TOWARDS A BETTER SOCIAL SAFETY NET

DAVID ERICKSON, FEDERAL RESERVE BANK OF SAN FRANCISCO
Health ≠ Health Care
CONTRIBUTIONS TO PREMATURE DEATH

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

Life Expectancy at Age 25

Educational Attainment
- Less than high school
- High-school graduate
- Some college
- College graduate
HEALTH = INCOME

Percent of Children with Less than Very Good Health

Family Income (Percent of Federal Poverty Level)
- <100%
- 100–199%
- 200–399%
- ≥400%
ACROSS ALL RACIAL/ETHNIC GROUPS

Percent of People with Poor Health by Income

<table>
<thead>
<tr>
<th>Family Income (Percent of Federal Poverty Level)</th>
<th>BLACK, NON-HISPANIC</th>
<th>HISPANIC</th>
<th>WHITE, NON-HISPANIC</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;100%</td>
<td>23.9</td>
<td>19.2</td>
<td>20.9</td>
</tr>
<tr>
<td>100–199%</td>
<td>18.3</td>
<td>15.6</td>
<td>14.8</td>
</tr>
<tr>
<td>200–399%</td>
<td>11.2</td>
<td>10.3</td>
<td>7.7</td>
</tr>
<tr>
<td>≥400%</td>
<td>6.8</td>
<td>6.4</td>
<td>4.0</td>
</tr>
</tbody>
</table>
HEALTH DISPARITIES

SHORT DISTANCES: LARGE DIFFERENCES

MINNEAPOLIS – ST PAUL

3 miles could equal up to a 13-year life span difference
IN DETERMINING YOUR HEALTH...

59601 >
PEOPLE GET SICK BECAUSE OF THEIR SOCIAL AND PHYSICAL ENVIRONMENTS

- Schools
- Grocery Stores
- Housing
- Jobs
- Transportation
- Parks and Playgrounds
COMMUNITY DEVELOPMENT IS IN THE ZIP CODE IMPROVEMENT BUSINESS
Four Periods of Building a Better Social Safety Net

1.0  War on Poverty (1960s)
2.0  Comprehensive Community Development (1990s)
3.0  Collective Impact (2012)
4.0  Creating the Market for Health (2018+)
Community Revitalization since 1960s

- **1960’s**
- **1970’s**
- **1980’s**
- **1990’s**
- **2000’s**
- **2010+**
1.0 Legacy: Community Development

- Nonprofit community development corporations (CDCs)
- Banks and for-profit corporations
- Intermediaries: community development financial institutions (CDFIs)
- Partnership with federal, state, and local government
2.0 Comprehensive Community Development
3.0 Collective Impact

- **Common Agenda**
  - Keeps all parties moving towards the same goal

- **Common Progress Measures**
  - Measures that get to the TRUE outcome

- **Mutually Reinforcing Activities**
  - Each expertise is leveraged as part of the overall strategy

- **Communications**
  - This allows a culture of collaboration

- **Backbone Organization**
  - Takes on the role of managing collaboration
“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

WHATWORKSFORAMERICA.ORG
Building Block Ideas for a New Social Safety Net

1. Early Evolution of the Social Safety Net
2. Blaming Capitalism is Not Helpful
3. Differential Diagnosis
4. Health = Sense of Control
5. Complex Adaptive Systems
6. Downstream vs. Upstream
7. Alignment of Interventions is Possible
8. Alignment of Data is Possible
9. Alignment of Funding/Financing is Possible
4.0 The Market that Values Health
BUYERS: ALL WHO ARE WILLING TO PAY FOR BETTER HEALTH
PRODUCERS: ANY ENTITY THAT CAN IMPROVE THE UPSTREAM SOCIAL DETERMINANTS OF HEALTH
CONNECTORS:
THOSE WHO CAN CREATE THE TOOLS TO CONNECT BUYERS TO SELLERS
A MARKET THAT VALUES HEALTH: New Tools Connect Buyers and Sellers

- PAY FOR SUCCESS (SOCIAL IMPACT BONDS)
- PRIZE-BASED PHILANTHROPY
- ADVANCE MARKET COMMITMENTS
- SOCIAL IMPACT GUARANTEES
- OUTCOMES-BASED LOAN MODIFICATIONS
- INVESTMENT TAX CREDITS
- POPULATION HEALTH BUSINESS MODELS
Examples of the Market that Values Health

1. United Health and Chicanos por La Causa
2. Conway Center/Healthy Futures Fund
3. Healthy Neighborhood Equity Fund
4. AIM Healthy Fund
5. LISC $10 billion/10 years commitment
6. CFSI – Household Financial Health
7. NeighborWorks/Enterprise Health Outcomes Demonstration Project
8. CDC National Center for Chronic Disease Prevention
Health is a state of complete physical, mental, and social well-being and not simply the absence of infirmity.

—Constitution of the World Health Organization, 1948

Medieval towns were: “Non-feudal islands in a feudal sea.”

—Adam Smith, Wealth of Nations, 1776
RESOURCES FOR THE NEXT STEPS
RESOURCES

What Matters: Investing in Results to Build Strong, Vibrant Communities
investinresults.org

Build Healthy Places Network
buildhealthyplaces.org

David Erickson
Federal Reserve Bank of San Francisco
David.Erickson@sf.frb.org
@DEricksonSF
THANK YOU!

David Erickson

david.erickson@sf.frb.org
@DERicksonSF