

## **School-based marketing of food and beverages**

### **Policy implications for school boards**

As school districts face budgetary constraints and seek ways to enhance their resources, many turn to commercial sources of funding. Advertisements on school buses or scoreboards, use of corporation-sponsored educational materials, sales through vending machines, branded fast food, exclusive contracts with beverage corporations and similar activities provide supplementary cash, products, or services to schools.

Increasingly, however, commercial activities in schools are coming under scrutiny from parents, teachers, advocacy groups, and others. When the product is a food or beverage of minimal nutritional value, school boards have a responsibility to consider the impact of such marketing on student health and well-being, and whether marketing the product presents a message that is inconsistent with the district's nutrition education program.

The California School Boards Association, as part of its partnership with California Project LEAN (Leaders Encouraging Activity and Nutrition) in the Successful Students Through Healthy Food Policies campaign, encourages school boards and superintendents to engage in thoughtful discussions with their communities on the pros and cons of commercial activities and to review related board policies. This policy brief is intended to provide background information for such discussion and to highlight critical policy considerations.

### **Marketing to children and youth**

Companies recognize the tremendous value of marketing to children and youth. Youth have considerable spending power, with estimates varying between \$25 to \$140 billion a year nationally. They also influence \$500 billion of family purchases per year.<sup>1</sup> Perhaps most important to marketers, building brand awareness and brand loyalty among children influences their buying habits in adulthood.

While all children and youth are subject to the persuasive influence of advertising, younger children, especially those under 8 years, appear to be uniquely vulnerable to commercial promotion because they lack the skills to understand the difference between information and advertising.<sup>2</sup> A study of primary school children found that exposure to advertising influenced which foods children claimed to like.<sup>3</sup> Another study showed that labeling and signage on a vending machine had an effect on what was bought by secondary school students.<sup>4</sup>

Thus, it may not be surprising that food and beverage advertisers spend \$10 billion to \$12 billion a year to reach children and youth. Of that, more than \$1 billion is spent on media advertising to children that reaches them primarily through television; more than \$4.5 billion is spent on youth-targeted promotions such as premiums, coupons, sweepstakes, and contests; \$2 billion is spent on youth-targeted public relations; and \$3 billion is spent on packaging designed for children. More than half of television advertisements directed at children promote food and beverages such as candy, fast food, snack foods, soft drinks, and sweetened breakfast cereals that are high in calories and fat, and low in fiber and other essential nutrients.<sup>5</sup>

### **Commercial activities in schools**

Marketing through schools adds credibility to marketing activities by associating the company's name and product with trusted schools or teachers.<sup>6</sup> Commercial dollars constitute a small fraction of the money that goes to

public schools, usually less than one percent.<sup>7</sup> However, in 2000, a U.S. Government Accountability Office report found that commercial activities in schools had increased in visibility in the previous decade.<sup>8</sup>

Commercial activities in schools include:

- product sales through vending machines, exclusive contracts with soft drink companies, branded fast food, and fundraisers
- direct advertising, such as food and beverage advertisements through school publications, scoreboards, and posters
- indirect advertising, such as corporate-sponsored educational programs, sports sponsorships, and incentive programs using contests and coupons
- market research through student surveys, sampling, and taste tests

Most commercial activities occur in high schools (e.g., vending machines, display of corporate advertising), although coupon redemption programs are largely an elementary school enterprise.<sup>9</sup>

### **Product sales: competitive food and beverages**

Food and beverages served or sold outside the school's meal programs represent a significant share of the available foods that students purchase and consume at school: 98.2 percent of senior high schools, 73.9 percent of middle/junior high schools and 43 percent of elementary schools have either a vending machine or a school store, canteen or snack bar where students can purchase food or beverages. Most commonly these include soft drinks, sports drinks, fruit juices that are not 100 percent juice, and salty snacks or baked goods that are not low in fat.<sup>10</sup>

Of all product sales in schools, exclusive soft drink contracts are the fastest growing venture.<sup>11</sup> A national survey<sup>12</sup> found that 71.9 percent of high schools, 50.4 percent of middle/junior high schools, and 38.2 percent of elementary schools have a contract with a company to sell soft drinks. Of those schools with soft drink contracts:

- 91.7 percent receive a specific percentage of soft drink sales receipts
- 37.6 percent allow advertising by the company in the school building

- 27.7 percent allow advertising by the company on school grounds
- 2.2 percent allow advertising by the company on school buses

In a survey of California school board members and superintendents, 32 percent of responding board members and 41 percent of superintendents reported that beverage vendors had an exclusive contract with their district; 48 percent of board members and 64 percent of superintendents reported that vendors had an exclusive contract with *at least one school* in their district.<sup>13</sup> However, in the same survey, a minority of board members (26 percent) and superintendents (44 percent) agreed with the practice of having exclusive beverage vendors. In a followup survey, 22 percent of school board members said they had rejected a soda contract offer in the last three years, and 21 percent said their school board decided not to renew any soda contracts. Furthermore, 13 percent said their school board had decided to terminate any soda contracts.<sup>14</sup>

This same survey reported that a majority of school board members supported banning fast food sales in elementary schools (65 percent) and requiring that at least 50 percent of the food and beverages sold in vending machines meet national nutritional guidelines (81 percent).<sup>15</sup>

Currently, food sales outside the school's meal programs must meet the nutritional standards specified in Education Code 38085. Beginning July 1, 2007, these standards will be replaced by the standards contained in Education Code 49431 for elementary schools and Education Code 49431.2 for middle, junior high and high schools, as amended and added by SB 12 (2005).

Beverage standards are contained in Education Code 49431.5. SB 965 (2005) amended Education Code 49431.5 to modify the list of allowable beverages and to establish standards for high schools which will be phased in between July 1, 2007, and July 1, 2009.

These laws establish conditions under which food or beverages that do not meet the nutritional standards may be sold. In general, these laws provide that sales of such food or beverages (including sales through vending machines, student stores and cafeterias) need to occur off school premises or at least one-half hour after the end of the school day.

## Advertising

Research shows that, among California high schools: <sup>16</sup>

- Nearly 72 percent allow advertising for fast food and beverages on campus, while only 13 percent prohibit such advertising.
- The most common fast food or beverage advertisements are on vending machines (48 percent), scoreboards or signs (31 percent), and posters (23 percent).

Among schools in a national survey: <sup>17</sup>

- 23.3 percent allow promotion of candy, fast foods, and soft drinks through coupons
- 14.3 percent allow promotion of these products through sponsorship of school events
- 7.7 percent allow promotion of these products through school publications
- 24.8 percent prohibit or discourage faculty and staff from using these items as rewards

The large majority of California board members (80 percent) responding to a survey support limiting and monitoring food and soda advertisements in schools, and significant percentages (57 percent) would even go so far as to ban such advertisements. <sup>18</sup>

## Policy issues

California law places some restrictions on certain types of commercial activities in schools, such as exposure to brand names, products, or company logos in instructional materials. In addition, any food sales conducted outside the district's food services program must meet nutritional standards specified in law, as discussed above.

However, school districts have considerable discretion to make decisions regarding many commercial activities. Will the district approve vending machines on some or all campuses, and if so, what restrictions should be placed on the food or beverages sold? Should the district allow or prohibit advertisements on district facilities, equipment and buses? Should these activities be decided on a case-by-case basis depending on the product being promoted, the age of the students being exposed to the advertisement, and other considerations?

As the district's policymakers, the board has a responsibility to determine the extent to which commercial activities will be allowed, as well as the criteria and circumstances under which specific activities will be approved. The superintendent and district staff should establish clear review and approval processes consistent with board policy. These processes need to be clearly communicated to and adhered to by staff. Boards must also ensure their own adherence to established policies when they approve and ratify contracts with corporations.

CSBA provides sample board policies and administrative regulations related to advertising (BP/AR 1325 Advertising and Promotion), competitive food sales (BP/AR 3554 Other Food Sales), and contracts as they pertain to non-nutritious food and beverages (BP 3312 Contracts). However, districts are strongly encouraged to tailor policies to meet local needs and values. Policy development on these issues should be done in close cooperation with the superintendent and provide ample opportunities for input from staff, parents, community members and students.

When reviewing, revising or developing policy related to commercial activities, the board might consider the following questions:

- Do the district's existing policies and regulations permit advertising, product sales, and/or other commercial activities? Do they specify acceptable forms of commercial activity or establish any restrictions? Are commercial advertisements for foods and beverages restricted in any way?
- What is the district's existing process for reviewing and approving specific requests for advertisements or other commercial activities? Has the board established criteria for approval? Who screens proposed ads and other material?
- What criteria and processes are in place to evaluate classroom instructional materials to determine whether such materials endorse specific products or brand names? Are donated materials held to the same standards as other curriculum materials?
- Do commercial activities vary across schools in the district? Is student age/grade a consideration?
- What contractual arrangements are currently in place with corporations/businesses to sell products to students, including agreements to sell soft drinks, fast

foods, or other food/beverages of minimal nutritional value? Do these arrangements conflict with the educational program and/or student well-being?

- Do product sales imply an endorsement of the product by the district? Does the implied endorsement encourage consumption of unhealthy food and/or beverages?
- Do existing school-business partnerships require the district to advertise as a condition for receiving funds, products, materials or equipment?
- What resources are generated by existing arrangements? What percentage of the district's budget consists of private-sector contributions? In what other ways might the district finance its programs?
- What changes will need to be made to comply with new nutritional standards for sales of food and beverages?
- If the board decides to accept advertisements or company logos, what restrictions should be established (e.g., use of logos for identification purposes only)? If the board decides that advertising should not be used in instruction, what reasonable exceptions should be established (e.g., newspapers and magazines)?
- Does the district's curriculum include instruction in media literacy which helps students become critically aware consumers?
- How can the board and staff develop positive relationships with the private sector in a way that supports educational objectives? What can the district offer to private businesses in lieu of advertising aimed at students?
- What are the board's, staff's, and community's values with regard to commercial activities? Are some types of advertisement viewed as acceptable while others are not (e.g., yearbook ads vs. ads on school buses)?
- In developing or revising policy on these issues, what ethical, legal, and educational issues must be addressed? How can the board ensure that students' best interests are the top priority?

## Resources

A comprehensive discussion of policy development pertaining to nutrition and physical activity is presented in the *Healthy Food Policy Resource Guide* published by CSBA and California Project LEAN, 2003, revised 2005. Also see [www.csba.org](http://www.csba.org) and [www.CaliforniaProjectLEAN.org](http://www.CaliforniaProjectLEAN.org).

Further information may be found through the following resources:

Association for Supervision and Curriculum Development, *Supporting Students or Selling Access?*, Infobrief Issue No. 15, November 1998, [www.ascd.org/publications/infobrief/issue15.html](http://www.ascd.org/publications/infobrief/issue15.html).

Campaign for a Commercial-Free Childhood, a national coalition of individuals fighting against marketing to children, [www.commercialexploitation.com](http://www.commercialexploitation.com).

Center for Science in the Public Interest, *Guidelines for Responsible Marketing to Children*, Washington, DC, January 2005.

Commercialism in Education Research Unit, Arizona State University, [www.asu.edu/educ/eps/ceru.htm](http://www.asu.edu/educ/eps/ceru.htm) (formerly Center for the Analysis of Commercialism in Education located at the University of Wisconsin-Milwaukee). Publications include annual reports on schoolhouse commercialism trends.

Consumers Union, *Captive Kids: A Report on Commercial Pressures on Kids at School*, 1998, [www.consumersunion.org](http://www.consumersunion.org).

Public Health Institute, [www.phi.org](http://www.phi.org). Produces a number of related policy briefs in its series *California's Obesity Crisis: Focus on Solutions*.

U.S. Government Accountability Office, *Commercial Activities in Schools: Use of Student Data Is Limited and Additional Dissemination of Guidance Could Help Districts Develop Policies*, August 2004 ([www.gao.gov/new.items/d04810.pdf](http://www.gao.gov/new.items/d04810.pdf)), and *Public Education: Commercial Activities in Schools*, September 2000 ([www.gao.gov/new.items/he00156.pdf](http://www.gao.gov/new.items/he00156.pdf)).

## References

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7. Association for Supervision and Curriculum Development, Supporting Students or Selling Access?, Infobrief Issue No. 15, November 1998.
8. U.S. Government Accountability Office, *Public Education: Commercial Activities in Schools*, September 2000.
9. U.S. Government Accountability Office, *Commercial Activities in Schools: Use of Student Data Is Limited and Additional Dissemination of Guidance Could Help Districts Develop Policies*, August 2004.
10. Centers for Disease Control and Prevention, School Health Policies and Programs Study 2000, *Journal of School Health*, 71, September 2001.
11. *U.S. Public Education: Commercial Activities in Schools*. Report to Congressional requesters. U.S. General Accounting Office, GAO/HEHS-00-156, 2000.
12. Wechsler et al., 2001, as reported in Institute of Medicine, "Schools can play a role in preventing childhood obesity," Fact Sheet, *Preventing Childhood Obesity: Health in the Balance*, September 2004.
13. McCormack Brown, K., Akintobi, T.H., and Pitt, S., *School Board Member and Superintendent Survey Results for the Examination of Communication Factors Affecting Policymakers*, California Project LEAN, August 2001.
14. McCormack Brown, K., Pitt, S. and Reyes, L., *School Board Member Survey Results: Nutrition and Physical Activity for the Examination of Communication Factors Affecting Policymakers*, California Project LEAN, November 2004.
15. Ibid.
16. Samuels & Associates and Public Health Institute, *California High School Fast Food Survey*, 2000, [www.phi.org](http://www.phi.org). Reported in Public Health Institute, "California's Obesity Crisis: Focus on Solutions, What Schools Can Do," Policy Brief, March 2004.
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