

Extra Weight, Higher Costs

By Damon Darlin

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As you snatch a couple more Christmas cookies or down another eggnog, you might be thinking about what those extra calories will do to your health. But have you considered what they will do to your wealth? The sugar and fat will add pounds, which can lead to heart disease, diabetes and a shortened life span.

There is another consequence to packing on extra weight: being fat costs money — tens of thousands of dollars over a lifetime.

Heavy people do not spend more than normal-size people on food do, but their life insurance premiums are two to four times as large. They can expect higher medical expenses, and they tend to make less money and accumulate less wealth in their shortened lifetimes. They can have a harder time being hired, and then a harder time winning plum assignments and promotions.

We're not talking about people who are merely carrying a few extra pounds, or only those who are Jabba the Hutt in their dimensions, either. People carrying 30 to 40 pounds extra can be affected.

"Being overweight can be dangerous to your wealth," said Jay L. Zagorsky, an economist at Ohio State University who has looked at the relationship between various economic and sociological factors and a measure of obesity called the body mass index.

Doctors use the index to determine whether a person is merely overweight or dangerously obese. You divide your weight in pounds by the square of your height in inches, which is then multiplied by 703, to adjust the English-system measurements to the metric system. (You could use kilograms and centimeters, but that would be too easy.) Or use a Web calculator like the one at www.nhlbisupport.com/bmi/ or www.halls.md/ideal-weight/body.htm.

Anything under 25 is considered a normal reading of the index. From 25 to 30 is overweight, and above 30 is obese. People who rate above 40 are considered morbidly obese, meaning they are facing serious and sustained health problems.

The index has been criticized for its inability to distinguish between a well-muscled person and a fat one. Nevertheless, it is by this measure that academics estimate that 97 million Americans, about a third of the population, are considered obese. Almost 10 million Americans could be considered morbidly obese.

Academics have struggled to place a price tag on the cost of treating those carrying around too much weight. The obese suffer from heart disease, diabetes, depression, arthritis and joint problems, liver disease and sleep apnea.

Complications from obesity, particularly diabetes, which afflicts 21 million Americans, push up the bill: \$44,000 for a heart attack, \$40,200 for a stroke or \$37,000 for end-stage kidney disease, estimates Judith A. O'Brien, the director of cost research at the Caro Research Institute, a health costs consulting firm. Amputating just a toe, a not-uncommon consequence of untreated diabetes, averages \$15,000, she estimates.

Academics have not spent much time calculating what that care costs the overweight individual. Instead, they look at what obesity costs society or insurers. The sum usually arrived at is about \$80 billion a year and steadily growing. The government or insurers pay about 85

percent of that. In other words, the fit and the fat pay for it indirectly through taxes or higher health insurance premiums.

This year, two nutritional scientists at the University of Wisconsin-Madison, Rachel N. Close and Dale A. Schoeller, took a unique twist on the calculations to determine what “supersizing” a fast-food meal costs society. Paying 67 cents to supersize an order — 73 percent more calories for 17 percent more money — adds an average of 36 grams of adipose tissue. The future medical costs for that bargain would be \$6.64 for an obese man and \$3.46 for an obese woman. “The hidden financial costs associated with weight gain from upsizing a value meal may help convince people it is not a bargain,” Mr. Schoeller said.

Even routine care can put a dent in a family’s finances. Office visits and prescriptions for medicines to manage diabetes, high cholesterol, back pain and depression can reach \$7,000 in annual out-of-pocket expenses for someone — admittedly one with nearly every problem associated with obesity — covered by an employer’s health insurance, according to an online health care cost estimator United HealthGroup provides to its customers.

While the health problems ravage savings, an overweight person may have difficulty accumulating a nest egg in the first place. One of the earliest sociological studies of the overweight, in 1966, found that the heaviest students had a harder time getting into top colleges. More recent studies have found that the obese, particularly white women, are paid less. A study by John H. Cawley, an associate professor of human ecology at Cornell University, found that a weight increase of 64 pounds above the average for white women was associated with 9 percent lower wages.

Evidence from decades of discrimination studies has led Mark V. Roehling, an associate professor at the School of Labor and Industrial Relations at Michigan State University, to the conclusion that there is “consistent evidence of weight discrimination.”

One factor is that some employers do not want to be burdened with higher health insurance costs. Other times it is a matter of appearances or a belief that “people of size,” as Mr. Roehling terms the obese, are lazy, weak-willed or considered too unattractive to interact with customers. He has found that some employers are upfront about it, even in Michigan, which is the only state that outlaws weight discrimination.

While conducting research, he said, he was told by a personnel manager, who himself was overweight, that the company would not hire overweight people, even after Mr. Roehling told him that was illegal. The bias is more pronounced toward white women than white men, Mr. Roehling said: “Blacks are more accepting of large people and whites are more accepting of overweight black females.”

Mr. Roehling is convinced that weight bias is stronger than bias stemming from race. You can test that thesis yourself with the Implicit Association Test, at implicit.harvard.edu/implicit. It was created by researchers at Harvard, the University of Virginia and the University of Washington to plumb an individual’s attitude toward race, ethnicity and religion. Take the test for prejudice against overweight people and compare your result against the similar test for race.

Brian A. Nosek, a psychology professor at the University of Virginia who helped develop it, said that test results showed that bias against blacks and the overweight was about equal, but that while people rarely admit to race bias, they freely admit to weight bias. “There is no social sanction against saying you don’t like fat people,” Mr. Nosek said.

The weight penalties come in other forms as well. Sociologists have long noted that in developed countries, the higher-status people tend to be thin and the lower-status ones are fat. “That heavier people have a harder time getting married is pretty well supported,” said Jeffery Sobal, a professor at Cornell University who has studied obesity. Marriage can be crucial in

wealth creation, especially when a person “marries up” to someone with money or a higher education. That may be a rarer occurrence for the obese. “There is a stigma against the overweight that plays out in the social class world,” he said.

The end result? The obese accumulate only about half the assets of the normal-size American, said Mr. Zagorsky, the Ohio State University research scientist. He matched BMI. and wealth data in the National Longitudinal Survey of Youth, a multiyear sampling done by the Bureau of Labor Statistics, and found that for every one-point increase in the index, net worth dropped by \$1,000. The typical female baby boomer, he said, earned \$313.70 less annually for every one-point increase in her BMI., while the typical male earned \$161.30 less for every point.

A chicken-or-egg question invariably pops up. Are people fat because they are poor or poor because they are fat?

“We can never prove causality in social science,” Mr. Zagorsky said. “As an experiment, I can’t force people to eat or force them not to eat.” But he said that if wealth causes the change in weight, then people who receive inheritances should show a corresponding drop in their BMI. That does not happen, so he asserts that weight drives the lack of wealth.

Mr. Zagorsky’s data revealed an odd finding about inheritances. Thin people tend to receive bigger inheritances. He is not sure why, but he thought it could be because people with low BMI.’s live longer and their parents tend to live longer, so wealth has a longer time to accumulate before it is transferred.

What happens to a person who loses weight? Mr. Zagorsky said a drastic drop in weight corresponds to an increase in wealth. A baby boomer whose BMI. drops from 27.5, the middle of the overweight category, to 21.7, the middle of the normal category, sees an increase in wealth of \$4,085. The impact of weight loss on wealth was considerably less for black women and it appeared to make no difference for black men. But a BMI. decrease of 10 points corresponds to a wealth increase of \$12,720 for white men and slightly less for white women.

But it has to be a big loss in weight. “You can’t just drop 10 pounds and change your wealth,” he said.

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