
The Economy and Population Health

Kosali Simon, Indiana University
June 27th 2024

Roundtable on Population Health Improvement
Economic Systems as a Structural Driver of Population
Health

How Economic Systems can be Leveraged to Improve Population Health and Health Equity

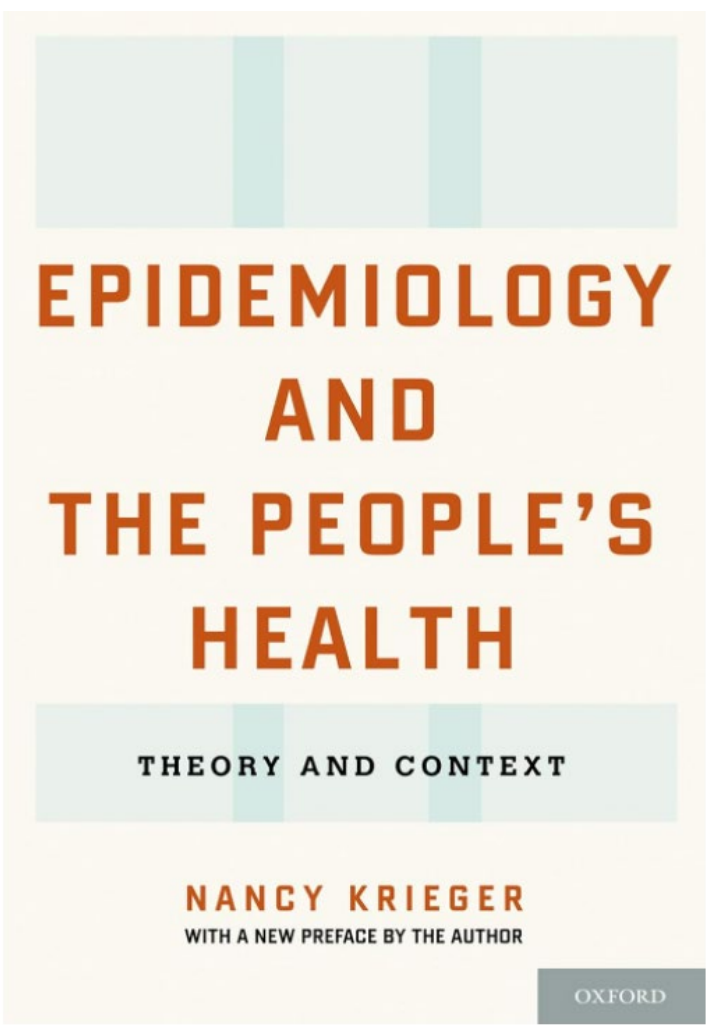
“Economics is us”

Narratives Connecting Economics and Population Health

1. My perspective: economist, roles in and outside academia
2. What is “the economy” to society?
 - a. Broad: Market forces, their interactions
 - b. Narrow: income, unemployment rates, interest rates, stock market: economic activity, material aspects of SDOH

1. What is an “economic system” or “structure”?
 - a. The way resources are allocated
 - b. The political marketplace
 - c. The subsector and who controls resources: eg l payers





EPIDEMIOLOGY AND THE PEOPLE'S HEALTH

THEORY AND CONTEXT

NANCY KRIEGER

WITH A NEW PREFACE BY THE AUTHOR

OXFORD

Social and structural determinants of health

“mechanisms by which social hierarchies are created , and the conditions of daily life which then result.” (Solar et al 2022 as cited in Heller et al 2024)

History from National Conference on Preventive Medicine, 1976 to WHO's adoption of the phrase (Wilkinson & Marmot, 1998), WHO's 2008 report.

Population health

Coined to guide resource allocation policy “to maximize overall health outcomes and minimize health inequities at the population level” (Kindig, 2007); distinction from “public health”

Darrick Hamilton, Henry Cohen Professor of Economics and Urban Policy, The New School

Amanda Janoo, Knowledge & Policy Lead, Wellbeing Economy Alliance

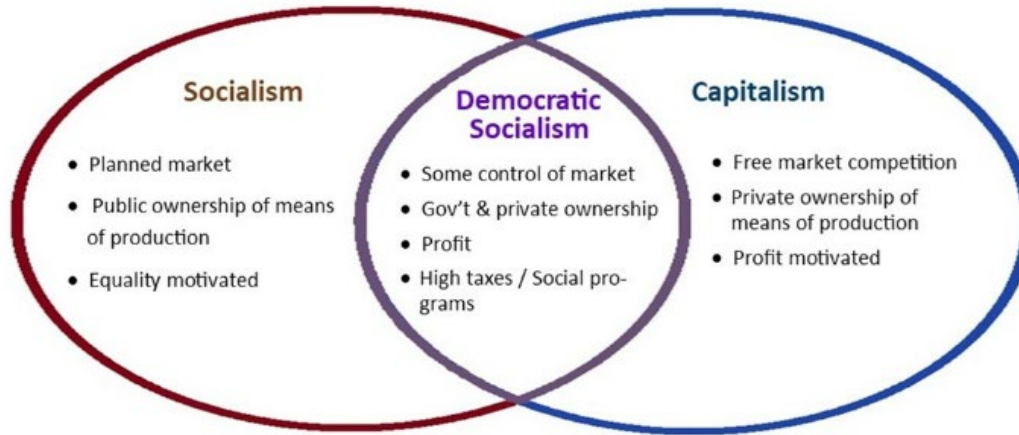
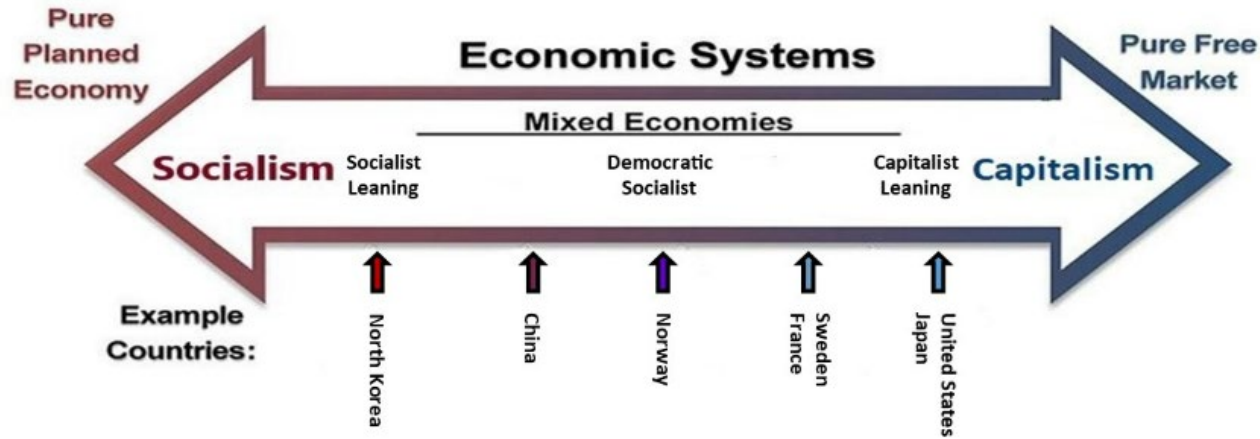
Nancy Krieger, professor of social epidemiology, Department of Social and Behavioral Sciences, Harvard T.H. Chan School of Public Health

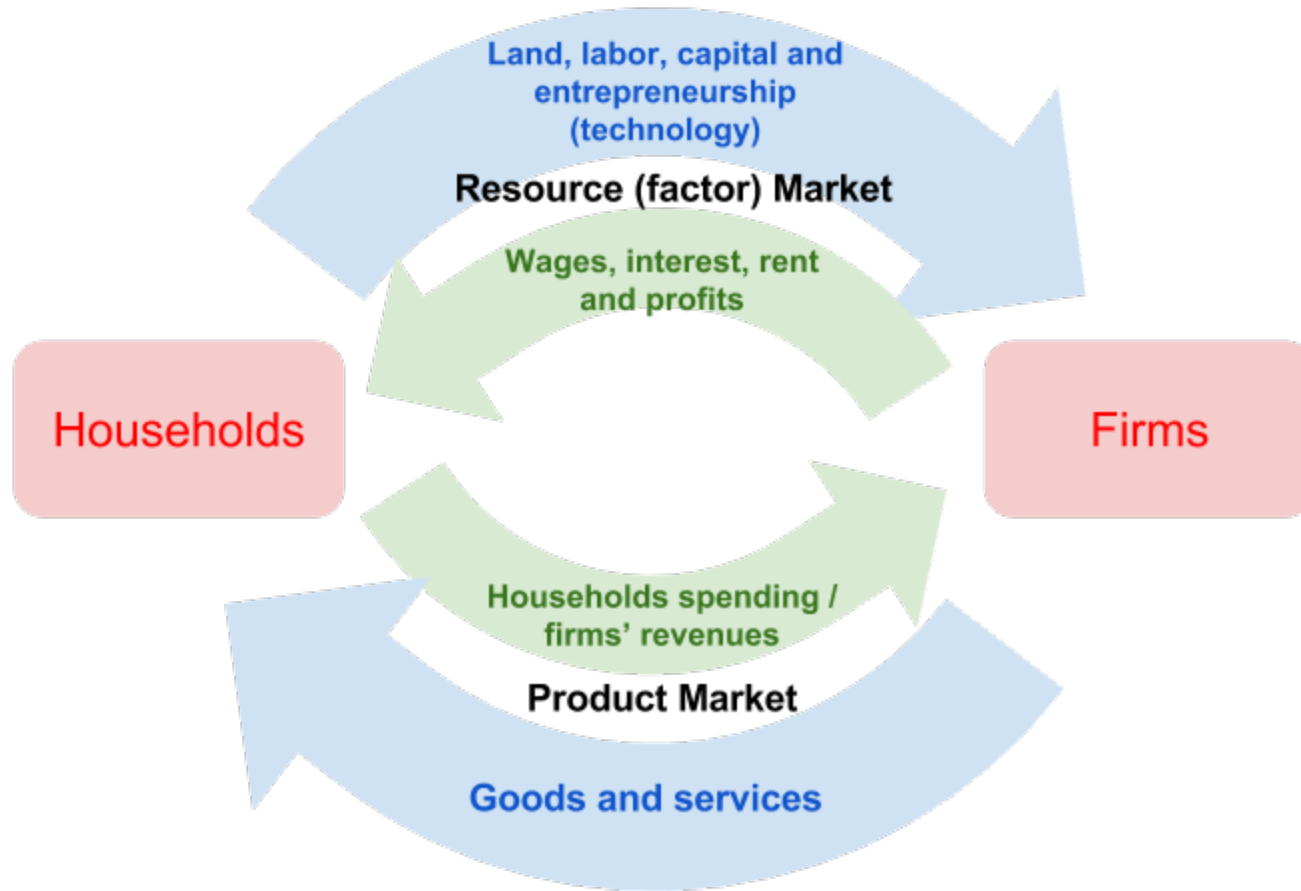
March 18th 2024 Webinar

**Economic Systems as a
Structural Driver of
Population Health—
Narrative**

Narratives Connecting Economics and Population Health

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2. What is “the economy” to society?
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Narratives Connecting Economics and Population Health

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“The Economy” is us



**BUT there is role for
the government to
step in and correct
us**

There are long standing
reasons why markets fail

Market Failures: What Impedes the Flexible Functioning and Optimal Performance of “the Economy”

Individual (or sometimes group) decisions
societal view (or from one's view later in life)

by themselves lead to bad outcomes from

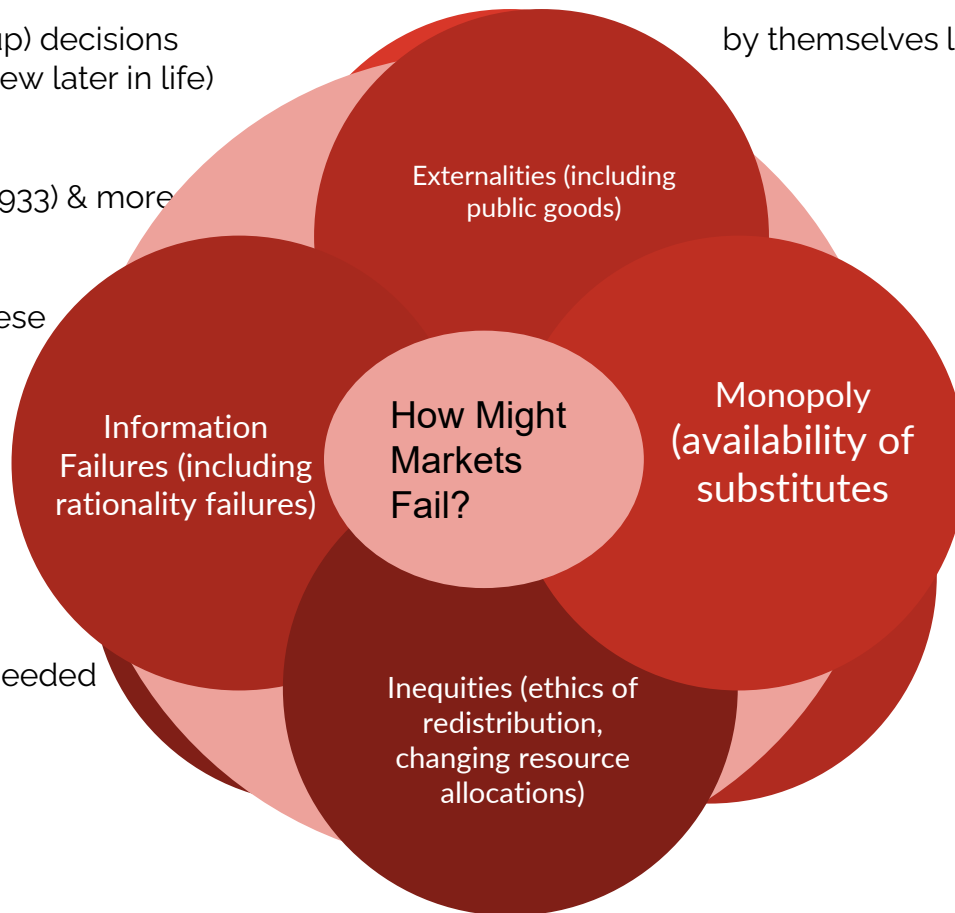
E.g. Coase (1960), Robinson (1933) & more

Market forces may correct these

E.g. Daraprim

and/or

Government actions maybe needed



“The Economy” is us

“It is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner, but from their regard to their own self-interest. We address ourselves not to their humanity but to their self-love, and never talk to them of our own necessities, but of their advantages”

— *Adam Smith, An Inquiry into the Nature & Causes of the Wealth of Nations, Vol 1 , 1776*

Actions are guided by utility (happiness) production. What are inputs into happiness, what guides our actions?

What Resources Give Us Voice in the

Economy

Inequities in material, physical, or mental resources

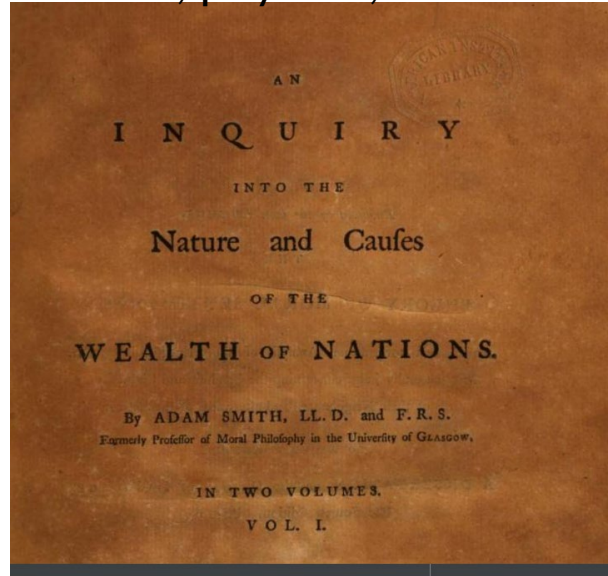


**Cedric J.
Robinson**

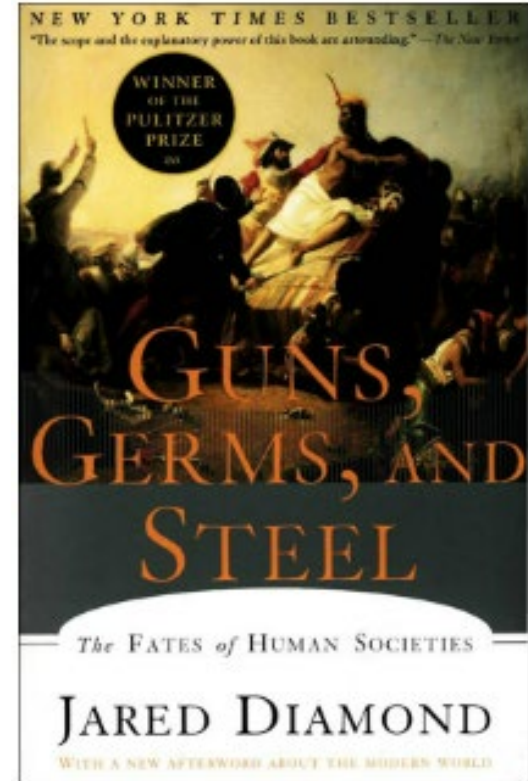
On Racial Capitalism, Black Internationalism,
and Cultures of Resistance

Edited by **H.L.T. Quan**

FOREWORD BY RUTH WILSON GILMORE



From the start of time, resources
distribution unequal.
Society undecided how to address
this ethical challenge



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JOURNAL ARTICLE

EDITOR'S CHOICE

Wealth of Two Nations: The U.S. Racial Wealth Gap, 1860–2020* FREE

Ellora Derenoncourt ✉, Chi Hyun Kim, Moritz Kuhn, Moritz Schularick

The Quarterly Journal of Economics, Volume 139, Issue 2, May 2024, Pages 693–750, <https://doi.org/10.1093/qje/qjad044>

Published: 18 September 2023 **Article history ▼**

Volume 139, Issue 2
May 2024

Actions are guided by utility (happiness) production. What are inputs into happiness, what guides our actions?

Subject to
resources, we
make choices in
pursuit of well-
being



Individual
actions guided
by “utility
maximization”

Objective
function

Happiness

Utility

Wellbeing

Image created by chatgpt



Individual
actions guided
by “utility
maximization”

HEALTH as the output

Each (eg
Health) also
has its own
production
process

Individual vs society– Is there a disconnect?

–How does the economic framework incorporate equity and community?

Equity enters the individual's objective
Community is people interacting in markets

“The Government” is us too!



And.. politics has a
“marketplace” and
may fail

Possible reactions, reframing narrative to how economics helps achieve population health

“When it comes to health, economics is irrelevant, its a fundamental human right”

Economics helps understand tradeoffs of policy tools

Eg If policy decides

- all should have healthcare

- all healthcare should be delivered by govt

Economics is very relevant for how to do this at most “benefit for the cost”

Example of literature reviews on policies that hold most promise

BROOKINGS

Election '24 | U.S. Economy

RESEARCH

Rebalancing: Children first

A report of the AEI-Brookings
Working Group on Childhood in
the United States

Natasha Cabrera, David Deming, Veronique de
Rugy, Lisa A. Gennetian, Ron Haskins, Dayna
Bowen Matthew, Richard V. Reeves, Isabel V.
Sawhill, Diane Whitmore Schanzenbach, Kosali
Simon, Katharine B. Stevens, Michael R. Strain,
Ryan Streeter, James Sullivan, W. Bradford
Wilcox, and Lauren Bauer
Tuesday, February 8, 2022

Stanford | Institute for Economic
Policy Research (SIEPR)

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Publication

Policy cocktails: Attacking the roots of persistent inequality

Author(s)
Matthew O. Jackson



ASPE

OFFICE OF
HEALTH POLICY

REPORT

April 1, 2022

HP-2022-12

Addressing Social Determinants of Health: Examples of Successful Evidence-Based Strategies and Current Federal Efforts

Amelia Whitman, Nancy De Lew, Andre Chappel, Victoria Aysola, Rachael Zuckerman,
Benjamin D. Sommers

Technology & Information | Race in Public Policy

The social insurance system in the US: Policies to



Ending Unequal Treatment

Strategies to Achieve Equitable Health Care and Optimal Health for All

Georges C. Benjamin, Jennifer E. DeVoe,
Francis K. Amankwah, and Sharyl J. Nass,
Editors

Committee on Unequal Treatment Revisited:
The Current State of Racial and Ethnic
Disparities in Health Care

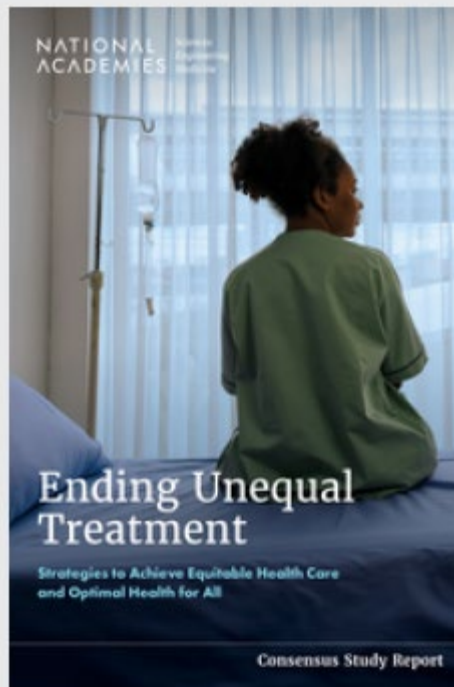
Board on Health Care Services

Board on Population Health and
Public Health Practice

Health and Medicine Division

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Consensus Study Report



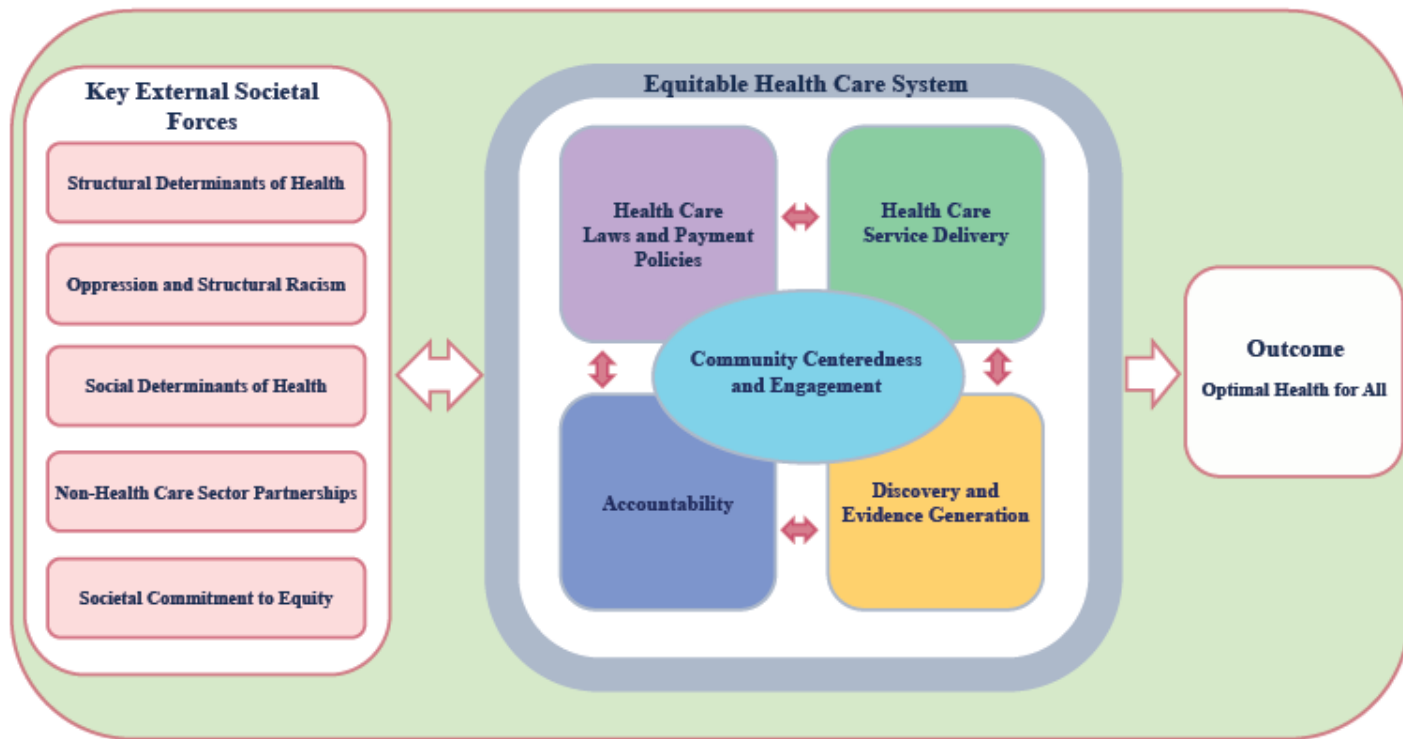


FIGURE S-1 The system in which health care is organized, financed, delivered, and held accountable to achieve equitable health care and optimal health for all.

NOTE: The key external societal forces act individually, intersect with one another, and constantly interact with the domains in the health care system that are also constantly interacting with each other to significantly influence equitable health care.

HEALTH AFFAIRS FOREFRONT

HEALTH EQUITY

RELATED TOPICS:

HEALTH DISPARITIES | HEALTH EQUITY | ETHNIC DISPARITIES | SYSTEMS OF CARE | ORGANIZATION OF CARE
| MEDICAID | ACCESS TO CARE | INSURANCE COVERAGE AND BENEFITS | QUALITY OF CARE
| AFFORDABLE CARE ACT

Ending Unequal Treatment In The United States Health Care System

[Vincent Guilamo-Ramos](#), [Francis K. Amankwah](#), [Kosali Simon](#), [John Ayanian](#), [Margarita Alegria](#),
[Sara Rosenbaum](#)

JUNE 26, 2024

10.1377/forefront.20240624.658573

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APPENDIXES

The Economy is us

Policy is us too

And both can fail

Unequal resource
distributions at the root of
social problems

Economics can help find
best solutions

Its About **Tradeoffs**

Summary
