New Findings on the International Relationship between Income Inequality and Population Health

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Abstract

The first objective of this paper is to test the hypothesis that higher levels of income inequality are directly related to lower levels of population health with updated data from around year 2000. The second goal is to examine the inequality-health relationship across the life course with particular focus on old age when income distributions often shift dramatically. Correlation techniques were used to assess the relationship between income inequality (Gini ratio) at ages 0+, 25+, 65+, 75+ and 85+ and life expectancy at corresponding ages (0, 25, 65, 75, 85) by sex, before and after adjusting for average population income. Analyses were conducted on two sets of data: 18 wealthy countries and 28 wealthy and non-wealthy countries. Among wealthy countries the negative association between income inequality and life expectancy at birth becomes insignificant after controlling for average absolute income: the correlation coefficient is reduced from -0.603 to -0.207 for males and -0.605 to 0.024 for females. By contrast, the association becomes increasingly positive and significant across old age, even after controlling for average income. Overall, the data for wealthy nations do not support the hypothesis that higher levels of income inequality are directly related to lower levels of population health. Theoretical and practical implications of the differing effects of income inequality on life expectancy across the life course are discussed.