HEALTH HAPPENS IN NEIGHBORHOODS: HOW WE PAY FOR IT?

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Health ≠ Health Care
CONTRIBUTIONS TO PREMATURE DEATH

- Behavioral Patterns: 40%
- Genetic Predisposition: 30%
- Social Circumstances: 15%
- Health Care: 10%
- Environmental Exposure: 5%
- Health Care: 10%
HEALTH = EDUCATION

Educational Attainment

- Less than high school
- High-school graduate
- Some college
- College graduate

LIFE EXPECTANCY AT AGE 25

MEN
- 47.1
- 51.4
- 52.3
- 56.4

WOMEN
- 51.7
- 57.0
- 58.1
- 60.3
ACROSS ALL RACIAL/ETHNIC GROUPS

Family Income (Percent of Federal Poverty Level)
- <100%
- 100–199%
- 200–399%
- ≥400%

PERCENT OF PERSONS WITH POOR/FAIR HEALTH*

- BLACK, NON-HISPANIC: 23.9%, 18.3%, 11.2%, 6.8%
- HISPANIC: 19.2%, 15.6%, 10.3%, 6.4%
- WHITE, NON-HISPANIC: 20.9%, 14.8%, 7.7%, 4.0%
...BUT POVERTY IS CONCENTRATED
The chance a child raised in the bottom fifth rose to the top fifth:

- 35%
- 20%
- 15%
- 10%
- 4%

The top fifth is equal to family income of more than $70,000 for the child by age 30, or more than $100,000 by age 45.

In areas like Atlanta, upward mobility appears to be substantially lower than in any other rich country.
3 miles could equal up to a 13-year life span difference.
IN DETERMINING YOUR HEALTH…

94131 >

DNA
PEOPLE GET SICK BECAUSE OF THEIR SOCIAL AND PHYSICAL ENVIRONMENTS

- Schools
- Grocery Stores
- Housing
- Transportation
- Jobs
- Parks and Playgrounds
WHAT DOES COMMUNITY DEVELOPMENT DO?

• Builds high-quality, service-enriched affordable housing
• Supports small businesses
• Financing for community facilities — charter schools, grocery stores, clinics, shelters, child care, community centers
• Coordinates and harmonizes multiple funding streams — grants, loans, investors
• Facilitate cross-sector interventions building on local knowledge & community input
$120-150 BILLION ANNUALLY

- $20 billion government subsidy, e.g. Low Income Housing Tax Credit (LIHTC), New Markets Tax Credit (NMTC), Community Development Block Grants (CDBG)
- $100-$120 billion CRA-motivated loans and investments
- Socially motivated investors
COMMUNITY DEVELOPMENT INVESTMENTS

Housing: Solara

Small Business: Market Creek Plaza

Charter Schools: KIPP
WE ARE MAKING PROGRESS
“We are likely to look back at this time and wonder why community development and health were ever separate industries.”

RISA LAVIZZO-MOUREY
PRESIDENT AND CEO, ROBERT WOOD JOHNSON FOUNDATION
STATE OF THE ART

- Trust and buy-in
- Cross-sectoral
- Place-based
- Data-driven
- Backbone organization
New Funds Flowing to Population Health

• Bank Capital
  • Healthy Futures Fund
  • Healthy Neighborhoods Equity Fund
  • Strong Families Fund

• EXPANDING SOCIAL IMPACT BONDS
  • Early Childhood: South Carolina, Orange County, New York State, San Francisco
  • Diabetes: New York State
  • Asthma: Fresno and Alameda County, California
  • Special Education: Salt Lake City, Utah
WE NEED SYSTEMS CHANGE
The future is here. It’s just unevenly distributed....
-William Gibson
DATA: WE ALL NEED TO USE THE SAME COMPASS
POLICY: BREAK DOWN SILOS AND ROW IN THE SAME DIRECTION
FINANCE: CREATE A MARKET THAT VALUES HEALTH
FOUR MODELS TO FUND OUTCOMES

Investment Tax Credits
Government awards tax credits to social service providers. Providers sell credits to investors, use proceeds to pay for services. Credits recaptured if no measurable improvement in target population.

Prize-Based Philanthropy
Foundations offer rewards for solving difficult social challenges (closing the education achievement gap, eliminating recidivism, etc.). Service providers compete for the reward, financed by impact investors.

“Points for Performance” Loan Modifications
CRA-motivated banks and foundations lend to social service providers. Loan terms based on conventional underwriting (ability to repay). As providers hit measurable social impact targets, terms are improved.

Pay for Success (Social Impact Bonds)
End payers commit to pay for measurable social outcomes. Investors lend to service providers and are repaid based on providers’ ability to produce prenegotiated outcomes targets.
RESOURCES

Investing in What Works for America’s Communities
whatworksforamerica.org

What Counts: Harnessing Data for America’s Communities whatcountsforamerica.org

What It’s Worth: Strengthening the Financial Futures of Families, Communities and the Nation strongfinancialfuture.org

Build Healthy Places Network buildhealthyplaces.org

Partners in Progress partnersinprogress.org