Tsunami

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ed at more than six times the rate of whites. (2.2 percent for blacks vs. 0.35 percent for whites) The rate of incarceration for Hispanics was similarly higher at 0.88, approximately two and one half times the rate for whites. While there are many reasons for the disproportionate imprisonment of people of color including racist drug sentencing laws that disproportionately target crack cocaine, a preferred drug of choice in black communities, vs. powder cocaine, and so-called "frisk and release" policing policies popular in many cities, most particularly New York City, significant data suggest the close correlation between income levels and their close cousin, level of education achieved, on incarceration levels.

Why is this important? In 2005, the average cost of housing a prisoner for a year in the United States was $23, 876, or $27,192 in 2011 dollars. In 2008, the Center for Economic and Policy Research estimates that the U.S. spent $75 billion on incarceration. Assuming current incarceration rates, as described above, continue, by 2040, we can anticipate that overall incarceration rates will rise from 753 to 798 per 100,000 while the number of individuals in prison will rise from its current level of just over 2,000,000 to nearly 4,000,000. At 3.4 percent of state spending, there is marked concern today at the state level that prison spending is crowding out spending for education and other state priorities. Under the scenario outlined above, by 2040, it will account for nearly 7 percent of state spending.

Nowhere is the impact of the socio-economic and health disparities between races and ethnicities more alarming, from an economic or financial standpoint, than in the area of health. As Delia Carmen, Executive Director of the Annie E. Casey-funded Race Matters Institute, has noted, equity "is not work that needs to be done; it is the work." The Joint Center for Political and Economic Studies has estimated during the four-year period between 2003 and 2006, racial and ethnic disparities in health status cost the nation $1.24 trillion, $229 billion in direct health outlays. This translates roughly into $625 per Hispanic and/or African American per year for direct health costs alone. (While Asian Americans also experience disparities in health, the disparities are lower than is the case with blacks and Hispanics. Native Americans experience the worst health of any population in the United States but the Indian Health Service is funded through the mechanism of appropriation rather than entitlement, and the population is much smaller although growing more rapidly). Extrapolating to the year 2040, we can anticipate that the economic impact of the demographic tsunami currently underway to be approximately $1.5 trillion per year, fully two-thirds of current total direct annual expenditure on health care in the United States. Including indirect costs, the bill rises to roughly $7.9 trillion per year.

Nothing, of course, is static. For example, immigration from Latin America, in particular Mexico, has slowed dramatically over the past four years. Hispanic birth rates have been falling as well. Educational attainment has been improving. But the reality is that, despite the election of the first president of color in the United States, race still matters, and it matters a great deal.

It has been noted that social determinants of health are responsible for 70 percent or more of all health care costs. Those social determinants include income, education, healthy child development, personal health practices, and physical environment. People of color have always experienced poor social determinants including worse schools, higher incarceration rates, poor food and physical environments, etc. The relative lack of investment into disadvantaged communities has resulted in significant and severe disparities in socio-economic status, costs that are borne by taxpayers in the form of increased outlays for prisons, social welfare, and health care, amongst others. The major demographic shifts underway, outlined above, greatly magnify and exacerbate these costs to the point of unsustainability. What was once simply the economic and social cost of racism becomes, under this demographic tsunami, the unraveling of the very fabric of the nation.

It is important to note that the return on investment to address the social determinants of health, also known as upstream investments, is long-term, twenty years and

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