

Should we tax unhealthy foods?

31 March 2015, by Michael Blanding, Tufts Now

What does a 20-ounce bottle of soda cost? If you said 99 cents, you are only partly right. While that may be the price on the sticker at the store, it doesn't take into account the cost to public health. One study, for example, found for every extra can of soda a person drinks per day, he or she is 30 percent more likely to become obese—increasing the risk of heart disease, diabetes and other diseases.

"Diet is now the leading cause of poor health in the country," says Dariush Mozaffarian, dean of the Friedman School, who notes health-care costs account for nearly one out of every five dollars in our national economy.

Yet when cities and states have tried to enact so-called snack taxes on soda, candy and other junk food, they've met resistance. Conservatives greet such attempts as evidence of the "nanny state" limiting personal choice, while hunger groups view the taxes as discriminatory against the poor, who consume more high-calorie foods.

That doesn't mean the policy of taxing foods should be abandoned, says Mozaffarian. In fact, as he argued in an editorial in the *Journal of the American Medical Association* last fall, it doesn't go far enough. Along with Boston Children's Hospital obesity researcher David Ludwig and Harvard economist Kenneth Rogoff, Mozaffarian expanded on the snack tax by proposing across-the-board food taxes combined with key food subsidies.

"We propose taxing pretty much everything with a food label or sold in chain restaurants," explains Mozaffarian, recommending a flat tax of anywhere between 10 and 30 percent. At the same time, he and his co-authors propose dramatically lowering the prices on unimpeachably healthy foods. "The modest tax would be used to subsidize minimally processed, mostly whole foods that the scientific evidence demonstrates are clearly healthy, such as fruits, vegetables, nuts, fish, vegetable oils and yogurt." The taxes would also support school lunch programs.

The radical step comes out of research Mozaffarian did on different strategies for improving diet, published by the American Heart Association last year. "It showed us that education and knowledge alone have a pretty minimal effect," he says. On the other hand, "there is strong evidence that taxes reduce consumption, while subsidies increase consumption."

It's Public Safety

He compares changing food choices to efforts to reduce fatalities from car accidents over recent decades. "Did we simply say, 'Car accidents happen; let's just educate people about the risks'? No. We instituted driver's licensing, car crash standards, antilock brakes, airbags, guard rails, speed limits and rumble strips, as well as seat belt, child seat and motorcycle helmet laws," he says. "The food system is just as complex—we need to use all the tools at our disposal to address the consumer, industry, food environment and food culture to be successful."

By providing subsidies for healthy foods, the proposal would avoid challenges that food taxes are punitive or regressive. "The subsidy in the beginning would be very large," he says. "Imagine an apple might cost 5 cents, a filet of salmon 25 cents. It would radically alter incentives for producers, retailers, restaurants and the public." While those bargains would be offset by modestly higher prices on processed foods, Mozaffarian believes that with healthier choices, the average grocery bill for families could stay the same or even decrease—while at the same time reducing family medical costs.

Originally, Mozaffarian and Ludwig considered taxing foods at different amounts depending on their healthfulness. However, economist Rogoff counseled that such a scheme would be too open to lobbying by [food companies](#) for exemptions, undermining the system. Instead, the idea is to start with a simple flat tax, and later introduce scaled taxes to further increase incentives for food

companies and restaurants to create healthier offerings.

"If Pepsi can sell an apple with 'Pepsi' on it and make the same amount of money as soda, they would be delighted to do that," says Mozaffarian. "I believe that over five to 10 years, it would transform the [food](#) system."

Provided by Tufts University

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