Life expectancy plunges for low-income Americans

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The gap in life expectancy between higher and lower-income Americans has soared in recent decades, according to the results of a new study commissioned by the US Congress.

In particular, the study, published this month by the National Academies of Sciences, Engineering and Medicine, reveals a sharp drop in life expectancy for poorer Americans.

Men in the top fifth of the income distribution have had their life expectancy at age 50 grow from 81.7 years for those born in 1930 (aged 50 in 1980) to 88.8 years for those born in 1960 (aged 50 in 2010). Meanwhile, the poorest fifth of men have had their life expectancy fall from 76.6 years for those born in 1930 to 76.1 years for those born in 1960.

As a result, there is now a life expectancy gap of more than 12 years between the poorest and wealthiest men, compared to a gap of just over five years three decades ago.

The changes are even more dramatic for women. Life expectancy at age 50 for the poorest fifth of women has fallen from 82.3 years for those born in 1930 to 78.3 years for those born in 1960. Meanwhile life expectancy for top-earning women has grown from 86.2 years to 91.9 years for the same period.

Over the past three decades, the gap in life expectancy at age 50 between the poorest and wealthiest women has increased from less than four years to more than 13 years.

The growing discrepancy in life expectancy between the rich and poor is the result of decades of attacks on workers' jobs, wages and living standards, as well as social programs that benefit low-income households, such as food stamps, Welfare and Medicaid. While the rich have access to the best healthcare that money can buy, the poor are left with substandard care that they cannot afford.

Falling wages for low-income workers have left 16 percent of US households officially classified as food insecure, and the incidence of diseases related to poor diet have soared. The share of US residents who have been diagnosed with diabetes, largely a disease of poverty, has more than doubled, from under 3 percent in 1980 to 7 percent today.

Workplaces throughout the country have slashed decent-paying healthcare benefits beginning in the early 1980s and continuing to this day. Meanwhile, federal programs have been starved of funding as healthcare costs soar, with the ruling class increasingly targeting the principal healthcare program for elderly Americans, Medicare.

The trends revealed in the report (which only goes to 2010) will only be further exacerbated by the policies carried out under the Obama administration. According to an analysis released last week by the Kaiser Family Foundation, the cost of healthcare deductibles—the amount of healthcare expenses that must be paid out of pocket before an insurer will pay any expenses—has increased 67 percent over the past five years, while wages have risen only 10 percent since the 2008 financial crisis.

The 2008 financial crisis ushered in an escalation of the attack on workers' living standards and healthcare. Corporations responded to the 2008 downturn by eliminating vast numbers of decent-paying jobs with good benefits, replacing them largely with low-wage and contingent employment during the so-called economic "recovery." State, local and federal healthcare programs have been chipped away at through year after year of budget cutting and austerity.

But perhaps the most dramatic element of the assault on workers' healthcare benefits has been the Obama

Administration's Affordable Care Act, the main purpose of which has been to shift the cost burden of healthcare onto beneficiaries.

Among the various regressive components of Obamacare is the so-called Cadillac tax, which imposes high taxes on better healthcare plans to create an incentive for insurance companies and corporations to reduce coverage. The effect of this proposal can be seen in ongoing negotiations in the auto industry, where the corporations are working with the United Auto Workers to establish a mechanism for reducing healthcare benefits to a level where they will not be subject to the tax, which goes into effect in 2018.

The National Academy of Sciences study itself was commissioned as a means of gauging the economic impact of various proposals to slash Social Security spending proposed in various forms by Republicans and Democrats alike.

In particular, Republican presidential candidate Jeb Bush has called for raising the retirement age from its current level of 67 to 70, a proposal that had previously been advanced by the Business Roundtable as well as other Democratic and Republican politicians. This measure, if enacted, would entail a massive reduction in benefit payments, and by extension significantly reduce life expectancy.

The study's findings are also being used to drive more sophisticated, though no less reactionary, arguments for slashing workers' healthcare benefits. Peter R. Orszag, the study's co-chair, who served as Obama's first Director of the Office of Management and Budget before becoming an executive at Citigroup in 2011, sought to present the higher life expectancy of higher-income earners as a major issue driving rising healthcare costs.

In an op-ed for Bloomberg, Orzag declares, "The life expectancy gap is widening markedly, and this is causing a big change in the pattern of lifetime government benefits. In evaluating any improvements to entitlement programs, policy makers will need to keep these trends in mind."

Orzag's argument is essentially a setup for various proposals to introduce means-testing into Social Security, along the lines of that proposed by Republican Candidate Chris Christie or expanded this year for Medicare by the Obama administration.

This argument was spelled out in a column by the *Washington Post*'s Robert Samuleson, who argued, "Social Security should be a safety net, not a gravy train…. Eligibility ages for Social Security and Medicare should gradually increase to reflect longer life expectancies for most Americans. Benefits should be curbed for those near the top."

The implication of such a policy would be to reduce benefits for all Americans through an increase in the retirement age, while transforming Social Security from a universal program to a means-tested anti-poverty measure, to be chipped away at and subsequently dismantled.