Health Care Systems Can Help Build Black Wealth

The health care sector can help Black employees and patients reduce debt, maximize income and more.

September 6, 2022 By Laura Schmidt

Health care systems have the potential to help Black communities build wealth, according to a new commentary by experts from Penn Medicine and the Children's Hospital of Philadelphia published in The New England Journal of Medicine.

"Health systems have a choice to make: continue with the status quo or reposition themselves as essential actors in closing the racial wealth gap," said Eugenia South, MD, the paper's first author, an assistant professor of Emergency Medicine in the Perelman School of Medicine at the University of Pennsylvania and faculty director of Penn Medicine's Urban Health Lab, in a Penn Medicine news release. "Large, sustained, societal investments are the only way to address the gap, and health systems have a moral obligation to join the movement."

Study authors noted that while Black Americans account for about 13% of the U.S. population, they hold only about 3% of the country's wealth. What's more, in 2019, the median net worth of Black American families was $24,100, while white American families had a median net worth of $188,200.

The study authors suggest that the health care sector can help Black patients, staff members and communities build wealth in the form of job income, savings and investments.

"For example, the health care sector is the largest U.S. employer and the largest employer of Black Americans, but Black staff members are often among the lowest-paid employees and have the worst health outcomes," said South. "In addition, health systems help to drive their local economies with both job opportunities and purchasing power."

The study's authors suggest that health care systems could help Black patients reduce their expenses by teaching them about public benefits programs, pay employees a living wage and provide free tax-preparation services for patients and employees, decrease debt and increase savings by providing financial counseling to Black staff members (for example, by encouraging them to start saving early for their children by investing in special accounts known as "baby bonds") and more.

“Wealth is foundational to health,” said Atheendar Venkataramani, MD, PhD, an assistant professor of medical ethics and health policy and the director of the Opportunity for Health Lab at Penn Medicine, in the news release. “Wealth affords choice and stability in housing, education and nutrition, all of which are well-studied social determinants of health. Wealth also provides a cushion for dealing with unexpected emergencies and the weathering effects of chronic stressors. Greater wealth has been associated with reduced premature mortality, lower rates of chronic diseases such as hypertension, and improved functional status throughout life.”

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