OBESITY IN AMERICA AND ILLINOIS

Reducing Obesity Can Benefit the Economy



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OBESITY IN AMERICA AND ILLINOIS: REDUCING OBESITY CAN BENEFIT THE ECONOMY Economic Commentary #39

Adult Obesity in the United States

The obesity epidemic continues to worsen across the United States. A recent Gallup-Healthways Well-Being Index poll found that Midwestern and Southern states tend to have the highest adult obesity rates in America. West Virginia ranked lowest, with 37 percent of its adult population considered obese, while Hawaii ranked highest, with an adult obesity rate of 18.5 percent (Davis & Liu, 2016).

Sadly, Hawaii (18.5 percent) and Colorado (19.8 percent) are the only two states with adult obesity rates below 20 percent. On the other hand, there are 18 states with over 30 percent of their adult population dealing with obesity. The Trust for America's Health estimates that approximately 44 percent of Americans will be obese by 2030 (Trust for America's Health, 2012).

This epidemic has mainly increased in the Midwest and in the South. Only one of the 18 states with obesity above 30 percent is not located in the Midwest or South. However, adult obesity has increased in all regions of the United States since 2008: adult obesity rates have increased by 3.2 percentage-points in the Midwest, 2.9 percentage-points in the South, 2.0 percentage-points in the Northeast, and 1.8 percentage-points in the West (Davis & Liu, 2016).

As obesity rates continue to rise, healthcare costs increase. Obesity has negative impacts on social and economic well-being. Advocating for a healthy lifestyle, implementing subsidies on healthy foods, and designing programs that prevent and reduce obesity can substantially benefit families, employers, and states.

Adult Obesity and Poverty

Individuals with lower incomes and lower education levels are more likely to be obese. More than 33 percent of adults who earn less than \$15,000 per year are obese; only 24.6 percent of those who earned at least \$50,000 per year are obese. On the other hand, in a nation of over-eating, more than 14 percent of U.S. households, or 17.4 million people, are still "food insecure." These households have inadequate amounts of nutrition in their diets due to high costs and food deserts (The State of Obesity, 2016 (b)).

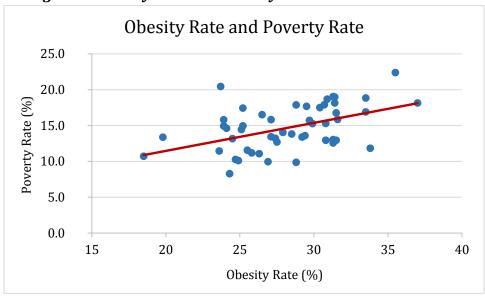


Figure 1: Obesity Rate and Poverty Rate in the United States

Source(s): Davis & Liu, 2016 - "Obesity Rate Lowest in Hawaii, Highest in West Virginia" and Social Science
Research Council, 2010 – "Poverty Rate (% Below Federal Poverty Threshold)."

There is a moderately strong correlation (0.48) between a state's obesity rates and its poverty rate. In general, the higher the obesity rate, the higher the rate of poverty. This is due, in part, because higher obesity rates are linked to lower incomes and long-term unemployment (McGeeney & Mendes, 2013).

The cheapest foods tend to be processed and have higher percentages of sugars, fats, and artificial additives. Low-income families are often unable to afford healthy options or tend to overeat on some meals and skip other meals, causing unhealthy eating habits and increasing the probability of obesity. In addition, lower-income neighborhoods tend to have fewer parks, green spaces, and recreational facilities that make physical activity more difficult. Crime and unsafe neighborhoods can also be barriers if adults and children choose to stay inside for safety reasons.

Those who have lower levels of education, are working class, or belong to a minority race or ethnicity are disproportionally more likely to suffer from obesity due to their socioeconomic status.

Adult Obesity and Healthcare Costs

Healthcare costs continue to rise as the obesity rate increases. It is estimated that between \$147 billion to \$210 billion per year is spent on chronic diseases that are directly attributable to obesity in the United States (The State of Obesity, 2016 (a)). In addition, the United States loses approximately \$4.3 billion annually from lower productivity due to obese employees.

Obesity Rate and Uninsured Rate

25
20
15
20
25
30
35
40
Obesity Rate (%)

Figure 2: Obesity Rate and Uninsured Rate in the United States

Source(s): Davis & Liu, 2016 - "Obesity Rate Lowest in Hawaii, Highest in West Virginia" and Writters, 2015 - "In U.S., Uninsured Rates Continue to Drop in Most States."

A weak but positive correlation (0.14) is found between states with high obesity rates and states with more uninsured residents. The uninsured often go long periods of time with illnesses or injuries before seeking medical treatment due to high out-of-pocket costs (Manzo, 2016). Those who are obese and have no health insurance may opt out of seeing a doctor, which only increases the probability of getting a chronic disease associated with obesity – such as high blood pressure, high cholesterol, diabetes, and heart attacks.

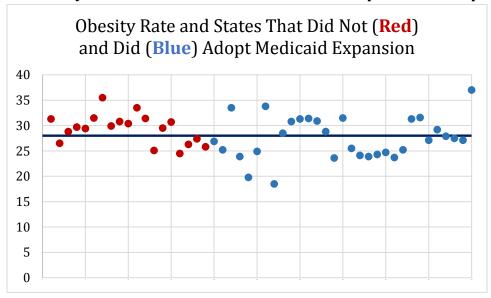


Figure 3: Obesity Rate in States that Did Not and Did Adopt Medicaid Expansion

Source(s): Davis & Liu, 2016 - "Obesity Rate Lowest in Hawaii, Highest in West Virginia" and Kaiser Family Foundation (KFF), 2016 - "Status of State Action on the Medicaid Expansion Decision."

As of March, 2016, 19 states have decided not to adopt the Medicaid expansion in the Affordable Care Act, while 32 states (including D.C.) have expanded Medicaid. Of the 32 states that have expanded Medicaid, 13 have an adult obesity rate over 28 percent (41.0 percent). Of those the 19 states that have not expanded Medicaid, 13 have an adult obesity rate above 28 percent (68.4 percent). States that have expanded Medicaid tend to have lower obesity rates.

Adult Obesity and Well-Being

Obesity rates are heavily correlated with the well-being of a population. Hawaii is ranked as the highest in overall well-being and is also the most physically-active state (Gallup-Healthways Well-Being Index, 2016). A strong, negative correlation (-0.69) demonstrates that well-being rates decrease as obesity rates increase. Those who are considered obese have the lowest average well-being scores out of any weight group (underweight, normal, overweight, obese). However, it is found that "overall well-being influences future obesity outcomes more than obesity influences future well-being" (Levy, 2015).

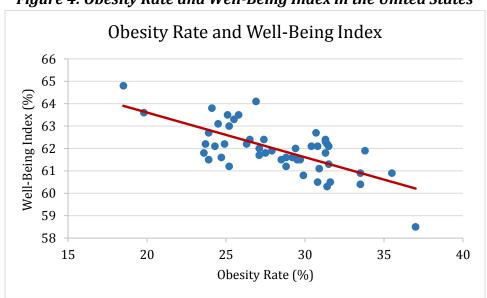


Figure 4: Obesity Rate and Well-Being Index in the United States

Source(s): Davis & Liu, 2016 - "Obesity Rate Lowest in Hawaii, Highest in West Virginia" and Gallup-Healthways Well-Being Index, 2016 - State of American Well-Being: 2015 State Well-Being Rankings.

Conclusions and Implications for Illinois

Obesity continues to rise in the United States. The number of obese residents has increased in all regions of the country since 2008. However, the Midwest and the South suffer the most from the epidemic, creating social and economic challenges.

Obesity is associated with lower socioeconomic outcomes. Low-income families live in neighborhoods with fewer parks and more crime, making it more difficult to enjoy outdoor

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physical activities. Minorities, workers with low-paying jobs, and individuals with low levels of education all more likely to suffer from obesity.

Obesity costs states, citizens, and taxpayers millions of dollars a year in healthcare costs. Adult obesity costs Illinois alone \$4.5 billion a year. If Illinois were to reduce its adult obesity rate by 1 percent from 28.5 percent to 27.5 percent, the economy would expand by \$156 million per year (Davis & Liu, 2016; Census, 2016). Chronic diseases and illnesses caused by obesity not only increase healthcare costs, but negatively impact worker productivity.

States that spend more on healthcare tend to have a lower adult obesity rate. The vast majority of the states that have not expanded Medicaid have an adult obesity rate of over 28 percent or compared to a minority of the states that have expanded Medicaid.

States with high adult obesity rates should adopt policies that promote middle-class jobs, support high levels of education, advocate for a healthy lifestyle, and provide subsidies for healthy foods. These actions have positive health and well-being outcomes for the state. Reducing obesity not only saves lives, it benefits the economy.

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