Cash Incentives Fail to Help Some Lose Weight, Study Says

(Aug. 6) — Americans have never been fatter. Here’s one reason it will be hard to turn that around: You can’t even pay people to shed weight.

Out this month in the journal Applied Economics Letters is new research by Nicholas Burger and John Lynham. The study’s conclusion is that even when people bet they’ll lose weight — sometimes putting down big money — they still can’t take off the pounds. A full 80 percent of overweight bettors lost their wagers. “Humans are impatient,” Lynham, an economics professor at the University of Hawai‘i, told AOL News. “And we have impulses that go against our long-term best interests — even when those interests include money.”

Lynham and Burger looked at a London betting house, William Hill, which for the past 15 years has accepted bets from people looking to lose weight. At first the house was wary: Why take a bet from someone who can directly influence its outcome? It’d be like letting a gambler go down to the track and club the legs of every horse but the one he put money on. Except — no, not really. Over time, William Hill noticed that few of the weight-loss bettors were winning. Plus, the bets themselves got lots of play in the British tabloids. (This is how Lynham came to the study. He grew up in Ireland and remembers those fevered stories.)

William Hill makes bettors write out why they would like to place the bet. This is the clever part. Lynham and Burger note that 55 percent of bettors describe to William Hill their struggles in losing weight; 70 percent say they’re betting as a way to force themselves to slim down, because little else seems to work.

Knowingly or not, the bettors are providing William Hill with all the advantage it needs: The implication in those e-mails and letters is, I have failed before at this, and because of that, I will probably fail again. The house acts accordingly. It has pegged some bets at 50:1 — and not had to pay out. One person in the study lost out on more than $7,000.

So what to make of all this? Well, first there’s the issue of methodology. Burger and Lynham admit that the sample size was small (about 50 people) and, because all the data came from William Hill, not a random selection of the population. But their study also notes other works that support their conclusion. One finds that paying people $25 per week to lose weight has no discernible effect on actually losing it. Another says that even when paying people to lose weight proves relatively successful, people eventually gain the weight back.

The larger issue is one of human behavior, and what works when setting goals. A couple of firms in the U.S. will take a wager of whether you’ll lose weight, but — critically — their methods differ from William Hill’s. One is Healthy Wage, in which you pay $300 and pledge that, over the next year, you’ll lose whatever weight you feel you need to drop — say, 30 pounds. If you succeed, you get $1,000. The other is StickK, in which the penalty for not losing weight can include giving to a charity you despise. (“Last year, our users gave almost $16,000 to the Bush library,” Sam Espinosa, the company’s director of marketing, told AOL News.) The key is that both companies turn weight loss into a series of short-term, reachable goals. Each site has users logging on weekly to update their progress.

StickK also allows users to add additional obligations beyond the purely monetary. For instance, Espinosa says that signing a contract to lose weight with StickK ensures, roughly, a 42 percent success rate. But if you add a “referee” — someone who weighs you to keep you honest — Espinosa says the success rate jumps, at the high end, to 65 percent. Add a wager and it’s 75 percent. Add the “anti-charity” — liberals giving money to George W. Bush’s library — with its threat of a doubly painful financial loss and the success is 82 percent.

StickK’s and Healthy Wage’s totals are self-reported. But Lynham says it makes intuitive sense that tackling a big goal through incremental, compounding steps produces better results. “I’ve found, in my own life, that it’s better to break up any task.”

Still, make the incremental steps too rigid or too daunting and it won’t work. That seems to be what happened in the William Hill study. Its bettors were told to lose 0.39 pounds — not every week, but every day. They’d lose a lot of money in Vegas, too, taking those odds.

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