

Exploring the Health Equity Benefits of Sugary Drink Excise Taxes

CHOICES Community of Practice
Coffee Chat



January 25, 2024

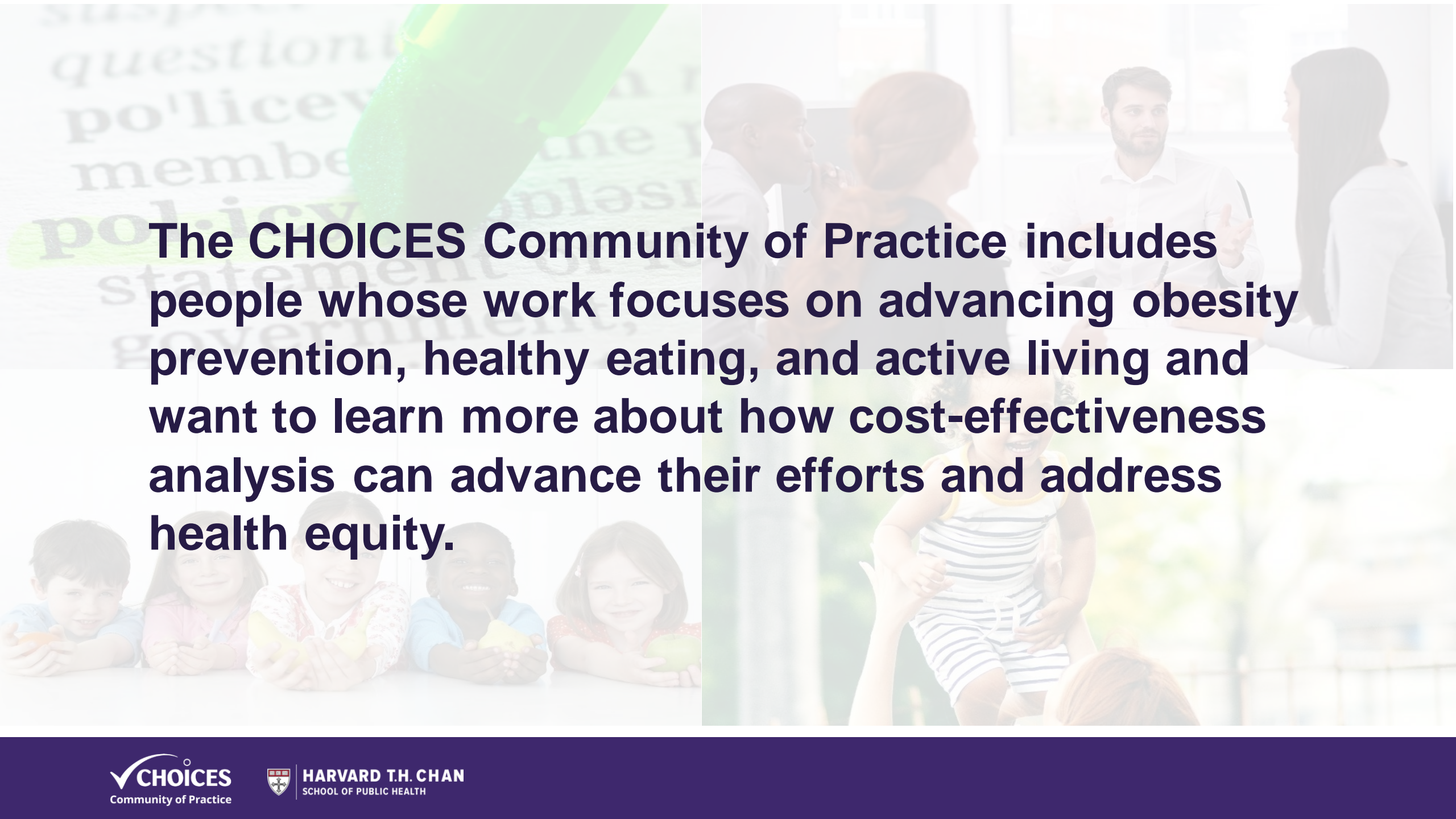
Welcome!

Please share your name, title, & organization in the chat.

Disclaimer & Funding

- The CHOICES Project engages in research and education. The information presented in this discussion today is for educational purposes only and does not necessarily represent the position of any CHOICES Project funders.
- This event is intended to provide information, tools, and resources to inform and educate the audience, and is not an attempt to influence any specific legislation.

This work is supported by The JPB Foundation and the Centers for Disease Control and Prevention (U48DP006376). The findings and conclusions are those of the author(s) and do not necessarily represent the official position of the Centers for Disease Control and Prevention or other funders.



The CHOICES Community of Practice includes people whose work focuses on advancing obesity prevention, healthy eating, and active living and want to learn more about how cost-effectiveness analysis can advance their efforts and address health equity.

Exploring the Health Equity Benefits of Sugary Drink Excise Taxes



Matthew (“Matt”) Lee

he/him pronouns

PhD Candidate, Population Health Sciences
Department of Nutrition
Harvard T.H. Chan School of Public Health

Exploring the Health Equity Benefits of Sugary Drink Excise Taxes

Evidence and reflections from California and beyond

Matthew Lee, MS (mlee8@g.harvard.edu)

CHOICES Coffee Chat

Thursday January 25th, 2024

SSBs are a major driver of illness and health disparities

- **Sugar-sweetened beverages (SSBs)** remain a dominant source of added sugar in the American diet – **50% and 60% of adults and children consume on a given day in the US**
- Major (and well documented) contributor to excess weight gain, obesity, cardiovascular risk
- SSBs responsible for **12.6%** of all cardiometabolic-related deaths for non-Hispanic Black individuals

SSB disparities in California

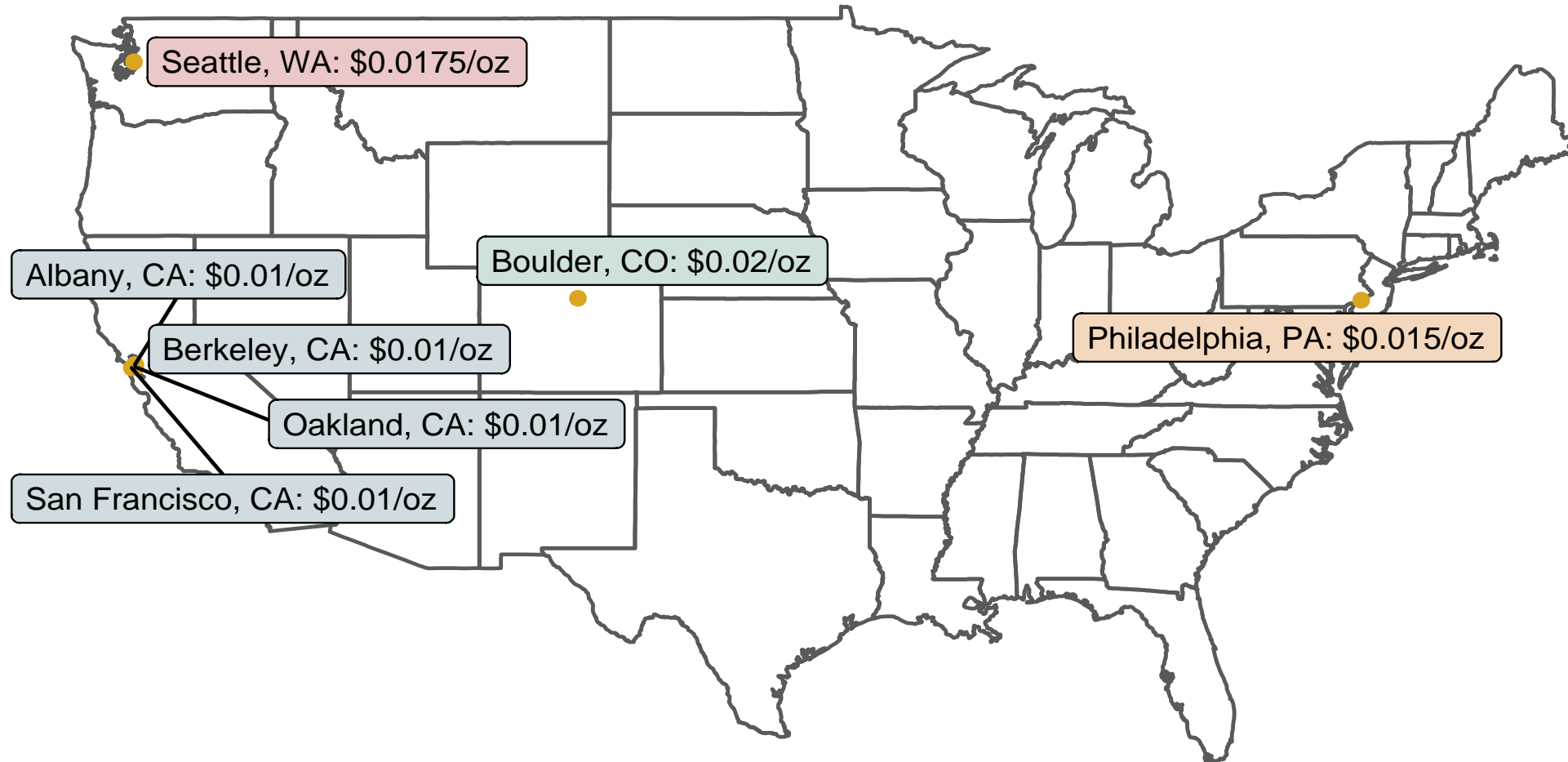
- According to data from the **California Health Interview Survey**, those with lower incomes (0-99% FPL) consume SSBs **2.5x** as frequently as those with higher incomes
- Non-Hispanic Black and Hispanic individuals report consuming SSBs nearly **2x** as frequently as non-Hispanic White individuals
- Consumption is highest in CA counties with **greatest socioeconomic inequality** (e.g. Lake and Tulare Counties)

SSB disparities in California



Source: <https://www.youtube.com/watch?v=s5vmozQYI5E>

SSB excise taxes are an increasingly popular solution

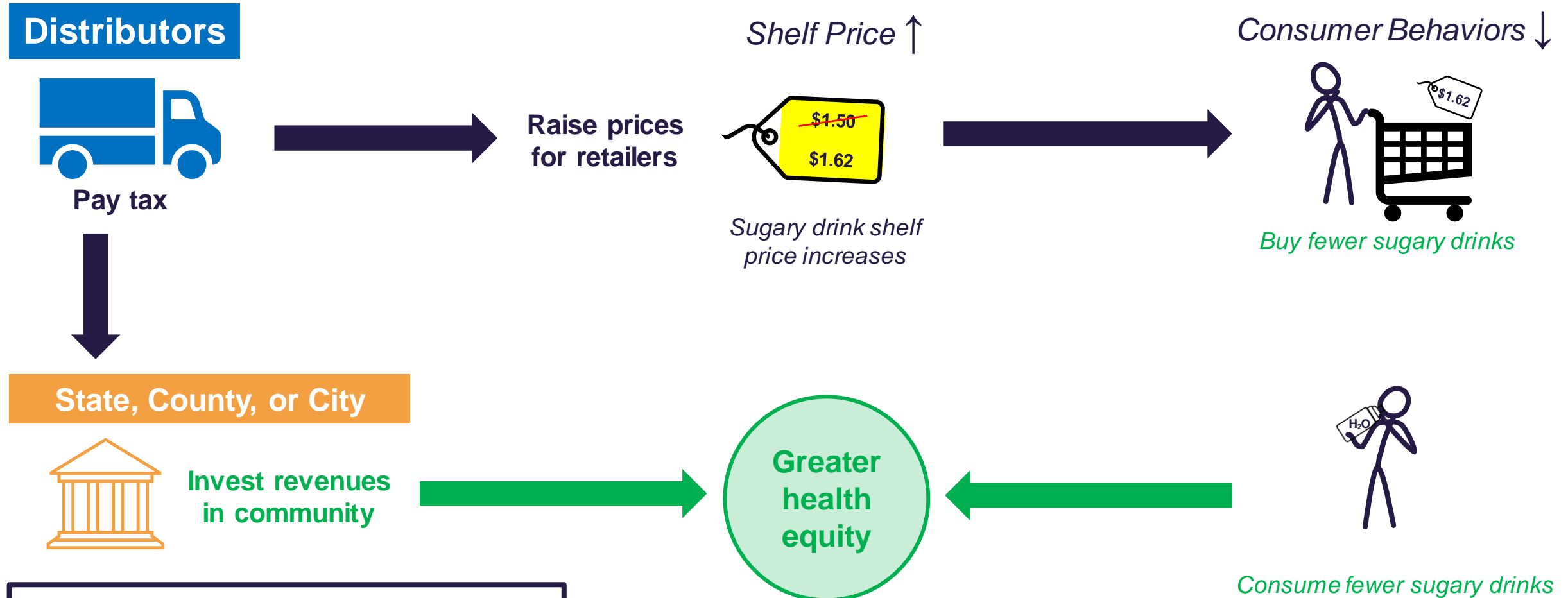


Downstream health outcomes?

State-level taxes?

Impacts to health equity?

How does an excise tax work?



Excise tax: a consumption tax collected from retailers or distributors; it is reflected in the posted price (a sales tax in contrast is applied after purchase of the item)

Graphic adapted from "CHOICES Web Forum: How a statewide sugary drink tax in California could improve health and promote health equity", June 16, 2021. Presentations by Marcus Plescia, Maria Ochoa, Jessie Gouck, Kristine Madsen, and Jim Krieger. Available at: <https://choicesproject.org/publications/web-forum-statewide-drink-tax-california-improve-health-equity>

Projecting the impacts of a CA state-wide tax

American Journal of Preventive Medicine

RESEARCH ARTICLE

A Sugar-Sweetened Beverage Excise Tax in California: Projected Benefits for Population Obesity and Health Equity



Matthew M. Lee, MS,¹ Jessica L. Barrett, MPH,² Erica L. Kenney, ScD,^{1,2} Jessie Gouck, MUP,³
Lauren M. Whetstone, PhD,³ Stephanie M. McCulloch, MS,² Angie L. Cradock, ScD,²
Michael W. Long, ScD,⁴ Zachary J. Ward, PhD,⁵ Benjamin Rohrer, BA,⁵ David R. Williams, PhD,²
Steven L. Gortmaker, PhD²

Results: Overall population health improved, and costs saved



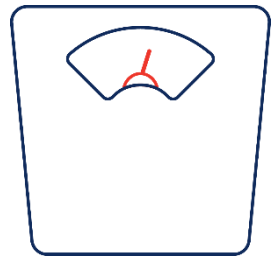
\$4.55 Billion Saved in Health Care Costs

over 10 years



113,843 Quality-Adjusted Life Years (QALYs) Gained

over 10 years



265,684 Cases of Adult Obesity Prevented

In the final year of the model



\$112.43 in Health-Related Cost Saved for Each \$1 Invested

over 10 years

...compared to if no tax were implemented

Results: A California tax will also improve health equity

- Reductions in **SSB-related intake and spending** across all racial/ethnic and income groups
 - **AND...** those with lower incomes were projected to experience the greatest declines in SSB purchasing and intake, by as much as 30 liters/year for those between 0 to 130% FPL
- Reductions in **obesity prevalence** projected for all groups
 - **AND...** the largest benefits were projected among individuals that are non-Hispanic Black, Hispanic, and individuals with lower incomes

Summary: taxes themselves directly improve health equity...

- In this analysis, a \$0.02/oz state-wide tax in California implemented in 2023 was projected to be **cost-saving over 10 years**
- Our projections show that a tax would lead to **greatest benefits** for low-income, and Black and Hispanic individuals who would experience the largest reductions in purchasing and intake, concurrent with declines in overall spending on SSBs

...and may create snowball effects through tax revenue

- Tax revenues also represent an opportunity to **engage communities and improve health equity further** (even though they are not part of cost-effectiveness models)
 - A state-wide tax in California would generate **\$1.6 billion annually**
 - Current tax revenues across the 7 US cities with SSB taxes: \$135 mill/year
 - Examples of projects from **Berkeley** and **Oakland**: **Berkeley Unified School District Gardening and Cooking Program**, **Healthy Black Families**, **YMCA East Bay Early Childhood Care**, **Head Start**, **Hydration Stations**, **VeggieRx Program for Healthy Food and Beverages**, **Youth Action to Reduce SSB Consumption**, **Rethink Your Drink Oakland**
 - Revenues from Philadelphia have funded **universal pre-K**

Questions?

THANK

YOU

YOU

**Join our next coffee chat on
Thursday, February 22nd at 1:00pm ET**



CONTACT US

For more information contact
choicesproject@hsph.harvard.edu

Register to join at
choicesproject.org/comm-of-practice