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THEME OVERVIEW: ADDRESSING THE OBESITY CHALLENGE

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Increasing rates of obesity and the associated effects on health of the U.S. population are often in the news recently. Obesity is typically defined as a body mass index (BMI) greater than 30 where BMI is calculated as weight in kilograms divided by height in meters squared. Based on self-reported height and weight data from 400,000 individuals, the Centers for Disease Control (CDC) estimates that 27% of the U.S. population is obese with the highest rates among adults 50 to 69 years of age, non-Hispanic blacks—especially women, Hispanics, and individuals with less than a high school degree. Also, rates of obesity tend to be higher in the Midwest and South. Calculated rates of obesity using measured instead of self-reported height and weight are even higher.

Obesity is associated with a number of consequences both for the individual and society. In particular, obesity is associated with reduced quality of life, social stigmatization, and discrimination. These can lead to reduced salaries for employed obese individuals and difficulty in finding employment for the unemployed. Furthermore, obesity is associated with increased risks of coronary heart disease, hypertension, stroke, Type 2 diabetes, and cancer, all of which contribute to higher medical costs borne by individuals through direct health care payments and higher insurance premiums, and by the public through higher taxes to cover Medicare and Medicaid payments.

The issue of increasing rates of obesity has been receiving attention at the highest levels in recent months. Examples of specific policy initiatives include:

- Michelle Obama's *Let's Move!* campaign (www.letsmove.gov), an initiative to combat childhood obesity by addressing food choices and physical activity;
- CDC's Communities Putting Prevention to Work, with millions of dollars of funding for community-based projects to address obesity (<http://www.cdc.gov/chronicdisease/recovery/>); and
- The 2010 Affordable Care Act, which allocates funds for demonstration projects for reducing childhood obesity and requires menu-labeling for food sold in large chain restaurants and vending machines (<http://www.nejm.org/doi/pdf/10.1056/NEJMp1008560>).

In addition, on Sept. 1, 2010, President Obama proclaimed September as National Childhood Obesity Awareness Month.

Economists have much to contribute toward measuring the economic consequences of obesity, understanding the economic and market factors that may contribute to obesity, and developing and analyzing effective solutions that rely on traditional market mechanisms as well as behavioral economics approaches. The series of papers in this theme, which lie at the intersection of fields of agricultural economics and health economics, contribute in these areas.

First, Finkelstein, Strombotne, and Popkin provide estimates of the direct costs due to increased healthcare utilization and indirect costs due to reduced work productivity associated with obesity. They also discuss what policymakers should consider in addressing obesity and whether the benefits of various current and

proposed obesity prevention efforts outweigh the costs.

Next, Ver Ploeg considers the degree to which the food environment—access to grocery stores and the variety of foods offered in grocery stores—contribute to higher rates of obesity among certain populations. The food environment is particularly relevant when considering lower income neighborhoods because it is sometimes identified as a contributor to obesity due to reduced access to healthy foods for those with limited transportation and economic means. Farm subsidies have also been cited as a potential contributor to obesity by reducing prices for basic commodities and encouraging overproduction. However, Alston, Bradley, and Okrent show the results of a policy simulation that demonstrates that the magnitude of the effects of farm subsidies on obesity is very small and that eliminating farm subsidies might actually lead to increases in caloric consumption. Food assistance programs have been cited as both a potential cause, but also as a potential solution, to high rates of obesity among low income individuals. While the primary purpose of food assistance programs is to increase food resources available to low income households, Jensen and Wilde describe how food assistance programs can help alleviate obesity by encouraging healthier food choices, providing nutrition education, and reducing the “boom and bust” cycles of consumption that are associated with weight gain.

In considering ways to address obesity among the general population, nutrition labeling is often cited as a method to help consumers better understand the caloric content of the foods they consume with the idea that this information will induce them to consume fewer calories. However, as described by Arsenault, rates of obesity have increased since enactment of the Nutrition Labeling and Education Act of 1990 which required nutrition labeling on all packaged foods and provided for nutrient content claims such as “low-fat” or “reduced-fat.” Newer options for front-of-package labeling and restaurant menu labeling may be potentially more effective at reducing caloric consumption. Another option frequently discussed is taxing calorically sweetened beverages—typically soda. As described by Todd and Zhen, very large taxes would be required to have even modest effects on individuals’ weight in the short run but would likely have greater effects over the long run as higher prices would encourage consumers to “kick the habit” of consuming soda.

Finally, drawing from the fields of economics and psychology, behavioral economics is providing less traditional tools for addressing obesity. As explained by Cash and Schroeter, “nudging” individuals towards making better food choices by, for example, changing the position of foods on a menu or in a cafeteria line, may help address rising rates of obesity. However, traditional economic approaches related to food pricing and market dynamics will continue to be relevant as a complement to newer behavioral economics approaches.

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