

## Interview



Illustration by Shonagh Rae

**“People feel that their ability to contribute to society has been terribly thwarted.”**

The economist Anne Case discusses her research into the reversal of life expectancy gains for Americans without a college degree—and what policymakers could do about it.

Anne Case, the Alexander Stewart 1886 Professor of Economics and Public Affairs Emeritus at Princeton University, has spent her career studying health across individuals' lifespan and its relationship to socioeconomic status. Together with fellow economist Angus Deaton, she identified the pattern of "deaths of despair"—what they call the unexpected increase in mortality rates among working-class Americans in recent decades. Case and Deaton brought this problem to wide public attention with their 2020 book, *Deaths of Despair and the Future of Capitalism*. She is a member of the National Academy of Sciences and the National Academy of Medicine.

Issues editor Sara Frueh spoke with Case to get her insights into the economic and social forces driving deaths of despair, the ways that current policy initiatives might affect working-class Americans, and how the United States could start to stem the loss of jobs and generate meaningful paths forward for more of its workers.

**You coined the term "deaths of despair." What does that phrase mean?**

**Case:** We use the words deaths of despair as a shorthand for death from drug overdose, alcoholic liver disease and cirrhosis, and suicide. All three of these causes of death speak of despair, and they are all, in a sense, death by one's own hand.

As we analyzed them, the patterns we saw in each of these causes of death—when it came to the relationship with education, with sex, with race—were quite similar. These deaths are concentrated in Americans without college degrees.

When we started our work, the rate of deaths of despair had been rising for 20 years among the non-Hispanic white population, while deaths from alcohol and drug overdose among Hispanic people and non-Hispanic Black people had been falling for most of those two decades—although the all-cause mortality rate for the latter group was still higher than for white people. But in 2013, when fentanyl became a street drug, overdose deaths among Black and Hispanic people without college degrees began to rise as well. So there is certainly less of a racial component to drug-related mortality now.

These are causes of death that no one should succumb to. We also know that people are reporting more pain. For people without a bachelor's degree, year on year, reports of pain have been rising. Year on year, reports of poor mental health have been rising as well.

**A lot of the media coverage has focused on how deaths of despair are affecting white men without a college education. How are women being affected?**

**Case:** In all our work, we have made it clear it's not just men who are suffering from deaths of despair—it's men and women.

Women have always been less likely than men to die from drugs or alcohol or suicide. That is still the case, but the trend upward in mortality rates for white men and women without a bachelor's degree has been almost identical, and—largely because of the recent increase in overdose deaths from fentanyl—rates for both Black and Hispanic women have risen as well.

**You've written that if we want to combat the conditions that have fueled deaths of despair, the main problems we need to struggle against aren't income inequality or poverty per se. What should be the focus of our efforts?**

**Case:** Our best understanding currently is that the two thirds of American adults without a bachelor's degree feel that their ability to contribute to society has been terribly thwarted. People want to contribute and to know that what they're doing is useful. And the way we've structured our economy, we show very little respect for people who have not gotten a four-year college degree.

For them, the pillars that held life up—family life, work life, religious life—have eroded. And that leaves people quite vulnerable. The sociologist Émile Durkheim, who wrote the magnificent tome on suicide back in the late 1800s, would posit that this is a perfect recipe for suicide.

Now, how did these conditions come about? Since at least the late 1970s, median wages for men without a college degree have been falling. And we know from research in sociology that for couples to decide to get married, one of them has to have a good job, a job with prospects and a ladder up. So if that job isn't there, they don't marry—they cohabit. But unlike in Europe, where those cohabitations can be quite stable, in the United States they're quite fragile. People will cohabit, they may have a child, they break up, they find a new partner, they have another child, they break up—so people get to midlife in a very unstable position.

If you trace it back, it's the loss of good jobs for people without a bachelor's degree that started in the mid-1970s that ultimately has led to people feeling that they're not in a position to contribute, that they're not connected to society, that things are rigged against them. And that can give way to a lot of personal and political upheaval. Within the political system, people feel they have very little ability to change the way in which the economy is structured.

**Right now the Federal Reserve is combating inflation with policies that could raise the unemployment rate, particularly for people without college degrees. Which is worse for this group—the inflation or the cure?**

**Case:** Rather than the unemployment rate, we're a lot more worried about people leaving the labor force altogether. What

we follow is what's known as the employment-to-population ratio, which measures the proportion of the working-age population who are employed; a lower ratio means that fewer working-age people are participating in the labor force. For women without a bachelor's degree, the employment-to-population ratio hit its peak in 2000, and it's been falling since then. For men, the long-term trend has been down since at least as far back as 1979, and probably earlier than that.

When someone is not attached to the labor force, that puts them at risk of less connection, of not feeling like they are contributing to the society. And we worry about that a lot—more so than the unemployment rate itself. The unemployment rate can be very low, which it has been, but if people have left the labor force altogether, they're not counted in the unemployment figures. So it doesn't give us as good a bead on what's happening to those individuals.

How our approach to inflation may affect labor force participation is a difficult question. Historically, when prices have risen rapidly, real wages—the goods and services you can buy with a paycheck—have fallen. In 2022, to the extent that nominal wages, or the dollar amounts workers get paid, don't rise as quickly as inflation, this may cause more potential workers to stay on the sidelines than would have been the case with lower inflation. In this way, inflation itself may have a negative effect on the *supply* of workers.

The Federal Reserve is increasing interest rates to try to tamp down inflation by tamping down the demand for goods and services, which is likely to have a negative effect on the *demand* for workers making those goods and services. To this point, the labor market has shown itself to be quite robust, but that could change when the interest rates begin to pinch. And we have to remember that all of this is happening in an environment that is unsettled. The COVID pandemic, supply-chain disruptions, and the war in Ukraine—to name just three of many sources of instability—continue to affect the economy and will continue to affect labor markets.

***There's a big push right now to create more high-tech jobs. What impact, if any, do you think the recently passed CHIPS and Science Act, with its investments in domestic semiconductor production, will have on working-class people and communities?***

**Case:** It would depend on the nature of the jobs created. If these are jobs that could be taken by less-educated workers and these are good jobs—jobs with a ladder up—then it might be helpful. Alternatively, if it means even more automation and fewer jobs for less-skilled workers, then it probably would have a negative effect. Much remains to be seen as these things happen, I think.

There are people working in this administration and in previous administrations who would very much like to improve the wellbeing of less-skilled workers. But it's very hard

in Washington oftentimes to get anything done. One thing that would just make an enormous difference would be if we could find a way toward the kinds of health care systems that other countries have. That would free up an enormous amount of resources that could be used.

***You lay much of the blame for the loss of jobs at the feet of the US health care system. Why?***

**Case:** We pay for our health care through health insurance, and the majority of Americans get their health insurance through their employer. When prices go up in the health care sector, what happens is that these premiums go up. Now, if I'm an employer and I have a worker who's worth \$35,000 per year to me, that's the value that this person contributes to my firm. I don't really care whether I'm paying this \$35,000 to my worker, or if I pay the worker *and* I pay their health insurance premium. But the sum of those two things together isn't going to exceed \$35,000 per year, or I'm not going to employ the worker.

So as health insurance premiums have gone up and up, that is in large part responsible for holding down the wages of less-educated workers. And sometimes it's not only holding down the wages. As an employer, I may decide I'm not going to employ those workers anymore. I let them go entirely and contract out the kinds of work they were doing—so that, for example, the cleaners in a large hotel who used to work for the hotel are no longer employed by the hotel. They work for some cleaning company that has no real relationship with their workers.

So in this example are people whose wages have not risen, and the kinds of jobs they do are being outsourced to firms where there is no ladder up. By contrast, if I'm employed by a big hotel chain, it's possible that if I'm a really good worker, then I get promoted to a position behind a desk; if I'm a super-duper worker, I move into management. There might have been a ladder up, in this instance, for a large number of people. Well, those ladders don't exist anymore. That has left a lot of people without hope for themselves, or for their children.

***What does a health care system look like that doesn't produce this effect? What should we change?***

**Case:** Our health care system is twice as expensive per capita as systems in Europe, yet that doesn't result in Americans having better health. We have a lower life expectancy in the United States than in other rich countries.

European countries have many different systems, but they all have two things in common: one is that everyone is covered, and the other is that prices for drugs and services are negotiated. They avoid the position that we're in in the United States, where about \$1 out of every \$5 of our gross domestic product goes into the health care sector. And what that means, for example, is that states that have to pay their share

of Medicaid have less money every year for roads, for their once-great state universities, for other public goods.

Our best estimate is that Americans spend an extra trillion dollars per year on health care in excess of what other countries spend. That excess translates to more than \$8,300 per household. If somehow we could find a way to rein in the kind of excess that's taking place in the health care sector, there would be more money available for all of us.

We believe that to the extent that drug prices could be negotiated—for example, the Inflation Reduction Act provides some ability for Medicare to do that—it could make a difference in these costs. Health care is not something that the market is well positioned to deliver for a large number of reasons.

The United States still has a really large, powerful, and wealthy health care sector that can fight reform, which is going to continue to cause us to have a system where there are “haves” and “have nots.” For the “haves,” their value to companies is high enough that it doesn’t matter if health care premiums go up; their wages can go up as well. But for the “have nots,” they’re either going to see no improvement in their standards of living and/or a group of them will be let go.

***It sounds like other rich nations have not had the same levels of deaths of despair, even though their workers are facing some of the same challenges—automation and globalization—that we see in the United States. Beyond health care, are there other things that explain that difference?***

**Case:** Part of the reason other rich countries have not seen deaths of despair is because there’s more of value in the kind of work that people without college diplomas are doing in these other countries. If we look to places where there are apprentice systems, for example, we might be in a better position to offer young people who are not college-bound the opportunity to learn skills that will allow them to lead a good life. So in addition to fixing health care, we think that heavy lift number two is going to be a reevaluation of the way in which we prepare young people for life in the twenty-first century.

What we have to do in the United States is begin to rethink our K-12 education system. Not everywhere, but in many parts of the country, schools are laser-focused on the minority of students who are college-bound. And the students who are not college-bound do not receive the kinds of skills that would be useful to them when they enter the labor force.

***Should expanding access to college and community college also be part of the solution?***

**Case:** I think everyone who would like to continue their education beyond high school should be given that

opportunity. But education is not a panacea. Working toward a society and an economy that respect and reward work of all kinds is key. We need to take stock of the barriers that have been erected, with the help of lobbyists in Washington and in state capitols, that protect the special interests of a few, to the detriment of the rest of us.

***Your work has done a lot to bring the plight of working-class Americans to the attention of economists and policymakers, but they are still living and working in a different world than the people who are subjects of your research. Have you seen any ways to explore responses to the problem that break through those bubbles—businesses, nonprofits, or government agencies that are working with communities to address this?***

**Case:** Yes, there are some large firms that are now trying hard not to make a bachelor’s degree the condition for employment into a good job—or that want to take talented young people who are not college-bound and bring them into the company and train them with the skills they need to do the kinds of jobs that need doing.

When it comes to the drug epidemic, we have had a few opioid epidemics in the history of the United States. They burn themselves out, generally, and this one will too. We don’t know exactly how it will happen. Community action appears to have made a huge difference in stemming previous drug epidemics.

And community is also what a lot of people who struggle need. If they don’t feel alone, they may be less likely to reach for a drug or reach for a gun. And so we are big believers in community action. We know that there are a lot of communities out there that are trying hard to put into place programs to make that work.

***How much optimism do you have that as a nation we can reverse this trajectory and provide the context and the raw materials for a meaningful life for people and communities that have been left behind? And if you have hope, where does it lie?***

**Case:** I’m an optimistic person by nature, although I have to say my optimism during the COVID-19 pandemic came from a hope that this was a large enough shock to the system that people in the middle of the income distribution would start talking about and demanding real change in the way we finance health care.

Now it looks like that is probably not going to be one of the silver linings of this horrible pandemic we’ve lived through. And I find it hard to be optimistic about change coming anytime soon.

The United States has lived through many cycles of dark times, and it’s possible that we will be able as Americans to reinvent ourselves. That’s a possibility. It’s worked before. I just don’t know how we do it.