is the weakness of the family structure”] are being made today about the “white working class culture”
- Charles Murray: “white males of the 2000s were less industrious than they had been 20, 30 or 50 years ago ... the decay in industriousness occurred overwhelmingly in [white working-class] Fishtown”

Wages and labor market attachment, men ages 25-54, less than a four-year degree

Median real wages, \$2019



Employment/Population ratio



Cumulating distress in many aspects of life

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- Starting from a base of birth year 1950, entering labor market around 1970
- **For those without a BA**, steady birth cohort by birth cohort increases in
 - ▣ Suicide, drug mortality
 - ▣ Chronic pain, sciatic pain
 - ▣ Difficulty socializing, Difficulty relaxing
 - ▣ Mental distress, heavy drinking
 - ▣ Increasing obesity
 - ▣ Never married, not married
 - ▣ Out of the labor force
 - ▣ Low real wages in worse less meaningful jobs
 - ▣ Half of young white working class adults (18-29) are not affiliated with any religion

What happened to the white working class

Labor weakened by globalization and automation

This is true in other rich countries, who haven't seen deaths of despair climb

What is different in the US?

Opioids

Despair preceded the opioids ... drug, alcohol and suicide mortality rates were rising prior to the arrival of OxyContin

But the crisis became much more horrific with its arrival

The opioids landed on ground fertile for abuse

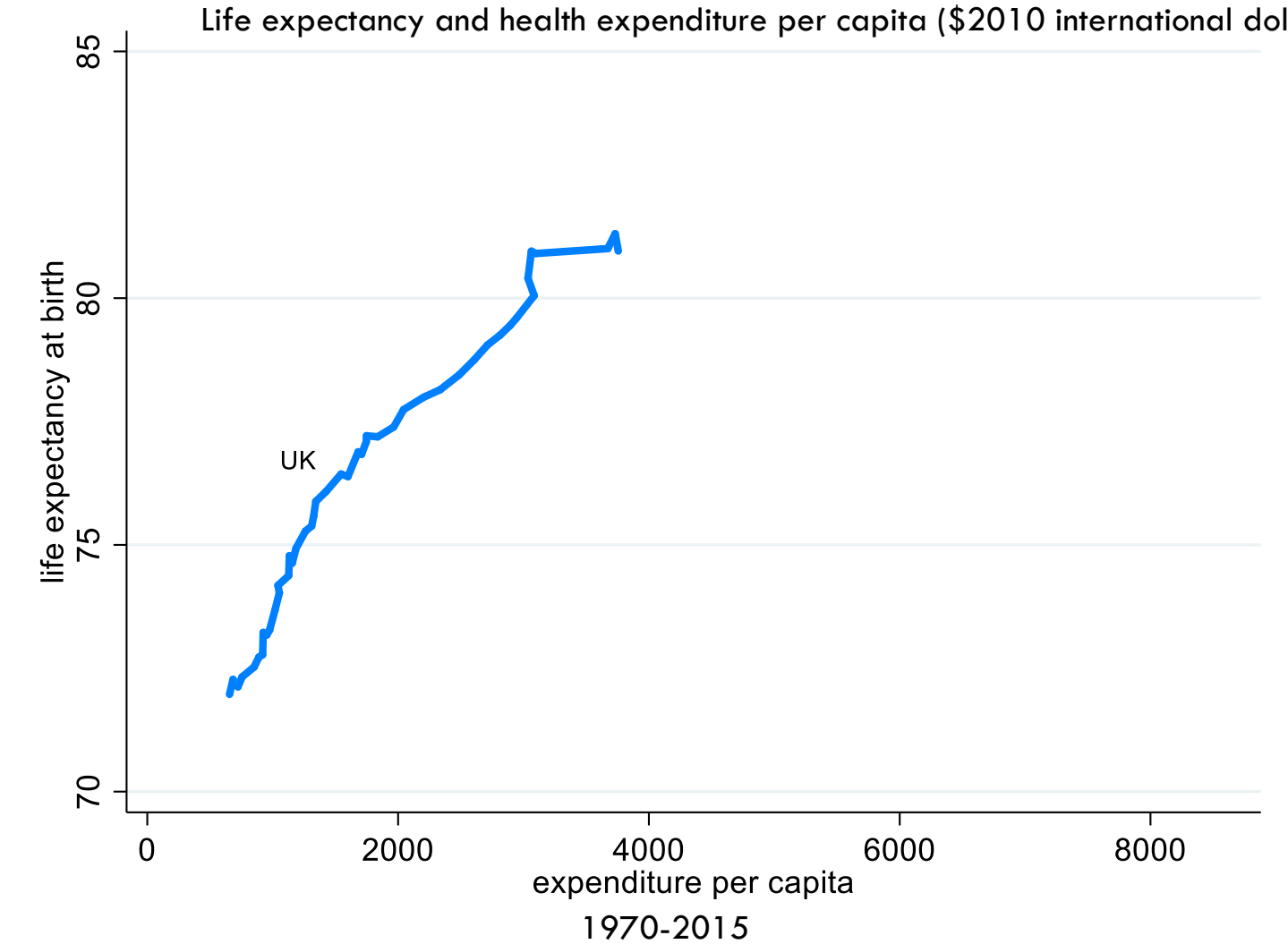
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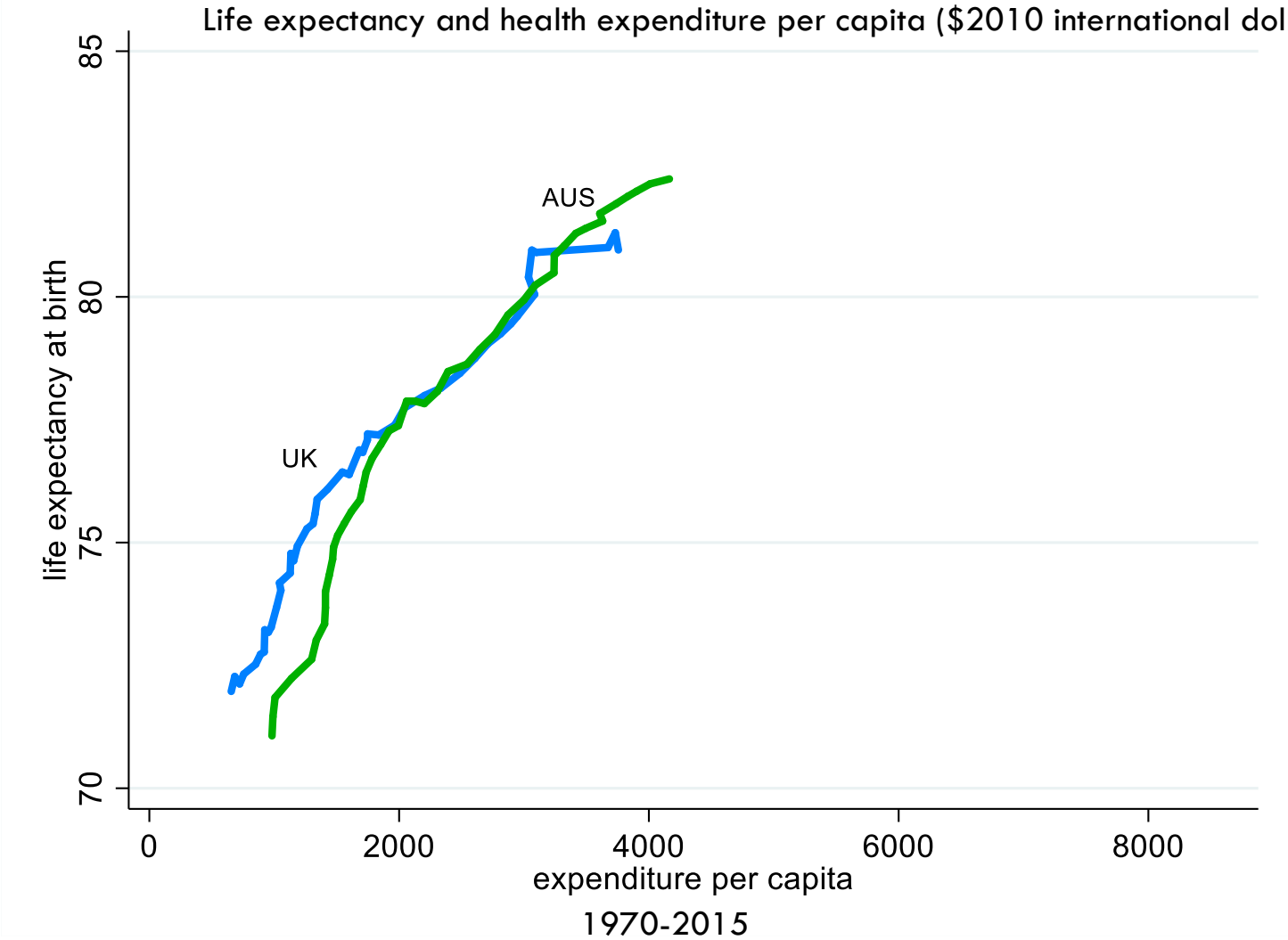
What else is different about the US?

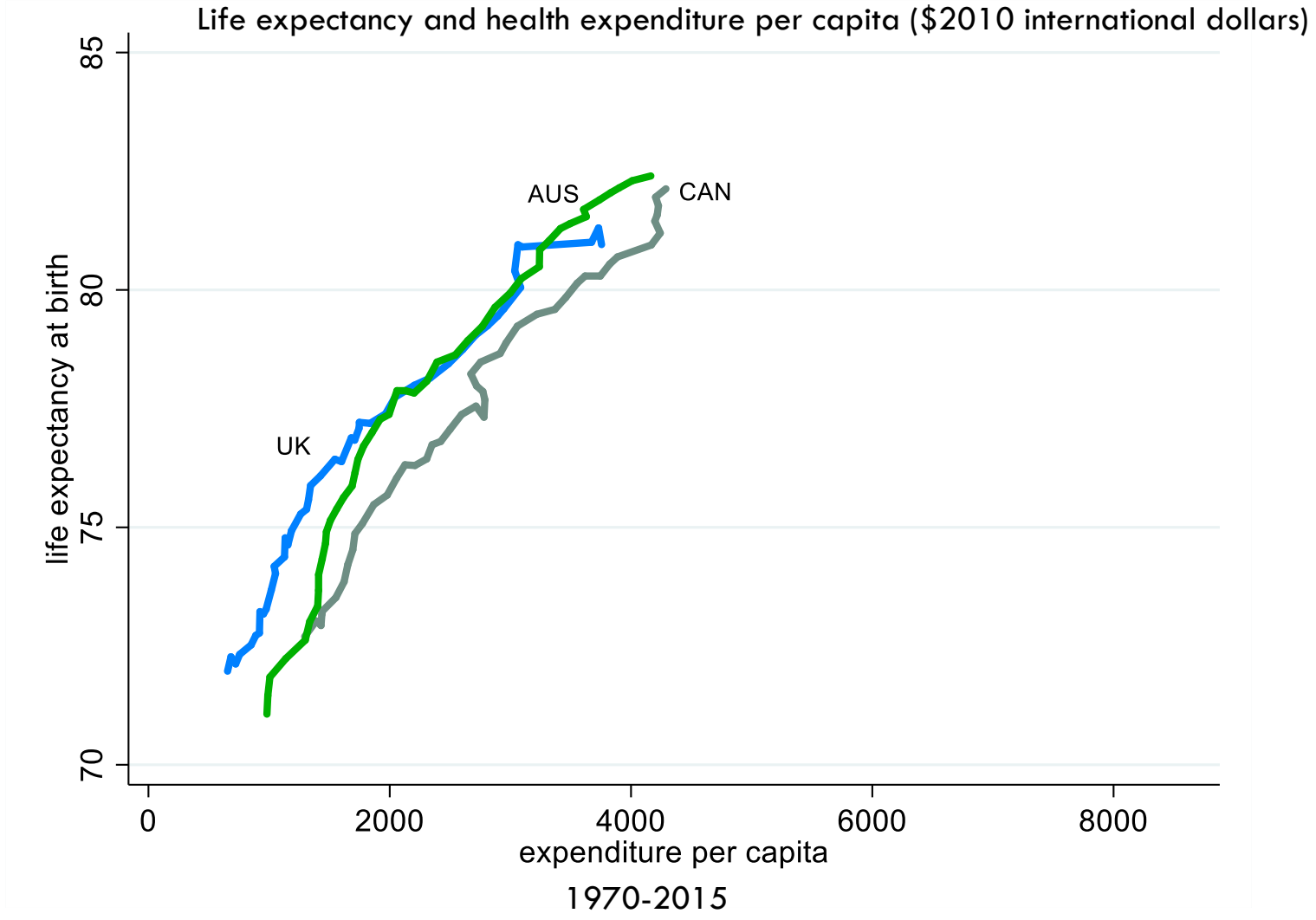
American Healthcare Industry

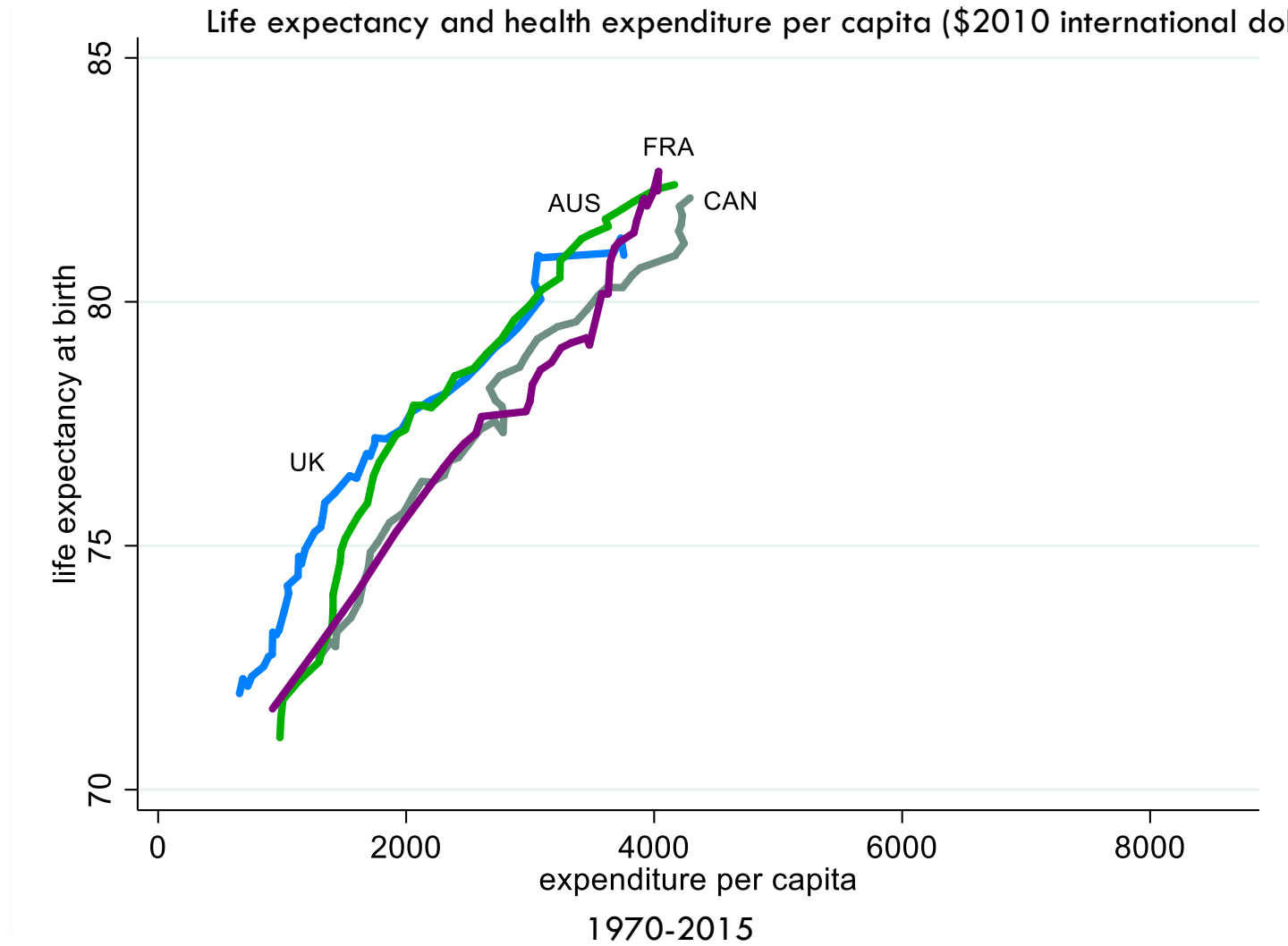
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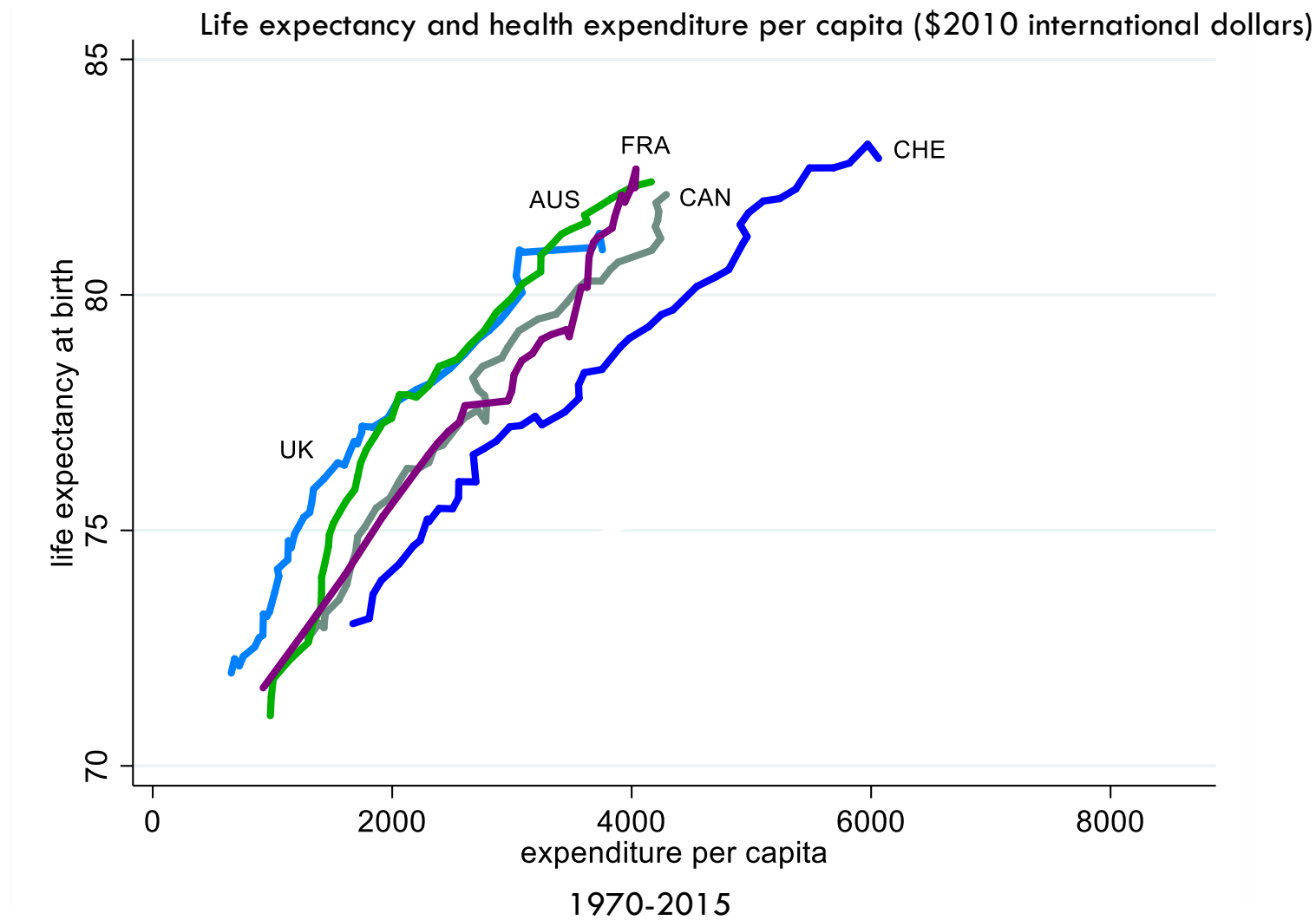
- Healthcare is most expensive in the world, but, on many metrics, Americans have the worst health in rich world
- Life Expectancy fell in US not **in spite of** what we spend on healthcare but **because of** what we spend on healthcare
- Comparison with other rich countries over the period 1970-2015 is useful
 - ▣ Data from Our World in Data

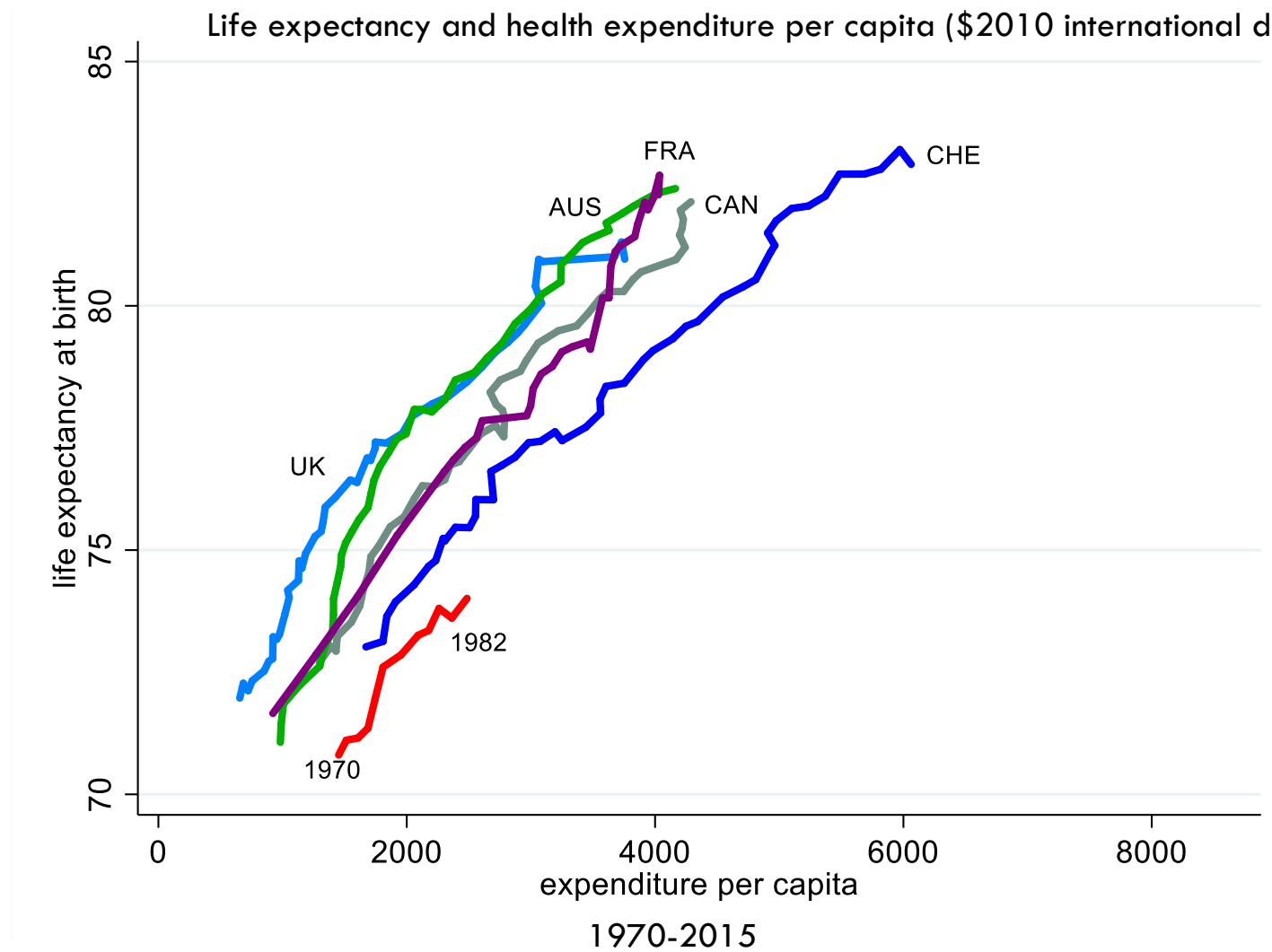


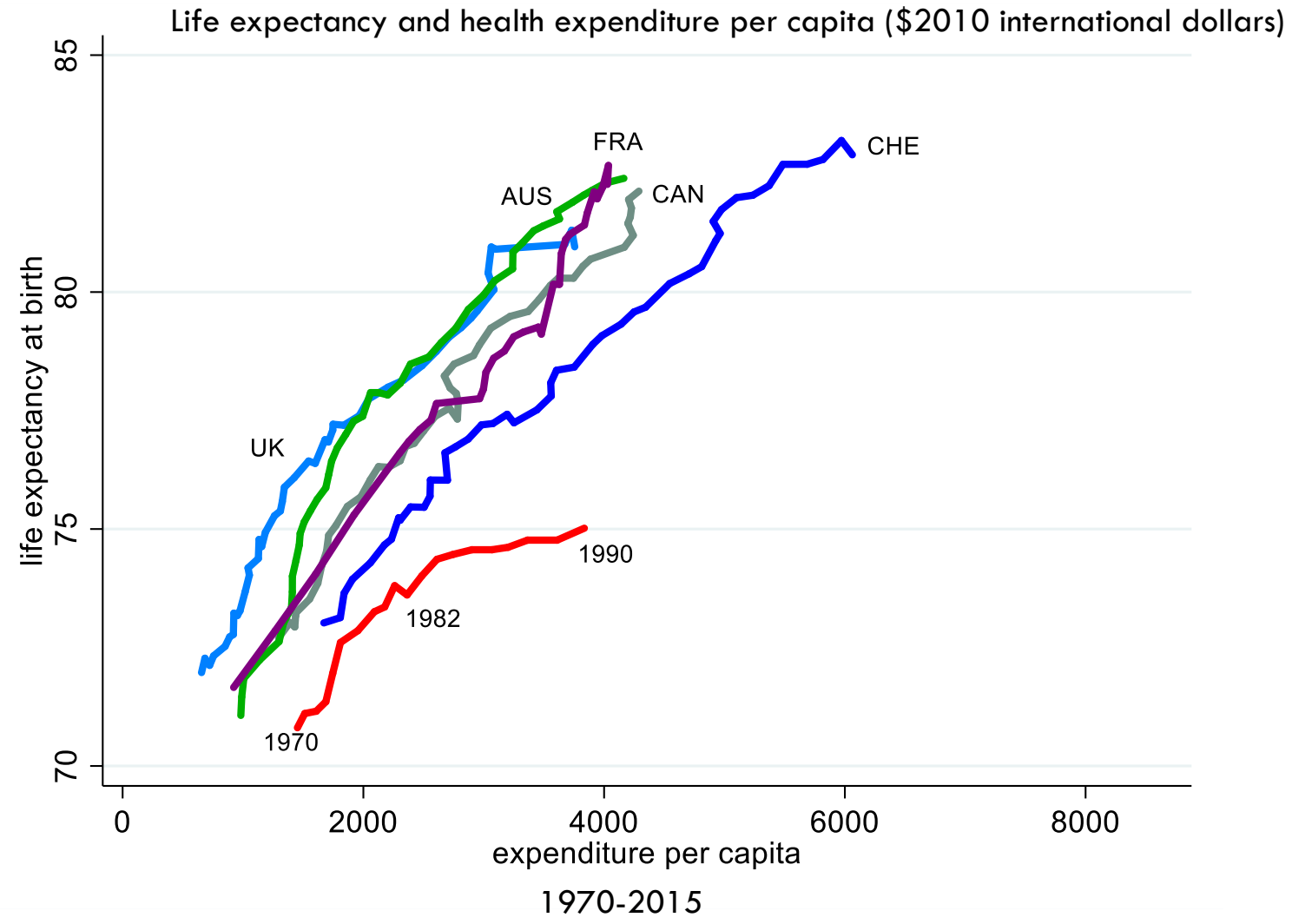


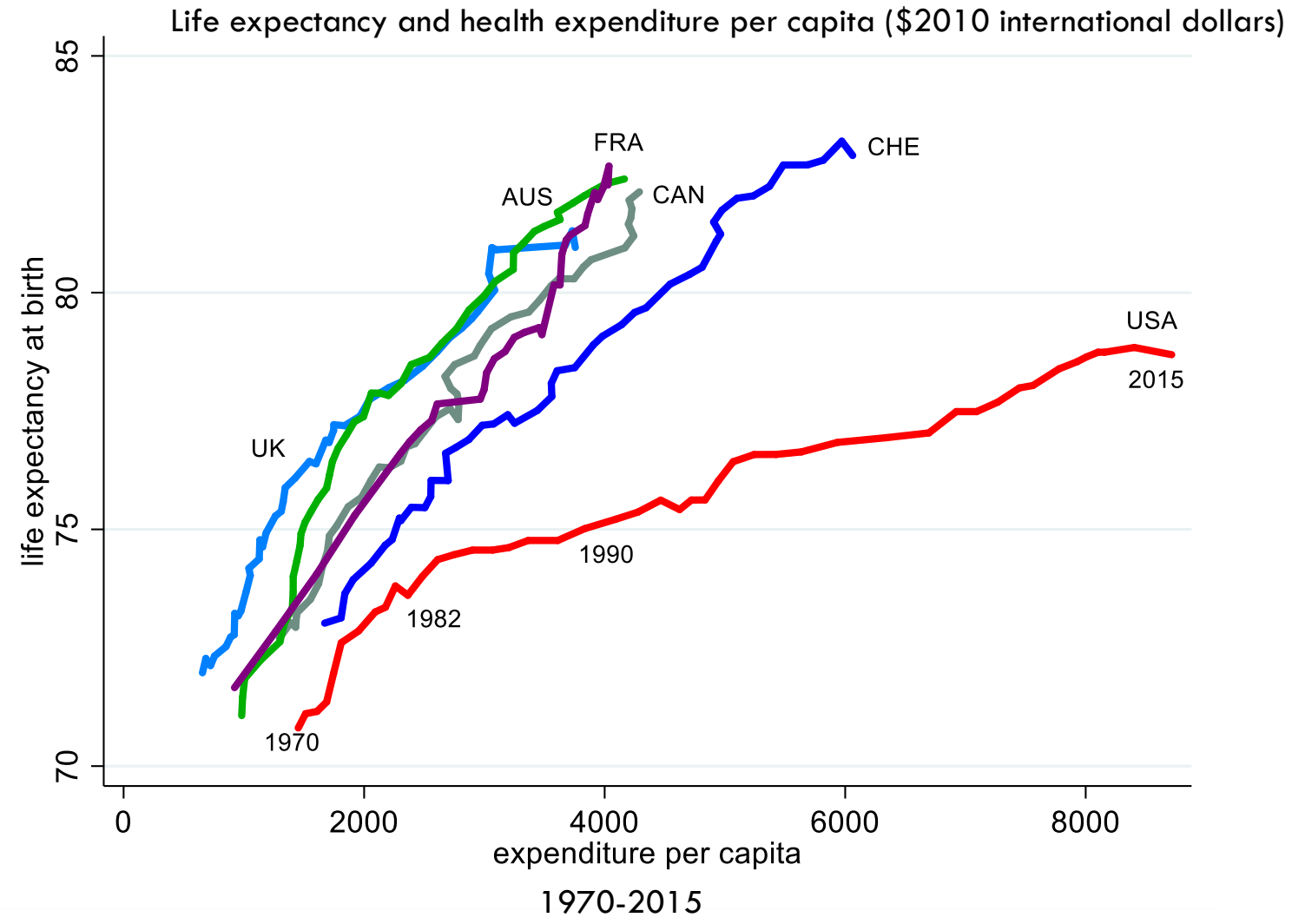












- 17.8 percent of US GDP in 2018
- Switzerland is next highest at 12.4 percent
 - ▣ Swiss lives are five years longer than American lives
- Difference in spending is 5.4 percent, or more than a trillion dollars a year
- More than \$8,300 for each US household
- This is just the *excess spending*

- This comes out of wages, profits, and taxes
 - ▣ People may think employer provided health care insurance is a “gift” – but that “gift” is being deducted in part or in whole from what would be a paycheck
 - ▣ Many firms facing their share (71%) of a \$21,000/year premium for a family policy decide to outsource low-wage jobs

- State and local governments: must pay for Medicaid, nothing left for schools, public universities, infrastructure
 - ▣ Medicaid was 20.5% state spending in 2008 to 28.9% in 2019
 - ▣ Elementary and secondary education 22% to 19.4%

Corporations

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- Immediately post-WW2, American firms had little competition
- Shared rents with workers: Treaty of Detroit
- Privately provided social protection
 - ▣ Healthcare and defined benefit pensions
 - ▣ In Europe largely provided by the state
- After 1970, competition first from Germany and Japan, now full-on globalization
 - ▣ Firms can no longer provide social protection
 - ▣ Huge increases in healthcare premia: shed workers and outsource
 - ▣ DB pensions gone, but even 401(k) pensions are difficult
- Privately provided social protection no longer functional for American workers

What to do?

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- We are talking about the FUTURE of capitalism, not its failure
- It needs to be FIXED, not abandoned, made FAIRER

- Healthcare reform
 - ▣ Nye Bevan famously “stuffed their mouths with gold”
 - ▣ Pay them off then slowly recover the ransom
- Antitrust needs to be revived and rethought
- **Not** UBI: good arguments but not good enough
- Better safety net
 - ▣ More open countries have larger governments: Singapore and Denmark
 - ▣ One major reason why Europe has been protected
- Better access to education, but how?
- Lobbying and campaign finance: no representation of less-educated workers in Washington