

Life expectancy on the rise in US, but only for the rich

Kathleen Martin
26 April 2017

A recent report published by the National Bureau of Economic Research reveals that life expectancy is on the rise, but only for the wealthy. In 1980, a man in the highest quintile could expect to live five years longer than a man in the lowest quintile. As the inequality gap grows continually wider each day, so does the difference in life expectancy, which is up to a 12.7-year difference in 2014.

The richest quintile in the US today can expect to live seven years longer than their parents' generation, while the poorest quintile is living six months less on average than the previous generation. From 1980 to 2010, the difference in what the rich versus the poor can expect in government benefits upon retirement has increased from \$103,000 to \$173,000.

Ronald Lee, professor of demography and economics at University of California Berkeley, co-chaired the study and spoke to the *World Socialist Web Site* on some of the findings. "If you hold everything else constant, the change amounts to about \$150,000 per person over their lifetime. Think about the benefits a person gets from the government after 50. They get Social Security, they get Medicare, Medicaid, and other things—disability, perhaps, and so on," Lee said. "The longer you live, the more benefits you receive. So when poorer people live quite a lot shorter lives than the richer people, it also means they're getting less in benefits."

Sections of the population with less money end up paying more overall into the Social Security system from which they do not ultimately benefit, due to their shorter life span. The report states that "our key finding is that changing the mortality and health regime from that of the 1930 to the 1960 cohort causes the gap between average lifetime benefits received by men in the highest and lowest quintiles to widen by about

\$130,000. The change arises from the impact of mortality on benefits and not on taxes."

"The study is about this growing gap between socioeconomic status, and it's extremely fundamentally important, but the most important question is, why does this occur and what can be done? These are really quite terrible differences," Lee said. "The systems have become a lot less progressive over the years, based on this inequality. And that's an important and useful point, but not as important as the main question."

One of the more striking conclusions from the data shows that the life expectancy disparity between blacks and whites is shrinking. While one would assume it is due to an increase in the life expectancy for blacks, it is actually the inverse. Poor whites have been living shorter lives, reducing the gap between the races living at the same levels of poverty.

"I couldn't believe it. I actually didn't believe it at first," Lee said on the shocking statistics, "but it turns out it's true. The [life expectancy] gap between blacks and whites had been shrinking for 20 years or so."

The opioid epidemic, as a result of the deindustrialization of large parts of the Midwest and South, has had a huge impact on the life expectancy of working class whites. Additionally, poor access to health care and increasing costs of medications, coupled with cuts to health care coverage, have resulted in the decreased life expectancy rates. "I don't think we should reduce Social Security, especially for the people at the bottom. We don't call for policy changes in the report, but what the report points to is the necessity for policymakers to be aware of and sensitive to this issue of fairness across income levels," Lee said.

"One of the 'problems,' if you want to call it that, of Social Security and Medicaid funding, to some degree, is that people are living longer. But to the extent that

that's the problem, in reality it just is not currently sustainable. And if you look at one of the key articles that was published years ago, the gains in life expectancy have all been accruing at the top half of the income distribution, and almost none at the bottom half."

The report also states: "Simulations assume that Social Security and Medicare benefits will continue to be paid in the future, even though the trust funds from which these benefits are projected to be exhausted. ... Assuming that benefits will be paid as written under current law is the approach used by the Congressional Budget Office in its long-term budget projections and seems more in accordance with Congressional intent than assuming an abrupt cut in benefits in the future when the trust funds run out."

While Trump claimed during his campaign for president that he would not cut Social Security benefits, Budget Director Mick Mulvaney has told news outlets that he is "working on" persuading Trump to adopt entitlement reforms that would cut funding to Medicare, Medicaid, Social Security and disability money.



To contact the WSWs and the
Socialist Equality Party visit:

wsws.org/contact