



Social Determinants of Health in Multnomah County



The Economy and Health

Summary

Economic factors are among the most powerful determinants of an individual’s health.

The availability of job opportunities that pay good wages depends on local economic conditions. Employment and income dictate where a person lives (the quality of the house and the neighborhood), what they can afford to eat, the educational opportunities available to their families and access to other basic requirements.

This report finds that poverty, the high cost of living, the growth in low wage jobs, and the income gap between the rich and the poor have worsened in Multnomah County over the past decade. In addition, the economic recession, characterized by the weakening of almost all industries, has resulted in high unem-

ployment. Based on published research, we know that worsening economic conditions in the past decade have had negative impacts the health of our residents by limiting their ability to access basic life necessities, and through stress and depression.

This report also presents promising policy directions based on economic and public health research. Short term strategies that have the potential to improve economic conditions and health include efforts to expand tax credits for the working poor and to lower barriers to job training for those receiving public assistance. In the long term, reinforcement of pre-school and K-12 education have been identified by economists as critical elements of strategies to improve local economies, and consequently, the health of residents in these communities.

Table 1. Selected economic indicators in Multnomah County

% of all private sector jobs in 2008 that were in retail trade or leisure and hospitality:	23% (approx. 87,400 jobs)
Unemployment rate	10%
% of all 2006 tax returns receiving the Earned Income Tax Credit (eligible families are above the poverty threshold but have low incomes)	14%
Persons living below poverty level (\$20,650/yr for a family of four) in 2007:	
• Adults and children	15.2% (approx. 104,619 individuals)
• Children under 18 years living with related family members	21% (approx. 32,737 children)
Percent of households receiving food stamps in 2007 that were at or above the federal poverty level	40% (approx. 12,757 households)

Introduction to social determinants of health

Health problems are often addressed with either medical treatment or by asking individuals to change their health-related behavior. However, there is mounting evidence indicating that the root causes of poor health go beyond the choices made by an individual.

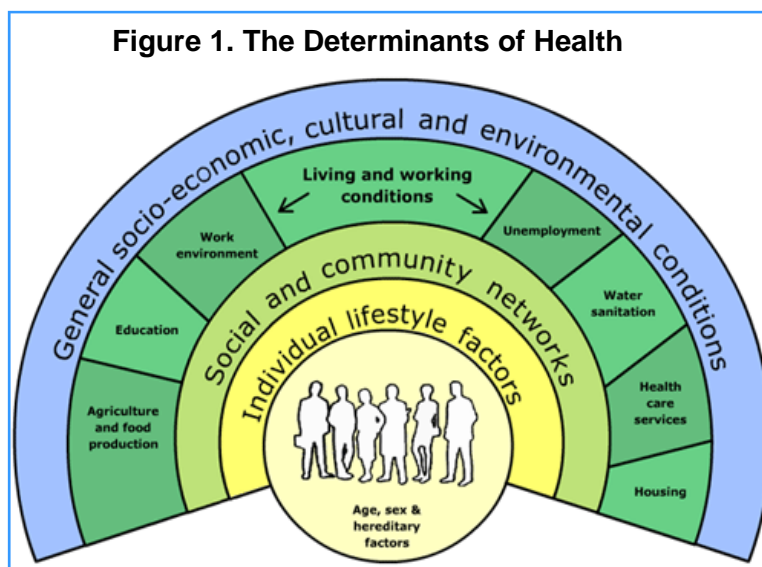
A person's health status is the result of the interaction between factors related to the physical and social environment, the individual's behavior and, to a lesser degree, inherited health characteristics. Such factors are called determinants of health. ***Social determinants of health*** are a subset of these health regulating factors and include income and social status, employment, education, housing, the built environment, social support networks and discrimination.

In recent decades, health researchers have found that social determinants exert a more significant influence on our health than individual behavior or genetics. By extension, public health strategies to improve our community's health must include efforts to support changes in our social environment. For example, people who attain higher levels of education enjoy better health outcomes relative to those who have less

education. Therefore, dedicating more resources to education is an important approach to fostering optimal health.

Social determinants of our health are typically influences that are the furthest away or "upstream" from health outcomes like disease or death. They set in motion a series of interconnected events and situations that ultimately shape our health status. These powerful upstream influences are typically not thought of as traditional public health concerns. Addressing these upstream or root causes of health status will require comprehensive, interdisciplinary strategies with old and new public health partners.

This report is part of a series that presents an overview of social determinants of health in Multnomah County including the economy, education, transportation and the built environment, and neighborhood and social conditions. The information in this series, together with data on birth, death and disease occurrence in the county, provide a fuller understanding of the broader public health concerns facing Multnomah County.



Source: Dahlgren G & Whitehead M. Policies and strategies to promote social equity in health. Stockholm: Institute of Future Studies, 1991.

The effect of the economy on health

Economic factors are among the most powerful determinants of an individual's health. These factors determine the types of employment opportunities available in a community and the wages a worker can earn. Employment and income, in turn, influence a person's ability to meet basic needs such as nutritious food and adequate housing. Income can also dictate the level of educational attainment achieved by an individual which in turn affects employment opportunities.

Aside from preventing individuals from meeting basic living needs, unemployment, underemployment, and low income contribute to higher levels of psychological stress that undermines physical health. The human body's response to stress involves diverting nutritional resources away from routine repair and maintenance functions to fuel a "fight or flight" response. Frequent or continuous exposure to this stress response can result in adverse effects on cardiovascular and immune systems leading to heart disease, diabetes, high blood pressure, strokes, depression and infections.

Health is also affected by the distribution of wealth in a community. In general, the greater the gap between the richest and poorest segments of a community the worse the health outcomes are for that community. Strategies that target poverty and income inequality are being discussed increasingly among public health professionals as a way of improving health.

Multnomah County has not been spared the effects of the current global economic downturn. By some economic indicators such as unemployment, the county is suffering more than the rest of the country.¹

The decline in local housing values combined with unemployment has resulted in significantly reduced revenue for local government services and programs such as fire, ambulance, public assistance and educa-

tion. These resulting budget cuts come at time when county residents are in greatest need of financial support.

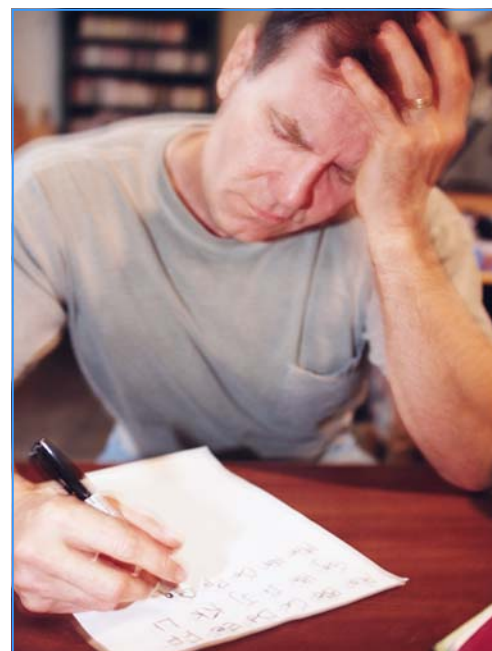
Standard of Living in Multnomah County

Median income has grown little

Between 2000 and 2007, the economy in Oregon grew faster than the nation in terms of gross domestic product and average worker productivity.² Yet, over the same period, personal income in Multnomah County did not reflect the economic growth.

In 1999 the median income for all households in the county was \$51,372 (inflation-adjusted to 2007).³ By 2007 the median income was \$48,883.⁴

According to the Oregon Center for Public Policy, the reason household income did not grow as the local economy thrived is that the benefits of this economic growth have been inequitably distributed.² The gap between rich and poor has grown with most of the prosperity accumulated at the higher end of the socioeconomic ladder (see p6 for additional details).



The cost of living in Multnomah County has risen steadily

While median household income did not grow, the cost of living in the Portland metropolitan area rose steadily each year between 1998 and 2007,⁵ particularly for medical care.

Even when unemployment was low, the high cost of living in Multnomah County made it difficult for many families to access resources that are also considered root determinants of health. These include adequate educational opportunities, quality child care, affordable and safe housing that is centrally located, nutritious food, and safe neighborhoods.

According to the Bureau of Labor Statistics between 1998 and 2007 residents of the Portland metropolitan area paid more every year to maintain the same standard of living.

Census Bureau data for 2007 indicate that almost half of the county's renter-occupied housing units were leased by residents paying 30% or more of their household income on rent (which is considered unaffordable housing by the Department of Housing and Urban Development).⁶ Approximately 45% of owner-occupied housing units with a mortgage were occupied by residents paying 30% or greater of their household income on housing costs.⁷

A full-time, minimum wage earner cannot afford to live in this county

According to the Pennsylvania State University living wage calculator, the pre-tax income needed in 2008 for a family of two adults and two children to maintain a modest lifestyle in Multnomah County without public assistance was approximately \$62,700 annually or \$30.13 per hour.⁸ This calculation assumes one adult is working full time. The household expenses used to calculate the annual income include housing, food, clothing, child care, transportation, health care, and taxes. For the same year,

the federal poverty level (FPL) was just over \$22,200 annually (\$10.67 per hour) for a family of four, about one third of the amount needed to meet a basic family budget.

The minimum wage in Oregon in 2008 was \$7.95 per hour or \$16,500 per year working full time. That is one-fourth the living wage calculated by Pennsylvania State University.

Low income jobs makes life unaffordable in Multnomah County. To make ends meet, low income households may have to live further away from city centers and, perhaps, from their work site. They may also pay less for food, heating, or health care to meet their monthly expenses.



Unequal distribution of income and poverty

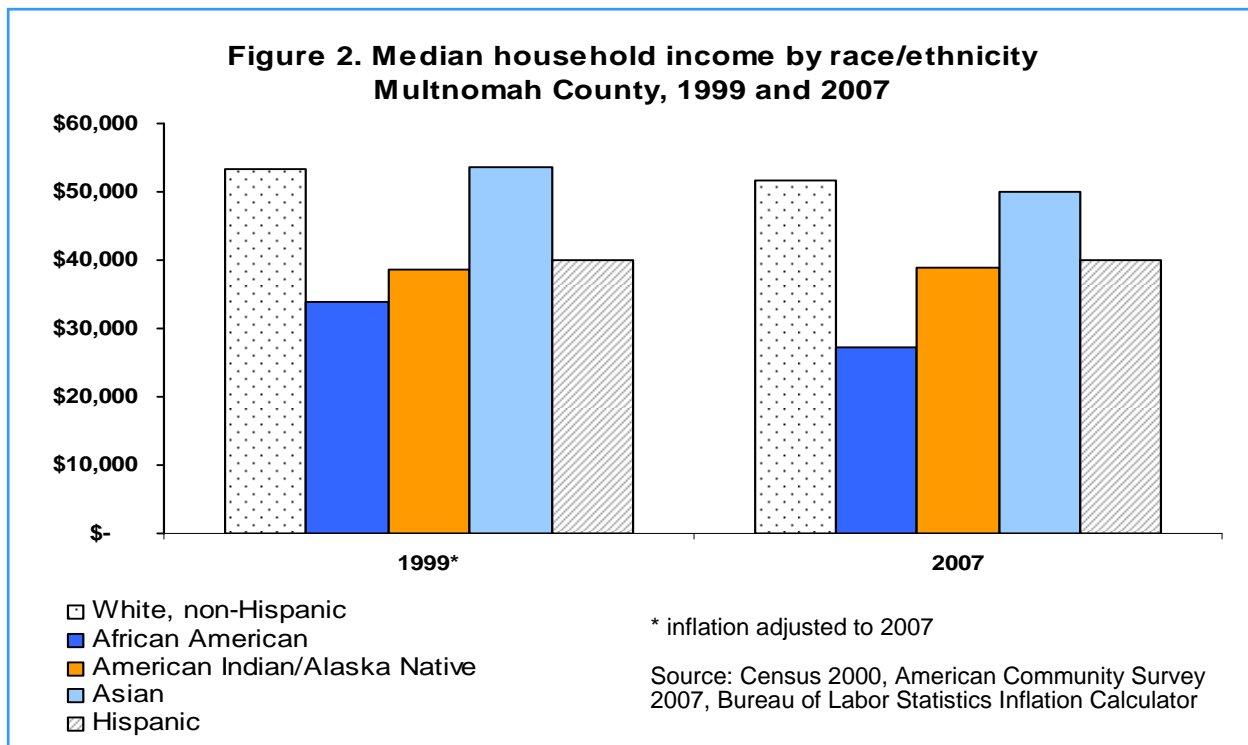
Differences in income exist based on household type

Median income in Multnomah County varies by age and type of family. Householders who are younger than 25 years or 65 years and older had the lowest median household incomes compared to other age groups in 2007.⁴ This is of particular concern for residents 65 years and older, who are not a part of the labor force and have fewer options to supplement their fixed incomes.

Households composed of single mothers of children younger than 18 years have lower median household

incomes compared to either married couples with children or with single fathers

There are also racial and ethnic disparities in median household income. White, non-Hispanic households had the highest median income in 2007 while African American households had the lowest median income.⁴ Since 1999 the racial and ethnic disparity in median household income decreased for some racial groups (American Indian/Alaska Natives and Hispanics compared with White, non-Hispanics). However, the gap in median household income between African Americans and the rest of the population increased (figure 2).⁴



Unequal distribution of income in Multnomah County

- In 2007, the median monthly income of single mothers was about \$805 less (approximately 30% less) than that of single fathers, about \$3,340 less (about 70% less) than that of married-couple families with children.¹⁵
- In 2007, the median annual household income for White, non-Hispanics was about \$51,600; African Americans was about \$27,300.⁶

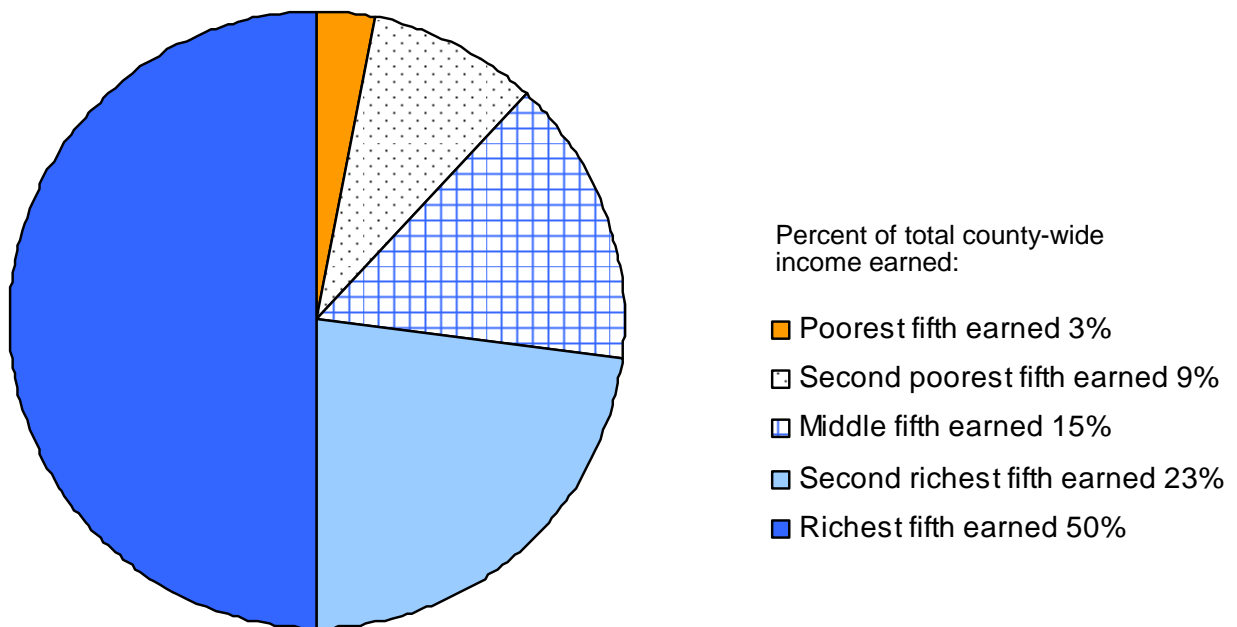
Income inequality is increasing

Income can also be examined in terms of the gap between the richest and poorest segments of our community (relative poverty). The income gap between the highest and lowest-earning segments of our county is of concern because wider gaps in income are associated with poor health outcomes for the whole community. Researchers explain this association both in terms of differential access to resources, and in terms of the negative psychological effects of seeing oneself as positioned lower on a socioeco-

nomie ladder.

One way to examine income inequality is to look at the share of total income earned by the poorest and richest of the county's households. Figure 5 shows that half of the combined income of all county residents in 2007 went to the richest 20% of while the poorest 20% earned only 3% of the total income. The richest 5% of the county's households earned almost 22% or over one fifth of the combined household income in the county.⁹

Figure 3. Share of aggregate household income earned by five income levels, Multnomah County, 2007



Source: American Community Survey, 2007

“There is a new type of caller,” says 211 Call Center Specialist, Lily Gael, “they are folks who have jobs that pay \$10-\$12 per hour, but just can’t make ends meet. There is a new group of people joining the working poor.”

[Source: Press release from 211 Info dated October 30, 2008]

Poverty varies by race and age also

The overall percent of Multnomah County residents with annual incomes below the federal poverty threshold grew from 12.7% in 1999¹⁰ to 15.2% in 2007.¹¹

The highest poverty rates were experienced by African Americans and Hispanics with 32% of African American residents and 24% of Hispanic residents living at or below the federal poverty level in 2007 in Multnomah County.¹¹

Children under the age of 18 years are also more likely to live in poverty; in 2007, about 1 out of every 5 children in this age group (21.7%) lived at or below the federal poverty level.¹¹ Approximately 48% of school children in the county were eligible for free or reduced price school lunches because of low family income during the 2007-08 academic year.¹²

These measures do not capture the magnitude of the population that can be described as the “working poor” - people living above the poverty threshold but still unable to afford basic life necessities.

Employment opportunities

Forecasts predict growth in low income jobs

In 2007 the Oregon Employment Department projected that among the fastest growing occupations employing significant numbers of people were food preparation and service, personal care and service, building and grounds maintenance, healthcare support services and healthcare practitioners and technicians.¹³ Many of these jobs pay between \$11 and \$15 an hour which is far less than a living wage to support a family of four and are unlikely to include health care benefits.

Higher wage jobs that are expected to grow in the next decade are likely to require specialized training, often including education beyond a bachelor’s degree.

At present, Multnomah County does not have a large enough pool of well-educated residents to take advantage of higher wage jobs (see Table 2 below).

Table 2. Educational attainment in Multnomah County, 2007

	18-24 year olds	25 years or older
High school graduates or less	46%	34%
Some college	43%	31%
College graduate or higher	11%	35%

Weak economy threatens funding for public education

With a weakened economy that is expected to remain depressed for the next 2 to 3 years and high unemployment rates, state and local governments will continue to see a decline in revenue. As a result, cuts to public services, like K-12 education, are very likely.

Reductions in school budgets come at a time when public schools are already facing challenges. According to the Oregon Department of Education approximately 18% of high school students (grades 9 through 12) in Multnomah County public schools dropped out of school during the 2005-06 academic year and 22% dropped out during the 2006-07 year.

There is a sizable and growing proportion of young adults in this county that will be unprepared to take advantage of any economic growth and are most vulnerable economically in the current financial climate. Consequently, access to healthy food and stable, quality housing will be curtailed and will increase the risk of poor health outcomes for these individuals.

Promising policy directions

Oregon is projected to begin a very slow economic recovery by early to mid- 2010.¹⁴ Until the economy strengthens, we can expect continued high unemployment rates; increasing numbers of residents who cannot afford food, quality housing, or health care; and mounting demands on public assistance programs as well as community-based organizations. While addressing the immediate financial and basic living needs of those in need is crucial at this time, it is also important to examine options for harnessing future economic growth in ways that support the community's health. Accordingly, the policies presented in this section fall into two broad areas: those that will address short term needs and those that will yield economic and community health benefits in the long term.

Short-term efforts

Unemployment leads to poor health; public assistance can improve health

The connection between unemployment and poor health has been documented by researchers since the early 1980s. Joblessness or the fear of losing one's job creates high levels of stress and insecurity which contribute to poor health. Unemployment also means that families may spend less on food and health care which have more direct consequences on health status, especially for children.

The American Recovery and Reinvestment Act includes funds to expand access to health care. This allocation is in recognition of the fact that high unemployment has left people without health insurance and can have an adverse health impact.

Remove barriers to employment and prepare workers with the right skills

Along with public assistance to stabilize the financial situation of unemployed individuals and their dependents, it is also important to help individuals find and keep new jobs. Two concerns for people looking for employment are quality childcare for those with children and appropriate job training.¹⁵

Lack of childcare-related assistance disproportionately affects low-income, single parents seeking employment, which in turn affects their ability to meet the needs of their families. This group consists primarily of women. Increased assistance for quality childcare is a critical part of removing barriers to employment for families with children.¹⁵

The scarcity of job openings makes it even more important that job-seekers have skills that potential employers are looking for. In 2008 the Oregon Employment Department reported that employers found it hard to recruit employees with basic work ethics

(showing up on time, team work, willingness to work etc.) as well as the right skill set for the job. With limited public dollars behind job training resources it makes sense to identify those occupations that pay more than a minimum wage and for which there is a greater demand for skilled workers.

Currently, Oregon's laws require a person on public assistance to take the first job offered to them even if they are in the middle of training to acquire a new set of skills that could lead them to a higher paying job. Again, removing this barrier to acquiring skills that are in demand will provide unemployed people with a much needed boost in terms of the quality of jobs they can apply for.

Assisting the working poor through the state tax system

In addition to public assistance programs, state tax credits are a way of putting money back into the hands of working families. The Earned Income Tax Credit, or EITC, benefits low-income working families by reducing the amount of income tax they must pay. The federal government and some states offer this tax credit; Oregon has one of the smallest state tax credits. Increasing the state EITC would allow low-income working families to afford more of the basic needs that support good health. The EITC returns much needed cash to low income working families that is likely to be spent within the state for necessities. For example, it is estimated that without the benefit of an expanded EITC a single parent of one child working full time at a minimum wage job in Oregon will pay \$392 in income taxes that might have been used to buy food for a month.¹⁶

Long term efforts

Invest in public education

Almost universally, economists and social researchers state that investment in educational opportunities is one of the most effective ways of improving eco-

nomics and community health. Education provides low income residents with the ability to seek quality jobs and the resources to lift themselves out of poverty. Efforts to improve public education must focus on pre-school as well as the public school system.

A Brookings Institution report proposing a plan to reduce poverty in the nation identifies the introduction of effective preschool programs as one of three key strategies to fight poverty.¹⁷ The successful demonstration programs cited in the report involved well-designed preschool curricula, experienced teachers, and routine parent involvement. Children were enrolled for about 2 years before entering kindergarten and went on to achieve higher scores on standardized academic tests, higher graduation rates, reduced need for special education, and reduced rate of criminal activity. The health and social services that were built into the preschool programs contributed to improvements in health and well-being.

Financially, this approach is a responsible use of scarce public funds. Economists at the Federal Reserve Bank of Minneapolis determined that \$1 invested in publicly funded early childhood education programs yielded \$13 in returns to the public.¹⁸

There is considerable public support in Oregon for early childhood education programs as shown in a statewide survey in 2006. Approximately 74% of state residents said that it was very important or fairly important for low-income children in the state to attend a high quality, voluntary pre-kindergarten programs.¹⁹

A review of the literature by the National Education Association indicates that public K-12 education has significant, measurable positive effect on the economy²⁰ both in terms of personal gain for the student and in public gain for society. Aside from the economic gains, greater achievement in K-12 education is also linked to improved quality of life and increased social capital.

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