

Can soda tax curb obesity?

June 28 2011, By Hilary Hurd Anyaso

(Medical Xpress) -- To many, a tax on soda is a no-brainer in advancing the nation's war on obesity. Advocates point to a number of studies in recent years that conclude that sugary drinks have a lot to do with why Americans are getting fatter.

But obese people tend to drink diet sodas, and therefore taxing soft drinks with added sugar or other sweeteners is not a good weapon in combating obesity, according to a new Northwestern University study.

An amendment to Illinois Senate Bill 396 would add a penny an ounce to the cost of most soft drinks with added sugar or sweeteners, including soda, sweet iced tea and coffee drinks. Related to the purpose of the tax, the legislation excludes artificially sweetened and diet sodas.

“After doing the analysis, it really turns out to be the case that obese people like diet soda so much more than regular soda that you can do whatever you want to the price,” said Ketan Patel, a fourth-year doctoral student in economics. “You’re not going to get that much change in obese people’s [weight](#) because they already drink diet soda.”

Patel, who recently presented his paper “The Effectiveness of Food Taxes at Affecting Consumption in the Obese: Evaluating Soda Taxes” at a U.S. Department of Agriculture conference on food policy in Washington, D.C., said he initially didn’t know if the diet soda preference was going to be a large factor in evaluating the effectiveness of the [soda](#) tax.

“The concern I had was that maybe obese people are less price sensitive,” Patel said. “So if [obese people](#) are less price sensitive, then raising the price through a tax will affect their behavior less.”

But that concern became irrelevant since diet drinks are not being considered in the proposed obesity tax.

Beyond its ineffectiveness in reducing [obesity](#), such a tax also would punish consumers that are not overweight or obese, Patel said.

Is there a scenario in which increasing the tax would have an effect on weight? Patel said that could depend on whether people are at a stable weight or whether people are already eating too many calories and therefore their weight will continue to increase. If increasing weights are the status quo, then a tax could prevent people who are currently overweight or normal weight from becoming obese. More research needs to be done on this aspect, however, Patel said.

For this study, Patel used a large data set of sodas price and sales data with individual level data on demographic characteristics and body mass index (BMI) to estimate consumer preferences while allowing for substantial diversity in those preferences. After obtaining estimates of consumer preferences, Patel simulated how a tax would change the choices that consumers make and used the results of the simulation to estimate changes in weight using a weight change model from existing nutrition literature.

In the meantime, however, lawmakers say it does not look likely that the tax will be imposed anytime soon as there is little support for the measure after a recent income [tax](#) hike in Illinois.

Provided by Northwestern University

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