



consumers. As usual, kids remind us of the basics: advertising is a critical part of our consumer-centric, competition-based economic system, so much so that false or misleading advertising, which distorts the system's foundations, cannot be tolerated.

As we begin the new year, many of us will endeavor to return to basics as we make resolutions: eat right and exercise, spend more time with family, be a better friend. Today, I have a few to propose to you. Make this a year to: trim the fat in marketing to kids; take the empty calories – that is, unsupported claims – out of advertising; do not succumb to the temptation of spying on consumers; and enhance the exercise regime of self regulation.

### **Childhood Obesity and Food Marketing to Kids**

My first recommended resolution is to trim the fat in marketing to kids. Many of you in this room attended the 2005 workshop on Marketing, Self-Regulation, and Childhood Obesity, sponsored jointly by the FTC and the Department of Health & Human Services. What experts confirmed there was alarming. Obesity rates have doubled among young children and tripled among adolescents since 1980.<sup>2</sup> The Institute of Medicine report on Food Marketing to Children and Youth, released last year, describes obesity as “the most common serious contemporary public health concern faced by young people in the United States.”<sup>3</sup>

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<sup>2</sup> National Center for Health Statistics, “Prevalence of Overweight Among Children and Adolescents: United States, 1999-2002,” *available at* <http://www.cdc.gov/nchs/products/pubs/pubd/hestats/overwght99.htm>. Moreover, many of these children – even as young as 5-10 years of age – are already showing one or more cardiovascular risk factors, including elevations in cholesterol, insulin, glucose, or blood pressure. *Perspectives on Marketing, Self-Regulation, & Childhood Obesity: A Report on a Joint Workshop of the Federal Trade Commission and the Department of Health and Human Services* (April 2006) p. 1, *available at* <http://www.ftc.gov/opa/2006/05/childhoodobesity.htm>.

<sup>3</sup> Institute of Medicine, “Food Marketing to Children and Youth: Threat or Opportunity?” (2006) pp. 2-2 – 2-3. The IOM further notes that if the epidemic continues at its



participants – Cadbury Schweppes USA, Campbell Soup Company, The Coca-Cola Company, General Mills, The Hershey Company, Kellogg Company, Kraft Foods, McDonald’s, PepsiCo, and Unilever – for their pledges to change the message to kids about what they should be consuming.<sup>5</sup>

The Initiative shows real promise. And we will be watching closely to see how it actually works in practice and what effect it has. For example, ads and promotions that show or encourage physical activity are great. But if the activity is always accompanied by promotion of a food or drink high in calories and low in nutritional value, it is unclear whether a true “healthy lifestyle” message will be conveyed.

I also welcome the recent revisions to the Children’s Advertising Review Unit (CARU) guidelines to address unfairness in advertising targeted to children; the “blurring” of distinctions between advertising and program or editorial content; and the use of commercial messages in interactive games (sometimes referred to as “advergaming”). The revisions also afford increased

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<sup>5</sup> By joining the Initiative, these companies have agreed to:

1. Devote at least half of their advertising directed to children via TV, radio, print, and the Internet to promote healthier dietary choices and/or to messages that encourage good nutrition or healthy lifestyles.
2. Limit products shown in interactive games to healthier dietary choices, or incorporate healthy lifestyle messages into the games.
3. Refrain from advertising food or beverage products in elementary schools.
4. Refrain from placing food and beverage products in editorial and entertainment content.
5. Reduce the use of third-party licensed characters in advertising that does not meet the Initiative’s product or message criteria.

guidance to food advertisers, addressing, for example, portion size and depiction of the product within the appropriate overall nutritional framework. It is important that the CARU guides remain a work in progress – providing additional, specific guidance to marketers as the nature of products available for kids and the techniques for promoting products to kids change.

Individual companies and other joint initiatives also are making changes. For example, characters popular with children are being used to promote healthy eating. Nickelodeon’s SpongeBob and Dora the Explorer now appear on packages of carrots and spinach, and Disney has partnered with Imagination Farms to produce the Disney Garden, where favorite Disney characters promote fresh fruits and vegetables. Disney’s new nutritional guidelines for children – announced in October – will govern all of its future character licensing and promotional activities directed at kids. And a new “healthy kids” Disney website went online about two weeks ago, featuring games that teach kids about healthy eating.<sup>6</sup> Disney has a special ability to reach the youngest children, and that is why these initiatives are so important and encouraging.

For school-age children, the Alliance for a Healthier Generation – a joint initiative of the American Heart Association and the William J. Clinton Foundation – is working with food industry members to replace unhealthy foods with healthy choices in schools. In October, the Alliance announced an agreement with several leading manufacturers – Campbell Soup Company, Dannon, Kraft Foods, Mars, and PepsiCo – to establish nutritional guidelines for snack and side items sold in schools, through vending machines and snack carts for example. The companies will invest in product reformulation and new product development in order to provide more nutritious offerings in the schools. Earlier last year, the Alliance also announced

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<sup>6</sup> Available at <http://www.disney.com/healthykids>.























