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 billion in its first year. If passed by the Legislature, $700 million of those dollars would go to education.

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

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.

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 billion 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 lines and install new water fountains in all 10,473 public schools;
   - Provide salad bars for every cafeteria;
   - Build playgrounds or install gym equipment on every campus; and
   - Hire a professional school nurse for every school.

2) BUILDING HEALTHY COMMUNITIES
   - Construct 4,000 miles of bike paths and walking trails across California;
   - Build 100 senior centers statewide;
   - Provide Meals on Wheels for 200,000 older and disabled adults; and
   - Create 100 community parks in low-income communities.

LEARN MORE AT: WWW.CA-ALLIANCEFORPREVENTIONFUNDING.

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SOURCES


2) Authors' Note: Proposition 98 requires a portion of all revenue be allocated to education.

3) Rudd Center for Food Policy & Obesity.


6) Christina A. Roberto, PhD; Hannah G. Lawman, PhD; Michael T. LeVasseur, PhD, MPH--; et al; Nandita Mitra, PhD; Ana Peterhans, MPH; Bradley Herring, PhD; Sara N. Bleich, PhD. Association of a Beverage Tax on Sugar-Sweetened and Artificially Sweetened Beverages With Changes in Beverage Prices and Sales at Chain Retailers in a Large Urban Setting. JAMA. 2019; 321(18): 1799-1810. doi:10.1001/jama.2019.4249

7) Silver, et al.


10) Michael W. Long, ScD, Steven L. Gortmaker, PhD, Zachary J. Ward, MPH, Stephen C. Resch, PhD, Marj L. Moodie, DrPH, Gary Sacks, PhD, Boyd A. Swinburn, MD, Rob C. Carter, PhD, Y. Claire Wang, MD, ScD. Cost Effectiveness of a Sugar-Sweetened Beverage Excise Tax in the U.S. Am J Prev Med 2015;49(1):112-123)

11) Rudd Center for Food Policy & Obesity.


13) HomeAdvisor (2019, June) How Much Does It Cost To Install A Drinking Water Fountain? Retrieved at https://www.homeadvisor.com/cost/plumbing/drinking-fountain-installation/. Note: Assumes $4,000 per modern, touchless, filtered water fountain at a rate of one fountain per 100 students for a total cost of $249 million.

14) Whole Kids Foundation (2019, January) Whole Kids Foundation grants $500,000 to provide 150 new salad bars to schools across the U.S. Retrieved at: (https://www.wholekidsfoundation.org/blog/wkf-awards-salad-bars-2019. Note: Calculated assuming 10,473 schools at a similar per unit cost for a total cost of $34.9 million.


17) Transparent California (2019, June) School Nurse Search Results. Retrieved at: https://transparentcalifornia.com/salaries/search/?q=school+nurse&s=base. Note: Assumes one nurse per campus at an average cost of $100,000 per year for salary and benefits adding up to a total of $1.1 billion statewide.


19) Acton Senior Center. (2012, March) Senior Center Building Committee FAQ’s. Retrieved at: https://www.actoncoa.com/DocumentCenter/View/47/Senior-Center-Building-Committee-FAQs-PDF?bidId=. Note: Assumes a cost of $7.7 million to build one large senior center, for a total cost of $770 million for 100 senior centers.


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