

## Narrowing the Black-White Health Gap: Opportunities for Private Investment to Drive Progress in the United States

*This document is a companion guide to the webinar “Narrowing the Black-White Health Gap: Opportunities for Private Investment to Drive Progress in the United States”, hosted by [Rhia Ventures](#) and [New Markets Support Company](#) (May 2023). The recorded webinar will be available on our websites (linked).*

### This guide will:

- Provide the historical U.S. context of structural racism and socioeconomic oppression which led to racial and gendered health disparities, particularly for Black, Indigenous, and people of color (BIPOC) birthing people.
- Explain the role of private sector and catalytic capital in narrowing racial disparities in health outcomes.
- Provide scalable, evidence-based solutions that can disrupt traditional approaches to health care.
- Offer recommendations for the private sector when pursuing health equity in their investment decisions.

### *“What happened on the auction block centuries ago is still unfinished business for African-Americans today”- Gail Wyatt, PhD*

- Black Americans, on average, have shorter lifespans than their non-Black counterparts, higher rates of chronic and infectious disease, and worse birth outcomes.
- Negative health, social, and economic outcomes are due to historic experiences of slavery, reproductive oppression, non-consensual medical procedures and medical experimentation – all of which influence present day health disparities.
- Systemic racism has been ingrained in public policy (e.g., segregation, limited access to community services, redlining and limited access to home and business loans) and shapes the physical health and economic health of communities of color.

### Social Determinants of Health

- Social determinants refer to nonmedical factors that influence health outcomes.
  - They are the conditions in which people are born, grow, work, live, and age, and the wider set of forces and systems shaping the conditions of daily life. This may include economic, political and social policies, racism, sexism, classism, and even climate change.
  - They account for avoidable differences in health outcomes seen within and between countries.
  - Across countries at all levels of income, health and illness follow a social gradient: the lower the socioeconomic position, the worse the health outcomes.<sup>2</sup>

*Achieving health equity in the US will require an understanding of both the historic and contemporary determinants of health inequities.<sup>1</sup>*

1) *Narrowing the Black-White Health Gap - Opportunities for Private Investment.pdf* | Powered by Box. (n.d.). <https://nefinc.app.box.com/s/84b5xp0885og5uq9kzbg7pb00vix4j93>  
2) World Health Organization: WHO. (2019). Social determinants of health. [www.who.int. https://www.who.int/health-topics/social-determinants-of-health#tab=tab\\_1](https://www.who.int/health-topics/social-determinants-of-health#tab=tab_1)

## The Role of the Private Sector:

- The private sector can primarily shape health outcomes through the deployment of catalytic capital.
- Three types of financing:
  - **Grant financing:** funds awarded with no expectation of financial return.
  - **Debt financing:** funds that are borrowed – typically from an investor -- for a fixed amount of time with a fixed rate of financial return.
  - **Equity financing:** funds from an investor that are provided in exchange for partial ownership of the company, and with an expectation of financial returns to the original investor.
- **Impact Investing:** Financial investment with the intention to generate a measurable, beneficial social or environmental impact *alongside* a financial return.

Catalytic Capital: Financing (debt, equity, guarantees, etc.) that is patient, flexible and risk-tolerant, where the investor is willing to accept reduced financial returns in exchange for positive social or environmental impact and to attract additional financing.

## Accountability for Achieving Health Equity

- **Transparency**, particularly with respect to decision making.
- **Recognize** the unique roles and capacities of community organizations.
- **Invest** in high-impact projects that focus on structural change (e.g., interventions that address equity).
- **Support** administrative infrastructure when considering investments.
- **Invest** in data sharing and ongoing evaluation to assess effectiveness of interventions.

## Case Study: ConnectRx- Wisconsin

- **Background:** Wisconsin grapples with disparate reproductive health outcomes (e.g., infant and maternal mortality), particularly in the BIPOC communities. These disparities can be traced to social issues such as intimate partner violence, housing instability, and food insecurity.
- **Intervention:** ConnectRx is a community-based coordination system that was introduced as a part of the “Saving our Babies” initiative to address these disparities. The program identifies Black pregnant people with certain risk-factors or social needs and community health workers connect them with relevant community resources in their communities. Every ConnectRx participant is also assigned a doula, who provides support throughout the pregnancy and postpartum journey.
- **Results:** ConnectRX is a holistic program addressing housing, employment, and overall pregnancy well-being. The program has been successful supporting pregnant people who are at-risk for homelessness or joblessness with the necessary resources.
- **Key Insights:** ConnectRx’s effectiveness is attributed to the “whole person” approach to healthcare, it’s sustained support after birth, and it’s commitment to community involvement and accountability. The program emphasizes the importance of community needs and fostering trust and reinforces the need for comprehensive interventions that address social determinants of health.
- **Evaluation:** The program evaluation is currently underway, but initial program success stories highlight the potential of such interventions in improving maternal and infant health outcomes.

## Recommendations to advance health equity in investment decision making

- **Diversification of Decision Makers:** Incorporate diverse decision makers and asset managers, especially from BIPOC communities, to create inclusive solutions that amplify community voices.
- **Community-defined Solutions:** Make space for communities to identify and define the issues and propose relevant solutions.
- **Evidence-based Funding:** Prioritize funding for interventions with proven effectiveness, expanding the definition of “evidence” to include community-defined practices.
- **Invest in Innovative Solutions:** Invest in novel solutions that prioritize individuals who have been most affected by historical inequities and that challenge existing healthcare approaches.
- **Evidence Generation:** Gather evidence of intervention effectiveness, acknowledging that success metrics are typically longitudinal but are essential for reallocating resources to effective solutions.
- **Communities of Practice:** Gather with other investors/funds in coalition to provide greater investment and further the conversation of advancing equity in the space.
- **Use Evidence-based Frameworks:** Rhia Ventures has created a diligence tool to support investors and funders in the investment-making process. [The Heart Equity Assessment and Rating Tool \(HEART\)](#) and [Racial Equity Asset Lab \(REAL\)](#) framework it is adapted from - support the integration of an equity lens into the diligence and investment process, respectively and can guide investors to thoughtfully address the tension between assessing market rate returns and impact.

*Thank you to our panelists: Dr. Nzinga Broussard and Donna Nuccio (New Markets Support Company), Berrina Doggett (SOME), Dr. Tiffany Green (Black Maternal and Child Health Alliance of Dane County), Erika Seth Davies and Dr. Crystal P. Tyler (Rhia Ventures).*

## Speaker Resources

- **Narrowing the Black-White Health Gap - Opportunities for Private Investment (Paper)**
  - <https://nefinc.app.box.com/s/84b5xp0885og5uq9kzbq7pb00vix4j93>
- New Markets Support Company
  - <https://www.lisc.org/new-markets-support-company/>
- Rhia Ventures
  - <https://rhiaventures.org/>
- So Others Might Eat (SOME)
  - <https://some.org/>
- ConnectRx Wisconsin
  - <https://ghcscw.com/health-care/pregnancy/connectrx>
  - <https://www.cityofmadison.com/news/dane-county-health-council-and-partners-launch-connectrx-wisconsin>

## Additional Resources

- Black Maternal and Child Health Alliance
  - <https://www.bmcha.org/>
- Dane County Health Council
  - <https://www.danecountyhealthcouncil.com/about>
- Healthy Future Funds
  - <https://www.lisc.org/our-initiatives/health/healthy-futures-fund/>
- Participatory Investing Action Lab program
  - <https://medium.com/commonfuture/shifting-power-in-impact-investments-7431e74d15f>
- Build Healthy Places Network
  - <https://buildhealthyplaces.org/>
- Shift Health Accelerator
  - <http://shifthealthaccelerator.org/>
- The Foundation for Black Women's Wellness
  - <https://www.ffbww.org/saving-our-babies>
- Resources for impact investors
  - <https://www.impactcapitalmanagers.com/>
  - <https://impactfrontiers.org/>

NMSC is a leading community impact investor and impact fund services provider. Our services are designed to help clients execute their impact investment strategy most effectively and boost their capacity to invest. We manage or administer over 100 funds and \$1.6 billion in assets, having developed a strong base of clients and investors who value our customizable services platform, fund development expertise, impact focus, collaborative partnership approach, and vast community investing network.

Founded in 2018, [Rhia Ventures](#) is a women-led nonprofit seeking to advance reproductive and maternal health equity by intentionally leveraging capital to center the needs, experiences, and perspectives of historically marginalized people in decision-making. The Rhia Ventures [Ecosystem Building](#) program supports early-stage reproductive and maternal health entrepreneurs and investors with building and growing in a way that incorporates a health equity lens and a culture of impact management and measurement.

