

# **Presentation to San Francisco Board of Supervisors Budget and Finance Committee**

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Study of Impacts of High Consumption of  
Sugar-Sweetened Beverages

Full report to Supervisor Mar (December 11, 2013)

December 12, 2013

Office of the Budget & Legislative Analyst  
San Francisco Board of Supervisors



# Scope of Analysis

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- Summary of scientific research on associated health risks.
- Long-term financial risks to City and SF residents.
- Policies explored/implemented by other cities.

# Health Impacts – National Trends

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<b>Year</b>	<b>Added Sugars Per Capita</b>	<b>% of Americans with Diabetes</b>	<b>% of Obese U.S. Adults</b>	<b>% of Obese U.S. Children</b>
1980	120 lbs.	2.5%	15.0%	5.5%
2010	132 lbs.	6.8%	37.5%	16.9%

Source: USDA, Centers for Disease Control and Prevention, US Census Bureau

# Health Impacts – SF Adult Residents

<b>Number and Percentage of Obese and Diabetic Relative to Total San Francisco Population Age 20 and Above 2010</b>	
City Residents	805,235
City Residents, 20 years and older	680,963
City Obesity Count	108,955
Number Obese Women	52,853
Number Obese Men	56,102
% SF Obese of City Population 20+	16.0%
City Diabetic Count	46,909
% SF Diabetic of City Population 20+	6.9%
% Diabetic and Obese	54.8%
Total SF Diabetic and Obese of City Pop. 20+	25,706
Total SF Obese Only	<b>83,249</b>
Total SF Diabetic Only	<b>46,909</b>
Total City employees	27,669
Estimated Obese City employees	<b>4,427</b>
Estimated Diabetic City employees	<b>1,906</b>

# Financial Costs - Methodologies

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- Direct vs. Indirect

- Direct

- Costs that arise directly from intervention, including outpatient visits, prescription drugs and emergency room care.

- Indirect

- Costs associated with loss of productivity caused by morbidity, disability or mortality – including both absenteeism (sick leave, disability) and presenteeism (lower productivity @ work).

- SSB Attributable Risk Factor

- **8.66%** for obese population, as measured by SFDPH in 2009 nexus study
    - **4.85%** for diabetic population, as measured by Cook County Department of Health

# Financial Costs - Methodologies

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## ■ Direct Cost Estimates

- Finkelstein (Duke, 2009)
- Cawley (Cornell, 2010)
- George Washington University (2010)
- American Diabetes Association (2012)
- Cook County Department of Health (IL, 2011)

## ■ Indirect Cost Estimates

- George Washington University (2010)
- Cook County Department of Health (IL, 2011)

## ■ Costs Attributable to SSBs

- Cook County Department of Health (IL, 2011)
- SF Department of Public Health

# Financial Costs – City Estimates

*City costs:*

1. City provides direct health care services to obese and diabetic.
2. City contributes to health care costs of City employees, retirees and dependents.

	Scenario 1		Scenario 2		Scenario 3	
Disease	Total Direct and Indirect Costs	Attributable to SSBs	Total Direct and Indirect Costs	Attributable to SSBs	Total Direct and Indirect Costs	Attributable to SSBs
Obesity	\$20,781,370	\$1,799,667	\$46,064,917	\$3,989,222	\$96,668,587	\$8,371,500
Diabetes	\$87,221,078	\$4,230,222	\$193,338,154	\$9,376,900	\$405,725,822	\$19,677,702
Total	\$125,143,286	<b>\$10,837,409</b>	\$239,403,070	<b>\$13,366,122</b>	\$502,394,409	<b>\$28,049,202</b>

- BLA created 3 additional scenarios using higher cost factors from source studies: \$19.1, \$20.3, and \$37.2 million

# Financial Costs – SF Residents Estimates

Disease	Pop.	<u>Direct Costs</u>		<u>Indirect Costs</u>		Total Costs	Attributable to SSBs (8.66%/4.85%)
		Annual Cost Factor	Direct	Annual Cost Factor	Indirect		
Obesity	83,249	\$1,429	\$118,962,821	\$3,495/ \$1,172	\$190,556,961	\$309,519,782	\$26,804,413
Diabetes	46,909	\$6,000	\$281,454,000	\$3,362	\$157,708,058	\$439,162,058	\$21,299,360
Total			\$400,416,821		\$348,265,019	\$748,681,840	\$48,103,773

# Potential Future Impacts Not Quantified in Financial Risk Estimates

- Studies: 63% of obese children grow up to be obese adults

**Local California Rates of Overweight or Obese Children**

County	2005	2010	% Change
Alameda	33.51%	34.48%	2.9%
Contra Costa	32.69%	33.85%	3.5%
Marin	23.61%	24.90%	5.5%
<b>San Francisco</b>	<b>32.04%</b>	<b>32.16%</b>	<b>0.4%</b>
San Mateo	36.11%	34.07%	-5.6%
Santa Clara	32.83%	32.88%	0.2%
<b>San Francisco Bay Area</b>	<b>33.09%</b>	<b>33.28%</b>	<b>0.6%</b>
<b>California</b>	<b>38.44%</b>	<b>38.00%</b>	<b>-1.1%</b>

Source: Patchwork for Progress Report, UCLA, November 2011

- California Health Interview Survey (UCLA): another 18,000 San Francisco residents have received a diagnosis of borderline (or, pre-) diabetes.

# Legislative Efforts in Other Cities

City	Year				Process	Status	Expected Revenue
		1 ¢/oz.	2 ¢/oz.	Other			
Baldwin Park, CA	2012				Ballot Measure	Defeated in City Council	
Baltimore, MD	2010			2 cents (per non-reusable container)	City Council	Passed	\$4.7M
	2013			5 cents (per non-reusable container)	City Council	Passed	\$10M
Boston, MA	2011			no sales: municipal bldgs	Mayoral Executive Order	Issued by Mayor	
Cambridge, MA				size limit		Under Review	
Chicago, IL	2012	✓			City Council	No Vote	\$129M
El Monte, CA	2012	✓			Ballot Measure	Defeated	\$3.5-7M
New York, NY				size limit	Mayoral Executive Order	Court Overturned; Under Appeal	
Philadelphia, PA	2010		✓		City Council	Defeated	\$77M
	2011		✓		City Council	Defeated	\$77M
Redlands, CA	2012				City Council	Defeated	\$1-1.5M
Richmond, CA	2012	✓			Ballot Measure	Defeated	\$2-4M
Telluride, CO		✓			Ballot Measure	Defeated	\$200,000
Washington, DC	2010	✓			City Council	Defeated	\$6.5M
	2010			6% sales tax	City Council	Passed	\$7.92M



# Questions

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