Economic Contextual Factors and Child Body Mass Index

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ABSTRACT

This study examines the relationship between child weight and the price of energy-dense foods such as fast food and the price of healthy foods such as fruits and vegetables and fast food and full-service restaurant availability and access to food store outlets such as supermarkets, grocery stores and convenience stores. We estimate cross-sectional and individual-level fixed effects (FE) models to account for unobserved individual-level heterogeneity. We draw on longitudinal data from the Child Development Supplement of the Panel Study of Income Dynamics combined at the zip code level with food price data from the American Chamber of Commerce Researchers Association and food-related outlet density data obtained from Dun & Bradstreet. The results show that based on FE models, higher fruit and vegetable prices are statistically significantly related to a lower body mass index (BMI) percentile ranking among children with greater effects among children in low-SES families: the fruit and vegetable price elasticity for BMI percentile ranking is estimated to be 0.25 for the full sample and 0.58 and 0.47 among children in low-income families and those with low-educated mothers, respectively. Fast food prices are found to be statistically significantly related to child weight only in cross-sectional models among low-income children with a price elasticity of -0.77. Increased supermarket availability among low-SES children was also found to lower children's weight outcomes. These results provide evidence on the potential effectiveness of using fiscal pricing interventions such as taxes and subsidies and other interventions to improve supermarket access as policy instruments to address childhood obesity.

1. Introduction

The prevalence of obesity among children (age- and gender-specific body mass index (BMI) $\geq 95^{th}$ percentile) has increased three-fold over the past few decades and has reached 12.4%, 17.0% and 17.6% among children aged 2-5, 6-11, and 12-19 years, respectively, in 2003-2006 (Ogden et al. 2008). Obese children are at increased risk of poorer health (Hannon et al. 2005; Freedman et al. 1999) and obesity itself is shown to track from childhood to adulthood (Whitaker et al. 1997; Freedman et al. 2005). Over the past few years, public health officials and state legislatures have increasingly introduced a number of bills and enacted laws with the aim of reducing childhood obesity (Cawley and Liu 2008). Much of this legislation has been in the area of improving school nutrition standards and increasing physical education requirements. There are also significant public health concerns related to obesity about the extent of unhealthful food advertising directed at children (Institute of Medicine 2006). Whereas currently there exists some limited government sponsored anti-obesity advertising on television (Emery et al 2007), governments have not yet taken formal steps to limit industry food advertising; although self-regulation has emerged among a consortium of companies who have pledged to limit or improve the nutritional standard of food advertising directed at children (Powell et al. 2007c).

In addition to these policy areas, given the success in other public health areas such as tobacco, there has been much discussion on the potential of implementing fiscal policies (such as soda and "fat" taxes or subsidies to fruits and vegetables) to address the problem of obesity (Jacobson and Brownell 2000; Marshall 2000; Leicester and Windmeijer 2004; Caraher and Cowburn 2005; Kim and Kawachi 2006). The idea here is to change the relative costs of consuming of unhealthy energy dense food versus more healthy less dense foods with the aim of shifting consumption patterns to achieve a healthier weight outcome. Indeed, the price of a calorie has been shown to be substantially cheaper when obtained from energy dense versus

more healthful less dense foods (Drewnowski and Specter 2004; Drewnowski and Darmon 2005). It is argued on the basis of both theory and empirical evidence that technological change has contributed to the U.S. obesity epidemic by altering incentives such that the relative price of consuming a calorie has fallen over time while production efficiency has raised the cost of physical activity and work has become more sedentary (Lakdawalla and Philipson 2002; Philipson and Posner 2003; Cutler, Glaeser and Shapiro 2003; and Lakdawalla, Philipson and Bhattacharya 2005). Recent evidence suggests that rising obesity is primarily the result of over-consumption of calories associated both with technological innovations as well as changes in socio-demographic factors (Bleich et al. 2008).

A growing body of research has sought to provide evidence on the extent to which economic factors such as food prices and food-related outlet availability are related to weight outcomes. Among adults, cross-sectional analyses have found higher fast-food prices and food at home prices (Chou, Grossman and Saffer 2004) and higher prices of sugar (Miljkovic and Nganje 2008) to be statistically significantly associated with lower weight outcomes; although another study did not find evidence of a statistically significant association between fast food prices and weight for adults (Beydoun, Powell and Wang 2008). A number of recent studies have examined economic factors and children's and adolescents' weight. Higher fast food prices have been statistically significantly associated with lower BMI and obesity among adolescents using cross-sectional data (Chou, Rashad, Grossman 2005; Monheit, Vistness, and Rogowski 2007; Powell et al. 2007a; Auld and Powell 2008) and weakly statistically significantly related to lower BMI based on longitudinal random effects models (Powell and Bao 2008). Fast food prices, however, have not been found to be statistically significantly related to weight outcomes among younger children (Sturm and Datar 2005, 2008; Powell and Bao 2008). On the other hand, these

same studies on children (Sturm and Datar 2005, 2008; Powell and Bao 2008) which have used longitudinal data, have found higher fruit and vegetable prices to be statistically significantly related to higher weight outcomes among children; and, a recent study also found adolescents' weight to be sensitive to the price of fruits and vegetables (Auld and Powell 2008). The magnitude of the price effects where significant have generally been quite small; although a number of studies have found larger effects for low-SES children (Sturm and Datar 2005; Powell and Bao 2008) and for children and adolescents at risk of overweight (Sturm and Datar 2005; Auld and Powell 2008). Thus, the existing literature does provide some evidence that fiscal pricing interventions may improve weight outcomes among children and adolescents.

The relationship between fast food or full-service restaurant availability and child or adolescent weight outcomes has not been found to be statistically significant (Chou, Rashad, Grossman 2005; Sturm and Datar 2005; Monheit, Vistness, and Rogowski 2007; Powell et al. 2007a; Auld and Powell 2008; Powell and Bao 2008). In addition, the existing evidence on the effects of supermarket availability is mixed; whereas Sturm and Datar (2005) and Powell and Bao (2008) did not find a statistically significant relationship between supermarket availability and child weight, Powell et al. (2007b) and Auld and Powell (2008) found that greater local area supermarket availability was statistically significantly associated with lower adolescent BMI.

The purpose of this study is to provide empirical evidence on the extent to which we can expect fiscal policy interventions in the area of food pricing or other interventions that reduce the relative cost of obtaining healthy foods by, for example, increasing access to outlets such as supermarkets, to improve weight outcomes among US children. Previous studies that have examined children using longitudinal data have controlled for individual-level random effects. This study builds on the previous literature by using fixed effects panel data methods to account

for individual-level unobserved heterogeneity. We draw on longitudinal data from the Child Development Supplement of the Panel Study of Income Dynamics (CDS-PSID) combined at the zip-code level with food price data from the American Chamber of Commerce Researchers Association (ACCRA) and food-related outlet density data obtained from Dun & Bradstreet (D&B). We examine the relationship between child weight and the real price of energy-dense foods such as fast food and the real price of healthy foods such as fruits and vegetables and fast food and full-service restaurant availability and access to food store outlets such as supermarkets, grocery stores and convenience stores. We estimate both cross-sectional and individual-level fixed effects models to account for individual-level unobserved heterogeneity. We also examine whether the relationship between child weight and food prices and food-related outlet availability differ by households' socio-economic status by examining differences in estimates by houshold income and parental education.

2. Data

Individual-level data

The CDS-PSID data were collected by the University of Michigan's Institute for Social Research (ISR) as a supplement to focus on children of the PSID sample, which is a nationally representative longitudinal data collected since 1968. These data provide rich information especially on various income measures for both individuals and families. This study draws on the two waves of the CDS, CDS-I collected in 1997 and CDS-II collected in 2002/2003. The 1997 CDS gathered data on children ages 0-12 of PSID parents, providing information on 3,563 children from 2,394 participating families. The 2003 CDS re-interviewed 2,908 of the children interviewed in the previous wave, now ages 6-19 years old, from 2,017 families. The main

interviews were conducted with the primary caregivers. Information on parents' income, education, and work-related variables was drawn from the 1997 and 2003 PSID waves and linked to the CDS data by household identifiers.

Our outcome measure for child weight is based on the gender-age-specific BMI percentile ranking. BMI is calculated as (weight(lb)/height(in)^2) * 703. The child's weight was measured by the interviewers in both CDS data waves, while the child's height was reported by the child's primary care giver in the first data wave and measured in an in-person assessment interview in the second data wave. We used the Centers for Disease Control's SAS program based on gender-age specific growth charts to obtain the age-gender specific BMI percentile rankings (Kuczmarski, Kuczmarski, and Najjar 2001). Table 1 shows that, on average, children were in the 61st percentile of the BMI distribution. Children's weight increased over the sample period moving them, on average, from the 58th percentile in 1997 to the 63rd percentile of the BMI distribution in 2003 (not shown in tables). Children with a BMI greater than the 85th percentile are defined to be at risk of overweight and those with a BMI greater than the 95th percentile are overweight (or, more commonly, referred to as obese).

A rich set of individual- and household-level demographic variables are used as controls in the empirical models. The descriptive statistics of these variables are reported in Table 1 and they include: gender, race/ethnicity (White, African American, Hispanic, Other), whether the child was breastfed as a baby, child's birthweight (in pounds), child's age, marital status of the family head (married, never married, divorced/ separated/ widowed), mother's education (less than high school, high school, some college, college or more, missing), mother's work status (not work, work part-time, work full-time, missing), family income (indicators for income quintiles) and year of the interview wave (1997, 2003). We also control for the degree of

urbanization of the children's zip code of residence based on data from the Census 2000 that measure population size within a zip code inside urbanized areas, outside urbanized areas (referred to as suburban areas), and in rural areas. We calculate the percentages of a zip code's population by degree of urbanization and then define a zip code's level of urbanization by the category making up the largest percentage of its population. For instance, if in a zip code, the largest percentage of its population lives in urbanized areas, we define the zip code to be urban. Dichotomous indictors based on the Census 2000 are thus created for residences in urban, suburban or rural areas, which are then merged with the CDS-PSID by the zip code level geocode identifier. We also draw on Census 2000 data to include a continuous measure of zip code-level median household income which is also merged to the CDS-PSID by the zip code level geocode identifier.

We limit the sample to children who are at least two years of age in the CDS-I in 1997 and at most 18 years of age in CDS-II in 2003. In addition, girls who reported to be pregnant at the time of the interviews are excluded from the estimation sample. The final estimation sample based on non-missing data includes a balanced sample of 3,258 observations on 1,629 children.

Food Price Measures

The ACCRA price data contain quarterly information on prices across more than 300 US cities. The price data are matched to the CDS-PSID sample based on the closest city match available in the ACCRA using the zip code-level geocode indicator. The closest city match is determined by the shortest straight line distance between the centroid point of the child's zip code and the centroid point of the ACCRA price city. We created a match quality variable based on this distance in miles which we control for in all regression analyses. Based on the items available in the ACCRA data we create two food-related price indices: a fruit and vegetable price

index and a fast food price index. All prices are deflated by the Bureau of Labor Statistics (BLS) Consumer Price Index (CPI) (1982-1984=100).

The fruit and vegetable price index is based on the food prices available for the following food items: bananas, lettuce, potatoes, canned sweet peas, canned tomatoes, canned peaches, and frozen corn. ACCRA reports weights for each item based on expenditure shares derived from the BLS Consumer Expenditure Survey. These weights are used to compute a weighted fruit and vegetable price index based on the per product prices of the seven food items noted above. The fast food price is based on the following three items included in the ACCRA data: a McDonald's Quarter-Pounder with cheese, a thin crust regular cheese pizza at Pizza Hut and/or Pizza Inn, and fried chicken (thigh and drumstick) at Kentucky Fried Chicken and/or Church's Fried Chicken. The fast food index is computed as an average of these three product prices since they have equal weights. As shown in Table 1, the average real price of the fruit and vegetable index is 73 cents and the average real price of a fast food meal is $2.73.

The ACCRA price data are not without their limitations: the data are collected only in a limited number of cities and metropolitan statistical areas and they do not provide price data at lower geographic units; the data are based on establishment samples that reflect a mid-management (a higher) standard of living; ACCRA does not always continuously sample the same cities and hence the data are not fully comparable over time; and, a small number of food items are surveyed and hence the data are limited in their representativeness across food groups. Despite these limitations which have been acknowledged elsewhere (Sturm and Datar 2005; Powell and Bao 2008), given the national coverage of these price data they have been similarly used in a number of previous studies (Chou et al. 2004; Chou, Rashad and Grossman 2005;

Lakdawalla, Philipson and Bhattacharya. 2005; Sturm and Datar 2005 and 2008; Powell et al., 2007a, 2007b; Auld and Powell 2008; Powell and Bao 2008).

Outlet Density Measures

Data on food store and restaurant outlets were obtained from a business list developed by Dun and Bradstreet (D&B) available through MarketPlace software (Dun and Bradstreet 2005). MarketPlace contains information on more than 14 million businesses in the U.S that is compiled and updated quarterly through directories, government registries, websites, and interviews. MarketPlace allows sorting by multiple criteria such as location and Standard Industry Classification (SIC) codes of business types. Facilities may be listed by both "primary" and "secondary" SIC codes. To eliminate such duplications, we draw on the primary SIC code listing in creating the list of outlets used for this analysis. Outlet density data are matched by year at the zip code level to the CDS-PSID and are computed as the number of available outlets per 10,000 capita per 10 square miles using Census 2000 zip code level population and land area estimates.

Data on restaurant outlets are available from D&B under the 4-digit SIC code of "Eating Places". Fast food restaurants were defined by the full set of 8-digit SIC codes (excluding coffee shops) that fell under the 6-digit SIC code of "Fast food restaurants and stands" plus the two 8-digit SIC codes for chain and independent pizzerias. Non-fast food restaurants, referred to as full-service restaurants, were defined as the total number of "Eating Places" minus fast food restaurants and excluding coffee shops, ice cream, soft drink and soda fountain stands, caterers, and contract food services. Information on the number of food store outlets by type were extracted at the 6-digit SIC code level to allow us to examine the availability of three types food store outlets: 1) supermarkets, 2) grocery stores, and 3) convenience stores. Supermarkets are substantially larger food stores compared to grocery stores and are more likely to have on-site

food preparation such as a butcher, baker, and deli. For example, in the D&B sample of food stores in the year 2000, supermarkets averaged seven times the number of employees as grocery stores and forty six times the sales volume of grocery stores. Grocery stores in the D&B sample averaged two times the number of employees as convenience stores. Table 1 shows that the average number of food-related outlets per 10,000 capita per 10 squares miles per zip code was 2.09 fast food restaurants, 10.40 full-service restaurants, 0.52 supermarkets, 1.19 convenience stores and 4.53 grocery stores.

3. Empirical Model

We empirically examine the importance of economic contextual and individual- and household-level factors on child weight following an economic framework where weight outcomes depend on marginal costs and benefits related to behaviors such as food consumption (Cutler, Glaeser and Shapiro 2003; Chou, Grossman and Safer 2004; Auld and Powell 2008). Higher costs of healthful foods through direct monetary prices (i.e., fruit and vegetables prices) and limited access (i.e., lower supermarket availability) are expected to decrease healthful food consumption and increase weight outcomes. Lower costs of unhealthy energy dense food (i.e., fast food prices) and increased access (i.e., greater availability of fast food restaurant or convenience stores) are expected to increase the consumption of energy dense foods and raise energy intake and related weight. Thus, our empirical model examines the importance of the direct monetary prices of foods such as fruits and vegetables and fast food. In addition, we proxy the opportunity cost of the time spent acquiring the food and the preparation and clean up time by examining measures of restaurant (including full-service and fast food restaurant) and food store (including supermarket, grocery stores and convenience stores) availability. We also

control for zip code level neighborhood median household income. Controlling for neighborhood contextual variables helps to remove zip code level heterogeneity that may be correlated with general neighborhood socioeconomic patterns and to control for potential unobserved zip code level time-varying heterogeneity.

We estimate a reduced form empirical model of children's BMI percentile of the following form:

$$BMI_{ist} = \beta_0 + \beta_1 PRICE_{st} + \beta_2 OC_{st} + \beta_3 X_{it} + \beta_4 D_{it} + \varepsilon_{ist} \qquad (1)$$

where $PRICE_{st}$ is a vector that measures fruit and vegetable and fast food prices faced by individuals in geographic area s at time t. This vector also includes our price match quality measure of the distance in miles between the centroid of the zip code and the closest ACCRA city match. OCt_{st} is a vector of other contextual factors including measures of the availability (per 10,000 capita per 10 square miles) of full-service and fast food restaurants and supermarkets, grocery stores, and convenience stores and neighborhood median income in geographic area s at time t. X_{it} is a vector of individual and household characteristics as described earlier and D_{it} is a year dummy variable. β are conformable vectors of parameters to be estimated and ε_{ist} is a standard residual term. We begin by estimating cross-sectional ordinary least squares (OLS) BMI percentile models.

However, cross-sectional estimates based on equation (1) may be biased and standard errors may be underestimated if there exist unobserved individual-level effects. $\varepsilon_{ist} = v_i + w_{ist}$ is rewritten and Equation 1 then can be rewritten as:

$$BMI_{ist} = \beta_0 + \beta_1 PRICE_{st} + \beta_2 OC_{st} + \beta_3 X_{it} + \beta_4 D_{it} + v_i + w_{ist} \qquad (2)$$

where v_i is the constant individual-specific residual and w_{ist} is a standard residual. Hence, to account for unobserved individual-level heterogeneity, an individual-level fixed effects (FE) model is estimated. The FE panel estimation allows v_i to be arbitrarily correlated with the independent variables and the time-invariant covariates in the vector X_i and the constant individual-specific residual v_i are differenced out and within person equation estimates are provided (Wooldridge 2002).

We assess the robustness of the price effects by estimating alternative model specifications that exclude restaurant outlets, food store outlets, and neighborhood median household income. We also provide separate estimates for our price and food-related outlet density contextual factors by SES. Finally, we provide price elasticity estimates for the full sample as well as by SES.

4. Results

In Table 2 we present the results from the cross-sectional OLS estimates (as described in Equation 1) and the longitudinal individual-level FE model (as described in Equation 2) on the relationship between children's BMI percentile ranking and economic contextual factors controlling for individual- and household-level covariates. We also present OLS estimates of a simple model that does not include the economic contextual factors.

Controlling for all other covariates, the cross-sectional results show that higher prices of fruits and vegetables have a statistically significant positive effect on children's BMI percentile: a one-dollar increase in the price of fruit and vegetables is associated with a 20.28 percentage point increase in the child's BMI percentile ranking. In elasticity terms, a 10% increase in the price of fruit and vegetables increases BMI percentile by 2.4% (see Table 5). The fruit and

vegetable price estimate from the FE model is similar to the OLS estimates but loses some statistical power (it is only significant at the 10% level, p-value=0.073). The corresponding price elasticity from the FE model is 0.25. The price of fast food is negatively associated with children's BMI ranking in the cross-sectional model but the point estimate does not achieve statistical significance. The fast food price estimate is also insignificant in the FE model although the sign flips to positive.

The results presented in Table 3 suggest that the price estimates found in both the cross-sectional OLS and longitudinal FE models are robust to the exclusion of the restaurant outlets, the food store outlets and neighborhood median household income. In addition, the price results found in this study are consistent with those results for children found by Sturm and Datar (2005, 2008) and Bao and Powell (2008) who found statistically significant but inelastic fruit and vegetable price effects on children's weight and statistically insignificant fast food price effects.

With regard to our measures of food-related outlet availability, the results from the OLS model do not reveal any statistically significant associations between these variables and children's weight status. Similarly, food-related outlet availability is not found to be related to children's weight in the FE model with the exception of a weakly statistically significant positive relationship between full-service restaurant availability and BMI percentile.

Turning to the results for the individual- and household-level covariates, the OLS results show that after controlling for the contextual economic factors, African American children are no longer statistically significantly heavier than their white counterparts and the magnitude of the difference in the BMI percentile gap falls by 30% (from 4.43 to 3.11). These results suggest that local area economic contextual factors explain part of the racial BMI gap between African American and white children. However, the economic contextual factors do not appear to explain

any of the differences in weight between Hispanic and white children with Hispanic children being, on average, 7.77 percentiles higher in the BMI distribution even after controlling for the economic contextual factors and all other individual-level and household level characteristics. In terms of other time-constant individual-level covariates, higher birth weight is associated with a higher BMI ranking and having been breastfed as an infant is associated with lower BMI but the point estimate is not statistically significant.

With regard to parents' SES and work status, having a mother with college or more is associated with being approximately 5 percentiles lower in the BMI distribution compared to children whose mothers do not have a high-school education. Children living in households with higher levels of income, however, are found to have a weakly statistically significantly lower BMI percentile ranking compared to those children living in lower income households. Previous studies also have found a significant association between higher maternal education and a lower prevalence of child obesity but a statistically insignificant relationship between household income and child obesity (Anderson, Butcher and Levine 2003; Classen and Hokayem 2005; Liu, Hsiao and Chou 2005; Powell and Bao 2008). With respect to mothers' work status, consistent with the previous literature (Anderson, Butcher and Levine 2003; Classen and Hokayem 2005; Liu, Hsiao and Chou 2005), having a mother who works full-time is associated with a higher weight outcome. However, none of these parental characteristics are found to be statistically significantly associated with child weight outcomes in the FE model.

Table 4 presents cross-sectional and longitudinal estimates to examine potential differences in the relationship between the economic contextual factors and children's BMI percentile ranking across populations of different SES measured by both household income and mother's education. Table 5 presents the price elasticities for the low-SES populations (we do

not report price elasticities for the high-SES populations since none of those estimates are statistically significant). The results reveal low-income children's BMI percentile ranking to be more sensitive to the price of fruits and vegetables than their high income counterparts, in particular in the FE model. The BMI percentile fruit and vegetable price elasticity based on the FE models is 0.58, two times that of the sample as a whole (full sample elasticity of 0.25). Similarly, children's BMI among lower-educated mothers is significantly more sensitive to the price of fruit and vegetables than their counterparts with higher educated mothers; based on the FE model, the BMI percentile ranking fruit and vegetable price elasticity is 0.47 among children with low-educated mothers. Whereas, the price of fast food is not found to be statistically significantly associated with children's weight in the full sample in either the OLS or FE model, fast food prices are found to be statistically significantly associated with low-income children's weight in the OLS model with a BMI percentile fast food price elasticity of -0.77. However, the negative effect in the FE model is not statistically significant. These results are consistent with previous studies which have also found greater BMI fruit and vegetable price sensitivity (Sturm and Datar 2005; Powell and Bao 2008) and fast food price sensitivity (Powell and Bao 2008) among children in low-SES families.

There also exist some interesting significant results with respect to the importance of access to food stores among the low-SES populations. In particular, greater availability of supermarkets is related to lower BMI percentile ranking on the basis of both low-SES measures. Among low-income children and those with low-educated mothers one additional supermarket (per 10,000 capita per 10 squares miles) in the zip code is related to roughly a one half percentage point reduction in children's BMI percentile ranking. This result is found for both the cross-sectional OLS model and the longitudinal FE model. Also in the FE model, greater

convenience store availability increases low-income children's BMI percentile at the 10% level of significance. In the cross-sectional model among high-income children, greater availability of fast food restaurants is associated with an increase in BMI percentile ranking but the effect is not statistically significant once we control individual-level heterogeneity in the FE model.

5. Discussion and Conclusions

As policymakers consider the adoption of fiscal pricing interventions such as food taxes and subsidies it is important for them to be able to draw on evidence that can provide estimates that reflect causal relationships between prices and weight outcomes. This study has built on the previous literature to provide such evidence by examining the relationship between economic contextual factors and child weight using longitudinal fixed effects methods to control for individual-level heterogeneity. The results showed that based on FE models, higher fruit and vegetable prices were statistically significantly related to a lower BMI percentile ranking among children with greater effects for children in low-SES families. The fruit and vegetable price elasticity for BMI percentile ranking was estimated to be 0.25 for the full sample and 0.58 and 0.47 among children in low-income families and those with low-educated mothers, respectively. These resutls are consistent with findings based on individual-level random effects models from Sturm and Datar (2005, 2008) and Powell and Bao (2008) who found children's BMI to be sensitive to the price of fruits and vegetables with greater effects for low-SES children. This growing body of evidence suggest that subsidies to healthful foods such as fruits and vegetables, in particular those targetted to low-income families, may help to reduce children's weight and reduce the likelihood that they fall into the at risk for overweight or overweight category of the BMI distribution.

Whereas, fast food prices were not found to be statistically significantly related to children's weight outcomes in either the cross-sectional OLS or longitudinal FE models for the full-sample, the cross-sectional results suggested that higher fast food prices were associated with lower BMI among low-income children. Similarly, Powell and Bao (2008) found that fast food prices were statistically signifincantly associated with lower BMI among low-income children, but not for the full sample. In addition, a number of cross-sectional studies have found significant relationships between fast food prices and adolescents' BMI and overweight prevalence (Chou, Rashad, Grossman 2005; Powell et al. 2007a; Auld and Powell 2008; and Monheit, Vistness, and Rogowski 2007) suggesting that fast food taxes may be an effective tool for curbing overweight among this population.

The study results also suggest that in addition to the potential for effective fiscal policy interventions, it is also important, particularly among low-income populations, to help ensure adequate access to food stores such as supermarkets. Greater availability of supermarkets was shown to have small but statistically significant negative effects on low-SES children's weight. Recent studies drawing on youth samples have found small but statistically significant associations between supermarket availability and adolescents' BMI (Powell et al. 2007b; Auld and Powell 2008). Given that a number of studies in the public health literature have documented the limited availability of supermarkets in low-income and minority neighborhoods (Morland et al. 2002; Shaffer 2002; Moore and Diez-Roux 2006; Powell et al. 2007c), the results in this study suggest that in combination with fiscal food pricing policies interventions aimed at improving access through zoning or other incentives such as tax breaks to encourage the location of supermarkets in areas that are underserved may contribute to reducing childhood obesity. Also, the study results suggest that policy instruments that reduce the relative costs of healthy versus

unhealthy foods both in terms of monetary costs and access will help to reduce the BMI-gap between African American and white children and, in turn, reduce health disparities in the US.

Although food in the U.S. is subsidized for low-income individuals and families through a number of programs such as Food Stamps, the Women, Infant and Children Nutrition Program, the Child and Adult Care Food Program, and the National School Lunch and Breakfast Programs, food subsidies directed at the consumer do not generally exist for specific food items. However, California has recently passed legislation to conduct a "Healthy Purchase" pilot program where for each dollar of food stamps spent on fresh produce, participants will be subsidized a portion of the cost (Guthrie et al. 2007). Similarly, food taxes have not generally been introduced with the aim of modifying consumption behavior as they have been used in other public health areas such as tobacco. Food taxes are currently imposed on selected categories of food such as soft drinks, candy and snacks in grocery stores and vending machines but at quite low tax rates (Chriqui et al. 2008). Evaluations of pilot projects that subsidize healthful foods and studies that examine the relationship between food taxes and energy intake and weight outcomes, in particular using longitudinal data, will further contribute to the evidence required by policymakers to assess the potential effectiveness using fiscal policies to curb the obesity crisis among children and adolescents in the US.

Estimates of elasticities among children and youth are particularly important – if such elasticities are higher than among the general population then we can expect to see more beneficial changes in behavior and related weight outcomes among these younger groups. This evidence is critical given the development of obesity-related health risks among children, the fact that food consumption patterns become more permanent as we age, and that childhood obesity has been shown to track into adulthood.

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Table 1: Summary Statistics: Economic Contextual, Outcome and Control Variables

	Mean/Frequency
Contextual Economic Variables:	
Price of Fruits & Vegetables	0.7319 (0.0996)
Price of Fast Food	2.7261 (0.1669)
Fast Food Restaurants	2.0887 (3.5712)
Non Fast Food Restaurants	10.4009 (21.2717)
Supermarket Stores	0.5236 (1.4346)
Convenience Stores	1.1863 (2.2738)
Grocery Stores	4.5306 (26.3830)
Median Household Income	45,049.89 (17503.81)
Outcome Variable:	
BMI Percentile	61.1043 (31.4631)
Control variables:	
Male	49.53%
White*	68.24%
African American	15.07%
Hispanic	10.29%
Other Race	6.39%
Age	10.1694 (4.2366)
Birth Weight (in pounds)	7.3276 (1.6405)
Child Breastfed	59.98%
Family Income ($1982-84)	39,925.36 (46763.53)
Head is Married*	75.58%
Head is Never Married	8.66%
Head is Widowed/Divorced/Separated	15.76%
Mother Less Than High School*	13.91%
Mother Completed High School	26.91%
Mother Completed Some College	28.28%
Mother Completed College or More	24.25%
Mother's Education Missing	6.65%
Mother Does Not Work*	20.56%
Mother Works Part-Time	37.43%
Mother Works Full-Time	40.08%
Mother's Work Hours Missing	1.94%
Urban*	66.39%
Suburban	12.96%
Rural / Farm	20.65%
N	3258

Notes: Summary statistics are weighted. Standard deviations are shown in parentheses for continuous variables. * Denotes omitted categories in regression models. Food outlets are defined per 10,000 capita per 10 squares miles.

Table 2: Regression Analysis Results: Children's BMI Percentile (N=3258)

Outcome Variable: BMI Percentile	Cross-sectional Analysis No Contextual Variables	Cross-sectional Analysis: OLS	Panel Analysis: Fixed Effects
Price of Fruits & Vegetables		20.2776*** (7.4716)	21.1017* (11.7669)
Price of Fast Food		-3.606 (4.1650)	5.456 (5.7435)
Fast Food Restaurants		0.1236 (0.2835)	0.4276 (0.3702)
Non Fast Food Restaurants		-0.0126 (0.0367)	-0.1018* (0.0573)
Supermarket Stores		-0.214 (0.2382)	-0.1939 (0.2956)
Convenience Stores		-0.3129 (0.2930)	0.2337 (0.3240)
Grocery Stores		-0.0031 (0.0168)	0.0187 (0.0363)
Median Household Income		-0.0873* (0.0494)	-0.0266 (0.1038)
Male	1.5451 (1.3236)	1.4693 (1.3231)	(dropped)
African American	4.4327** (1.7890)	3.1101 (1.8936)	(dropped)
Hispanic	8.1319*** (3.1172)	7.7714** (3.1775)	(dropped)
Other Race	5.5369 (3.5759)	4.915 (3.5828)	(dropped)
Birth Weight (in pounds)	1.6655*** (0.4130)	1.6750*** (0.4141)	(dropped)
Child Breastfed	-0.7231 (1.5046)	-0.5559 (1.5064)	(dropped)
Head is Never Married	-3.7116 (2.3158)	-3.8735* (2.3189)	-2.3751 (4.0241)
Head Is Widowed or Divorced or Separated	-2.6509 (1.8518)	-2.6575 (1.8538)	0.6433 (2.6880)
Mother Completed High School	-3.0285 (2.1591)	-3.2304 (2.1640)	-4.6521 (5.1285)
Mother Completed Some College	-1.6435 (2.2616)	-1.6471 (2.2665)	-0.1211 (5.6891)
Mother Completed College or More	-4.9301** (2.5102)	-4.8597* (2.5312)	-9.3241 (7.0292)
Mother Works Part-Time	0.5693 (1.7072)	0.3511 (1.7110)	-0.5641 (2.1849)
Mother Works Full-Time	3.9109** (1.7503)	3.7915** (1.7560)	-1.8149 (2.5487)
Near-Low Income	-2.1566 (1.9316)	-2.4044 (1.9348)	-0.1725 (2.2371)
Middle Income	-3.5365 (2.1980)	-3.8377* (2.2123)	-0.3303 (2.7120)
Near-High Income	-4.4337* (2.3504)	-4.5977* (2.3727)	-0.1178 (3.0890)
High Income	-3.8202 (2.5276)	-3.5809 (2.6022)	-1.5378 (3.6029)
Suburban	1.1933 (2.0509)	0.3371 (2.2274)	-4.822 (4.7341)
Rural / Farm	3.2431* (1.7028)	2.3262 (2.0049)	-3.1562 (3.9921)
Year 2003 Dummy	3.8706*** (1.4389)	2.0669 (1.6127)	-6.6249 (10.3617)

Notes: Regressions include but do not report on: constant term, age, age squared, price match quality measure of miles to nearest price match, and missing indicators for mother's education, mother's work hours and family income. Standard errors are reported in parentheses and are robust and clustered at the individual level in the OLS model and the family level in the FE model.. * significance at 10%; ** significance at 5%; *** significance at 1%.. The restaurant and food store outlet density measures are defined per 10,000 capita per 10 squares miles.

Table 3: Alternative Model Specifications: Robustness Checks

Cross-sectional Analysis: OLS				
	Model 1	**Model 2**	**Model 3**	**Model 4**
Price of Fruits & Vegetables	20.2776***	16.9609**	16.9906**	16.4896**
	(7.4716)	(7.2680)	(7.2558)	(7.1843)
Price of Fast Food	-3.606	-3.8484	-3.7404	-4.0236
	(4.1650)	(4.1708)	(4.1633)	(4.1136)
Restaurant Outlet Controls	YES	YES	YES	NO
Food Store Outlet Controls	YES	YES	NO	NO
Median Household Income Control	YES	NO	NO	NO
Panel Analysis: Fixed Effects				
	Model 1	**Model 2**	**Model 3**	**Model 4**
Price of Fruits & Vegetables	21.1017*	20.8296*	20.5875*	21.5041*
	(11.7669)	(11.7591)	(11.7598)	(11.7834)
Price of Fast Food	5.456	5.5147	5.2238	4.4732
	(5.7435)	(5.7318)	(5.7221)	(5.7121)
Restaurant Outlet Controls	YES	YES	YES	NO
Food Store Outlet Controls	YES	YES	NO	NO
Median Household Income Control	YES	NO	NO	NO

Notes: Regressions include but do not report on all control shown in Table 2 plus a constant term, age, age squared, price match quality measure of miles to nearest price match, and missing indicators for mother's education, mother's work hours and family income. Standard errors are reported in parentheses and are robust and clustered at the individual level in the OLS model and the family level in the FE model.. * significance at 10%; ** significance at 5%; *** significance at 1%. The restaurant and food store outlet density measures are defined per 10,000 capita per 10 squares miles.

Table 4: Contextual Variables and Children's BMI Percentile by Subpopulations

	Price of Fruits & Vegetables	Price of Fast Food	# of Fast Food Restaurants	# of Non Fast Food Restaurants	# of Supermarket Stores	# of Convenience Stores	# of Grocery Stores
CROSS-SECTIONAL ANALYSIS: OLS							
Full Balanced Sample	20.2776***	-3.606	0.1236	-0.0126	-0.214	-0.3129	-0.0031
	(7.4716)	(4.1650)	(0.2835)	(0.0367)	(0.2382)	(0.2930)	(0.0168)
By Income Status							
Low-Income (N=1257)	24.0650*	-18.2990***	-0.345	0.0533	-0.5748**	-0.2212	-0.0024
	(12.5741)	(6.9698)	(0.3811)	(0.0545)	(0.2278)	(0.3409)	(0.0184)
High Income (N=1255)	16.5493	3.6396	0.5648	-0.1814*	0.8223	-1.2652*	0.3246
	(11.5528)	(6.1519)	(0.3757)	(0.0937)	(0.7385)	(0.7284)	(0.2108)
By Mother's Education Level							
High School or Less (N=1448)	31.7668***	-5.1218	-0.4285	0.0717*	-0.4456**	-0.2255	-0.0663
	(11.8096)	(6.6842)	(0.3225)	(0.0428)	(0.2266)	(0.3622)	(0.0639)
At Least Some College (N=1581)	4.8392	-1.4365	0.8305**	-0.1523***	0.6203	-0.7036	0.0054
	(10.4953)	(5.6618)	(0.3695)	(0.0506)	(0.6532)	(0.4299)	(0.0184)
PANEL ESTIMATES: FIXED EFFECTS							
Full Balanced Sample	21.1017*	5.456	0.4276	-0.1018*	-0.1939	0.2337	0.0187
	(11.7669)	(5.7435)	(0.3702)	(0.0573)	(0.2956)	(0.3240)	(0.0363)
By Income Status							
Low-Income (N=1257)	50.9861**	-6.0993	0.0242	-0.0486	-0.4598**	0.7869*	-0.021
	(23.4079)	(10.4167)	(0.4516)	(0.0556)	(0.2225)	(0.4595)	(0.0150)
High Income (N=1255)	-2.5864	-0.5089	0.9807	-0.3267	0.7725	-1.5136	0.3158
	(22.5593)	(9.5235)	(1.1242)	(0.3536)	(0.7636)	(1.2036)	(0.4829)
By Mother's Education Level							
High School or Less (N=1448)	41.0122**	3.9139	-0.5746	0.0308	-0.5124**	0.3922	0.0937
	(17.8721)	(9.1820)	(0.4566)	(0.0656)	(0.2239)	(0.5224)	(0.0640)
At Least Some College (N=1581)	14.5853	0.9362	0.8537	-0.1231	0.7437	-1.4239***	-0.0104
	(17.3803)	(8.0926)	(0.6508)	(0.1099)	(0.6898)	(0.4804)	(0.0196)

Notes: Regressions include but do not report on all control shown in Table 2 plus a constant term, age, age squared, price match quality measure of miles to nearest price match, and missing indicators for mother's education, mother's work hours and family income. Standard errors are reported in parentheses and are robust and clustered at the individual level in the OLS model and the family level in the FE model.. * significance at 10%; ** significance at 5%; *** significance at 1%. The restaurant and food store outlet density measures are defined per 10,000 capita per 10 squares miles.

Table 5: Price Elasticities: Full Sample and Low-SES Sample

	Cross-sectional Estimates			Panel Estimates (Fixed Effects)		
	All	Low Income	Low Education	All	Low Income	Low Education
Price of Fruits & Vegetables	0.2395***	0.272*	0.3643***	0.2492*	0.5763**	0.4704**
Price of Fast Food	-0.1579	-0.7693***	-0.2201	0.239	-0.2564	0.1682

Notes: Elasticities are calculated based on the regression estimates presented in Table 4 and average fast food prices, average fruit and vegetable prices and mean BMI percentile within each subsample.