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Study analyzes effects of calorie posting laws in chain restaurants on obesity and consumers

- **The 2010 Patient Protection and Affordable Care Act (ACA), sometimes called “Obamacare” required chain restaurants to post calorie information on menus.**
- **The study finds that this mandate lead to average reductions in weight of 1.5 pounds but also imposed a moral cost on unhealthy eating that reduces self-reported measures of life satisfaction.**

The increase in eating out, calories consumed, and obesity has spurred interest in whether or not the link between eating out and increases in obesity is connected to market failures such as consumers’ underestimation of the actual calories in a restaurant meal. A new study by University of Kentucky Associate Professor and ISFE Director Charles Courtemanche, University of Iowa Associate Professor David Frisvold, Universidad de Alicante Assistant Professor David Jimenez-Gomez, University of Wisconsin Assistant Professor Mariétou Ouayogodé, and University of Alabama Professor Michael Price sheds light on whether mandates that require restaurants to make calorie counts visible on menus nudge consumers to make healthier food choices.

Using data from the 1994-2012 waves of the Behavioral Risk Factor Surveillance System (BRFSS) as well as other secondary datasets, the authors analyze the effects of calorie mandates on several different outcomes

Their findings indicate that calorie mandates lead to small but statistically significant decreases in BMI of 0.19 kg/m² - this corresponds to a reduction in weight of 1.5 pounds, or 0.7% of their data’s average observed weight. These results are driven entirely by districts and locales that actively enforced the mandate throughout the period studied, weak enforcement led to no effects on BMI and body weight.

The authors also examine the importance of moral cost as it pertains to these mandates. They find that calorie labels lead to a reduction in self-reported life satisfaction that is driven by individuals in the healthy weight category, not individuals in the obese weight category. They note, “our results are consistent with the notion that “nudges” may be welfare enhancing for some individuals but welfare reducing for others.”

However, they continue, “one should not use the possibility that calorie labels may have adverse welfare effects for certain types of individuals to rule out the use of such nudges. Such an approach would be akin to advocating doctors forgo prescribing any medication that could have adverse side effects for some individuals. Instead, we would ideally understand the benefits and costs of nudges, and tailor them to the population that is the most likely to benefit from them.”