



WHY THE NUTRITION LABEL FAILS TO INFORM CONSUMERS

The Food and Drug Administration (FDA) recently decided to update the Nutrition Facts panel (NFP). A new study for the Mercatus Center at George Mason University explains that it is the flaws in the NFP's design that prevent it from having a greater impact on consumers' choices, and that the redesigned label does not correct those flaws.

The NFP's ineffectiveness has led some to abandon information disclosure attempts and instead advocate for more intrusive paternalistic policies such as taxes and bans on certain types of food. The NFP's failure, however, is due to its poor design rather than to flawed consumer decision-making. Treating the failure of government policies as consumers' fault rather than design failure absolves policymakers of responsibility for policy failures and prevents them from seeking better, more effective solutions, since they instead fall back on the easy solution of restricting consumer choices.

To learn more about the study and its author, Mercatus research fellow [Sherzod Abdukadirov](#), please see "[Why the Nutrition Label Fails to Inform Consumers.](#)"

TRADITIONAL POLICY RESPONSES TO CONSUMER CHOICES VS. NUDGING

Obesity is a major health problem in the United States. The traditional policy response to unhealthy dietary choices has been to educate and inform consumers through resources like *Dietary Guidelines for Americans* and the disclosure of key nutrition information on the Nutrition Facts panel. As the NFP and other information-disclosure efforts fail to improve consumers' dietary choices, however, health advocates have shifted to paternalistic measures.

Some have argued that the NFP's failure to stem the increase of obesity demonstrates that information disclosure does not work: even fully informed consumers make unhealthy choices.

Policymakers have begun advocating for policies that would actively manipulate consumers' choices in order to "nudge" them toward healthier diets. These measures vary in the degree to which they would restrict consumer choice, substituting regulators' decisions for consumers':

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- *Changing default options.* For example, some advocate placing unhealthy foods in the back of a cafeteria line, or making them more difficult to reach than healthier foods.
- *Imposing bans or taxes on less desirable food choices or ingredients.* For example, New York City recently attempted to ban large sodas. Consumers could purchase two smaller sodas, but at an increased cost.

PROBLEMS WITH PATERNALISM

Paternalistic approaches cause two different problems:

- *Consumers are blamed for failed policies.* Paternalism seeks to blame consumers for failed government policies. While it is possible that consumer biases are responsible for the failure of nutrition labeling and other information disclosure policies, it is equally plausible that the failures resulted from poor policy design and implementation.
- *Policymakers absolve themselves of responsibility for failed policies.* If experts can pin the blame for the failure of existing anti-obesity policies on consumers, they do not have to reevaluate the effectiveness of the regulatory process that has produced these disclosures. Nor do they have to question their ability to effectively intervene and enact policies that reduce obesity.

THE FDA'S REDESIGN OF THE NUTRITION LABEL IS INADEQUATE

The FDA attempts to address some of these issues in its proposed major redesign of the NFP. The label's most significant changes aim primarily to help consumers lose weight through healthier food choices. While well intentioned, the proposed label redesign fails to correct the original label's flaws:

- *Information overload.* Consumers struggle to interpret and understand all the information on the label.
- *Confusing visual cues.* The label is not organized in a way that allows consumers to understand the information.
- *Misguided criteria for effectiveness.* Policymakers expect consumers to be like health experts and spend an extraordinary amount of time and effort on their food choices.
- *Consumer differences.* Not every consumer can read or understand the same information, but the label makes no attempt to account for such differences among consumers.
- *Portion size.* The label focuses on serving size rather than portion size, permitting consumers to eat more of supposedly healthy items than they should eat.
- *Triggers.* The label is not designed to cue consumers to think about their dietary choices and their personal triggers for purchasing certain foods. The information on the label can be lost amid the multitude of other information on product packaging.

SOLUTIONS

Better design could address the NFP's shortcomings through smart disclosure principles. As an [Office of Information and Regulatory Affairs memorandum](#) explains, "smart disclosure makes information not merely available, but also accessible and usable." Furthermore, "such data should also be timely."

- For example, in 2011 the Institute of Medicine studied front-of-pack (FOP) labels as a way to address the information overload and confusing design of the NFP. While no single FOP label was flawless, many systems showed considerable promise. The institute's review found that effective FOP labels shared several characteristics. First, the labels were simple and did not require special nutrition knowledge. Second, they focused on guiding consumers instead of presenting factual information. Third, they presented health attributes of each food item in the form of ranking or scales. Finally, they used easily recognizable symbols or names to help consumers comprehend the nutrition information.
- Based on its analysis, the [Institute of Medicine recommended](#) that the FDA produce a "simple, standard symbol translating information from the NFP on each product into a quickly and easily grasped health meaning, making healthier options unmistakable." The institute found that a simple symbol would be easily understood by consumers at different literacy levels and would act as a cue to opt for healthier choices.

CONCLUSION

Intrusive policies such as soda bans and taxes simply shift the blame for the failure of the existing anti-obesity policies onto consumers. Before implementing more restrictive policies that limit consumer choice, health experts should first examine the design and implementation of previous failed policies and try to understand the deeper causes of their failure. Otherwise, policymakers risk repeating the same mistakes and creating policies that will similarly fail.