Why a New Deal 3.0 Matters So Much for Health

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Abstract

Public health experts and policymakers have known for over 150 years that reforms outside the health care system can do more to boost health outcomes than improving the delivery of medical care itself. Dr. John Snow in the 1850s in London demonstrated that the “cure” for cholera involved better municipal water and sewage systems, and had nothing to do with improved treatment of the disease’s victims by doctors and hospitals. In the early 1900s, Dr. Issac M. Rubinow gave up his medical practice among poor immigrants in New York City’s Lower East Side after he became convinced that reducing poverty would do more to improve health outcomes than treatment by doctors. Rubinow became one the U.S. leading experts on social insurance, and his pioneering work helped produce the Social Security Act of 1935.¹

Sadly, the issue of whether, and how, increases in the income of America’s low-income population will improve their health, and to what extent, is poorly understood.

We now know how to dramatically reduce unemployment and poverty in the U.S. by increasing the employment levels, wages, and earnings of America’s low-income population. A growing body of evidence has demonstrated that a simple work-based “policy package”—guaranteed wage-paying jobs, a higher minimum wage, a broader and bigger Earned Income Tax Credit (EITC), and affordable child care, when coupled with a minimum payment above the poverty line for persons receiving disability benefits and

Social Security pensions—can cut the U.S. poverty rate (using a more realistic Supplemental Poverty Measure or SPM) by 50% or more.2

There is scattered evidence that policies like these, standing alone, can produce small gains in population health.3 Unfortunately, there is almost no evidence as to what a “policy package” that cuts poverty by 50%+ would do to enhance health outcomes.4


4 One of the few examples in which a policy package was examined for its impact on population health was the inquiry as whether the participants in the New Hope Project in Milwaukee, WI, in the 1990s self-reported improved health outcomes. The self-reported improvements, however, were not confirmed by independent
This talk will discuss the steadily growing evidence that federal policy packages, based primarily on work, are capable of shrinking SPM poverty in the U.S. by 50% or more, as well as enhancing other facets of economic security. It will summarize some of the evidence that shows how, standing alone, the pieces of a comprehensive anti-poverty policy package can trigger small gains in population health.

The talk will conclude by making the case that public health experts and policymakers should focus on creating a New Deal 3.0 if they really want to improve Americans’ health. Drawing on new knowledge that a well-crafted policy package can dramatically cut poverty in half or more, the public health community should fully absorb the fundamental teaching of Dr. Snow and Dr. Rubinow—that is: look outside the health care delivery system to improve health outcomes—and make its highest priority the enactment of specific, evidence-based, anti-poverty policy packages that hold the potential (more than any other approach) to produce large improvements in the health of the American population.

* David Riemer graduated from Milwaukee’s Riverside High School. After attending Harvard College and Law School, he returned to Wisconsin in 1975 to serve as legal advisor to Governor Patrick Lucey. He later held positions with U.S. Senator Edward Kennedy, Mayor John Norquist, and Governor Jim Doyle. In 20024, Riemer ran against Scott Walker for Milwaukee County Executive. He served as Founding Director and Senior Fellow for the Community Advocates Public Policy Institute.

Additional biographical information is available on David Riemer’s website, www.govinplace.org, at https://www.govinplace.org/introduction/about_the_author/ and https://www.govinplace.org/content/Additional%20Background%20on%20David%20Riemer.pdf
