Letting the Gini out of the Bottle – How Income Inequality Harms Population Health and Wellbeing

A variety of social ills has been ascribed to income inequality including reduced long-term economic growth, stagnating inter-generational social mobility, political polarization, corruption, and violent crime. In this presentation I will review evidence linking income inequality to reduced population health and wellbeing. Income inequality is postulated to harm health through two distinct mechanisms. The first mechanism is via social comparisons produced by relative income differences. Upward social comparisons engender psychosocial reactions among individuals at the bottom, including feelings of anger, frustration, hopelessness, and despair. These reactions are in turn reflected by higher rates of violence, bullying, drug and alcohol misuse, and mental health problems. Moreover, the theory of social comparisons is not limited to the harms resulting from upward comparisons. Downward social comparisons also result in rich people becoming more selfish, less empathic, more entitled and scornful. In addition to social comparisons, income inequality is associated with a variety of pollution effects. As economic and political power becomes more concentrated, national politics begin to reflect the priorities of the rich, specifically in the form of tax cuts which translate to reductions in social spending affecting the quality of life for the rest of society. Private equity firms — which represent the concentration of wealth — are also actively driving up the price of essential goods (such as housing) or driving down the quality of essential services (such as medical care). The result is a Sherriff-of-Nottingham style redistribution of wealth and wellbeing from the bottom of the income distribution toward the top.