

**Childhood Obesity and the Obligations of Food Marketers  
or  
Whether or Not You Are Part of the Problem,  
You Need to Be Part of the Solution**

**Remarks of Commissioner Jon Leibowitz  
at the**

**FTC- HHS Forum on Childhood Obesity  
“Weighing In: A Check-Up on Marketing,  
Self-Regulation & Childhood Obesity”**

July 18, 2007

Good Afternoon. I'm Jon Leibowitz, one of the FTC Commissioners.<sup>1</sup> Last month, I happened to be listening to C-SPAN Radio when I heard Bill Clinton speak to the National Partnership for Women and Families.<sup>2</sup> Former President Clinton highlighted in dramatic terms just how alarming a health problem childhood obesity has become. For the first time in history, significant numbers of young people have developed Type 2 diabetes – what used to be called “adult onset” diabetes, but can't accurately be called that anymore. A recent study predicted that one in three children born in this decade will develop diabetes at some point in their lifetime. Most overweight children have at least one major risk factor for cardiovascular disease, such as high cholesterol, high blood pressure, or high insulin. This “obesity crisis” threatens not only to overwhelm our health care system, but to give us the first generation of American children with shorter life spans than their parents.<sup>3</sup> Think about that for a minute.

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<sup>1</sup> The views expressed here are my own and do not necessarily represent the views of the Federal Trade Commission or of any other Commissioner.

<sup>2</sup> William J. Clinton, Keynote Address before the National Partnership for Women & Families 2007 Annual Luncheon (June 15, 2007) (transcript available at [http://www.nationalpartnership.org/site/DocServer/0615clinton\\_transcript.pdf?docID=2101](http://www.nationalpartnership.org/site/DocServer/0615clinton_transcript.pdf?docID=2101)).

<sup>3</sup> *Id.*; The Robert Wood Johnson Found. & Am. Heart Ass'n, *A Nation at Risk: Obesity in the United States* at 15 (2005).

The numbers are astounding. An estimated 17 percent of American children and teens two to 19 years old are overweight<sup>4</sup> – nearly 13 million kids. The proportion of overweight children ages six to 11 has increased almost *fivefold* in a generation, growing from four percent in the early 1970s to 19 percent by 2004.<sup>5</sup> The numbers are even higher for lower socioeconomic groups, African-Americans, and Hispanics.

Simply put, children are eating more calories, gaining more weight, and developing more chronic diseases, earlier, than ever before.

It would be nice, of course, to have an easy target to blame. But childhood obesity is a complex issue with a variety of causes. A large part of the problem may have to do with changing lifestyles. Children today are not getting enough exercise. Sure, some kids play organized sports, but they just don't seem to slip out the back door and play outside as much as they used to – perhaps because parents are afraid to leave them unattended. Young people are spending more time inside, engaging in sedentary activities, like watching TV, playing video games, or going on the computer. Meanwhile, more and more parents are working and don't have time to make nutritious home-cooked meals, often relying on restaurants, take-out, and quick-fix processed foods. Half of the American food dollar is spent on eating out, and about 40 percent of that amount is spent at fast food restaurants.<sup>6</sup> It's no wonder whole families are becoming super-sized.

And it's no surprise, then, that there has been a big spotlight on food marketing to children – both as a possible cause and as a potential cure. This morning, we heard about some of the food and media companies' commendable efforts to address children's obesity. This afternoon, the agenda includes

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<sup>4</sup> Centers for Disease Control and Prevention (“CDC”), *Overweight and Obesity Frequently Asked Questions*, <http://www.cdc.gov/nccdphp/dnpa/obesity/faq.htm#children>.

<sup>5</sup> CDC, *Obesity and Overweight: Childhood Overweight Prevalence*, <http://www.cdc.gov/nccdphp/dnpa/obesity/childhood/prevalence.htm>.

<sup>6</sup> Hayden Stewart et al., USDA Econ. Research Serv., *The Demand for Food Away From Home: Full-Service or Fast Food?* at 1, 2 (Jan. 2004) (Agric. Econ. Rep. No. 829, available at <http://www.ers.usda.gov/publications/aer829/aer829.pdf>).

discussion of public outreach efforts, and research about the connection between television advertising and overweight kids.

The FTC staff recently released a report on children's exposure to TV advertising, comparing data from 2004 to data already in our files from 1977<sup>7</sup> – before the dramatic rise in childhood obesity, but at a time when the agency proposed a rule to ban children's advertising on TV. The authors of our new study will present the details in a few minutes. To my mind, the results are of the “good news, bad news – and *more* bad news” variety.

The good news is that compared to 1977, today's children are seeing somewhat fewer paid ads, somewhat fewer food ads, and somewhat fewer total minutes of advertising on TV.

The bad news is that today's kids still see *a lot* of commercials. In 2004, children ages two to 11 saw on average more than 25,000 TV ads – including about 5,500 food ads – mostly for “junk food” (just like in the '70s).

Think of it this way: If right now you started watching just the food ads one after another, you would still be sitting here early Friday morning. If you watched *all* the commercials children see on average in a year, you'd be sitting here for more than a week.<sup>8</sup>

Even more troubling, compared to the 1970s, twice as many of these food commercials are now *targeted on children's shows*. The FTC study did not reach whether these child-directed food ads are more effective than ads for a general audience. But food marketers didn't just fall off of a turnip truck – or a Good Humor truck. You've got to figure that advertising especially designed for children is more likely to influence their product preferences, purchase requests, and eating habits.

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<sup>7</sup> FTC Bureau of Economics Staff Report, *Children's Exposure to Television Advertising in 1977 and 2004: Information for the Obesity Debate* (June 2007).

<sup>8</sup> The 25,629 total television ads (including 18,324 paid ads and 7,305 promotions for other programming and public service announcements) equate to 10,717 minutes (or 178.6 hours) of television ads. The 5,538 food ads equate to 2,202 minutes (or 36.7 hours). *Id.* at 10, Table 3.1.

These days, of course, TV is only part of the marketing picture. In addition to TV screens, there are also movie screens, video game screens, cell phone screens, and computer screens – each a virtual venue and potential bonanza for advertising to kids.

It is estimated that food and beverage companies spend \$10 to \$12 billion a year for a broad range of marketing activities directed to children. Of that, more than \$1 billion is spent on media advertising, primarily TV. The remaining billions are spent on youth-targeted promotions, public relations, and specially designed packaging.<sup>9</sup> Advertisers are marketing online, in stores, at schools – through character licensing and celebrity endorsements – with premiums, prizes, promotions, and product placements – and via viral marketing, buzz marketing, and even cell phone messaging. Some of these efforts surely are experiments in advertising – but others presumably work.

As many of you know, at the request of Senator Harkin and at the direction of Congress, the FTC is beginning a more comprehensive study of *all* types of food and beverage marketing activities targeted to children. We are about to send subpoenas to more than forty major food and beverage marketers and fast food chains. This is a tough issue to be sure, but we will try our best to enlighten policymakers by gathering real facts and figures, from soup to nuts, from broadcast to broadband, about the kinds of marketing decisions food companies are making and how they affect the youngest generation of Americans.

While it may be debatable whether advertising and marketing are part of the obesity problem, there is no question that they *must* be part of the solution. This morning, we heard about some promising industry initiatives. Eleven major food and beverage marketers, including Kraft and General Mills, have pledged to shift their product mix and advertising to promote healthier food choices to kids. Spurred by the Alliance for a Healthier Generation and other advocacy groups, leading soft drink companies now offer lower-calorie and more nutritious drinks at schools. To its credit, Disney has taken steps to ensure that its parks and popular cartoon characters won't be pushing high-calorie low-nutrition foods.

These are laudable initiatives, but make no mistake: *more* companies need to be involved, pledging to make meaningful changes in products, marketing,

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<sup>9</sup> Institute of Medicine, *Advertising, Marketing and the Media: Improving Messages* (Fact Sheet, Sept. 2004).

and media messages. The eleven companies participating in the Children's Food and Beverage Advertising Initiative represent two-thirds of TV food advertising to kids – where are the companies in the other one-third? There is only one fast food chain participating in the Initiative. That's unacceptable: Other companies need to get involved, either by participating in some initiative or by doing it on their own.

The companies who are participating have made useful commitments about advertising to children – or *not* advertising, as the case may be – and to developing more “better-for-you” foods that will appeal to kids. But some of these companies can (and should) go further. Many spend only a fraction of their food marketing budgets on measured media advertising, so can't they extend at least some of their commitments to the rest of their marketing, product packaging, point-of-sale materials, and other youth-targeted promotions? And how will companies define advertising primarily directed to children under 12? If a company allows junk food advertising to audiences comprised of up to 50 percent children ages two to 11, that's not much of a standard at all. The Commission has been uniform in our reports on marketing violent entertainment products to children – we have looked at the movie, music, and video game industries five times in the last seven years – that even a 35 percent underage viewing standard may be too high.

To be sure, I do recognize that many of the details of the company commitments are still in the formative stages – still works in progress. The Commission will be watching how you industry leaders actually implement your plans, your promises, and your pledges in the coming months – hopefully we'll continue to see improvements – and more uniformity.

As the saying goes, the proof will be in the pudding . . . and the Pop Tarts.

There are things we can *all* do – not just industry, but also communities and families – to stem the rise in childhood obesity. Parents and schools need to do a better job at selecting healthy foods and encouraging more physical activity for children. Restaurants and food companies need to offer better options so we can make better food choices. How about posting a little more nutritional information on fast food and restaurant menus?

Now some of you may be thinking this is just the Washington bureaucracy talking and that the political heat of July will inevitably cool down in the Congressional recess of winter. But interest in children's health is bipartisan and

nonpartisan. Just last week, the Surgeon General nominee, Dr. James Holsinger, said childhood obesity is his top priority and he could support a *ban* on advertising junk foods to children. And look at the slate of candidates for the White House – which one doesn't care about offering our children healthier food choices and a healthier future? Sam Brownback? He's threatening a regulatory solution if companies do not take substantial steps to curtail junk food marketing. Hillary Clinton? If you've seen her latest Youtube video, you know that she's been feeding her husband carrot sticks instead of the onion rings he craves.

At this point, almost all of us prefer industry self-regulation, and the initiatives discussed today are a healthy start. But as these voluntary programs are rolled out, they need to measure up – or scale down – to their promise. Because if obesity rates continue to rise, you can be sure that the pressure for government to intervene will be hard to resist.

You could call that the carrot and stick approach – or the carrot stick approach. But whatever you call it, let's hope that with responsible marketing, responsible policymaking and responsible parenting, we can start reversing the childhood obesity crisis – and put American children on a healthier path to a longer life.

Thank you.