

A CALIFORNIA SUGARY DRINK TAX

WHAT COULD IT MEAN FOR YOUR COMMUNITY?



A 2-cent per ounce sugary drink tax is a win-win policy. It would raise significant revenue and, if invested in prevention programs, keep Californians healthy, reduce diabetes and obesity, lower our state's long-term health care costs, and improve Californians' quality of life.

A SIMPLE, EFFECTIVE POLICY



Taxes on unhealthy energy drinks, sports drinks, juice drinks, sweetened teas, and soda are widely supported by voters in California and have passed at the ballot box in Berkeley, Oakland, San Francisco and Albany. Additionally, Philadelphia, Seattle, Boulder, and 42 nations—representing more than 2 billion people—have also adopted taxes on sugary drinks.



The most recent proposal for California would levy a 2-cent per ounce tax on sugary drinks sold statewide. If approved by voters or legislators, this small investment would raise an estimated \$1.7 billion¹ in its first year. If passed by the Legislature, \$700 million of those dollars would go to education.²



Numerous studies have proven the effectiveness of sugary drink taxes.³ Research in Berkeley found a 10% to 21% decline in consumption in low-income neighborhoods in its first year,⁴ and 44% by the third year.⁵ In Philadelphia—under a higher tax rate—sales of taxed drinks fell by 27% to 51% percent.⁶ In Berkeley, sales of water increased by 15 percent one year after implementation of the tax.⁷ Overall beverage sales did not decline, water sales went up, and employment in the food and beverage sector stayed strong.⁹



If the 2-cent sugary drink tax was implemented across California, it would reduce health care costs by more than \$3 billion over ten years.¹⁰

DELIVERING POSITIVE COMMUNITY IMPACT

Pairing the positive health effects of reducing consumption with a significant reinvestment of revenue in health promotion, disease prevention and health equity would magnify the benefits of a sugary drinks, helping to grow the economy, create new community infrastructure, strengthen our schools, and improve our quality of life.

At \$1.7 billion¹¹ in annual revenue, a sugary drink tax would offer countless opportunities to invest in community health. Here are just two possible scenarios representing roughly what could be accomplished in the first year:

1) RAISING HEALTHY CHILDREN

- ✓ Remove lead water service lines¹² and install new water fountains in all 10,473 public schools;¹³
- ✓ Provide salad bars for every cafeteria;¹⁴
- ✓ Build playgrounds¹⁵ or install gym equipment on every campus;¹⁶ and
- ✓ Hire a professional school nurse for every school.¹⁷



2) BUILDING HEALTHY COMMUNITIES

- ✓ Construct 4,000 miles of bike paths and walking trails across California;¹⁸
- ✓ Build 100 senior centers statewide;¹⁹
- ✓ Provide Meals on Wheels for 200,000 older and disabled adults;²⁰ and
- ✓ Create 100 community parks in low-income communities.²¹



LEARN MORE AT: WWW.CA-ALLIANCEFORPREVENTIONFUNDING.

Data sources available at: www.ca-allianceforpreventionfunding.org/data-sources. Icons by the Noun Project. July 2019.

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