

Nutrition Label Reading and Positive Financial Behavior

Barbara O'Neill, Rutgers University¹
Jing Jian Xiao, University of Rhode Island²
Karen Ensle, Rutgers University³

The objective of this study was to explore the relationship between the practice of reading Nutrition Facts labels on foods and beverages and the performance of ten positive personal finance practices. The study extends the work of Carr et al. (2015), who found that individuals who read the contents and nutrition details of food labels are more likely to engage in financial planning activities. Data for this study came from a 20-question online survey that provides a simultaneous assessment of individuals' health and financial practices.

Data for this study included quiz responses received from July 1, 2015 through June 30, 2016. After excluding 53 non-U.S. residents from the original sample of 3,414 respondents, 3,361 observations were used in data analyses. The hypothesis tested by this study was as follows: survey respondents who report frequent reading of nutrition labels have higher financial behavior scores than others.

OLS linear regressions used the score of the financial behaviors as dependent variable. Model 1 included only nutrition label reading as the independent variable and Model 2 added four demographic variables as control variables. Support was found for the hypothesis that survey respondents who report frequent reading of nutrition labels have higher financial behavior scores than others. These results are similar to those found in previous studies, with different variables and data sets, conducted by Carr et al. (2015) and Chatterjee and Nielsen (2010).

Results of this study suggest that the practice of reading nutrition labels (or whatever personal characteristics, such as conscientiousness, that this behavior represents) provides useful insights into financial behavior. Thus, financial practitioners may want to know if their clients/students read nutrition labels or engage in other health information search activities that can maintain good health.

References

- Carr, N.A., Sages, R.A., Fernatt, F.R., Nabeshima, G.G., & Grable, J.E. (2015). Health information search and retirement planning. *Journal of Financial Counseling and Planning*, 26(1), 3-16. Retrieved from http://afcpe.org/assets/pdf/volume_26_1/pages_3-16.pdf.
- Chatterjee, S. & Nielsen, R.B. (2010). Health insurance participation: The role of cognitive ability and risk aversion. *Theoretical and Applied Economics*, 17(11), 103-112. Retrieved from <http://store.ectap.ro/articole/530.pdf>.

¹Distinguished Professor, School of Environmental and Biological Sciences, Cook Office Building, 55 Dudley Road, Rutgers University, New Brunswick, NJ 08901, USA. Phone: 848.932.9126. Email: oneill@aesop.rutgers.edu.

²Professor, Department of Human Development and Family Studies, Transition Center, Room 202, University of Rhode Island, Kingston, RI 02881, USA. Phone: 401.874.2547. Email: xiao@uri.edu.

³Associate Professor and Family and Community Health Sciences Educator, Rutgers Cooperative Extension of Union County, 300 North Avenue E, Westfield, NJ 07090, USA. Phone: 908.654.9854, Email: ensle@njaes.rutgers.edu.