

People respond to tax on unhealthy foods

November 27 2013, by H. Roger Segelken

(Medical Xpress)—Excise taxes on unhealthy foods – combined with public-service anti-obesity advertising – might cut calories and cholesterol from Americans' lunch menus.

"But weaning Americans off all that added sugar and salt won't be an easy task for public-health policymakers," says Harry M. Kaiser, Cornell's Gellert Family Professor of Applied Economics and Management, who led an experimental team to test a range of anti-obesity policy measures.

Some 258 human lab "rats" perused lunch menus that would make Michael R. Bloomberg, New York City's behavior-modification mayor, rethink his proposed ban on super-sized [sugary drinks](#). There were 20 percent excise taxes on Mountain Dew and Pepsi sodas, for example, and 20 percent subsidies (via reduced menu prices) to choose unsweetened ice tea instead.

Volunteers were given \$10 vouchers to order whatever appealed – before watching anti-obesity and pro-[healthy-food](#) commercials embedded in recorded television shows like "Portlandia."

Then, with public-service ads still elbowing their dietary consciences, lab volunteers had a chance to revisit the 22-item menu. Suddenly, that "lean turkey whole grain sandwich" with a healthy-food subsidy became more enticing than the excise-taxed "Doritos nachos cheese chips." And "veggie cup with hummus or light ranch" never looked so good.

The study is the first to present diners with so many options in a laboratory setting. (A green salad cost \$7.03 with no price change and \$5.62 with the healthy food subsidy applied, whereas the [unhealthy food](#) tax added 35 cents to the price of a \$1.61 brownie bar.) If volunteers were surprised by the supposed tax, they were informed: "Some menu prices are subject to an unhealthy foods tax under the U.S. Health Promotion Policy."

Of course there is no such U.S. policy – although Mexico's federal government might start taxing sugary drinks and comida chatarras (junk food) – but the public-service ads (promoting fresh fruits and vegetables or warning of obesity's health consequences) were real enough.

And the ads had a measurable effect. Three experimental scenarios (the unhealthy food tax alone, exposure to healthy food advertising, and unhealthy food tax combined with anti-obesity advertising) "significantly reduced" consumption of some "nutrients of concern," such as calories, calories from fat, cholesterol and carbohydrates, researchers reported.

When combined with the healthy foods subsidy, however, healthy food advertising "had very little effect," researchers observed, and anti-obesity advertising on its own "is not efficient at changing dietary behavior."

Consumption of added sugar and sodium were not reduced by anything the researchers tried, and that worries them. Calling sugar an addictive substance and salt a serious threat to heart health, the researchers held out one last hope:

"The resistance and denial of anti-obesity advertising messages," they wrote in the journal *Applied Economic Perspectives and Policy*, "can be mitigated through the use of an unhealthy food tax, providing additional reasons for behavioral change and appealing to people's rationality."

The menu price study was supported by funds from Cornell's College of Agriculture and Life Sciences. The study was reported Nov. 7 as "Taxes, Subsidies and Advertising Efficacy in Changing Eating Behavior: An Experimental Study."

More information: Read the full study:
aapp.oxfordjournals.org/content/.../aapp.ppt032.full.pdf

Provided by Cornell University

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