Childhood Obesity in North Carolina: Economic Cost and Implications

Legislative Task Force on Childhood Obesity
Raleigh, NC
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Obesity Trends Among U.S. Adults
1990 - 2007

Source: Behavioral Risk Factor Surveillance System. CDC, Atlanta, GA.
Obesity Trends Among U.S. Adults

1990

(*BMI ≥30, or ~30 lbs. overweight for 5’ 4” person)
Obesity Trends Among U.S. Adults

1995

Map showing obesity trends among U.S. adults in 1995, with states color-coded to indicate different obesity percentage categories: No Data, <10%, 10%-14%, and 15%-19%.
Obesity Trends Among U.S. Adults

2000

No Data <10% 10%-14% 15%-19% ≥20%
Obesity Trends Among U.S. Adults

2003
Obesity Trends Among U.S. Adults

2004

No Data <10% 10%–14% 15%–19% 20%–24% ≥25%
Obesity Trends Among U.S. Adults

2007

No Data <10% 10%–14% 15%–19% 20%–24% 25%–29% ≥30%
Economic Cost Analyses of Excess Weight

- California: 2005/2008
- Maine (2007)
- Massachusetts (2005)
- Michigan (2005)
- Texas (2004)
- Washington (2005)
Excess Weight & Clinical Conditions

- Cardiovascular disease
- Cerebro-vascular disease
- Hypertension
- Type-2 diabetes
- Cancer: breast, colo-rectal, uterine, esophageal, kidney
- Hip fracture
- Musculo-skeletal
- Depression
- Anxiety
- Carpal tunnel syndrome

In 2006, physical inactivity, excess weight, type II diabetes and low fruit/veggie intake cost North Carolinians an estimated $34.2 billion.

The majority of this tab was paid by business & industry through employer health insurance premiums and lost productivity.

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Healthcare Costs Per Employee

Direct Costs:
- Med & Rx Drugs: 24%

Indirect Costs:
- Presenteeism: 62%
- Absenteeism: 6%
- STD: 6%
- LTD: 1%
- WC: 1%

STD=Short-term disability; LTD=Long-term disability; WC = Workers’ comp

Medical Care Costs & Body Mass Index (BMI)

“...health insurance doesn’t really do anything for our company’s productivity -- healthy employees do.”

James Goodnight, Ph.D.
CEO & Founder
SAS Institute, Inc.
Cary, North Carolina
Comparing dollars...[at time of analysis]

* Physical inactivity, excess weight, type II diabetes, and low fr/veg. intake

Sources: ‘08 N.C. Budget - Office of State Budget and Management. [www.osbm.state.nc.us]
** Gross State Product - [www.statehealthfacts.org]
Comparing dollars: 2006 vs. 2010

* Physical inactivity, excess weight, type II diabetes, and low fr/veg. intake

Sources:
- ‘09 N.C. Budget - Office of State Budget and Management. [www.osbm.state.nc.us]
- ** Gross State Product - [www.statehealthfacts.org]
Obese workers might keep employers away

Some companies weigh obesity rates

BY LAUREN BERRY
THE CHARLOTTE OBSERVER

You’ve heard of the steps companies are taking to cut their health care costs: They’re banning smoking, offering yoga and wellness classes, even putting healthy snacks in vending machines.

But what steps do companies take before they even open?

In a trend that might sound extreme, a growing body of evidence suggests that some companies are factoring health into the way they select sites. Among other considerations, companies could be eyeing obesity rates before deciding where to put new plants and offices.

The idea is that by examining obesity rates and avoiding opening where more obese people live, companies can cut their future health care costs. For the Carolinas, that could spell trouble, given that the majority of residents are tipping the scales.

No companies that have recently opened sites in the Carolinas have acknowledged they consider such

FAT WORKERS

According to 2006 data from the N.C. State Center for Health Statistics, 62.6 percent of North Carolinians are overweight or obese. Here are the percentage of residents in Triangle counties considered overweight or obese:

- Orange County: 51.6 percent
- Durham: 59.1 percent
- Wake: 62.7 percent
- Johnston: 68.5 percent
- Franklin and Nash: 73.8 percent

SOURCE: WWW.EATSMARTMOVEMORE.NC.COM

...tion worse for employers. Researchers at RTI International have found those with high levels of obesity miss more days of work, and cost $460 to $2,500 per year in additional medical expenses. The extra cost of obesity at a company with 1,000 workers was pegged at $285,000 a year, RTI's 2005 study found.
Ask yourself......

How can North Carolina compete in a GLOBAL economy when we spend:

> more $ per capita on illness care than Virginia & Georgia?
> a larger % of our GSP on health care each year?
> more than 10% of our GSP on only 4 risk factors?
Fat for Life?

Six Million Kids Are Seriously Overweight. What Families Can Do.

By Geoffrey Cowley & Sharon Begley
For the first time in more than 100 years, a USA child’s life expectancy is projected to be shorter than their parents’ lifespan due to the growing prevalence of adolescent obesity.

What’s real cost of the today’s lifestyle?...
North Carolina Youngsters...at Risk!

Source: N.C. Youth Risk Factor Surveillance System, 2005, CDC.
In 2006, the direct medical care cost of physical inactivity, type II diabetes & excess weight among North Carolina YOUNGSTERS was approximately $105.1 MILLION
What’s the Real Cost of Unhealthy Lifestyles in Your County?

http://www.beactivenc.org/pages/223/County-Impact/
**ADULTS**

*The Bad News* - The economic cost of unhealthy lifestyles* among adults in Edgecombe County is over $84 million annually. This cost includes both direct medical expenses and indirect costs such as lost productivity, absenteeism and presenteeism. If the current trend continues and we do nothing to reverse them, we can expect to be spending over $117 million annually by 2010. *The Good News*…If we can get just 3% of at-risk adults in Edgecombe County to be more active, eat nutritiously, and achieve a healthy weight, we can save over $3.5 million annually. These wasted expenditures would be sufficient to fund about 148 new jobs in our county (based on average salary figures).

**YOUTH**

*The Bad News* - The direct medical cost of unhealthy lifestyles* among youth in Edgecombe County is over $122,000 annually. If the current trend continues, the current group of inactive and overweight youth in our county will incur *medical care and lost productivity costs* of nearly $172 million by the mid-point of their working years (mid-40s) and nearly $1.6 billion by the time they retire. *The Good News*…If we can get just 4% of at-risk youth in Edgecombe County to be more active, eat nutritiously, and achieve a healthy weight, we can save over $6,800 annually in direct medical costs.

*Unhealthy lifestyles* includes the risk factors of diabetes, depression, excess weight, physical inactivity, abnormal blood lipid level, low fruit & vegetable intake, and tobacco use.

Heavy kids...lead to heavy costs...

An overweight young adult in NC will incur more than $22,000 in direct medical care expenses due to excess weight alone by the mid-point of their working years... and cumulatively incur over $250,000 as they near retirement.
Today’s norm...

YOU KNOW BETTER—NOW GO MOVE YOUR BOOKBAG SO YOUR DADDY CAN WORK OUT.
Future Implications...

What we do [or don’t do] will determine how OUR future looks...

**Fat for Life?**
Six Million Kids Are Seriously Overweight. What Families Can Do.
By Geoffrey Cowley & Sharon Begley

**FIT for Life?**
Thank you...

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