

Study: Taxing sugary beverages not a clear cut strategy to reduce obesity

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Taxing sugary beverages may help reduce calories, but the health benefits may be offset as consumers substitute other unhealthy foods, according to a joint study by researchers at RTI International, Duke University, and the U.S. Department of Agriculture.

The study, published in the *American Journal of Agricultural Economics*, found that the reduction in sugary beverages due to a soda tax would likely lead consumers to substitute those calories by increasing their calorie, salt and fat intake from untaxed foods and beverages.

"Instituting a sugary beverage tax may be an appealing public policy option to curb obesity, but it's not as easy to use taxes to curb obesity as it is with smoking," said Chen Zhen, Ph.D., a research economist at RTI, and the paper's lead author. "Consumers can simply substitute an untaxed high calorie food for a taxed one. And as we know, reducing calories is just one of many ways to promoting healthy eating and reducing nutrition-related chronic disease."

The study also examined differences in purchase behavior between lower and higher income households. Compared to higher income families' purchases, foods and beverages purchased by lower income families tend to be higher in calories, fat and [sodium content](#) on average.

"Because lower-income families tend to buy more sugary soft drinks than higher income families, they would more readily reap the health benefits of reduced sugary [beverage intake](#)," Zhen said. "However, they

would also pay more in beverage taxes, making it a regressive tax."

To conduct the study, researchers used data on household food purchases from the 2006 Nielsen Homescan panel, a large national consumer panel maintained by the Nielsen Company. Families in the panel are provided with a handheld scanner and instructed to scan the Universal Product Code (UPC) of products they purchased at retail outlets, record purchase quantities and coupons used and identify the retailer that the product was purchased from.

Obesity rates in the United States are about 36 percent for adults and 17 percent for children and adolescents. A previous RTI study found that medical costs associated with obesity are estimated at \$147 billion or more per year.

More information: *American Journal of Agricultural Economics* 2013; [doi: 10.1093/ajae/aat049](https://doi.org/10.1093/ajae/aat049)

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