

MAKING US SICK

Data Shows the Foreclosure Crisis Affects Health

When Princeton Professor Janet Currie decided to look into the health effects of the foreclosure crisis, she expected to see a connection between mortgage defaults and poorer health. She did not necessarily expect to find the significant connection that her recent research shows to exist.



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“The data surprised me,” Currie told me in a telephone interview. “I thought the effects might be too small to see clearly. Instead, they are large and obvious across many types of illness.”

Her findings suggest, at the very least, that cutting back on vital public health and assistance programs — even in the name of deficit reduction — would be a harmful step backward, both for a nation struggling to emerge from recession and for families challenged to stay afloat.

Combining foreclosure data for 2005-2009 with emergency room visit and hospital discharge data, Currie and her colleague Erdal Tekin found that “an increase in the number of foreclosures is associated with increases in medical visits for mental health (anxiety and suicide attempts), for preventable conditions (such as hypertension) and for a broad array of physical complaints that are plausibly stress-related.”

Their study, aptly titled, “Is the Foreclosure Crisis Making Us Sick?”¹, found that for the average ZIP code in their data sample, an increase of 100 foreclosed properties coincides with a 7.2 percent increase in hospital admissions for hypertension and an 8.1 percent increase in diabetes admissions — both among people aged 20 to 49.

In other words, the answer to the authors’ question is certainly yes — the foreclosure crisis is making us sick. And the logic isn’t too difficult to understand: Job loss leads to difficulty staying current with mortgage payments. Foreclosure follows. This increases stress and related mental

and physical health problems. Meanwhile, less or no income decreases the likelihood of visiting the doctor. Untreated conditions then get worse than they otherwise would have been, or manageable stress becomes unmanageable. End result: Foreclosure leads to less healthy families and, thereby, less healthy communities.

Even without foreclosure, job loss takes a heavy toll in personal health. According to the Commonwealth Fund, nine million U.S. residents who lost their jobs between 2008 and 2010 became uninsured. “Most of those could not find affordable coverage from insurance companies, and some were turned down when they applied. Of that number, nearly three-quarters delayed needed care because of the cost.”²

Said Currie, “As we weigh the costs and benefits of different policy interventions to affect the foreclosure crisis, it is important to keep in mind that there are health costs in addition to other

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costs to communities. These costs suggest that more attention to fixing the foreclosure problem may be warranted, and that it is important not to cut back on public health budgets, particularly in communities that have been hard hit.”

Knowing that there is a cause-and-effect relationship between financial and health crises has important implications for health policy and the Affordable Care Act. With debt reduction taking center stage in Washington, policymakers may find it tempting to cut safety-net programs like Medicaid — which is set to expand under the re-



A Shared Statement of Identity for the Catholic Health Ministry

We are the people of Catholic health care, a ministry of the church continuing Jesus' mission of love and healing today. As provider, employer, advocate, citizen—bringing together people of diverse faiths and backgrounds—our ministry is an enduring sign of health care rooted in our belief that every person is a treasure, every life a sacred gift, every human being a unity of body, mind, and spirit.

We work to bring alive the Gospel vision of justice and peace. We answer God's call to foster healing, act with compassion, and promote wellness for all persons and communities, with special attention to our neighbors who are poor, underserved, and most vulnerable. By our service, we strive to transform hurt into hope. 

As the church's ministry of health care, we commit to:

- Promote and Defend Human Dignity
- Attend to the Whole Person
- Care for Poor and Vulnerable Persons
- Promote the Common Good
- Act on Behalf of Justice
- Steward Resources
- Act in Communion with the Church

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form law — simply because of the big dollars involved. Such a step would decimate much of the coverage expansion offered by the Affordable Care Act.

To make such cuts without considering the health and social consequences would be short-sighted and, ultimately, more expensive. If we know that higher foreclosure rates mean more ER visits and preventable chronic conditions, it stands to reason that cutting programs to keep people healthy will only cost more money when those same people are so sick that they land in an ER with no health insurance and a condition that now costs more to treat than if it had been discovered and addressed earlier.

In California, one in every 239 households was foreclosed between July 2010 and July 2011; in Nevada, it was one in every 115 households, according to CNBC. When foreclosures are this widespread, and the economy continues struggling to employ millions of eligible workers, cutting the safety net (even with a scalpel instead of a sword), is ill-advised both in terms of public health and in how our nation treats those who find themselves on the margin.

One of the more fascinating — and illuminating — findings from the foreclosure study is that elderly people are the least impacted by a connection between losing a home and suffering a health setback.

“Anxiety comes from how to keep paying for health insurance,” Currie said. “If you're over 65, you have Medicare. Your health insurance isn't affected [by job loss or foreclosure].” In other words, Medicare works — as a safety net and as a program that prevents illness or keeps it from getting worse and more costly.

Similarly, provisions in the Affordable Care Act — from young adults staying on their parents' plan to seniors

getting new help with high prescription drug costs — must stay on the books so that we expand coverage, protect those who are most vulnerable and improve public health by making sure more people can see a doctor when needed.

Even if Congress can agree on a jobs and deficit package, the economy isn't going to turn on a dime. Foreclosures will continue and so too will their effects on people across the country. As we work to infuse the economy with new energy and stamina, we must advocate for policies that protect those who have been most victimized. And we must work to support policies that keep the safety net intact and prevent people from becoming sick.

Cutting the Affordable Care Act or cutting safety-net programs would not be smart at any time but would be particularly harmful to public health and the national budget if done right now.

We can be wiser and more compassionate. If we want to come out of the current economic crisis with our health, we have to be.

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NOTES

1. Janet Currie and Erdal Tekin, Working Paper Series, “Is The Foreclosure Crisis Making Us Sick?” National Bureau of Economic Research, August 2011. Download available for purchase at www.nber.org/papers/w17310.pdf.

2. Sara R. Collins et al., “Help on the Horizon: How the Recession Has Left Millions of Workers Without Health Insurance, and How Health Reform Will Bring Relief,” Commonwealth Fund, March 2011. www.commonwealthfund.org/-/media/Files/Surveys/2011/1486_Collins_help_on_the_horizon_2010_biennial_survey_report_FINAL_31611.pdf.

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