



THE ROLE OF HEALTH INSURANCE IN THE LATINX-WHITER WEALTH GAP IN THE UNITED STATES

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The wealth gap between Latinx individuals and non-Latinx White individuals in the United States is striking. One underexamined contributor to this wealth gap is healthcare coverage or the lack thereof. Given racial/ethnic disparities in healthcare coverage and the fact that healthcare insurance coverage matters for long-term financial wellbeing of individuals and their families, examining the extent to which health insurance policies such as the Affordable Care Act (ACA) impact and potentially reduce the Latinx-White wealth gap is important.

Healthcare and wealth of Latinx and White persons

Many health-related events influence financial vulnerability. The lack of healthcare coverage or being underinsured can threaten financial security by placing the onus on families. Passed in 2010, the Patient Protection and Affordable Care Act (ACA) substantially reduced income-based gaps in healthcare access in the United States by expanding Medicaid eligibility, increasing consumer protections, making health insurance a requirement, with some exceptions, among several other changes. However, even after the passage of the ACA, disparities in healthcare coverage among the Latinx population have persisted.

At the same time, wealth disparities between White persons and people of color are well documented. The Latinx-White wealth gap is the focus of the present study. This study bridges the literature on healthcare coverage inequity with research on wealth inequality by examining the following research questions: 1) To what extent does un-insurance account for the wealth gap between Latinx and non-Latinx, White individuals? 2) How does gaining access to health insurance (via being in an Affordable Care Act expansion state) influence these wealth gaps?

1 in 4 Latinx persons between aged 26 and 62 lacked health insurance

Using the Survey of Income and Program Participation 2014 longitudinal panel, this study captures healthcare and wealth trends. In states that did not participate in the Medicaid expansion, the uninsurance rate of the Latinx population was 30%.

Equalizing the healthcare insurance gap would decrease the Latinx-White wealth gap by about 8%

The results suggest that the ACA expansion increased the net worth among Latinx persons in expansion states, but the effect did not differ for the probability of having any positive net worth.

Implications

- 30% of Latinx population in non-expansion states in this study's sample did not have health insurance.
- Equalizing healthcare insurance can contribute to decreasing the Latinx-White wealth gap but it would not eliminate it.

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