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## Economic Contextual Factors and Adult Body Mass Index

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# **Obesity Rates**

Adults (20+): 32.2%					
Women Men					
33.2%		31.1%			
White	African American	White	African American		
30.2%	53.9%	31.1%	34.0%		

Source: Ogden et al. (2006) JAMA -- The National Health and Nutrition Examination Survey 2003-04.









# Objective

This study examines the importance of food prices, restaurant availability, and food store availability for adults' BMI using both cross-sectional and panel data estimation methods.

## **Background: Prices, Outlets and Adult Weight**

### **Prices**

• Limited and mixed evidence on the effect of food prices/taxes on adult weight outcomes, none using longitudinal data (i.e., Chou et al. 2004; Kim and Kawachi 2006; Beydoun et al. 2008; Miljkovic and Nganje 2008; Miljkovic et al. 2008).

## <u>Outlets</u>

• Few studies provide evidence linking outlet availability to weight outcomes of adults (i.e., Chou et al. 2004; Morland et al. 2006).

 Although several studies have found positive associations between supermarkets and diet quality (i.e., Morland et al. 2002; Laraia et al. 2004; Zenk et al. 2005) whereas others find mixed results (i.e., Wrigley et al. 2003; Cummins et al. 2005)

## Models

### The relationship between adult BMI and:

- Fruit and Vegetable Prices
- Fast Food Prices
- Fast Food Restaurants
- Full-service Restaurants
- Supermarkets, Convenience Stores, and Grocery Stores
- Controls (gender, race, age, marital status, family income, education, and neighborhood characteristics)

## **Research Designs and Estimation Models**

- 1) Cross-sectional Estimates
- 2) Individual Fixed Effects



#### <u>Naïve model:</u>

#### $BMI_{ist} = \beta_0 + \beta_1 PRICES_{st} + \beta_2 REST_{st} + \beta_3 FS_{st} + \beta_4 N_{st} + \beta_5 X_{it} + \varepsilon_{ist}$

#### Models to account for unobserved individual-level heterogeneity:

 $BMI_{ist} = \beta_{0+}\beta_1 PRICES_{st} + \beta_2 REST_{st} + \beta_3 FS_{st} + \beta_4 N_{st} + \beta_9 X_{it} + v_i + w_{ist}$ 

Fixed Effects Models: Assumes v<sub>i</sub> and independent variables are correlated

## The Panel Study of Income Dynamics

- Begun in 1968, PSID is a nationally representative longitudinal study of nearly 8000 U.S. families.
- It emphasizes, but not limited to, the dynamic aspects of economic and demographic behavior.
- From 1968 to 1996, PSID interviews took place annually. Since 1997, PSID has been following individuals from families in the core sample biennially.
- We use 1999, 2001, 2003, and 2005 waves of the PSID since the weight and height variables became available in 1999.
- We draw on a sample of 37,916 observations on 12,926 adults aged 18-65.

# **Contextual Data - Prices**

Fruit/Vegetable and Fast Food Price data obtained from ACCRA:

- quarterly information on prices across more than 300 US cities
- 62 different prices are collected for a range of products
- to create indices, weights are available based on expenditure shares derived from the CES

Food Price Indices:

#### 1) Fruit and Vegetable Price Index

(Based on 6 produce items, which are potatoes, bananas, lettuce, sweet peas, peaches, and sweet corn)

#### 2) Fast Food Price Index

(McDonald's Quarter-Pounder with cheese, a thin crust regular cheese pizza at Pizza Hut and/or Pizza Inn, and fried chicken (thigh and drumstick) at Kentucky Fried Chicken and/or Church's Fried Chicken)

# **Contextual Data – Outlet Density**

## Outlet density measures obtained from D&B:

- data contain information on more than 14 million businesses
- data are available by SIC codes
- data are available by multiple geo code levels
- data are updated quarterly

## Outlet density measures include:

- 1) Fast Food and Full-service Restaurants
- 2) Supermarkets, Grocery Stores and Convenience Stores

\* Outlets were defined per 10,000 capita per 10 square miles per zip code.

#### Summary Statistics - Outcome and Key Exposure Variables By Year

<b>Outcome and Key</b>	Mean					
<b>Exposure Variables</b>	1999	2001	2003	2005	Total	
Body Mass Index	26.61	26.97	27.30	27.56	27.12	
Price of Fruits & Vegetables	0.75	0.75	0.80	0.76	0.77	
Price of Fast Food	2.76	2.67	2.66	2.63	2.68	
Fast Food Restaurants	3.24	2.93	3.11	4.52	3.46	
Full-service Restaurants	17.44	14.65	16.60	16.15	16.21	
Supermarket Stores	0.68	0.65	0.68	0.62	0.66	
Convenience Stores	2.08	1.91	2.07	1.76	1.95	
Grocery Stores	5.45	4.80	4.97	4.54	4.93	
Ν	9,027	9,369	9,879	9,641	37,916	

#### Summary Statistics – Control Variables By Gender

	Mean / Frequency				
Control Variables	Full Sample	Male Sample	Female Sample		
Average Distance	24.43	24.84	24.08		
Median Household Income (2000\$)	43,484.46	44,242.26	42,836.33		
Family Income (2000\$)	66,289.80	70,535.32	62,658.78		
Age	40.48	41.06	39.99		
Male	46.10%				
White	61.88%	65.51%	58.77%		
African American	28.91%	24.97%	32.28%		
Hispanic	5.43%	5.63%	5.26%		
Other Race	3.78%	3.89%	3.69%		
Married	66.71%	72.30%	61.94%		
Never Married	17.25%	17.25% 15.48%			
Widowed	1.49%	0.55%	2.30%		
Divorced	11.17%	9.14%	12.91%		
Separated	3.38%	2.53%	4.10%		
Completed Less Than High School	16.19%	16.04%	16.32%		
Completed High School	31.26%	31.60%	30.96%		
Completed Some College	24.25%	22.87%	25.42%		
Completed College or More	22.47%	24.81%	20.46%		
Education Missing	5.84%	4.67%	6.84%		
Urban Area	68.45%	67.55%	69.23%		
Suburban Area	12.46%	13.04%	11.95%		
Rural / Farm Area	19.09%	19.41%	18.82%		
Ν	37,916	17,479	20,437		

#### **Cross-sectional and Panel Estimates of BMI: Contextual Factors**

Dependent	Male (N	=17,479)	Female (N=20,437)		
Variable: BMI	Cross Sectional	Individual Fixed	Cross Sectional	Individual Fixed	
	Estimates	Effects Estimates	Estimates	Effects Estimates	
Price of Fruits & Vegetables	0.2040	0.2762	0.8414	0.5732*	
	(0.4917)	(0.2740)	(0.5625)	(0.3051)	
Price of Fast Food	-0.2111	0.0699	-0.2246	0.2666	
	(0.3305)	(0.1695)	(0.4080)	(0.2179)	
Fast Food	0.0080	0.0012	0.0019	0.0016	
Restaurants	(0.0085)	(0.0015)	(0.0081)	(0.0011)	
Full-service	-0.0010	-0.0003	-0.0001	-0.0001	
Restaurants	(0.0006)	(0.0003)	(0.0001)	(0.0001)	
Supermarket	0.0078	-0.0023	-0.0051	-0.0043	
Stores	(0.0075)	(0.0117)	(0.0083)	(0.0046)	
Convenience Stores	0.0133 (0.0179)	0.0016 (0.0013)	0.0093 (0.0323)	0.0007*** (0.0002)	
Grocery Stores	0.0012	0.0011	0.0013	0.0007	
	(0.0029)	(0.0014)	(0.0038)	(0.0006)	

#### **Cross-sectional and Panel Estimates of BMI: Control Variables**

	Male (N=17,479)		Female (N=20,437)		
Dependent Variable: BMI	Cross Sectional Estimates	Individual Fixed Effects	Cross Sectional Estimates	Individual Fixed Effects	
Near-Low Income	0.4677***	0.1432*	0.0624	-0.0675	
Middle Income	0.4400**	0.2156***	-0.2827	-0.0896	
Near-High Income	0.2895	0.2070**	-0.7725***	-0.1566	
High Income	0.3071	0.2607***	-1.4393***	-0.1110	
African American	1.3120***		2.6041***		
Hispanic	0.6590		0.8567*		
Other Race	-1.2412***		-0.6003		
Never Married	-0.5169**	-0.3458***	0.0361	-0.6612***	
Widowed	-1.4225	-0.2685	0.3421	0.1893	
Divorced	-0.8186***	-0.4024***	-0.2325	-0.2415**	
Separated	-1.4300***	-0.6850***	0.7201*	-0.2868*	
Completed high school	0.3397	0.0287	-0.2201	0.2040	
Completed some college	0.0157	0.1109	-0.0956	0.3098	
Completed college or more	-0.4785*	-0.0605	-0.9312***	-0.0030	
Year 2001	0.3571***	0.3570***	0.3655***	0.5137***	
Year 2003	0.5537***	0.6386***	0.6597***	0.9222***	
Year 2005	0.7559***	0.8927***	0.9818***	1.4573***	

## Fixed Effects Estimates of BMI By Having Kids or Not

Dependent	Ма	ale	Female		
Variable: BMI	No Kids	With Kids	No Kids	With Kids	
Price of Fruits & Veg.	0.1521	0.5448	-0.2203	0.9948**	
Price of Fast Food	0.0156	0.1306	-0.0163	0.4676	
Fast Food Rest.	0.0009	0.0340*	0.0048**	-0.0046	
Full-service Rest.	-0.0002	-0.0020	-0.0003*	0.0014	
Supermarket Stores	-0.0012	-0.0457	-0.0071**	-0.0083	
Convenience Stores	-0.0002	0.0063***	0.0007***	0.0058	
Grocery Stores	0.0004	0.0087	0.0012**	-0.0074	
Ν	8,492	8,987	8,453	11,984	

## **Fixed Effects Estimates of BMI By Weight Status**

Dependent	Μ	ale	Female		
Variable: BMI	Normal Weight	Overweight / Obese	Normal Weight	Overweight / Obese	
Price of Fruits & Veg.	0.1399	0.6218*	0.0976	0.3326	
Price of Fast Food	-0.1080	-0.0363	-0.0208	0.5440	
Fast Food Rest.	0.0025**	0.0145**	0.0006	0.0082*	
Full-service Rest.	0.0001	-0.0010*	0.0000	-0.0001	
Supermarket Stores	-0.0150**	0.0073	-0.0030	-0.0060	
<b>Convenience Stores</b>	-0.0035	0.0020	0.0003	0.0048*	
Grocery Stores	-0.0008	-0.0003	0.0002	0.0011***	
Ν	5,037	12,442	9,927	10,510	

## **Price Elasticities – Fixed Effects Estimates**

Dependent Variable:	M	ale	Female		
BMI	All		All		
Price of Fruits & Veg.	0.0076		0.0165*		
Price of Fast Food	0.0068		0.0267		
	No Kids	With Kids	No Kids	With Kids	
Price of Fruits & Veg.	0.0042	0.0150	-0.0064	0.0285**	
Price of Fast Food	0.0015	0.0126	-0.0016	0.0467	
	Normal Weight	Overweight / Obese	Normal Weight	Overweight / Obese	
Price of Fruits & Veg.	0.0047	0.0161*	0.0034	0.0082	
Price of Fast Food	-0.0127	-0.0033	-0.0026	0.0464	

## **Summary and Policy Implications**

- No evidence that fast food prices are related to adult BMI.
- Higher fruit and vegetable prices are related to higher BMI among women, in particular women with children. Also, weakly related to higher weight among overweight and obese men.
- For females, prices more important among those with children whereas outlet availability more important among those without children or those who are overweight/obese.
- For men, prices and outlet availability more important among those who are overweight/obese, although supermarket availability significant only for normal weight men.
- Results by subpopulations suggest that subsidies to fruits and vegetables may be somewhat effective in reducing weight. Evidence that fast food restaurant and food store availability is also important.

## **Policy Landscape - Subsidies**

- Food in the U.S. is subsidized for low-income individuals and families through a number of programs such as Food Stamps, the Women, Infant and Children Nutrition Program, the Child and Adult Care Food Program, and the National School Lunch and Breakfast Programs, but food subsidies directed at the consumer do not generally exist for specific food items.
- However, California has recently passed legislation to conduct a "Healthy Purchase" pilot program where for each dollar of food stamps spent on fresh produce, participants will be subsidized a portion of the cost

## **Policy Landscape - Taxes**

- Food taxes have not generally been introduced with the aim of modifying consumption behavior as they have been used in other public health areas such as tobacco.
- Food taxes are currently imposed on selected categories of food such as soft drinks, candy and snacks in grocery stores and vending machines but at quite low tax rates (e.g., mean rate for soda is 3.4% in grocery stores).

## Where we are and what we need ...

- We aren't doing much currently in terms of fiscal pricing interventions.
- The evidence base is still thin.
- Need further research using longitudinal data.
- Need better price measures.
- Need evaluations of pilot projects that subsidize healthful foods – link to weight outcomes.
- Evidence as we go ... jurisdictions that adopt higher taxes on unhealthy energy dense foods will provide natural experiments for new research on the effectiveness of these efforts in promoting healthy eating and curbing the obesity epidemic.







### **Economic, Lifestyle and Social Influences on Obesity**

## http://www.impacteen.org/obesity

