

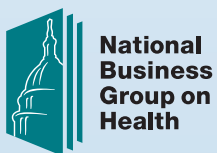
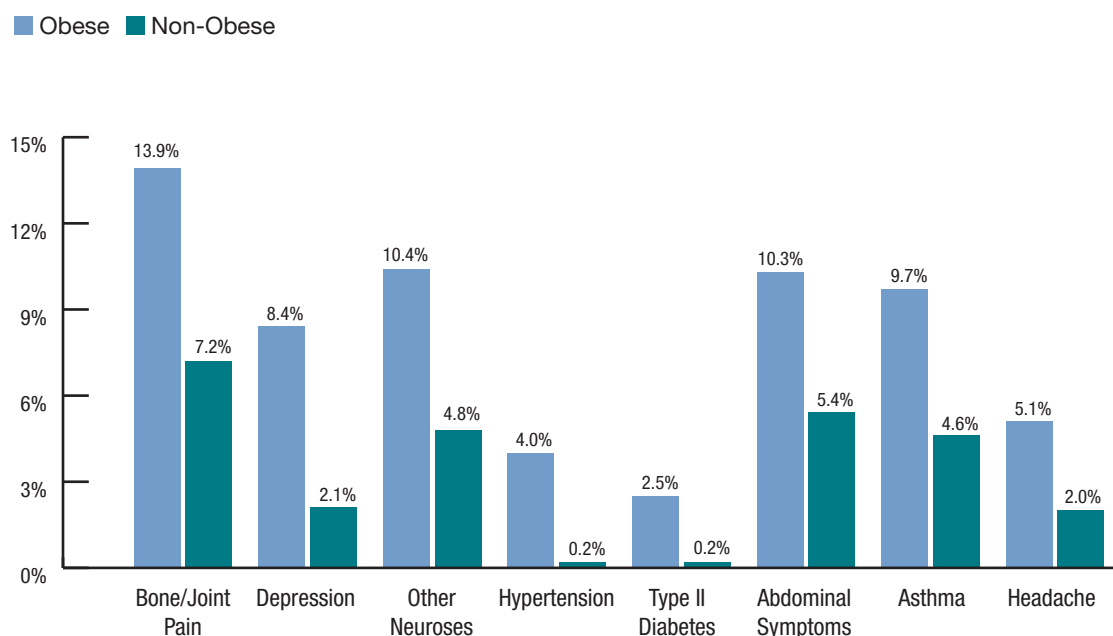
# Three Ways Childhood Obesity Is **Impacting** **Your Business**

Approximately one-third of large employers' beneficiaries are dependents under the age of 25,<sup>1</sup> and children and adolescents are responsible for 14.7% of a typical large employer's health care costs.<sup>3</sup> As overweight and obesity increases among children, employers will be impacted in three ways.

## 1. Childhood Obesity Increases Health Care Utilization and Costs

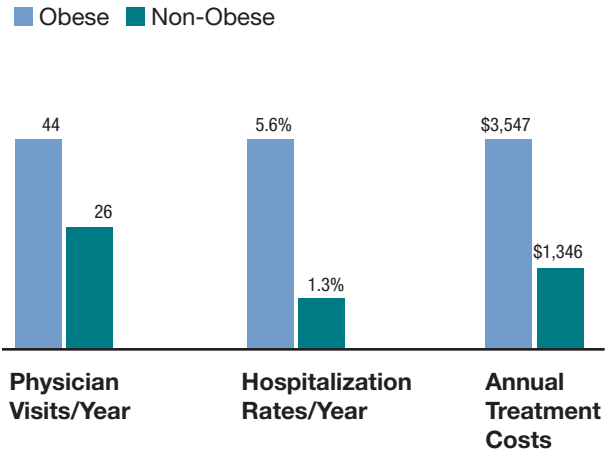
Diagnosis of illnesses attributable to overweight and obesity (e.g., hypertension, diabetes and depression) is no longer confined to adults. These illnesses are occurring concurrently with overweight and obesity in children, increasing the need for health care services in the short term. In 2006, a greater percentage of privately insured obese children received treatment for an array of health conditions compared to those children who were not obese. In some instances, the percentage of children who sought treatment was up to 20 times greater for obese children compared to non-obese children<sup>2</sup> (Fig. 1).

**Figure 1: Percentage of Privately Insured Children Ages 0-17 Receiving Annual Treatment, 2006<sup>2</sup>**



Overall, in 2006, obese children had nearly twice as many physician office visits and three times the hospitalization rate as non-obese children. The per person cost to private insurers for health care utilization was \$3,547 and \$1,346 for obese and non-obese children, respectively. In total, employers and other private insurers spent an estimated \$9 billion on health care for overweight and obese children<sup>2</sup> (Fig. 2).

**Figure 2: Utilization Rates and Medical Expenditures for Children with Private Insurance, 2006<sup>2</sup>**



## 2. Poor Child Health Decreases Employee Productivity

For a variety of reasons, (e.g., social challenges, doctors' appointments for medical conditions, etc.), obese children have been found to miss significantly more days of school than average/underweight students.<sup>4</sup> Sick children can result in increased work tardiness, early departures from work and absenteeism among parents who must provide transportation or care for their child. On average, school-age sick children can cost employees 4 days away from work each year. The number is even higher for preschool-age children. Moreover, research has shown that parents who have a child in poor health do not perform as well at work as parents with healthy children and experience more work interruptions.<sup>5, 6</sup>

### 3. Children Are America's Future Workforce

Today's overweight and obese children constitute the workforce of tomorrow. Research indicates that obesity in childhood influences the likelihood of obesity in adulthood. An overweight toddler (3 to 5 years old) has a 40% chance of becoming an obese adult; an overweight teenager has a nearly 80% chance.<sup>7</sup> By 2030, it is estimated that up to 86% of Americans will be overweight and 51% will be obese.<sup>8</sup> The cost burden of treating this number of adults for obesity and its related illnesses has the potential to be catastrophic. Investing in childhood obesity today is an investment in America's corporate future.

#### References

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- <sup>5</sup> Major, DA, Cardenas RA, Allard CB. Child health: a legitimate business concern. *J Occup Health Psychol*. 2004; 9(4): 306-321.
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- <sup>7</sup> Whitaker RC, Wright JA, Pepe MS, et al. Predicting obesity in young adulthood from childhood and parental obesity. *NEJM*. 1997; 37(13):869-873.
- <sup>8</sup> Wang Y. Will all Americans become overweight or obese? *Obesity*. 2008; 16(10):2323-2330.