

A dollars to (no) doughnuts bet

Do increasingly popular weight-loss incentives work?

BY LENNY BERNSTEIN

What if someone would pay you to lose weight? Not a token amount from your meddling fitness freak brother-in-law, but serious cash — say, \$10,000? Would you try it?

But what if you had to put some skin in the game, 60 of your hard-earned dollars for the chance to win that \$10,000 or smaller prizes of \$5,000 and \$3,000?

And what if you had to do this at the office, with a team of co-workers who would monitor your progress, or lack thereof, and whose chances at a payoff depended on you? Deal breaker or motivator?

As you might have guessed, such elaborate wagers are underway at companies across the country, perhaps the most innovative variation in the growing trend of offering overweight Americans — and those with other unhealthful habits, such as smoking and drug use — financial incentives to change.

Such experiments live at the nexus of cost-benefit analysis, behavioral psychology and the obesity crisis. The best programs are carefully calculated to exploit human nature: our love of a windfall, the risk of losing a small but significant financial stake, the camaraderie of a team effort, the heat of competition. All in the hope it might push us to do something difficult and unpleasant: shed pounds.

“We have to help people lose weight, and financial incentives are part of it,” said David Roddenberry, founder of HealthyWage.com, a two-year-old company that arranges inter-company competitions called “matchups” and takes a cut of the proceeds for its efforts.

To save money on health insurance premiums and draw attention to company wellness programs, more employers

WEIGHT CONTINUED ON A20

have been offering in-house contests with small payoffs, in cash or other goodies. The NBC reality show “The Biggest Loser” has taken the prize package — and the girth of contestants — to an extreme.

But now, HealthyWage and a handful of other Web sites have made a variety of contests available to almost any employer or individual.

At Meritus Health, a sprawling new medical center in Hagerstown, Md., 24 teams of five employees, most of them women, are in the fourth week of HealthyWage’s most recent contest against squads from 13 other competitors from as far away as New Mexico. Members of teams such as Big and Wanna Be Rich and the Meritus Muffin-top Droppers are laying small side bets and monitoring each other’s food intake in an effort to take home the top prize. Some weigh in together each week.

Each employee put up \$60 to enter the contest. Collectively, the 120 workers lost more than 400 pounds the first week, according to a spokeswoman, better than three pounds per participant.

“I said, ‘Look, this is \$10,000,’” said Nancy Rotz, a receptionist in the medical center’s environmental services division who wanted to lose weight anyway. “C’mon now, \$10,000 right before Christmas. This is awesome.”

George Loewenstein, a behavioral economist at Carnegie Mellon University who has studied financial incentives and weight loss, says the HealthyWage competition is “using all the conditions that have been found in the research to be successful.” In

controlled studies of obese veterans, Loewenstein and his colleagues devised ways to include social support and pressure, competition and, of course, money to spur weight loss.

One financial tactic was a small daily lottery that the vets could enter by losing weight. In separate four- and eight-month studies, participants lost nearly a pound a week, significantly more than a control group.

Alas, there appears to be no such thing as a free, low-calorie lunch. In both of Loewenstein’s studies, when the money stopped flowing, the weight came back.

“As soon as the program ends,” he said, “not only do they stop losing weight, but they regain most of the weight.” The study recommends that longer-term incentives be considered.

In separate research on an actual workplace program involving 2,400 participants, Cornell University’s John Cawley, a professor in the department of policy analysis and management, concluded that “deposit contracts,” betting your own money on the ability to lose weight, worked better than financial incentives. In that program, participants weren’t given their money immediately, which seems to have prompted large numbers to drop out.

“The frontier here,” Cawley said, “is figuring out how to design the program to . . . get the biggest bang for your buck.”

At StickK.com, a goal-setting Web site that offers users a drop-down menu of options that include losing weight, the overall success rate of about 25 percent rises to nearly 75 percent when participants appoint a “referee” to monitor results and put up money of their own, said Sam Espinosa, the company’s marketing director.

The firm donates lost money to a charity of its choice or an



“anti-charity” — a cause the participant would never support — as part of its incentives.

“StickK essentially puts a price on failure,” Espinosa said. If a \$5 cheeseburger is going to cost you \$50 at your next weigh-in, you might think twice about eating it, he said.

Traditional economic theory assumes that people make decisions rationally, said Kevin Volpp, director of the Center for Health Incentives and Behavioral Economics at the University of Pennsylvania, who has conducted research with Loewenstein. Behavioral economics allows for the irrational choices we make every day and tries to counteract them with rewards of a different kind.

“Immediate gratification is very powerful,” Volpp said. “Trying to offset that through countervailing interventions is very challenging.”

Which helps explain why discounts on health insurance premiums that companies have been offering employees for good habits aren’t as effective as a check in the mail, a cash payment or even the chance to win a small lottery, he said. And why the impulse to enjoy a doughnut now is much stronger than the fear of developing diabetes later.

Orbital Sciences in Dulles joined the latest contest after its

officials noticed that their in-house offer of a \$25 gift certificate had increased the number of employees who filled out a health risk assessment.

“Frankly, we thought employees would find it attractive if they got paid to lose weight,” said Janet Stypula, senior director of compensation and benefits, and a member of the Orbital V team in the weight-loss competition.

Orbital’s turnout was much smaller than the one at Meritus — just 25 employees are participating in a workplace of 1,500. But the aerospace company is impressed.

“To get people moving, we’ll try anything,” Stypula said. “They’re primarily male, and they’re all rocket scientists. So you can only imagine. We were thrilled.”

For some, the excitement of competition and fear of letting down the team are additional powerful incentives. “Think about battle,” Loewenstein added. “The combination of camaraderie and competition in battle is sufficient to get people to put their lives in great danger.”

Weight loss is, of course, a war of a different kind for the 70 percent of Americans who are overweight or obese. Roddenberry, the HealthyWage founder, readily acknowledges that his approach is not meant to be “a

panacea, but it’s an enhancement” to other efforts. The organization stays out of how participants should lose weight, leaving it up to them to choose diet plans and exercise regimens. The rules discourage unhealthy tactics by limiting the 12-week weight loss to 16.7 percent of body weight and one-week losses to 1.5 percent.

Since the inception of HealthyWage, more than 100,000 members have lost more than 900,000 pounds, with a median weight loss of 4.5 percent of body weight, according to the company, which also hosts programs for individuals and for teams outside large companies. Whether all that weight stays off is still “unclear,” Roddenberry said.

Jessica Crandall, a spokeswoman for the American Dietetic Association, said that although the organization has no formal position on financial incentives, it thinks they are best considered “a good initial motivation” to be followed by longer-term lifestyle changes.

There is no doubt, however, that “people really get excited about a \$10,000 prize” for something they want to do anyway, Roddenberry said.

“If we get healthy, that’s the biggest win,” Rotz said.

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PHOTOS BY RICKY CARIOTI/THE WASHINGTON POST

Leona Van loan, above, chuckles at her weight as she and fellow Team Skinny Clothes member Cynthia Stubbs participate in their weekly weigh-in at Meritus Health in Hagerstown, Md. Shannon Gronholm, below, another member, gets advice from Registered Nurse Cindy Earle. Teams of Meritus employees are competing against 13 squads from elsewhere. The winning team will get \$10,000.

