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“Drivers But Not Beneficiaries of Health Output”

According to the U.S. Department of Commerce, Bureau of Economic Analysis, the US continues a recent increasing trend of accounting for almost 18 percent of gross domestic product (GDP) with expenditures on health-related goods, research, and services in 2018.¹

While other countries may not prepare estimates of health-related expenditures as a share of GDP, countries typically prepare estimates of total government expenditure by function. Table 1 provides statistics on average health-related expenditure (for the health function) as a share of total government expenditure during the year 2015-2018 for the world’s five largest economies.² Clearly, the US appears to be an anomaly by expending an average of 24.4 percent of total government expenditure on health over the period; other nations expend less than 20.0 percent.

Table 1.—Mean Share of Health Expenditure of Total Government Expenditure, 2015-2018

No.	Country	Mean Share of Health Expenditure of Total Government Expenditure
1	China, Peoples Republic of	9.4
2	Germany	16.3
3	Japan	19.8
4	United Kingdom	18.1
5	United States	24.4

Source: International Monetary Fund with **BlackEconomics.org** share computations

A common question is: Why does the US spend so much on health? There are many business model, social/cultural, and economic explanations for the high level of spending on health by the US. We will not entertain those explanations here. Rather, given the current Covid-19 pandemic and recent private individuals’ visits to space, we ask whether US billionaires and their

¹ The health expenditure data compiled for 2007-2018 are the latest available. The related 2020 report, which was prepared by Robert J. Kornfeld, Micah B. Hartman, Nathan A. Espinosa, Regina L. Butler, and Aaron C. Catlin, is available [here](#). Health-related spending as a percentage of GDP increased from 5.0 percent in 1960 to 17.7 percent in 2018.

² The statistics in Table 1 were generated by **BlackEconomics.org** from the International Monetary Fund’s Classifications of the Functions of Government statistics, which are available [here](#). The data compiled for the 2015-2018 period are the latest available consistently across all five countries.

counterparts from around the globe are evolving an “Elysium-type” world where scientists master the mysteries and challenges of diseases, health, and life; however, that science is only made available to those who can afford it?^{3,4}

This question is particularly relevant for Black Americans because, under current circumstances, we know that most of us are unlikely to be able to afford the very special and expensive medical science of the future.

At the same time, we know that we may be contributing significantly to research that will lead to an “Elysium-like” world because:

- Comedian, Civil Rights Activist, and 1968 Presidential Candidate, Dick Gregory, warned repeatedly that Black Americans were the subject of organ harvesting for transplant and research purposes.⁵
- It is well known among Black funeral directors that the bodies of young Black Americans who are killed by gun violence reflect missing organs—again for transplant and research purposes.⁶
- Black Americans are very much underrepresented in health research, services, and related fields, and we are excluded from much of the high-level medical science research ongoing in the nation.⁷

Moreover, according to the U.S. Department of Labor, Bureau of Labor Statistics, the share of spending on health-related goods and services as a percentage of total household expenditure increased by an average of 5.5 percent for Black American households over the period 2016-2020, while it only increased an average of 1.2 percent for White American households.⁸

³ “Elysium” is a 2013 science fiction movie that concerns two worlds: (1) A perfect world in outer space where cures for all diseases and an endless life are available; and (2) a miserable world on Earth where poverty, chaos, disease, and death abound. Interestingly, “Elysium” mimics in many ways a 1974 movie entitled, “Zardoz.”

⁴ It is logical that the more resources that are expended on health, the greater the likelihood that scientists will master disease, health, and life mysteries and challenges.

⁵ See the YouTube video “[Dick Gregory: Organ Harvesting Documentary: The New Atlanta Murders Conspiracy?](#)”

⁶ See the YouTube video “[Black Funeral Director has a Message for Young Black men.](#)”

⁷ We anchor this statement in statistic for 2020 from the US Department of Labor, Bureau of Labor Statistic, Current Population Survey, Table 18. Employed persons by detailed industry, sex, race, and Hispanic or Latino ethnicity. The table is available [here](#). Using these data, we estimate that Blacks represent about 12.5 percent (~1.8 million out of a total of ~14.8 million) of persons employed in the following broad industries: Scientific research and development services*; Colleges, universities, and professional schools, including junior colleges*; General medical and surgical hospitals, and specialty (except psychiatric and substance abuse) hospitals; Psychiatric and substance abuse hospitals; Offices of physicians; Offices of dentists; Offices of chiropractors; Offices of optometrists; and Offices of other health practitioners. Notably, Black Americans comprise about 13 percent of the US population. The asterisked (*) industries are very broad and include much more than health research, services, and related activities. Moreover, it is common knowledge that Black employment in many of these industries is mainly at the lowest levels of operation.

⁸ These statistics are derived from US Department of Labor, Bureau of Labor Statistics data for the years 2015-2020 as shown on Lines 467 of Table 2100. Race of reference person: Annual expenditure means, shares, standard errors, and coefficients of variation, Consumer Expenditure Survey, 2020. The annual tables are available [here](#). Note that these statistics understate Black American interaction with health industries because they do not reflect fully government supported health services that are provided to Black Americans exclusive of out-of-pocket expenditures.

In this context, we should ask: How many times have our doctors performed procedures or ordered tests that did not fit neatly into a logical sequence for resolving our medical condition?

The point of all of the foregoing is just to bring to mind that the US has bet big on making health-related goods, research, and services a very significant component of the output that the nation produces.⁹ Accordingly, if the economy is to grow, then health expenditures must grow.

Knowing this, Black Americans should do all that we can to benefit from this ongoing process of expanding health output. We can accomplish this by motivating our youth to pursue careers in health goods, research, and services fields and to use their new-found knowledge to improve our health outcomes. It is common knowledge that Black Americans experience one of the nation's highest infant mortality rates and shortest life expectancies—just two of the many indicators of the poor state of Black America's health.

On the other hand, we should also make every effort to avoid being physical subjects who are exploited (without full compensation) to solve medical science mysteries and challenges.

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⁹ We believe that it is safe to say that this statement applies to the broader world as well.