

PARTNERSHIP FOR AMERICA'S ECONOMIC SUCCESS



DECEMBER 2009



Delivering Healthier Babies and Economic Returns

American businesses and communities are paying a high price in medical fees and lost productivity caused by unhealthy births. In 2005, 15.4 percent of all U.S. births were complicated by a low-birthweight and/or preterm delivery.¹ The additional expenses needed to address these adverse conditions typically range from \$28,000 to \$40,000, but can amount to \$140,000 or more for babies born too small or too early.

The problem is serious and getting worse. The percentage of preterm births in the U.S. has risen substantially in recent

decades, from 9.5 percent in 1981 to 12.7 percent in 2005. Among U.S. women who are most at risk—those who are poor or African American—the rates of low-birthweight deliveries are comparable to those in Cambodia and Nigeria.²

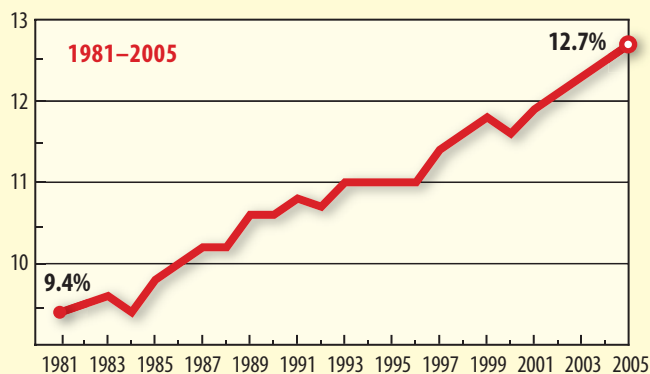
Our nation and its businesses suffer the consequences of unhealthy births over the short and long-term. Indeed, 41 percent of all births are covered by Medicaid, meaning that taxpayers are picking up the bill in many cases. Furthermore, a child's health at birth has life-long ripple effects. On average, being born low birthweight means that by middle age, a person will have the health problems of someone who is 12 years older. It also increases the odds of dropping out of high school by one third (4 percentage points); lowers labor force participation by 5 percentage points; and reduces age 35 labor market earnings by roughly 15%.³

This brief describes how increased investment in a few proven strategies would reduce the number of unhealthy births and, in some cases, generate savings greater than the costs of such preventive programs.

Child Health Begins Before Birth

Babies are developing rapidly in the third trimester of pregnancy, and each week means critical progress toward preparation for a healthy start. When they fail to get proper nutrition in utero or are born prematurely, brain and body development are interrupted, with consequences that can be costly.

Percentage of live births preterm in the United States



SOURCE: CDC/NCHS, National Vital Statistics System.

Adding to the societal cost due to increasing numbers of poor-outcome births, the average hospital cost for such births nearly tripled between 1993 and 2005, from \$43,000 to \$119,000.

Many babies born too early or too small require more medical attention—x-rays, medication, and other services—and longer hospital stays. Longer-term costs extend beyond health; if brain development is affected, a child may need special education services or be at higher risk of grade repetition. Long-term costs can be substantial for families, schools, and states.

While the causes of poor birth health are not entirely understood, healthy, well-nourished women who do not smoke and who see a doctor early and regularly are much more likely to give birth to full-term babies of healthy weight. Policies, at the federal and state level, that promote these conditions thus also support the development of a productive workforce, now and in the future.

Effective policies:

- **Ensuring that all women have regular access to a doctor**—not just after they become pregnant, but well before—and that care during pregnancy includes health counseling on the importance of good nutrition and the risks of smoking.

- **Increasing the availability of the federal Women Infants and Children (WIC) nutrition support program**, which is particularly cost-effective for pregnant women.⁴
- **Providing evidence-based smoking cessation programs**, which have been shown to return as much as \$12 per dollar spent working with pregnant women.
- **Providing home visits to at-risk families:** studies of the Nurse Family Partnership and the Healthy Families New York home visiting programs both found a dramatic drop in low birthweight births among participating families.

With the well-being of not only our youngest residents, but America's pocketbook and future workers on the line, business leaders have powerful reasons to advocate for these evidence-based policies.

This policy brief, written by Elaine Weiss, is based on research done for the Partnership for America's Economic Success by Drs. Angela Fertig and Phaedra Corso of the University of Georgia, Athens. Unless otherwise noted, all statistics are from their full report, which is available on the Partnership website, www.partnershipforsuccess.org. The authors thank Dr. Janet Currie for her review and helpful suggestions.

¹ While closely correlated and often overlapping, preterm and low birth weight are distinct conditions, statistics often exist for one or the other, but not both or jointly.

² In 2005, low birthweight rates were 8.2% overall, 11% for low-income women, and 14% for African Americans. CDC, National Vital Statistics and Reports 2007, and Currie and Lin, "Chipping Away at Health," *Health Affairs*, March/April 2007.

³ Johnson, Rucker, and Robert Schoeni, "The Influence of Early Life Events on Human Capital, Health Status, and Labor Market Outcomes Over the Life Course," National Poverty Center Working Paper, Jan. 2007.

⁴ Because poor birth outcomes are so expensive, avoiding or reducing them represents substantial savings.



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The Partnership for America's Economic Success is a national coalition of business executives, economists, funders and civic leaders mobilizing business to improve tomorrow's economy through smart policy investments in young children today. It is managed by The Pew Charitable Trusts and funded by Robert Dugger, the George Gund Foundation, John D. and Catherine T. MacArthur Foundation, Ohio Children's Foundation, The Pew Charitable Trusts and Scholastic, Inc.