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Small Steps to Health and Wealth™
ARKANSAS

Say “No” to Super-Sizing

Always bear in mind that your own resolution to succeed
is more important than any other one thing.
– Abraham Lincoln

When you improve your wealth, your health is often positively affected. You are able to eat better food, purchase a comprehensive health insurance policy and afford health care services, prescription drugs and screening exams. In addition, the stress associated with financial difficulty that may cause worry, migraines, insomnia, etc., is reduced. Sometimes, however, there are disconnects between what’s good for your finances and what’s good for your health. An example is “super-sized” food portions and restaurant meals that seem like good buys on a cost-per-serving basis. Restaurant meals today average three to five times larger than the serving sizes found on the nutrition facts labels on food packages.

Value marketing is the term used to describe the recent trend toward super-sized food portions. Instead of decreasing prices to attract consumers, the U.S. food industry has, instead, increased portion sizes and called them “meal deals.” The cost of food is relatively low, so manufacturers can sell larger quantities for only pennies more. Economically, larger portions seem like a “bargain” to consumers. What they are getting, however, is more fat, sugar and calories. As portion sizes have gotten larger, almost two-thirds of Americans have become overweight or obese. When people eat more and move less, they put on weight; so more food for less money is **not** healthy. A “bigger is better” mentality has also caused many people to lose perspective on what recommended portion sizes look like. Super-size portions, such as 6.9-ounce French fries with 610 calories, compared to 2.4 ounces with 210 calories 20 years ago, are seen as “normal.” This disorientation about food portion sizes has been referred to as **portion distortion**. More information about this can be found at http://hin.nhlbi.nih.gov/portion/.

Similar “more is better” (super-sizing) marketing strategies can also be found with non-food items as an enticement for consumers to spend money that might otherwise be invested for future financial goals. These include store coupons (e.g., “spend $100 and get $20 off”), paired discounts (e.g., “buy ‘X’ and get ‘Y’ for half price”) and free item offers (e.g., “buy three of X and get one more free”). Many of these offers are only available for a limited time in order to foster a sense of urgency. Like larger food portions, there is a major problem associated with marketing offers based on sales volume…debt. This is especially true if items are paid for with credit card minimum payments. Average Americans are carrying a $9,300 balance on their credit cards. With an 18 percent annual percentage rate and low minimum payments, it will take decades to repay this debt, according to the *Credit Card Smarts* calculator from Advantage Publications. This phenomenon of carrying debt for decades has been referred to a **perma-debt**, because the outstanding credit balance barely budges over time due to small payments toward principal and high interest charges. Perma-debt can lead to financial distress and associated health problems such as anxiety and insomnia.

Both super-sized eating and super-sized spending are dangerous practices. Things can quickly get out of control. Small wonder that millions of U.S. households have "issues" with both their health and finances. According to the book *Fast Food Nation*, a woman who is 5'5" and weighs 132 pounds has a body mass index (BMI) of 22, which is considered normal. Body mass index is a health measure based upon both height and weight. If she gains 18 pounds, her BMI rises to 25, and she's considered overweight. If she gains 30 more pounds, her BMI reaches 30, and she is considered obese.

Eating just 100 extra calories per day will result in a weight gain of 10 pounds per year, so excess weight can add up quickly. No other nation in history has gotten so fat so fast, says *Fast Food Nation* author Eric Schlosser. The chart below shows how quickly BMI can change from a healthy range (BMI of 18.5 to 24.9) to overweight (BMI of 25 to 29.9) to obese (BMI of 30 or higher). For further information about calculating body mass index, see http://www.cdc.gov /nccdphp/dnpa/bmi/calc-bmi.htm.

Body Mass Index (BMI) Figures for Select Heights and Weights					
Height	**120 pounds**	**150 pounds**	**180 pounds**	**210 pounds**	**240 pounds**
5'0"	23	29	35	41	47
5'2"	22	27	33	38	44
5'4"	21	26	31	36	41
5'6"	19	24	29	34	39
5'8"	18	23	27	32	37
5'10"	17	22	26	30	35
6'0"	16	20	24	29	33

Similarly, household debt-to-income ratios, which include all consumer debts (e.g., car loans and credit card payments) but not home mortgages, can increase quickly and spin out of control. Let's say someone's take-home (after-tax) pay is $3,000 monthly (about $36,000 per year). If you owe a total of $300 monthly on a car loan ($220) and credit cards ($80), your debt-to-income ratio is 10 percent (300/3,000), which is within an acceptable debt-to-income range.

If monthly payments increase to $450, because $230 is owed on credit cards, the debt-to-income ratio is 15 percent (450/3,000), which financial experts agree is an indicator of financial difficulty for many people. Increase the monthly payment further to $600, with $380 owed on credit cards, and the debt-to-income ratio increases to an even more dangerous 20 percent (600/3,000). This effectively means that you are working five days and getting paid for four because one day's pay is "spoken for."

The chart below shows how quickly annual interest payments can rise with the double-digit annual percentage rates (APRs) so common on credit cards.

Annual Interest Payments on Various Credit Card Balances					
APR	**$1,000**	**$2,000**	**$3,000**	**$4,000**	**$5,000**
14%	$140	$280	$420	$560	$ 700
15%	$150	$300	$450	$600	$ 750
16%	$160	$320	$480	$640	$ 800
17%	$170	$340	$510	$680	$ 850
18%	$180	$360	$540	$720	$ 900
19%	$190	$380	$570	$760	$ 950
20%	$200	$400	$600	$800	$1,000
21%	$210	$420	$630	$840	$1,050
22%	$220	$440	$660	$880	$1,100

The following quote by Max DePree alludes to the importance of making changes when trying to become healthy and wealthy: "In the end, it is important to remember that we cannot become what we need to be by remaining where we are."

How much super-sizing are you currently doing when eating and spending money? Do you have any super-sizing habits that need fixing?

Complete the two worksheets **Super-Sizing Inventory: Eating** and **Super-Size Inventory: Wealth** to make plans to change super-sizing habits.

Super-Sizing Inventory: Eating

List five ways that you frequently super-size your diet, and calculate the calorie savings from healthier changes or substitutions.

Super-Sized Foods Eaten	Caloric Value	Healthier Substitution/ Smaller Size	Caloric Value	Calorie Savings

Super-Sizing Inventory: Wealth

List five ways that you frequently super-size your spending, and calculate the dollar savings from less expensive changes or substitutions.

Super-Sized Item Purchased	Cost	Less Expensive Substitution/Smaller Size	Cost	Dollar Savings

Action Steps

Health

- Make a list of recent instances where you purchased a super-sized meal and indicate the reason why.
- Estimate the changes in your weight each year during the past decade.
- Calculate your body mass index (BMI) using the Web site www.consumer.gov/weightloss/bmi.htm.

Wealth

- Make a list of recent instances where you purchased items with super-sized terms and indicate the reason why.
- Estimate the changes in your outstanding debt balance each year during the past decade.
- Calculate your debt-to-income ratio by dividing monthly consumer debt payments, excluding a home mortgage, by monthly take-home pay.

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