Income inequality and health

Dr Paul Martiquet, Medical Health Officer

An idea that has been heard so many times has come to be current with recent protest movements: "the rich get richer; the poor get poorer." Is it true? And does it matter?

That there has been a growing gap between the high income earners and the low is confirmed by multiple studies and measures. The Conference Board of Canada in July 2011 analyzed whether income inequality in Canada has been increasing. Over the past 20 years, it has, as the richest group of Canadians increased its share of total national income between 1993 and 2008, while the poorest group lost share. Middle-income Canadians also lost share.

In the US over the past 30 years the average increase for chief executive officers rose from being 39 times the pay of the average worker, to more than 1000 times the pay! That is one measure of an increasing gap.

Over the 1990s and early 2000s in Canada, only the top 20 percent (the richest 'quintile') saw an increase in their share of national income; all other quintile groups lost share.

A less exciting but more valuable measure of income disparity in a country is the Gini coefficient. This calculation takes into account how much of the national income is held by each income group. If there were only two people and each had the same income, that would be a Gini value of zero; if one held all the income, that would be a Gini of 1.0.

The OECD (Organisation for Economic Co-operation and Development) ranked Canada in 13th (Gini 0.32) among countries where income inequalities are highest. The "most unequal" countries included Mexico, Turkey, Portugal and the United States. Income inequality has increased significantly in Canada, Germany, Norway and the United States.

We have long known that poverty is a risk factor for premature mortality and increased morbidity, in other words, "bad for your health." It is one indicator, or determinant, of health when studying population health. And low income is more prevalent among certain groups. These include children, lone-parent families (especially female lone-parent families), women, unattached individuals, seniors, Aboriginal people, people with disabilities, recent immigrants, visible minorities and low-wage workers.

Also related is that income-based inequality is only one dimension that could be relevant to population health. Other inequalities include unequal distribution of wealth, political power, cultural assets, social assets, honorific status may also be important determinants of health outcomes.

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Health inequities contribute to poor health within BC and are associated with significant and wide-reaching health, social and economic costs. According to the Health Officers Council of BC (2008), they cost BC an estimated $2.6 billion annually.

While inequity is not the same as inequality, as proportionately more Canadians are classified at the bottom of the income pyramid, inequities develop in their access to health services. We need to reduce those differences.

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