



An introduction to understanding **health equity** for employers



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Summary

In 2023, 92% of the U.S. population had health insurance.¹ While this number is reassuring, it also means that 8% of Americans—about 26 million people—do not have adequate health insurance coverage.² Plus, when you take a closer look at the 92% who are insured, you find visible differences in coverage and access based on factors such as income, [race](#), and [ethnicity](#). When people are underinsured and have limited access to high-quality health care, it's difficult for them to adequately fulfill their medical needs.

In the U.S., we can see distinct patterns in the groups that are most often uninsured or underinsured. Unsurprisingly, these same groups are more likely to experience [health disparities](#) or preventable differences in health outcomes and risks relating to illness, death, disease, violence, and injury.

Examples include:

- **Gender disparities:** [Gender nonconforming](#) and [transgender](#) individuals can experience mistreatment, willful ignorance, and [discrimination](#) when trying to access adequate care.³
- **Educational disparities:** Historically marginalized groups frequently do not have access to high-quality education. This can lead to lower reading and math levels and fewer students completing high school and entering college. Poor health impacts academic performance for youth while educational outcomes impact future health for adults. Health literacy is also limited for vulnerable people, such as those with lower education levels.⁴
- **Geographic disparities:** Communities in rural areas may have fewer health care providers and facilities that can accommodate a diverse range of health care needs.³
- **Racial and ethnic disparities:** Non-white people—specifically Black, Latino, and Native American populations—often experience a wide range of health disparities, including maternal [mortality](#), infant mortality, and higher rates of [chronic disease](#).³
- **Sex disparities:** Women are more likely to experience [prejudice](#), [stereotyping](#), [bias](#), and clinical uncertainty compared to men. As a result, women are more likely to develop conditions such as depression and autoimmune diseases, and they often experience worse cancer prognoses due to inadequate cervical and breast cancer screenings.⁵
- **Socioeconomic disparities:** Low-income populations or people who live in poverty are more likely to have limited access to healthy food options, safe neighborhoods, affordable housing, transportation, quality health care, and other resources that contribute to good mental and physical health.³

These disparities can lead to fear and avoidance of the health care system, which contributes to poor health outcomes. As you can see, this is a complex challenge with many contributing factors. However, employers can do more to address the health disparities that their employees may be facing. When all employees have full access to the resources they need to be their best healthy selves, they are more productive and more engaged at work.

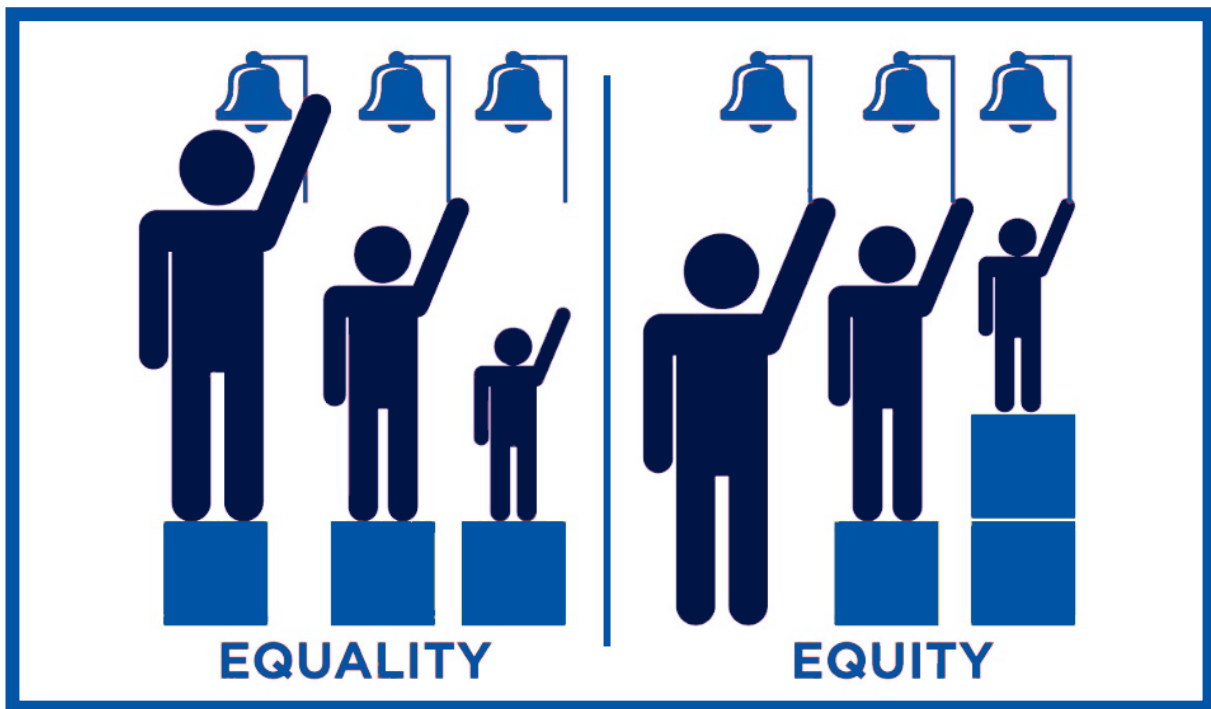


Health Equality vs. Health Equity

Health equality means providing everyone with equal services, care, and opportunities regardless of their circumstances. This is different from health equity, which is the elimination of institutional and discriminatory barriers that place some people at an unfair and avoidable disadvantage in achieving their full health potential. It prioritizes justice—ensuring that everybody, regardless of their background, has access to resources that enable them to be as healthy as possible.

While both health equity and health equality strive for better outcomes, health equity acknowledges that there are disadvantaged groups and works to create an even playing field for those people.

Achieving health equity requires a continuous process of recognizing existing barriers and allocating the necessary resources and support to help marginalized groups overcome those barriers.





Why is health equity needed?

Health equity acknowledges that not everyone has a clear path to the best health outcomes. Moreover, providing everyone with the exact same path does not account for the obstacles or [structural barriers](#) that exist and have always existed. This is evident from the health disparities that occur across various disadvantaged populations.

Promoting health equity in the workplace makes more sense than you might think: employers provide their employees with steady income, workplace benefits, and financial stability, and they are often an important part of their community due to their physical location and/or the products and services they provide. For these reasons, it is an employer's responsibility to pursue health equity and support the health and well-being of their employees.



Key impacts of health inequity

Significant financial costs

Health inequity in the U.S. is costly, and it's only getting worse each year. Recent research shows that racial and ethnic health disparities cost the U.S. economy about \$451 billion in 2018, while education-related health disparities for people without a college degree cost the U.S. economy about \$978 billion.⁶ According to the Deloitte Health Equity Institute report, health inequities account for roughly \$42 billion in lost productivity per year and cost about \$15.6 billion in unnecessary spending for the treatment of diabetes and \$2.4 billion in unnecessary spending for the treatment of asthma.⁷

When employees are disproportionately affected by high-cost diseases and premature mortality, it can lead to increased health care costs, high absenteeism, low productivity, and high turnover in the workplace.

Weakened population health

Poor health outcomes for disadvantaged communities lead to poor health outcomes for everyone. When the quality of care improves for affected groups, this improves the health of the population overall.⁸

When employees are battling avoidable health challenges, it can impact everyone. Lost working hours leads to more sick pay for absent workers, increased costs associated with temporary staffing, customer dissatisfaction, and other employees feeling overwhelmed and losing motivation from having to cover for their absent colleagues.

Avoidance of medical care

Health equity can impact health care utilization. When communities are mistreated, they may avoid the health care system out of fear that the mistreatment will happen again. As a result, their health conditions are left untreated and can worsen to the point where a costly trip to the emergency room is their only recourse.⁹

Employers who offer health benefits could find themselves at a financial disadvantage if their employees don't actually use those benefits. Annual physical exams and other preventive screenings can help identify health issues and promote employee well-being and longevity.



How can employers advance health equity in the workplace?

Employers have an opportunity to advance health equity through their work culture, benefits, and resources. Here are some strategies to consider:

Talk to employees to gain insight

Ask your employees how they are impacted by health disparities in the workplace, then turn that information into action. Send surveys and hold meetings to discuss your employees' current health benefits and learn whether they have unmet needs. Do your employees want more PTO options, greater work flexibility, more time for personal care and well-being, or improved access to basic needs such as food, housing, and transportation? As you incorporate this feedback to revamp your benefit offerings, be sure to provide periodic instructions and overviews so employees fully understand how to use their benefits.

Offer health networks that include culturally competent providers

Employees are more likely to select a primary care physician and use their benefits if they have access to providers who understand their backgrounds and experiences. For this reason, employees should have access to in-depth provider search capabilities using digital tools and/or care coordinators. A beneficial provider search is one that can provide details such as race, ethnicity, preferred pronouns, language, religion, experience with specific populations, patient reviews, etc. Consider integrating telehealth options into offerings since they can provide an extra layer of convenience for those who cannot travel but have access to technology. Telehealth systems can also expand the pool of culturally competent and compassionate providers that employees can choose from.

Leverage unique policies and programs to meet employee needs

Design policies that support a healthy work/life balance and offer programs that focus on financial planning, mental health, and education support. Institute health and wellness stipends for employees to spend according to their well-being needs. You can also partner with local organizations and businesses that provide resources that are pertinent to your employees' interests.

Walk the walk with your hiring, pay and people operations

Assess your organization's stance on pay equity, leadership diversity, and strategies for hiring, retention, and promotions. Develop a plan to approach these areas with a fresh perspective that acknowledges the inequalities that exist and creates a new path to build an equitable environment for all. Employers have the power to directly impact income disparities and contribute to economic stability for their employees.



An example of health equity in action

Below is an example of a potential approach that an employer could take to address health inequity in the workplace. While the disparity is real, this is not a true story—it was created to spark inspiration.

- 1 | After speaking with our employees, internal data revealed:**
40% of our employees were planning and/or expecting a family. In our discussion, we learned that Black expectant parents had a fear of giving birth due to a growing awareness of maternal health disparities.
- 2 | The research says:**
 - Black women are three times more likely to die from a pregnancy-related cause than White women.¹⁰
 - Black people received worse care than White people for 52% of quality measures.¹¹
 - [Doula](#) care results in various improved health outcomes, including a 47% lower risk of cesarean delivery and a 29% lower risk of pre-term birth. Additionally, those who use doula services are 46% more likely to attend a postpartum checkup.¹²
- 3 | The contributing factors are:**
Implicit bias, structural racism, underlying chronic conditions, and quality health care.¹⁰
- 4 | Our immediate strategy was to:**
Offer doula care and cover 100% of the costs through pregnancy and during the first 6 months of the postpartum stage for all expectant families.



Glossary of Key Terms

bias: a personal outlook that can unfairly influence your support or opposition of someone or something

chronic disease: a medical condition that is persistent or long-lasting in its effects—such as cancer, diabetes, or heart disease—and often has a significant impact on a person’s quality of life

discrimination: the unjust treatment of people and groups based on characteristics such as sexual orientation, race, ethnicity, gender, age, sex, or disability

doula: trained professionals who provide emotional, physical, and informational support to pregnant and birthing people

ethnicity: an affiliation amongst a group of people who share traditions, religion, language, culture, history, ancestry, or nationality—and which can evolve over time

gender nonconforming: when someone’s gender expression doesn’t match society’s prescribed gender norms and roles

health disparity: a health difference that harmfully affects disadvantaged populations

health equality: everyone is given the same resources regardless of their circumstances

health equity: the continuous process of ensuring everyone has a fair and just opportunity to be as healthy as possible by removing obstacles and providing the necessary resources and opportunities

mortality: the state of being subject to death

prejudice: a preconceived negative opinion, idea, or belief without adequate evidence

race: a social construct designed to divide humans into groups based on physical traits that are regarded as common among people of shared ancestry

racism: a discriminatory belief system based on perceived racial inferiority as well as the systemic oppression of a racial group for the economic, social, and political advantage of another

stereotyping: having over-generalized beliefs about a particular group of people

structural barriers: systematic obstacles within societal frameworks that prevent individuals or groups from accessing resources and achieving equal opportunities—often rooted in laws, policies, and institutional practices that perpetuate inequality

transgender: a person whose gender identity is different from the sex they were assigned at birth



Conclusion

Everyone has a role in advancing health equity—especially employers. Employees spend a significant portion of their lives working, and employers have an opportunity to enhance this experience. When employers approach their benefits, work culture, programs, and resources with a focus on health equity, everyone benefits. Employees are healthier when they can stay financially stable, work in an equitable environment that supports their well-being, and have access to the health care providers and tools they need to be successful. Likewise, employers will experience lower health care costs, reduced absenteeism and turnover rates, and higher productivity.

Leaders and managers should cultivate an environment that supports the unique needs of their employees. The ultimate goal is to eliminate barriers for disadvantaged groups and ensure that everyone can access high-quality health care and experience the best health outcomes. A healthy workforce is a productive and happier workforce for all. Are you ready to transform your workplace through the lens of health equity?

Allstate Benefits offers a variety of voluntary workplace wellness options to help both employers and employees live their lives healthier, happier and more productively.

Contact an Allstate Benefits sales representative to learn more. Being in good hands is the only place to be.®

Sources

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This material is valid as long as information remains current, but in no event later than January 1, 2028.

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