



Healthy Beverage Programs, Healthy Bottom Lines

Taking steps to eliminate the availability of sugary and other unhealthy beverages within a facility often raises concerns that these programs will result in revenue loss. Food and beverage vending machines generate income, and there is a common misperception that healthy options won't sell as well as unhealthy ones. Healthy vending programs implemented in schools indicate that the feared financial losses rarely come to pass. The experiences of schools and worksites that have implemented measures to reduce availability of unhealthy foods and beverages suggest that while there may be an initial adjustment period, overall revenue remains fairly consistent.¹ These experiences indicate that customers tend to embrace the sale of healthier options — particularly water and 100% juices.

Hospitals implementing these changes have had similar results. This series includes case studies that describe the experiences of two Massachusetts hospitals that implemented healthy beverage programs without hurting beverage sales or revenue. For example, after implementing a healthy beverage program, St. Elizabeth's Hospital reported a 30% increase in healthy beverage sales, and an increase in overall sales compared to the previous year. Fairview



The Public Health Law Center has created a series of resources designed to inform and support efforts to promote healthy beverage choices within Minnesota workplace settings, with a special focus on healthcare. This fact sheet discusses some of the common misperceptions about the potential financial impact of healthy beverage programs.

Hospital reported no significant change in revenue after eliminating sugary drinks from its offerings.

Employees Want Healthier Beverages, and Educational Campaigns Can Help

Experience indicates that a well-run education and marketing campaign will help increase the demand for healthy beverages, and could even increase overall sales. As explained in *Building Blocks for Success*, another resource in this series, marketing and education campaigns can play an important role in supporting a culture shift towards healthy choices.

The tide has already begun to change towards healthier choices. The beverage industry itself has noted that an increasing proportion of beverage profits are coming from the sale of water, 100% juice, and other healthy beverages. In fact, according to industry surveys, employees rate water as the most important (34%) beverage choice in the workplace, ahead of unsweetened coffee (25%) and well ahead of soda/iced teas (16%), juice (13%) and sweetened coffee drinks (6%).²

Healthy Beverage Programs Could Promote Healthcare Savings

When considering the revenue implications of implementing a healthy beverage or food program, it is important to look more broadly at the costs of our nutritional choices and how these may affect the costs of healthcare for employees. It is clear that nutrition-related health issues have increased the

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Potential Financial Impacts of a Healthy Beverage Program

- Many institutions report neutral revenue impacts.
- The demand for healthy beverages is increasing.
- Healthy food and beverage programs promote healthier employees, and healthier employees means lower healthcare costs.

nation's healthcare costs. This trend is consistent with what is happening in the healthcare sector as well. In fact, a 2011 Thomson Reuters study found that U.S. healthcare workers were *less healthy* and accrue *higher healthcare costs* than the U.S. workforce at large.³

The study found that healthcare employees and their dependents are admitted for chronic illness 18% more often than the general workforce. Specifically, compared to the average U.S. worker, healthcare workers and their dependents were:

- 32% more likely to be admitted for congestive heart failure,
- 17% more likely to be admitted for diabetes,
- 20% more likely to be admitted for hypertension, and
- 31% more likely to be admitted for overweight/obesity.

This data indicates that improving the nutritional quality of food and beverage offerings in this sector could be an important part of helping healthcare workers be healthier themselves. Improved employee health not only leads to better productivity, but it can also save an institution millions in healthcare costs for employees. The Thomson Reuters study predicted that a hospital or health system with 16,000

employees would save an estimated *\$1.5 million annually* in medical and pharmacy costs for each one percent reduction in health risk.

Healthy Beverage Programs that Are Part of “Going Green” Efforts Can Save Money and Boost Employee Morale

A healthy beverage program is not only a health initiative, but it can also be an environmental initiative, which can lead to additional positive financial impact. Many hospitals and other institutions are promoting tap water as the best alternative to sugary drinks by installing filtered water stations and infused water stations. Replacing sugary drink offerings with healthy selections dispensed in bulk (coffee, tea, juice, and water stations), can eliminate the need to purchase single-use bottled beverages, which are typically more expensive and create bottle waste. Tremendous resources are used to create, pack, ship, and dispose of single-use beverage bottles. By encouraging the use of refillable containers for healthier beverages, a healthcare facility shows that it is thinking more broadly about the impacts of our food system, and provides employees opportunities to feel good about participating in positive environmental change.

Indeed, according to a 2008 survey brief by the Society for Human Resource Management, employees and human resources professionals at organizations that participate in environmentally responsible programs reported improved employee morale, a stronger public image and a positive financial bottom line as the top three positive outcomes of these programs.⁴ Therefore, a healthy beverage program that includes environmentally-responsible practices not only can promote better physical health for employees, but also can help boost morale. Improved morale can lead to increased employee retention rates--61 percent of employees

in organizations implementing environmentally-friendly practices reported that they are “very likely” or “likely” to stay with their current organization because of their organization’s environmentally responsible programs.

Conclusion and Additional Resources

The bottom line is that healthy beverage programs are not only good for employee and community health, but they also can contribute positively to healthcare’s bottom line.

Another fact sheet in this series, *Healthcare Can Lead the Way*, provides additional information about the important role of hospitals and other healthcare settings in promoting healthy food and beverage programs as part of social norm change necessary to combat the obesity epidemic. The entire series can be found on the Public Health Law Center’s website at www.publichealthlawcenter.org and at Health Care Without Harm’s website at www.healthyfoodinhealthcare.org.

The [Commons Health Hospital Challenge program](#), led by the Institute for a Sustainable Future, also has resources and technical assistance geared towards communities, clinicians and Minnesota hospitals committed to leading obesity prevention efforts in their communities. [Health Care Without Harm](#), through its national [Healthy Food in Health Care Program](#), provides technical assistance and educational programming to support a national network of healthcare organizations in creating healthy food and beverage environments in their facilities. The [American Heart Association](#) also has several [Policy Position Statements](#) on obesity prevention, and related resources to support healthy food and beverage environments in a variety of settings.

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Endnotes

- ¹ CTR. FOR WEIGHT AND HEALTH, UNIV. OF CALIFORNIA, *DOLLARS AND SENSE: THE FINANCIAL IMPACT OF SELLING HEALTHIER SCHOOL FOODS* (2007), http://cwh.berkeley.edu/sites/default/files/primary_pdfs/Dollars_and_Sense_FINAL_3.07.pdf; Sarah Fox et al., *Competitive Food Initiatives in Schools and Overweight in Children: A Review of the Evidence*, 104 WIS. MED. J. 38, 42 (2005). See also Delvina Gordon et al., *Healthier Vending Machines in Workplaces: Both Possible and Effective*, 123 N.Z. MED. J. 43 (Mar. 2010) available at <http://journal.nzma.org.nz/journal/123-1311/4029/>.
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