Our Collective Future: The Economic Impact of Unequal Life Expectancy

Disparities in life expectancy across races and ethnicities—which have only worsened during the pandemic—disrupt people’s ability to live longer, healthier and more productive lives. Not only do these inequities harm individuals and families, but they also stifle economic growth, and we all suffer as a result.

Eliminating disparities in life expectancy—and ensuring everyone has the same opportunities to live longer and healthier lives—has the potential to offset these enormous economic and social costs.

Racial disparities in life expectancy could cost the U.S. economy \$1.6 trillion in 2030

The U.S. is projected to miss out on a potential \$1.6 trillion (5.1%) in GDP in the year 2030 alone compared to a scenario in which there are no disparities in life expectancy during the coming decade. This is equivalent to the combined sizes of Massachusetts’ and Virginia’s economies in 2030.

Disparities in life expectancy are projected to cost the U.S. \$1.6 trillion in 2030 (5.1 percent of projected GDP)

Annual cost to U.S. GDP in 2030 resulting from disparities in life expectancy

Jobs and wages are also negatively impacted by disparities, with annual costs reaching 10.1 million jobs in 2030 (4.9% of the total)—more than the drop in employment during the Great Recession—and annual costs reaching \$934 billion to wages and salaries in 2030 (4.9% of the total).

The annual economic cost of disparities would reach 10.1 million jobs in 2030 (4.9 percent of the total)

Annual cost to U.S. jobs in 2030 resulting from disparities in life expectancy

Disparities in life expectancy would cost the U.S. \$934 billion in wages and salaries in 2030 (4.9 percent of the total)

Annual cost to U.S. wages and salaries in 2030 resulting from disparities in life expectancy

Note: All total costs are estimated relative to the potential economic outcomes observed under the ‘counterfactual scenario,’ which features full equality of life expectancy.

Sources: Economist Impact, REMI

By 2030, the annual loss to total spending would reach nearly \$1.1 trillion if disparities in life expectancy remain unchanged during the next decade.

The impacts would be felt most significantly across products commonly purchased by older adults, including financial services, insurance, health care, motor vehicles, transportation services, and technology.

Annual cost to consumer spending in 2030, by product category, relative to baseline levels

Sources: Economist Impact, REMI

Nearly 6 million additional people would be alive in 2030—92 percent of them among the 50-plus cohort—if, beginning now, everyone had the same opportunities to live longer, healthier, and more productive lives.

The costs of disparity in life expectancy affect all of us. In our counterfactual scenario with full equality of life expectancy through the next decade, the U.S. would see 5.9 million additional people alive in 2030—across these survivors, 93 percent of women and 90 percent of men would be members of the 50-plus cohort. Both White and Black people under this equal scenario would see the greatest boost to their populations relative to their baseline population sizes.

Age breakdown of additional survivors in 2030 (%) by cohort, after a decade without disparities in longevity between demographic groups

Sources: Economist Impact, REMI

The services, health, and construction sectors experience the greatest costs from unequal life expectancy

Disparities in life expectancy represent a significant cost to industries such as construction, services, and health, which are highly sensitive to the size of the population.

Annual cost to industry GDP in 2030 from disparities in life expectancy

Sources: Economist Impact, REMI

The continued cumulative cost of inaction is unsustainable. Closing these gaps and realizing a future of healthy longevity will require a multi-sectoral approach

Call to Action: Addressing disparities requires coordinated action across several key areas:

<p>Better data on health outcomes by race and ethnicity</p> <p>Fixing data gaps exposed by COVID-19 through strengthening public health reporting systems</p> <p>Expanding data coverage across a wider diversity of racial and ethnic groups</p>	<p>Reducing income and education inequalities</p> <p>Strengthening employment policies to ensure equal pay</p> <p>Removing barriers across the life course to education, job skilling, and training for low-income communities & communities of color</p>	<p>Expanding access to health care and preventative care</p> <p>Improving access to affordable health insurance and Medicaid</p> <p>Improving delivery of health services in low-income communities & communities of color</p>	<p>Combating geographic disparities</p> <p>Governments & businesses can expand access to safe communities, & non-discrimination in housing & employment</p> <p>Ensuring equal access to good quality food, schools, recreation, social connection, & health services</p>
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