

Princeton University Press Ideas Podcast

Interview with Anne Case

Marshall Poe

Welcome to the New Books Network.

Hello, everybody. This is Marshall Poe. I'm the editor to the New Books Network, and this is part of the Princeton University Press Ideas Podcast series and today we are very lucky to have Anne Case on the show and we'll be talking about her book, which she co-authored with Angus Deaton, called *Deaths of Despair and the Future of Capitalism*. It's out from Princeton University Press in 2020. Welcome to the show, Anne.

Anne Case

Thank you very much, Marshall. It's a pleasure to be here.

Marshall Poe

Absolutely, **my** pleasure. So, could you begin the interview by telling us a little bit about yourself?

Anne Case

Yes. I am a professor emeritus at Princeton, but I'm still teaching there in the master's program and the School of Public and International Affairs. I've spent most of my working life as a professor at Princeton--trained as an economist, but with interest in social science more broadly.

Marshall Poe

Thank you very much for that. So, let's turn directly to the book. And one of the things I liked about your book is that it begins with an unexpected observation--a kind of anomaly in the data. Can you talk a little bit about that?

Anne Case

Yes. So Angus, my co-author and I, who are married, we spend every August in Montana taking a working holiday in the beautiful Rocky Mountains, and we were there working on a paper on suicide, actually, because we wanted to see whether or not the measures that we currently have on self-reported life evaluation or self-reported happiness--what are they picking up? And we thought well, they should at least be picking up the fact that in places where suicides are high those ought to be places, we thought, where people say that their lives are not going especially well. So, when we started looking at the data, we were really surprised because where we were sitting in Madison County, Montana had one of the highest suicide rates in the country and where we spend most of the year, which is Mercer County, New Jersey, where Princeton is, has one of the lowest and we thought whoa--we come out here. It's beautiful. The mountains are gorgeous people seem really happy. Why is it the case that people here are more likely to take their own lives? So, that was sort of the anomaly--was that we just assumed that people in the east must be more likely and people among the Rocky Mountains must be less likely and it actually turns out that it's the other way around.

Marshall Poe

And to be a little bit more specific, you then launched into an analysis of three kinds of causes of mortality. You call them jointly deaths of despair. That is, suicides, drug overdoses and liver disease caused by excessive use of alcohol. Anne: could you describe the way the trends were going prior to, I think the right date is about 1998, and then what happened to those rates after that period?

Anne Case

Sure. In fact, I should pick up the story a tiny bit before that, which is that we saw that suicide rates when we looked at them for the country as a whole were going up and had been going up since the mid-1990s. We thought, whoa. Well, let's put this in perspective. So, we thought we'd look at what's happening to mortality rates overall for people in middle age, and we were really surprised to find that mortality rates for whites in America had been going up since the late 1990s and that's just not supposed to happen. All over the rich world, mortality rates in midlife were falling really nicely and they were falling really nicely at that point for Hispanics in America and for black non-Hispanics. But for whites they went the wrong way and we were stunned. We thought if this is really happening, somebody must already know this. So, we took these results around to people we knew at medical schools. We talked to demographers and it came as a surprise to everyone and then when we looked at well, what's actually causing these suicides--what's actually causing these mortality rates for whites in midlife to go up, we found that the three causes of death that were rising most rapidly were, as you were saying, suicide, drugs and alcohol.

So, these we thought of as being--how we kind of bin them together because they're all in a sense death by one's own hand. It's also sort of hard for a coroner or a medical examiner to sometimes know whether or not this death was intentional or whether this was an accident. So, when you bin them together in a sense, it doesn't matter whether it was intentional or it was an accident. It was something that should not have happened.

And so we decided we would look in further and so we started to dig and dig and dig to try to figure out why is this happening. And at that point in time--it's changed a bit since then, which we can talk about--but why between the early 1990s and the mid 2010's were these rates going up for this most privileged group in the US--whites on average have more education--whites on average have higher incomes. They hold more status. So, what was happening to this group?

I could go on...I'm throwing...

Marshall Poe

Oh no, please go ahead.

Anne Case

Okay. A very important part of this story is that is when we say this group of whites it turns out that these more deaths by one's own hand from these causes was not happening for people who had been to college and gotten a four-year college degree. So, if you divide people into BA/not BA category people with a BA look like people in the rest of the rich world. Mortality rates were falling, but for people without a bachelor's degree the rates were rising. A little bit, now, people who had had some college looked a little bit better than people who had just finished high school, but they looked a lot more like people who finished high school than they looked like people with a BA. So, for most of the work we divided into this group that was blessed with the BA and the group that was not.

And then we found that it's not just that excess mortality has been a cloud that has come in and landed over this group. It's also the case that their lives have been coming apart for a very long time and mostly coming apart under the radar.

There are these large nationally representative surveys run by the CDC called things like the National Health Interview Survey or the Behavioral Risk Factor Surveillance System survey and what they showed was year-on-year, people without a BA were reporting more pain. They were reporting poor mental health. They were reporting that they were having difficulties socializing with friends.

None of that was happening for people with a BA, but for people without a BA their physical health, their mental health and then also these deaths of despair had all come and landed on them.

Marshall Poe

So specifically then, you concentrate on the cohort of middle-aged white men without bachelor's degrees. And in the book, you say it's 38 percent of the working-age population in the U.S. Is that right?

Anne Case

Yeah, right. It's actually men and women. It's really interesting Marshall, because the press, when they were writing up the papers that we wrote that we made part of the book by digging further into it--when the press would write up the research, they would say men and women which is right, but then the headline writers would say "white men dying." And it turns out, I think, they were saying that because they couldn't imagine that women would kill themselves in those ways.

And if you go back far enough in the data women did not kill themselves with drugs and alcohol and suicide, but that has changed. So, while men are more likely to kill themselves in these ways the trend of the increase over this period of time was nearly identical for men and women. And in the first work that we did on this, we looked at like one specific age group because we wanted to be very precise.

But what we found when we dug into it for the book that it's almost that you want to look at it as an age group like that, you know, people when they get to their mid 50s are suddenly at high risk. A better way to think about it was actually to think about it relative to the year you were born. So that people who are born in 1940 who would have been 60, say, in year 2000 had a lower risk of dying from one of these deaths of despair than people who are born in 1950 who would have been 60, say, in 2010. For every birth cohort, the later the birth cohort the more likely they were to die a death of despair at any given age. And the differences are quite enormous for people without a BA. For people with a BA, there's no birth cohort effect at all. You see a sort of what Durkheim might have predicted back when he wrote about suicide in 1897, which was that suicides rise with age and then they sort of level off. He actually would have thought that they would rise with age till the end of age. But what we're finding is that if you were born in 1970 your risk is higher than if you were born in 1960 and if you're born in 1960 your risk is higher than if you were born in 1950.

So, it's not just like the Baby Boomers. You know, they all went through the Summer of Love. They started to take drugs. Once they exit stage right, everything's going to be okay again. No, that's actually not what we're finding. We're finding it's worse for Gen X, worse still for Gen Y and worse still for, like, the millennials.

Marshall Poe

So, there's a generational aspect to this group. As you say, they're in particular birth cohorts. Is there also a geographic aspect? Are they more highly represented in parts of the country or in rural or urban areas?

Anne Case

Yeah, we would have thought that. In fact, we did think that before we actually started looking at the data. There are a couple of ways to answer that question. One is that in every state in the U.S. mortality rates from each one of those causes taken separately was higher in the late 2010s than it was in 2000.

So, the rates have gone up everywhere. Now, which of these three—suicide, drugs, alcohol—is the poison that gets picked is a little bit different state by state. So, for example, in West Virginia

mortality from drug overdose went sky-high, but mortality from alcoholic liver disease didn't. Whereas, for example, in Mississippi rates from alcohol increased quite dramatically and rates from drug overdose less so.

So, we think of it as being more or less a pick your poison kind of problem here where some people are soothing the beast with drugs, some people are soothing the beast with alcohol and people who just can't soothe beast end up killing themselves. So, it's grim. But what we also found was that the press would like to make this a story about rural areas. And so, like, a reporter will call on the phone and say, "I want to cover this crisis--tell me where in West Virginia I should go." And I want to say to the person, "Look, why don't you go to Baltimore city? It's a lot closer to where you live and it's happening there, too."

So, in all levels of urbanization from you know, big metropolitan areas through to rural areas, the trends are almost identical between them. I think maybe the press wants to cover the rural areas because again, like what they thought about women, was gosh if it's happening in rural areas, that's really stunning because rural areas should be places where people are really healthy and there's clean air and life is beautiful. I think maybe that's why the rural areas got special attention, but it's really a problem.

I'll have to say the first week that the Princeton police had naloxone in the police cars (that's the Narcan that can bring people back from an opioid overdose), they used it, you know, on a woman who had nodded off on a park bench in Princeton. So, we're kind of like a fringe metropolitan area, but it is everywhere.

Marshall Poe

So then, this is a generalized phenomenon. It does have this birth cohort aspect. I wonder if you know what percentage--that's not really the best way to put it. Let me put it like this. So, suicides, drug overdoses and liver disease are up for this cohort of people without bachelor's degrees across the nation. What is the relative weight in the increase of the total increase of suicides, drug overdoses and liver disease and I ask this only because again, as I explained in the pre-interview, I work with people who have substance abuse problems and what I saw was a tremendous increase in the use of, specifically, heroin and drug overdoses.

Anne Case

Absolutely and unfortunately--and we cover this in the book at some length--unfortunately, the Food and Drug Administration allowed a drug to come on to the market in the US which is essentially heroin in pill form with an FDA label on it, called Oxycontin. It is one and a half times stronger than morphine and the makers of Oxycontin, Purdue Pharmaceutical, sent marketers around targeted areas of the country where they thought that there would be demand for this product and they pushed it really hard. They were just legal drug pushers and we had a prescription opioid epidemic that hit this group that we've been talking about, whites without a BA, very hard.

So, it's what started, though, as a prescription opioid epidemic gave way to a heroin epidemic after the prescription opioid was altered so that you were much less able to crush it and snort it or inject it. Doctors were advised to turn the taps off instead of giving people a jelly or jam jar full of Oxycontin when they had their teeth cleaned. And so, as the taps got turned off of the prescription opioids this perfect substitute was out there--which is heroin. It was coming in from Mexico. It's pure. It's cheap. People tell me it's cheaper than what my generation would have called pot. I guess people now call it weed.

And so this prescription opioid epidemic gave way to a heroin epidemic, which has now given way to a fentanyl epidemic which is thought to be a hundred times stronger than heroin. Just a little bit can

be deadly. It can be mixed with cocaine or with heroin. It's sold in little pill capsules as Oxycontin on the black market when it's not--it's actually something that's much deadlier than Oxycontin alone.

So, the drug epidemic, the opioid drug epidemic is certainly a big part of the story. But in the book, we argue that deaths from drugs and from alcohol and from suicide were all rising before the FDA approved Oxycontin back in 1995. And that what it did was that it was being unleashed onto a group of people who were desperate to find something to help them get through the day, get through their lives.

And so it was really throwing gasoline on a fire that was already burning and making it infinitely worse. So, we have a lot of negative things to say about people, for profit, making money off of people becoming addicted and dying from prescription drugs.

Marshall Poe

So, would it be fair to say that the increases in suicide for this cohort are reasonably large, the increases in alcoholism are reasonably large but the increases in drug overdoses are very large?

Anne Case

Yeah, that is an absolutely correct way of thinking about it. Suicides—though, I want to say we're one of the only countries in the world where suicide rates are rising. So even in the countries where people think about as being countries where suicides take place (Japan, Sweden), we've now risen above. Our rates are higher than they are there and we're soaring up into the range of the countries of the former Soviet Union.

They're on their way down. We're on our way up. So, unfortunately, it's also not the case that once this drug epidemic burns itself out that everything's going to be okay.

We think that and, unfortunately it's the case that, unlike the COVID epidemic which is horrible, but we're hoping that even in the state of New Jersey we're going to get vaccines and that once we're looking at COVID in the rearview mirror, we're still going to have this epidemic to contend with.

Marshall Poe

I agree with you completely because I was following the opioid statistics very closely before COVID hit and they were not heading in the right direction and then suddenly it just disappeared from the newspapers.

Anne Case

Yeah.

Marshall Poe

And my understanding is that it continues to rise. That is, the rates of mortality from drug overdoses. I haven't looked recently, but it's not heading in the right direction.

Anne Case

That's--you're exactly right here. What happened was in 2018, the drug overdoses appeared to take something of a holiday. They didn't go up for the first time in two decades. But then, by the middle of 2019 fentanyl moved west of the Mississippi River partly caused, I think, by the fact that it was much easier for the drug dealers to mix fentanyl with black tar heroin than it had been before. So, it is now a scourge on the West Coast the way it's been a scourge on the Eastern Seaboard.

So, some people look at the drug overdoses going up during the pandemic and saying it's all pandemic-related. No doubt, some part of the increase is pandemic-related. People who overdose now by themselves, who don't have someone there who can administer naloxone to them; people

who are isolated; people who can't get to 12-step meetings. So, there no doubt that this epidemic of COVID is making it worse, but it was moving in the wrong direction well before COVID ever hit.

Marshall Poe

I'm glad you mentioned that because COVID, especially the isolation, has definitely exacerbated the problem. Again, as I say, I've been going to AA meetings for almost 20 years now and one day there just weren't any AA meetings and the people that I was working with I couldn't get in touch with them. I couldn't talk to them and you know, similarly, ought to have online meetings and those are fine, but it's no substitute for an actual meeting with actual survivors of this and it doesn't surprise me in any way that well, we'll see what happens after COVID. But drug overdoses and, you know, death by liver disease and other sort of deaths. I have no doubt that they will increase as a result of the pandemic or the response to the pandemic.

Anne Case

And partly caused by the..yeah. You read a lot about people having “quaranteams,” right? So--or having happy hours with their friends. Or women who were a glass of wine a night drinkers who now suddenly find that it's beginning to take over. Again, I think it partly comes back to soothing the beast and if the need is much greater people need to find some way of soothing themselves and, unfortunately, alcohol and drugs are there.

I mean, from my understanding of it (and you could correct me here) is that there's something you almost can't put into words. There's a magic about AA, NA and other 12-step programs when people come together physically, being able to support one another that that's a big part of it and that, you know, Zoom doesn't-- can't do that because you're not just not physically in the same space.

Marshall Poe

I mean, I think you're correct. I want to make clear to everybody listening that I'm not a proponent of AA or any of these programs. I have benefited from them, but I don't speak for AA or I'm certainly not in a position to recommend that anybody go to AA or NA. But I think you're right and there's a word for it in AA. It's called “fellowship.” That's what you do after the meeting is you talk to other people and you go out for coffee with them or whatever you're going to do. But that's all absent now.

Anne Case

So, we think that in the book we make an argument that part of what's happened in the U.S. is that people's lives have become much more fragile. That we trace back to the fact that people's lives are coming apart to changes in the labor market and the opportunities that people if they have not been to college. So, we know, like globalization, and automation have taken away some of those jobs.

So, if you don't have a job that you feel like you're part of something in the US that what that comes with is that it is much harder to get married and this is something our friends in sociology had been telling us for a long time, but before we started this work we thought wow, that's really interesting. But we didn't really--other than that, it didn't make any connection to us.

But once we started this work, we realized that if you don't have a job with prospects or if one of you doesn't have a job with prospects, it's much harder to get married. So, people move in together. Cohabitation is way up. Marriage rates are way down in this community, but they're fragile cohabitations. People split. Then they re-form with that with someone else. There'll be children. But then what you end up with is a situation where a work life isn't stable. Home life isn't stable. People have lost connection with their community and we think lack of connection is really the name of the game. That's kind of what Durkheim would have said. Times of great social upheaval are times when

people are at risk and we see what's happened since-- going back at least as far as 1990-- that seems to have happened in the US and put people at much higher risk of these things happening.

Marshall Poe

Yeah. Another thing I liked about the book is that you discuss and ultimately though you don't dismiss them, but you say they are not important causal factors what we might think of as possible correlates of this increase in mortality for this cohort. So, if I have it right then absolute poverty, for example. Could you talk a little bit about that? Is that having any impact?

Anne Case

Yeah, we thought, being economists the two of us—Angus and I, believe that, well, if we look at poverty, if we look at a loss of income, if we look at unemployment those will be the drivers and that we can look across the U.S. then we're going to be able to say in places that are currently in recession or in places where incomes aren't growing as quickly that's the places where we see people most at risk. But we don't seek concurrent economic conditions as being correlated with these things and we found that other people who have followed behind us, but have come in and filled in some of the gaps don't find it, either. Instead, what we think it is, is for example, at the median, at the 50-percent mark, real wages for men have not risen in 50 years. That's five-oh years. And for men without a bachelor's degree they've been falling over time since at least the late 1970s, which is as far back as our data go, and we think that it's the long-run effects- it's the fact that, you know, over time each successive birth cohort finds it harder and harder to find a good place to land in the labor market and make a life.

So, we think it's much more about the long-run consequences of changes that started in the early 1970s. These with, you know, starting with Japanese cars coming into the US market and later, you know, all sorts of manufacturing disappearing here and turning up someplace else.

Marshall Poe

I was going to say, so that's absolute poverty that is kind of the standard of living for this cohort and that doesn't seem to explain it --although it might contribute to it. But you also have a very interesting part of the book where you discuss relative poverty. That is, income inequality. Did you find any correlation there?

Anne Case

No. In fact, I didn't really answer your absolute poverty questions very well. Absolute poverty--it turns out that until 2013, until fentanyl, until the third wave of this horrible drug epidemic we've been having, mortality rates for black non-Hispanics were falling beautifully. They were still above [inaudible]. That's still, you know, that's still a crime, that's still a horrible thing, but they were coming down very nicely. Blacks are a lot more likely to be living in poverty than whites. And over this period, we were seeing deaths from drugs and deaths from alcohol falling in the black community and rising in the white community. And we also didn't see that pockets of places that were more likely to have absolute poverty as being the places where this was much more pronounced.

So, the next question you asked was about relatives.

Marshall Poe

Well relative well-being and that is income inequality because it's risen tremendously. So one might think, well, this is a response to a feeling of being left behind while other people succeed. Is there any correlation between the increase in income inequality and the deaths of despair?

Anne Case

Well, at the state level we did not find that to be the case. That the states that were the most unequal, which include California New York, were places where the deaths of despair were among the lowest. But I think there is certainly something in what you say about whether or not people feel like they're being left behind and that doesn't have to be at the state level. That can just be overall -- that people who feel like their communities have died, people who feel that the system is suddenly rigged against them--because it has been, frankly.

I think that that kind of long-run feeling that not only is it the case that I can't think about how I make life better for myself, but I can't think about how I'm going to make a life better for my kids. I think it's that lack of hope and the kind of anger that comes from feeling that some people in the system must be getting very wealthy.

And some people in the system as hard as they work, can't make a go of it. I think that those feelings can lead people to decide to go to the bar instead.

Marshall Poe

So, these metrics don't do a very good job of explaining the uptick in deaths of despair and you discuss in the book other factors. We've touched on them a little bit. I would kind of boil them down to a loss of meaning and by that, I mean the inability to hope for a meaningful life to progress through your life. Can you talk a little bit about that?

Anne Case

Absolutely.

Um, I think that hope is incredibly important and that if people lose hope that things will get better for them or their family or the people that they love that puts them at high risk. And currently in the U.S., it's the case that this BA/no BA divide is getting worse and in more recent work that we're just finishing up now, Angus and I are showing that that between races the life expectancy numbers, which used to be much greater between races irrespective of education the between races gaps have closed by education.

So, blacks and whites with a BA look a lot more like each other now than they look like people of the same race without a BA and the same is true for people without a BA. They used to look a lot more like people of the same race with a BA, but now they look much more like people without a BA regardless of race.

So, race has given way to class we think in terms of predictors of how well people's lives are going. The great political philosopher Michael Sandel at Harvard has a new book looking at the meritocracy and thinking about the fact that you know, there are winners and losers in this meritocracy and people who haven't been to college. In turn, they either are angry at the world thinking that, you know, the system was rigged against them and angry at themselves and people who have been to college can be incredibly self-satisfied thinking, "Well, everybody had a shot at this. People didn't take their shot. Well, you know, well too bad for them." But that's actually, you know, the idea that people have equal access to higher education is ridiculous and the idea that we all start on the same starting line which, you know, from the time I was in first grade was drilled into us, "We're all on the same starting line."

Well, that's the no more true now than it was, you know, when I was a kid. So, we think that there's much to be done to try to rebuild a society where people are respected for the kind of work that they do regardless of the kind of work that they do. It's much easier in Europe. You don't have to have gone to college to have a job in which you feel like you have a lot of respect and you have respect for oneself as well.

The BA is not the be all and end all. But in the U.S., that has become **the** dividing line.

Marshall Poe

Let's talk a little bit about possible solutions. "Solution" might be a strong word here. But measures that can be taken in order to alleviate some of the pain and perhaps reverse the increase in deaths of despair. Can you talk a little bit about what you think might be done?

Anne Case

Absolutely.

One of the things that we haven't talked about yet, but we spend time in the book talking about as well these increases and deaths from drugs and alcohol and suicide are happening in the U.S. but they're not happening in other rich countries for the most part. Scotland is an exception. But for the most part, Europeans have not had to struggle with this. Now, they've seen globalization. They've seen automation. What's different in the U.S. relative to these other countries? The opioid epidemic is certainly number one. These other countries were smart enough and their systems work well enough that they protected their citizens from this horrible prescription drug epidemic that swept through America. So that's number one.

But number two is our healthcare system. In the U.S., we have the most expensive healthcare system in the world.

We have, using a lot of different metrics, among the worst health in the rich world. Our life expectancy is lower than any of the other rich countries. If you look at morbidity, that is ill health, our metrics are lower as well. How can it be the case that we're spending so much more and yet people's health is so much poorer? And we think that we need real reform in the healthcare system.

In large part, because the way we fund our healthcare system is part of what's grinding down people at the bottom of the distribution. We have this incredibly expensive system. We've tied it to employment. Employers have to pay their share of healthcare premiums for health insurance for their workers and those premiums have gone through the roof.

It's \$21,000 a year for a family policy now on average for an employer who has to pay 70 percent of that. If I've got a low wage worker, I can't pay them and pay their premium. They're just not worth that much to us as a firm. So, I outsource those jobs. So, the jobs that have become outsourced which are in food and security and the motor pool and janitorial services--all of those jobs where I used to belong to a company, now I belong to the Albright cleaning company who doesn't give one whit about me. If I get sick, I'm out. I'm not getting benefits. So, part of the grinding down of and of workers and the reason real wages haven't risen for this group is because it's all that money is being sucked up into a really expensive healthcare system that's not delivering, you know, the world's best healthcare. So, we think real healthcare reform, as heavy of a lift as that would be, would go a long way toward helping us bring better wages. Bring better quality of life to people--working people at the bottom of the distribution.

Marshall Poe

What would that reform look like and let me also say that I can easily imagine somebody saying yes, that sounds good. But in the United States--and this is not me speaking, by the way. This is my critic. We should be free to choose whatever healthcare we want and we should be free to choose it or not choose it and that's the American way. So how could you convince my critic that the American way is not a good way?

Anne Case

Healthcare insurance, which everybody needs, can only work if two things happen. 1) everybody has to be in the system and 2) there has to be cost control in the system. All the other countries of the rich world make that happen. The U.S. is the only rich country where that has not happened and we're paying a really high price for that. So, I'm not actually advocating any particular health system like going to the National Health Service that the UK has or going into the system that Germany has. Every country does it differently, but they all do it better than were doing it and none of them are tying it to employers.

So, and we think that one of the things that COVID did was it shone a light on the fact that it's such a lousy way to cover people when at the beginning of the crisis 20 million people lose their jobs--that a large fraction of them lose their health insurance at the same time that we're having a health epidemic just shows that it's really a crazy system. The fact that our drugs cause so much more now than they cost in other countries. The fact that the medical devices that come out of the same factories cost a third in France what they cost in the US. The fact that hospitals have been merging and merging and every time hospitals merge, they raise their prices. You know there's something wrong with this picture and we think that it's going to be hard to see real reform given that it's so powerful now that the healthcare industry has **five** lobbyists for every member of Congress. So, they have a lot of people in Washington to protect their interests and do their bidding.

But possibly, possibly the COVID epidemic may be enough when people start getting medical bills that they cannot pay. Now a lot of the medical bills are supposed to be covered if they're COVID related, but stories of people who have ended up in the hospital and now are facing very large medical bills keep showing up in the kinds of newspapers that report such things and maybe if enough people in the middle of the distribution begin to think, "Whoa, this is what--what's happening here? Why does this cost so much? Why am I getting stuck with this?" Maybe there'll be discussion about real reform.

Marshall Poe

Just to tell an anecdote. A friend of mine's mother was in a nursing home and she tested positive for COVID. So, by state mandate she was moved to a hospital. She kept taking the test, which is not particularly accurate and even though she was asymptomatic. She seemed fine. She's very old and also suffers from dementia. They had to keep her in the hospital for 30 days. He showed me the bill. It was \$300,000. I'm laughing, but I should be propagating. I was just—what!?

Anne Case

I think the problem with health insurance too is that it's incredibly expensive, but it's also incredibly complicated.

So, when people see their paycheck and they see that something's been deducted for health insurance. They think this is really complicated. They shrug and they go off and they think about something else and what we're going to have to do is get enough people to begin to focus on the fact that this is a system that's miserable. This is not a system that the free market knows how to handle well. The best economists of the entire 20th century was an economist named Ken Arrow and he proved a lot of Adam Smith's theories about, you know, what the free market can do and how it can do it and the wonders of it. But when he's looked at health and healthcare, he came back and said healthcare is not something that we can let the market handle.

Marshall Poe

Yeah. I mean it's funny because I often think about this because you know when people get sick who don't have health insurance--and I know a lot of them because I work with people who are, you

know, in the throes of various addictions They go to the emergency room, where they're taken care of because the fact that matter is we're not just going to let people die. We're just not. And so if you show up at the hospital, they're going to take care of you. Somebody absorbs those costs. I suspect it's me.

Anne Case

It certainly is. It most certainly is. It's us. One of the things that also happened is that it was Medicaid, right, which provides health insurance for poor people is the costs are split between the federal government and the state government. Well, the state governments to pay their share of Medicaid, for which prices keep going up and up and up. The only way that the states can do that is to take money out of a different pot. So, the once great state university systems are unable to provide the kinds of educations that used to give poorer kids like me a leg up. They just don't have the money. They had to increase tuitions, which put it out of reach for a lot of kids.

Marshall Poe

And it's funny you mention this, because I'm from Kansas originally, so I follow what goes on in Kansas. And at the University of Kansas, the regents just decided that they can pretty much fire anybody they want. If you have tenure or not, it doesn't matter. And you know, they of course say financial exigency. See, I can't really pronounce that word. But you know what we're talking about and they're not wrong. There is no money. It's --there's just no money. And so, what are you going to do? And yeah, it's a terribly hard problem. I do want to say before we continue that one of the great merits of this book is that you are scrupulously neutral. There is no platform and I mean there is no politicking in this book. I just want to make sure readers understand that.

Anne Case

We didn't--yeah. We thought that the data really speak for themselves. You know that we're not advocating any particular reform--although we do advocate for reform.

We also think like as one of the... so we think reform of the healthcare industry is one of the things that would help stop money from being funneled out of regular people's pockets into the pockets of very wealthy pharma executives or device manufacturers or device makers.

Another reform, though, that is really desperately needed, which is another very heavy lift, will be in education.

Now, we need to find a system where --we don't advocate that well, this just means everybody needs to go to college. No, we think, you know, not everybody wants to go to college. Not everybody's skill set is best served by college. We need to find ways to provide the education and the training that people need so that they can take jobs where they can build really good lives for themselves.

And right now, K through 12 education is pretty much laser-focused on the minority of students who are college bound. And for the students who aren't college bound? Well, they're pretty much on their own.

Marshall Poe

Yeah, I couldn't agree with you more. We had somebody on the New Books Network who is part of a campaign--he works in manufacturing and has his entire life--to beef up the way in which we do what we call internships or apprenticeships because we have no systematic way to do this. In Germany, for example, they have a very robust state-sponsored apprenticeship system and we have nothing like it. So, I mean, I'm all about the liberal arts and I think college was great. I benefited from

it, but it just isn't for everybody. I was going to say you probably, if you've ever had the experience of calling a tradesman to work at your house, if you're good at it you can do pretty well.

Anne Case

Absolutely. And so we need to refocus our lenses there. I think that that doesn't mean that we shouldn't also try to make college affordable for kids who do want to go and I think right now the risk of spending a very large amount of money, maybe not making it in which case you'd end up without a college diploma and with a pile of debt. That risk is one that a lot of kids don't feel, rightly, don't feel they can take. So, I think trying to do what we can to help kids understand how they can apply for loans or how they can--or loans that aren't going to kill them if they--when they have to pay them back. We need reform there as well. So as an economist, I have to tell you the premium for going to college like on average how much more you earn--that premium over a high school degree--back in 1980 that premium was 40 percent for zero. By 2000, it had doubled to 80 percent, which is enormous.

Now that kind of price signal-- the idea that like wow the, you know, the rewards of going to college have over a high school degree have doubled should have elicited a lot more kids going to college. Some more kids went to college but not nearly as many as would have had there not been real barriers to that happening.

So, I'm all about the apprenticeship system. But I also think you need to find ways to help kids who would like to go to college get there.

Marshall Poe

Yeah, I couldn't agree more. I mean what you point out is very interesting. It's still only the case that only about a third of Americans graduate from college. I think most people don't realize this. Especially, I mean, I'll just speak about myself. I do know some people that didn't graduate from college but not very many. I mean, I meet them in AA and so on and so forth, but I tend to think the world--it looks like my social circle and it doesn't at all. It does not look like me.

Anne Case

Yeah. No, no our bubbles. The social bubbles have become--it used to be the case that people within the same community, you know, there'd be a doctor and a lawyer and people who worked in the factory, but they all lived together and now that's not the case and so our worlds have become much more divided as well.

Marshall Poe

Yeah, that's a very sobering thing. I mean, I'm very grateful that I can go and mix with a group of people. They all happen to be alcoholics or recovering alcoholics, but they are from many different areas of life. Let's put it that way. So, that's a blessing. But I take onboard what you say about bubbles and it is pretty shocking that that price signal, as you say, did not move a bunch of people into college. It should have, but it did not and that's very interesting. Well Anne, it seems like we have a lot of work to do.

Anne Case

Well, yeah, we have a lot of work to do Marshall. But you know, I remain hopeful because I think these are problems that we could think about whittling away at some parts of them that could make life better for. you know, the minority--the majority of Americans who are currently finding it hard to hold body and soul.

Marshall Poe

Your well-informed voice carries a lot more weight than mine, but I will associate myself with that. I'm hopeful, too. I mean we have been through a lot in the United States and we have faced very significant challenges and we have consistently risen to them and I think that we will do it here too-- at least I hope that we will.

Anne, thank you very much for being on the show.

We have a traditional final question on the New Books Network. And that is what are you working on now? What's your current project?

Anne Case

So currently what I'm doing is I'm looking--I'm comparing what's going on in the U.S. with what's going on in the countries of the United Kingdom. Because it's, you know, it's a sister country to the U.S. or set of countries and the big question is whether they have escaped from the kinds of things that are happening in the U.S. or whether it's going to happen in the UK, but with a lag. The only one of the only other rich countries that has the kinds of drug overdose deaths rates that we have is Scotland.

So we're trying to see what is it about what's going on in Scotland that makes it look more like the U.S. than it looks like London, for example. So it's that we think oftentimes looking elsewhere can help us understand ourselves better. So that's currently what I've got on the go while I'm, you know, at home day in day out, day in day out, day in day out.

Marshall Poe

Yeah, it's tough. Well, let me tell everybody that we've been talking to Anne Case about her book, which was co-written with Angus Deaton called *Deaths of Despair and the Future of Capitalism*. It's out from Princeton University Press. Anne, thank you for being on the show.

Anne Case

It's been my pleasure, Marshall. Thank you so much.

Marshall Poe

All right and everyone listening, I hope you tune in again. Thanks a lot.