NEWS RELEASE



Embargo until March 6, 2024, at 7:00 am ET

GlobalData report highlights staggering economic costs for Illinois of \$17.6 billion due to obesity

Obesity and overweight are estimated to have caused a staggering \$17.6 billion reduction in Illinois' economy in 2022, equivalent to 1.7% of the state's gross domestic product, according to a report released by <u>GlobalData Plc</u>, a leading data and analytics company.

GlobalData's report, '<u>Obesity's Impact on Illinois' Economy and Labor Force</u>,' analyzes the economic and workforce implications of obesity in the State of Illinois, as well as the impact on state tax revenue collections and costs. Obesity is a serious, progressive disease and is associated with a range of other diseases, including type 2 diabetes, cardiovascular diseases, and musculoskeletal disorders. In Illinois, approximately one-third of adults are classified as having obesity (33.4%), and another third have overweight (33.9%) in 2022. This disease not only contributes to an increase in healthcare spending and premature death but also has a detrimental effect on labor force participation and productivity.

Estimates of the economic impact of obesity on Illinois include: 145,900 fewer adults in the workforce due to obesity-related unemployment and premature death, nearly \$1.6 billion higher costs to employers for health-related absenteeism and disability, and 9% lower earnings for women with obesity compared to women with a healthy weight.

Employers in Illinois paid an extra \$2.1 billion in higher medical expenditures for health complications attributed to obesity and overweight. Households with private insurance incurred \$1.2 billion in higher costs. Medicaid costs to the state were higher by \$661 million (equivalent to 6.7% of the state's Medicaid spending). The federal government also spent an estimated \$3.7 billion more on Medicare and Medicaid for Illinois residents.

Obesity and overweight have a detrimental impact on the state's budget, estimated at \$2.4 billion in 2022 which is equivalent to 3.6% of fiscal year revenues. State tax revenues were lower by nearly \$1.4 billion (2.1%) due to reduced economic activity, while state costs for Medicaid, public assistance, and state government health insurance increased by over \$1 billion.

The report also notes that achieving and maintaining weight loss of 5% to 25% among Illinois' non-Medicare adult population with obesity could produce substantial medical savings, ranging from \$7 billion to \$22 billion over the next 10 years.

"Addressing the staggering economic burden of obesity in Illinois requires a concerted effort to ensure access to the best care including effective treatment options for obesity," says <u>Justin Ryder</u>, an Associate Professor at Northwestern University's Feinberg School of Medicine and the Vice Chair of Research in the Department of Surgery at Lurie Children's Hospital of Chicago. "With the high prevalence of obesity, we are witnessing not only a significant strain on healthcare systems but also profound impacts on individuals' quality of life, productivity, and overall wellbeing. By prioritizing access to comprehensive obesity care, we can mitigate these economic challenges while promoting healthier communities."

Considering the analysis, GlobalData has recommended actionable steps for state policymakers and employers:

State policymakers can (1) finalize, expand and maintain access to Medicaid coverage for obesity treatment; (2) maintain insurance coverage for comprehensive, evidencebased obesity treatments, including intensive behavioral counseling, nutrition support, pharmacotherapy, and metabolic/bariatric surgery for employees and dependents covered under the State Employees Group Insurance Program; and (3) invest in community-based programs and education campaigns.

Employers can (1) offer insurance coverage and wellness programs for obesity care at parity with other chronic diseases; (2) foster a culture of support and inclusion that recognizes and accommodates the needs of employees with obesity; and (3) provide education and resources to employees to educate about the health risks associated with obesity as well as strategies for obesity care and weight management.

GlobalData's report serves as a wakeup call to address the obesity crisis head-on, with the potential to alleviate the economic burden on Illinois and foster a healthier and more prosperous future for its residents and employers.

The study was supported by Eli Lilly and Company.

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Notes to Editors

- Quote provided by <u>Justin Ryder, Ph.D</u>, Vice Chair of Research for the <u>Department of Surgery at Lurie Children's Hospital</u> and Associate Professor of Surgery and Pediatrics at <u>Northwestern Feinberg School of Medicine</u>
- Access the <u>report</u> and <u>infographic</u>.
- When incorporating images or videos into news articles, we kindly request that media outlets exercise sensitivity in their portrayal of individuals with obesity. The Obesity Action Coalition's Stop Obesity Weight Bias Campaign includes media <u>guidelines</u> and <u>bias-free image gallery</u>.

About GlobalData

4,000 of the world's largest companies, including over 70% of FTSE 100 and 60% of Fortune 100 companies, make more timely and better business decisions thanks to GlobalData's unique data, expert analysis and innovative solutions, all in one platform. GlobalData's mission is to help our clients decode the future to be more successful and innovative across a range of industries, including the healthcare, consumer, retail, financial, technology and professional services sectors.