

# A Strong Link: Income and Health

## Understanding Poverty's Role in Well-Being

SEPTEMBER 2014

### Introduction

Money matters. Research has proven time and again that income is a key variable in almost any statistic of health.

Data from the Colorado Health Access Survey (CHAS) show that low-income Coloradans – those with an annual income below 200 percent of the federal poverty level (FPL) – experience statistically significant disparities in health and access to care compared with Coloradans with higher incomes.

**Defining Low Income**  
Coloradans with annual incomes at or below 200 percent of the federal poverty level (FPL) are categorized in the low-income category for this analysis. This means an individual earns below \$23,340 annually, and a family of four has annual earnings below \$47,700.<sup>3</sup>

These income-related disparities are found for health status, health insurance, barriers to care and the use of care.

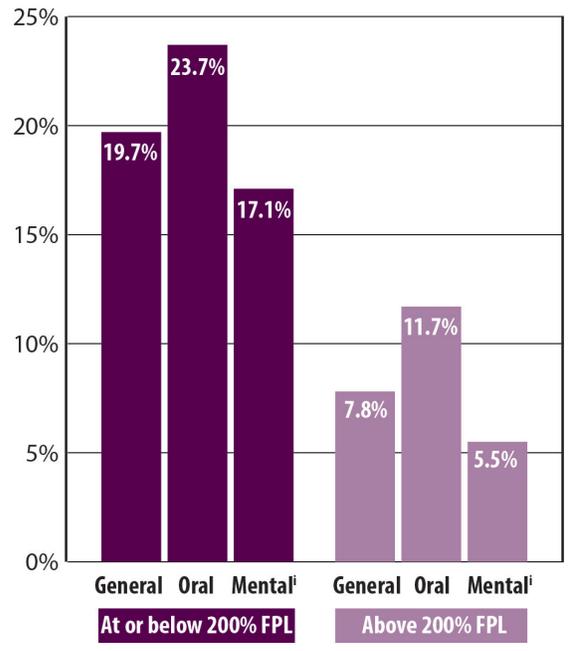
The connection between income and health is important in Colorado, where more than a third of the state's population – nearly 1.6 million Coloradans – are low-income, according to Census data.<sup>1</sup> Data

also show a growing gap in earnings between the state's poorest and wealthiest.<sup>2</sup>

This paper is part of the Survey Snapshot series of analyses based on CHAS data.

**Figure 1. Coloradans, Income and Health Status, 2013**

*Self-reported fair or poor health status*



### What the CHAS Tells Us

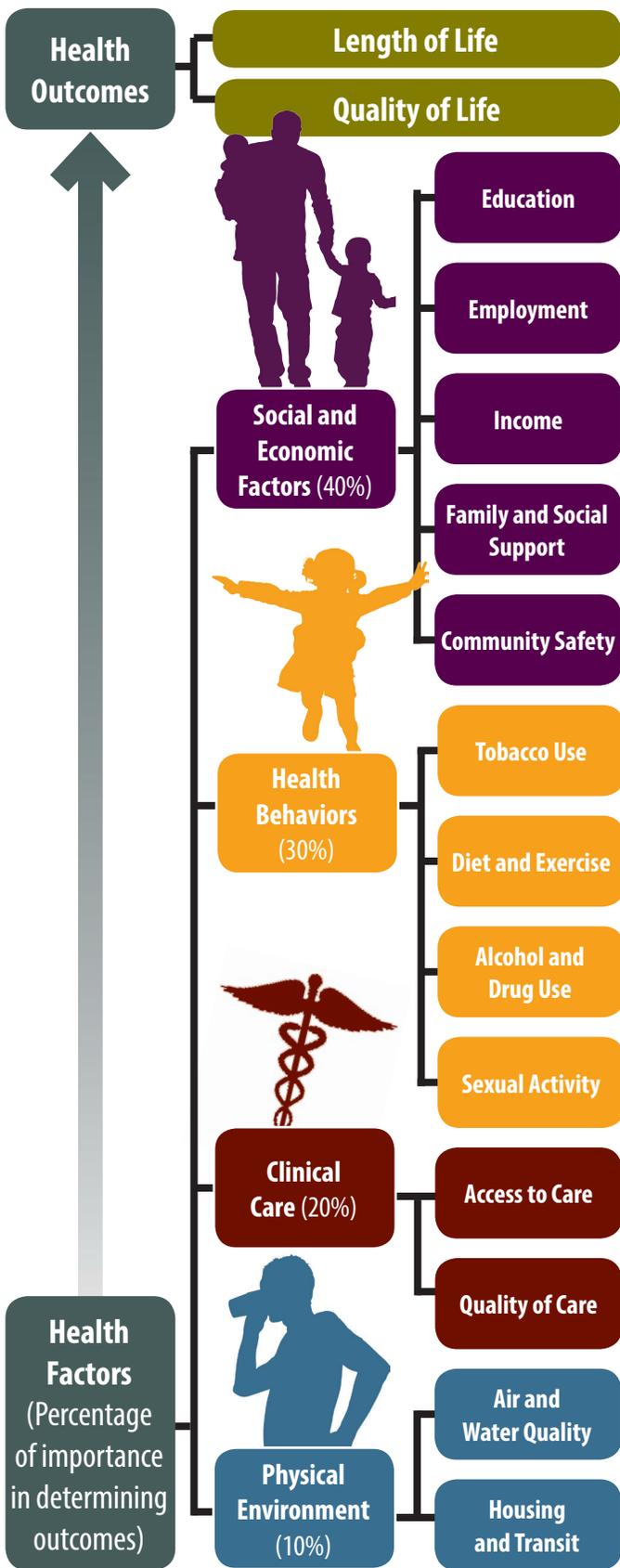
Here is how income affects health, health coverage and health care in Colorado.

#### Health Status

Low-income Coloradans are more likely to report fair or poor health status, the two lowest options, for general health, oral health and mental health. (See Figure 1).

<sup>i</sup> Fair or Poor mental health is defined as reporting eight or more poor mental health days in the past 30. Respondents were told that poor mental health includes stress, depression and problems with emotion. Responses were reported for Coloradans ages five and older.

**Figure 2. Social Determinants of Health**



Source: County Health Rankings Model, Robert Wood Johnson Foundation<sup>5</sup>

- Nearly 20 percent of low-income respondents reported fair or poor general health status compared with 8 percent of the higher-income respondents.
- About one of four low-income respondents reported fair or poor oral health compared with 12 percent of higher-income respondents, the widest gap between income levels.
- Low-income respondents reported fair or poor mental health more than three times the rate, 17 percent, of higher-income respondents (5.5 percent).

**Insurance Coverage**

Low-income Coloradans are nearly three times more likely to be uninsured than their higher-income counterparts. (See Figure 3). About 22 percent of the state’s lower-income residents don’t have health insurance compared with about eight percent of higher-income residents, according to the CHAS.

Recent policy changes at both the state and federal level to expand Medicaid and to offer tax credits to make insurance more affordable are designed to narrow this income-related insurance gap.

Evidence shows that insurance coverage is associated with better health.<sup>4</sup>

**Barriers to Care**

Coloradans with low incomes more frequently report forgoing needed care due to cost. Nearly 18 percent of low-income Coloradans report that they did not see a doctor due to cost compared with eight percent of higher-income Coloradans. Twenty-eight percent of lower-income Coloradans report they did not see a dentist because of cost compared with 12 percent of higher-income Coloradans.

Low-income Coloradans are more likely to report a number of barriers to receiving care, including being unable to get an appointment as soon as it is

**Figure 3. Coloradans, Income and Health Insurance, 2013**



needed, encountering providers who won't accept their insurance or won't accept new patients and not being able to find transportation to the doctor's office. (See Figure 4).

### Use of Health Care

Low-income Coloradans appear more likely to wait to seek care until an urgent need arises. More than half (53 percent) of those with low incomes reported a preventive care visit in the past 12 months compared with 69 percent of people with higher incomes.

About one of four (24 percent) of the low-income respondents reported seeking care in a hospital emergency department or urgent care clinic in the past 12 months compared with 16 percent of those with higher incomes.

## Health Policy Implications

Poverty is complicated, but it clearly impacts health. (See Figure 2.) While Colorado continues to make health policy decisions that should help lessen the health care inequalities of low-income people, there are no easy solutions. Poverty has historical roots and is connected with many factors beyond health, from education to economic opportunity to criminal justice.

A committee established by the Colorado legislature in 2009, the Economic Opportunity Poverty Reduction Task Force, was charged with developing a plan to reduce poverty by at least 50 percent in Colorado by 2019.

A December 2013 report to the legislature from the task force recommended seven bills for consideration. All seven were passed and enacted during the 2014 legislative session.

The new laws expand assistance to pay for child care; help seniors and veterans meet requirements

### New Study: Money and Family

Researchers at Johns Hopkins University who studied nearly 800 Baltimore school children for 25 years, beginning as first-graders, concluded that a family's socioeconomic status greatly influenced a child's future, according to findings released in June 2014.

About half of the children remained at the same socioeconomic level as their parents as they headed into their 30s, the study found. Only 33 children of the nearly 800 moved from the low-income bracket to a high-income bracket.

If family had no bearing, about 70 children would be expected to climb into the high-income bracket, the researchers said.

About 4 percent of the low-income children earned a college degree compared with 45 percent of those from higher brackets.<sup>6</sup>

for public assistance; bolster a program for the needy disabled; focus more efforts on adult literacy; expand housing and heating programs for low-income persons; and address public financing restrictions of community development projects.

## Conclusion

Income matters when it comes to health. As researchers look at what can make a difference in health, social and economic factors play a much larger role than clinical care.

While poverty and other determinants of health are complicated policy and societal issues, the first step is to understand their linkage to health. The CHAS helps to show the linkages – and the stark disparities – among Coloradans.

**Figure 4. Coloradans' Barriers to Care**

Percentage of Coloradans, by Income Range, Reporting Barriers to Receiving Care, 2013	At or Below 200% FPL	Above 200% FPL
Could not get an appointment as soon as one was needed	19.2%	11.6%
Doctor's office was not accepting patients with your type of insurance	11.7%	5.4%
Doctor's office was not accepting new patients	11.7%	5.7%
Could not find transportation to the doctor's office	7.9%	1.5%

## Endnotes

- 1 U.S. Census Bureau, 2013 American Community Survey 1-Year Estimates. <http://www.census.gov/acs/www/#>.
- 2 Colorado Center on Law and Policy. (2013). "State of Working Colorado 2013." P. 32. [http://cclponline.org/wp-content/uploads/2013/11/State-of-Working-Colorado-2013\\_DOC-5.22.13.pdf](http://cclponline.org/wp-content/uploads/2013/11/State-of-Working-Colorado-2013_DOC-5.22.13.pdf).
- 3 Families USA. (February 2014). "Federal Poverty Guidelines." <http://familiesusa.org/product/federal-poverty-guidelines>.
- 4 Institute of Medicine. (February 2009). "America's Uninsured Crisis: Consequences for Health and Health Care." <http://www.iom.edu/~media/Files/Report%20Files/2009/Americas-Uninsured-Crisis-Consequences-for-Health-and-Health-Care/Americas%20Uninsured%20Crisis%202009%20Report%20Brief.pdf>.
- 5 Robert Wood Johnson Foundation. (March 2013). County Health Rankings and Roadmap. <http://www.countyhealthrankings.org/resources/county-health-rankings-model>.
- 6 Johns Hopkins News Network. (June 2014). "Study: Children's life trajectories largely determined by family they are born into." <http://hub.jhu.edu/2014/06/02/karl-alexander-long-shadow-research>.

## CHAS: The Five Ws



**Who:** 10,224 randomly selected households with one person at least 18 years old



**What:** Twenty-minute telephone survey on health insurance, access to health care and use of health care



**When:** Between April 15 and July 27, 2013



**Where:** Statewide, divided equally among 21 Health Statistics Regions

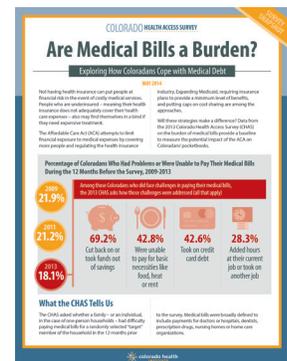
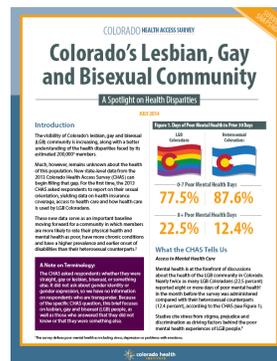


**How:** 4,000 households with cell phones, up from 1,214 in 2011 and 400 in 2009

## COLORADO HEALTH ACCESS SURVEY

# Survey Snapshots Series

The series highlights the diverse data provided by the CHAS. The reports are intended to show the range of data available and to spur further use by stakeholders across the state. Six past installments of "Survey Snapshots," including *Childrens' Oral Health, Churn, Health Disparities, Medical Bills and Underinsurance*, can be found at [coloradohealthinstitute.org](http://coloradohealthinstitute.org)



CHAS Analysis and CHAS Data can be found by clicking the buttons at the top right of the CHI homepage:

[coloradohealthinstitute.org](http://coloradohealthinstitute.org)

The CHAS is funded by **The Colorado Trust**. It is fielded, analyzed and managed by the **Colorado Health Institute**.



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The Colorado Health Institute is a trusted source of independent and objective health information, data and analysis for the state's health care leaders. The Colorado Health Institute is funded by the Caring for Colorado Foundation, Rose Community Foundation, The Colorado Trust and The Colorado Health Foundation.

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