THE FATTENING OF AMERICA
How the Economy Makes Us Fat, If It Matters, and What to Do About It
Eric A. Finkelstein & Laurie Zuckerman
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To my family, Thoa, Max, Kyra, and Leah, whose utility was greatly reduced during the writing of this book. And to the somewhat fictionalized Uncle Al and other friends and family referenced throughout. Your sense of humor is greatly appreciated.

—Eric A. Finkelstein

To my husband, Josh, my daughter, Yana, and my son, Aleksander. Here’s to getting through this one. . . .

—Laurie Zuckerman
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**Introduction**

**Answering the Age-Old Question:**

*Why Is Uncle Al So Fat?*

Ever notice that as your parents get older, you tend to have the same conversation with them over and over? For me, the conversation typically begins at baggage claim when I pick them up for a weekend visit. Mom will whisper, much louder than I would like: “There are a lot of people here who could participate in your study.”

She is referring to a paper I published a few years back that quantified the increase in medical expenditures resulting from obesity in the United States. Translation: “There are a lot of fat people here.”

At this point in the conversation, my dad proclaims, with no effort to keep his voice down: “You know who’s fat? Uncle Al. Uncle Al is fat and getting fatter!” And we’re off and running.

On the one hand, I should be flattered that my parents have taken an interest in my work. As a health economist, I have spent the past seven years studying economic issues related to obesity. On the other hand, the rift between my dad and Uncle Al (my dad’s half brother) is well known in the family circle, and Dad rarely misses an opportunity to take a jab at Uncle Al regardless of the conversation topic.
But I have to admit, Dad has some interesting points. First, he notes, with some reluctance, that Uncle Al is no dummy. Clearly, he must know that his excess weight increases the risk of a host of medical problems, some of which Uncle Al has already developed. Second, he points out that Uncle Al is a partner in a successful law firm and is in the top income bracket in the country. Surely, he can afford to buy the healthiest foods, join the best gym, and pay whatever price is required to maintain a healthy weight. Why then, is he still fat and, according to Dad, getting fatter?

Usually, we are in the car and heading to my house when I ask the same question I pose every other time we’ve had this conversation: “Why do you care whether or not Uncle Al is fat?”

“I don’t care,” he answers immediately. “As far as I’m concerned, Uncle Al can do whatever the hell he wants.”

But as it turns out, maybe we should care. For Uncle Al is not the only one who’s fat. As Dad often points out, Mom could stand to lose a few pounds herself, as could one of my sisters. Uncle Al’s son, my cousin Carl, is at least 20 pounds heavier than he was in his early 20s, although as we discuss in Chapter 2, the father and son have gained weight for very different reasons. In fact, if you were to weigh in the entire Finkelstein family, you would find that my family is pretty typical of the U.S. population. About one third of us are fat and another third are on the brink.

The government, by the way, refers to fat adults as obese and fat kids as overweight. We’ll stick with their terminology, although I’m not convinced these terms truly lessen the blow. In total, including Uncle Al, Cousin Carl, my mom, and my sister, there are over 62 million adults in the United States who are obese. An additional 12.5 million kids are overweight.

So maybe you should care. For the rise in obesity rates is having a profound impact on the U.S. economy—and on our wallets. There is a nearly endless barrage of news stories describing how obesity is making our businesses less competitive, pushing good jobs overseas, hurting our military readiness, increasing our taxes, and helping to bankrupt the Medicare and Medicaid programs. And, by the way, it also turns out to be pretty bad for your health.

Usually, by the time we reach our house, either Mom has forbidden us to continue talking about Uncle Al or Dad and I are no longer on speaking terms. Since we never get to finish the conversation, and because your family has an Uncle Al too, it seems appropriate to put my thoughts into
writing and finally explain to Dad why Uncle Al is fat, just why we might care about that, and what should (or shouldn’t) be done to address rising rates of obesity.

America’s Growing Waistline

- Two thirds of Americans are overweight or obese.
- Over the past three decades, the number of obese individuals has more than doubled.
- The increase occurred for all population subsets, including children, the elderly, and all racial/ethnic groups up and down the socioeconomic spectrum.

How This Book Is Organized

Chapter 1 gives you the lay of the obesity landscape. It describes how America—and the world, for that matter—has seen a significant growth spurt in obesity rates over the past several decades. The chapter then briefly discusses the adverse health consequences of obesity.

Chapter 2 begins to hone in on the causes behind the obesity epidemic, concentrating on “calories in.” Chapter 3, which focuses on “calories out,” continues the argument that economic forces, which have simultaneously lowered the cost of food consumption and increased the cost of physical activity, have largely driven the sudden obesity rise. In Chapter 4 we take the discussion beyond the calories in/calories out equation to evaluate other factors that may (or may not) be contributing to an obesity-inducing environment. We continue this discussion in Chapter 5, and look at the role that health insurance and medical technology play in reducing the costs associated with obesity. When considering costs, we focus not only on the monetary costs, but also on the time and other opportunity costs associated with undertaking certain activities.

Chapter 6 switches gears from causes to consequences. We ask and answer the key question: So we’re fat—who cares? The chapter explores the implications of obesity for taxpayers, for the U.S. government, and for employers whose business model does not involve selling products and services to obese consumers.
In Chapter 7 we look at the government’s role in response to the obesity epidemic from an economic standpoint, and actually question whether they should have any role at all. Chapter 8 specifically addresses the pros and cons of proposed government strategies aimed at reducing obesity rates in adults, and Chapter 9 presents a similar analysis for strategies that target youth.

Chapter 10 then lays out some groundwork for how businesses can respond to problems related to obesity. It presents private-sector strategies for reducing rates of obesity and gauges their likelihood of success. Chapter 11 goes on to examine the flip side, what we call the ObesEconomy, the multibillion-dollar market that America’s ballooning waistline has created for obesity-related products and services.

Finally, even though this is decidedly not a “how to lose weight book” (God knows, there are enough of those out there already), we couldn’t resist the temptation to offer some advice on how to lose weight like an economist. That’s served up to you with a portion-controlled grain of salt in Chapter 12.

**Is Obesity a Problem Worth Fighting?**

Before you begin reading this book in earnest, it’s important to get one thing straight. Contrary to what “Mary” (I prefer not to disclose her real name) recently implied after I gave a presentation on the economics of obesity at the National Institutes of Health, I am not a “fattist.” That is to say, I have nothing against obese people. Mary, a member of the Medical Advocacy Project of the Council on Size & Weight Discrimination, a self-proclaimed “size acceptance” group, told an audience of several dozen obesity researchers that my presentation sounded like “fat people are bad for business, fat people are bad for government, fat people are just plain bad. . . .” She then began to cry.

Needless to say, it was not a good scene. I never got a chance to mount a rebuttal. If I had, I would have told her that while not everyone can be skinny, I believe the vast majority of overweight people could weigh less than they currently do if the environment were more conducive to weight loss.

What do I mean by that? America’s obesity epidemic has been shaped by economics. A basic tenet of economics is that people respond to their environment in predictable ways. If the cost of a particular product or activity decreases, or the benefits of that product or activity increase, then
people will consume more of that product and spend more time doing that activity, and vice versa. As we discuss throughout this book, obesity is a product of our economic and technological success. Thanks to declining food costs and the ever-increasing usage of technology, we’re eating more calories and burning off fewer. As a result, we are gaining weight—lots of it—a consequence that any economist worth his weight would predict.

However—and this may come as a shock to many of you—to economists, it is not entirely clear that obesity is a problem worth fighting (certainly not the way we’ve been attacking it). Sure, obesity is bad for your health, but the fact remains that good diet and exercise are extremely difficult to sustain, especially in today’s environment. In fact, as the world now stands, many, including my Uncle Al, may prefer to be “fat and happy” (as my dad puts it) rather than make the sacrifices necessary to be thin. And isn’t it their choice?

Moreover, even if we are convinced that obesity is worth fighting, we are not going to significantly reduce rates of obesity solely through public health or media campaigns. These programs often do a good job of raising awareness, but they fail to address the core issue. If we are to reverse the rising tide of obesity, it is going to happen because economic incentives are instituted that encourage individuals to make sustained changes in behavior in spite of, or perhaps even as a result of, a changing environment.

But who would provide these incentives? Businesses? The government? Do rising obesity rates even justify private or government intervention? There are no easy answers. Moreover, which specific policies government or the private sector chooses to adopt or reject—that is, which policies we as a society choose to adopt or reject—will depend on our making a series of difficult choices with enormous fiscal, political, public health, and even moral consequences.

Yet underneath these issues lies one simple truth: There are few of us who could not take actions to improve our health through better diet and more exercise, regardless of our weight. I believe that my research, which looks at obesity as more of an economic phenomenon than a health issue, may help contribute to creating that “right” environment.

Hopefully, Mary will read a copy of the book and let me know if she finds this response persuasive. I hope you do as well. I also hope that this book will allow for a more informed discussion of why Uncle Al is fat the next time my folks come to town.
Chapter 1

Craze or Crisis?

What does Uncle Al, a rich American attorney, have in common with the women of Mauritania, a barren West African country?

The answer is this: Mauritanian women are getting thin for the very same reason that Uncle Al is getting fat—as a result of a changing economy.

You see, in Mauritania, a girl can possess no greater currency than rolls upon rolls of fat. In this vast nomadic nation, thin women are a sign of poverty. In contrast, voluptuous wives and daughters are visible displays of a man’s wealth and power. So in a society where obesity is seen as a conduit to a rich husband, it became traditional for well-intentioned mothers and grandmothers to force-feed their daughters and granddaughters.

In recent years, however, force-feeding is fast disappearing. Why? Well, it’s not because of the government’s efforts to warn women of the dangers of obesity. These radio blasts were largely ignored in a society where fat is revered.¹ No, it’s because years of drought have put the country in crisis. With food increasingly scarce and food prices
escalating rapidly, Mauritanians can barely afford to feed themselves—let alone overfeed their daughters.

So what about Uncle Al? He’s certainly not in a famine. In fact, his weight has been changing for the opposite reason—he’s in a land of feast. In America, for reasons we’ll detail in the next two chapters, food prices are falling, not rising, especially for high-fat and high-calorie foods, and the costs, in terms of what Uncle Al would be missing out on, of being physically active continue to increase. As a result, so does Uncle Al’s waistline.

So even though Uncle Al and Mauritanian women are on a divergent path, their changing weight is still a by-product of a changing economy. But that’s where the comparison ends. Because while big might be beautiful in Mauritania, in America, “thin” is the revered cultural norm for most, especially Caucasians. So while the Mauritanians struggle to feed their families, here, for at least the past 20 years, books on how to lose weight—whether by dieting, exercising, or by using some magical machine or dietary supplement—have often topped best-seller lists. In fact, the New York Times began separating them (along with other self-help books) into a separate category from other nonfiction (though for many of these books, the fiction aisle may be a more appropriate location).

So Why Now?

Why, after decades of obsession with dieting and weight loss, has the obesity “crisis” become the subject of countless news articles, TV reports, and magazine covers? And, more to the point, why has what was once assumed to be a personal problem—whether of medical, genetic, or behavioral origin—suddenly become an issue for private foundations; school boards; lawmakers; and federal, state, and local government agencies (including child protective services in the case of at least one extremely overweight child)?

Is it simply the latest media craze? Is it griping from the many thousands of businesses who are upset about rising health care costs or their inability to compete in the global economy? Or is it hype from the many purveyors of weight-loss products and services whose profits escalate with each additional news story? We know Uncle Al has been
gaining weight at a steady pace for decades, but is obesity really on the rise for the rest of the population?

Moreover, why should Dad care even if obesity is on the rise? Why should you? Are there broader implications for the economy, for policy makers, and for all Americans? If so, what should be done about it? Before we begin taking a hard look at these issues, let's take a step back and take a brief look at obesity trends across the nation—and the world.

My Soccer Team Eats Oranges

I have to admit that few things bother me more than seeing overweight kids. So when it comes to my own kids, as my wife repeatedly tells me, I'm a pain in the ass. I'm obsessed with what my five-year-old daughter and seven-year-old son eat. (My infant daughter is still strictly under her mother's domain, but she won't be for long.) The occasional treat is fine, but you will almost never find soda in our fridge, and there are strict limits on the few sugary snacks in our pantry. I can probably count our trips to fast-food venues (that I know of) on one hand. And if this isn't enough, I also make sure that my children get plenty of exercise. As most parents will tell you, this is no easy task these days. It's also a constant source of friction between my wife and me, as she is the one left to implement these draconian policies while I am at work or off writing this book.

And it's not just my own family who finds me so irritating. I coach my son's soccer team (largely because he wouldn't play if I did not). Although many teams drink Gatorade and eat Popsicles after practice and games, I limit our team's consumption to water and oranges. This, too, is a real challenge, as I have to constantly remind parents not to bring "rewards" for the team after practice and games. I once had to tell a mom to put the powdered donuts and Juicy Juice® back into her car. I told her what I tell the rest of the parents over and over—water turns out to be a pretty good way to hydrate your kids. Looking at what transpires on some of the other fields, I would not be surprised if many kids actually gain weight as a result of being in the league. By the way, although we are not supposed to keep score, it did not go unnoticed