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Section B

Direct and Indirect Costs

Direct and Indirect Costs

- Direct costs are costs where money is actually exchanged
- Indirect costs are most often costs that measure productivity loss and represent the value of time

Direct Costs of Obesity

- Average increase in annual medical expenditures is \$732 per person
- A total of 5.3% to 5.7% of total annual medical expenditures in the United States when combining per person costs and prevalence
- Government finances roughly half the costs attributable to obesity
- Perhaps only 4.3% of lifetime costs (in the United States) when accounting for increased annual costs and premature mortality
- Other more recent data reflect similar findings

Sources:

1. (2005). *Annu Rev Public Health*, 26, 239-57.
2. Finkelstein, E. A., Zuckerman, L., *The Fattening of America: How the Economy Makes Us Fat, If It Matters, and What To Do About It.*

Indirect Costs of Obesity—Absenteeism

- Value of work time missed
- Why do obese individuals miss work time?
- How much do they miss?
- Does it vary by country? Within country?
- Does it vary by degree of obesity?

Indirect Cost of Obesity—Presenteeism

- Value of work time when present but not fully productive
 - Why would an obese individual who is at work not be fully productive?
 - Is it fully productive compared with other workers or fully productive compared with their own productivity?
- Similar questions about variability

Other Indirect Costs of Obesity

- Disability
- Premature mortality
- Workers' compensation

Where to Find Information on Direct and Indirect Costs

- (2008, Sept). *Obes Rev*, 9(5), 489-500.
- Many facts and figures from different time periods measuring different things in different subpopulation groups

Key Findings

- Many ways of characterizing costs
- Costs are substantial
 - Sometimes numbers might strike us as low
 - We need to understand what those costs entail and how they accumulate over time