

Investing in a Healthier Future: How a Sugary Drink Excise Tax Could Improve Health & Health Equity in Massachusetts

CHOICES Community of Practice
Coffee Chat



September 26, 2024

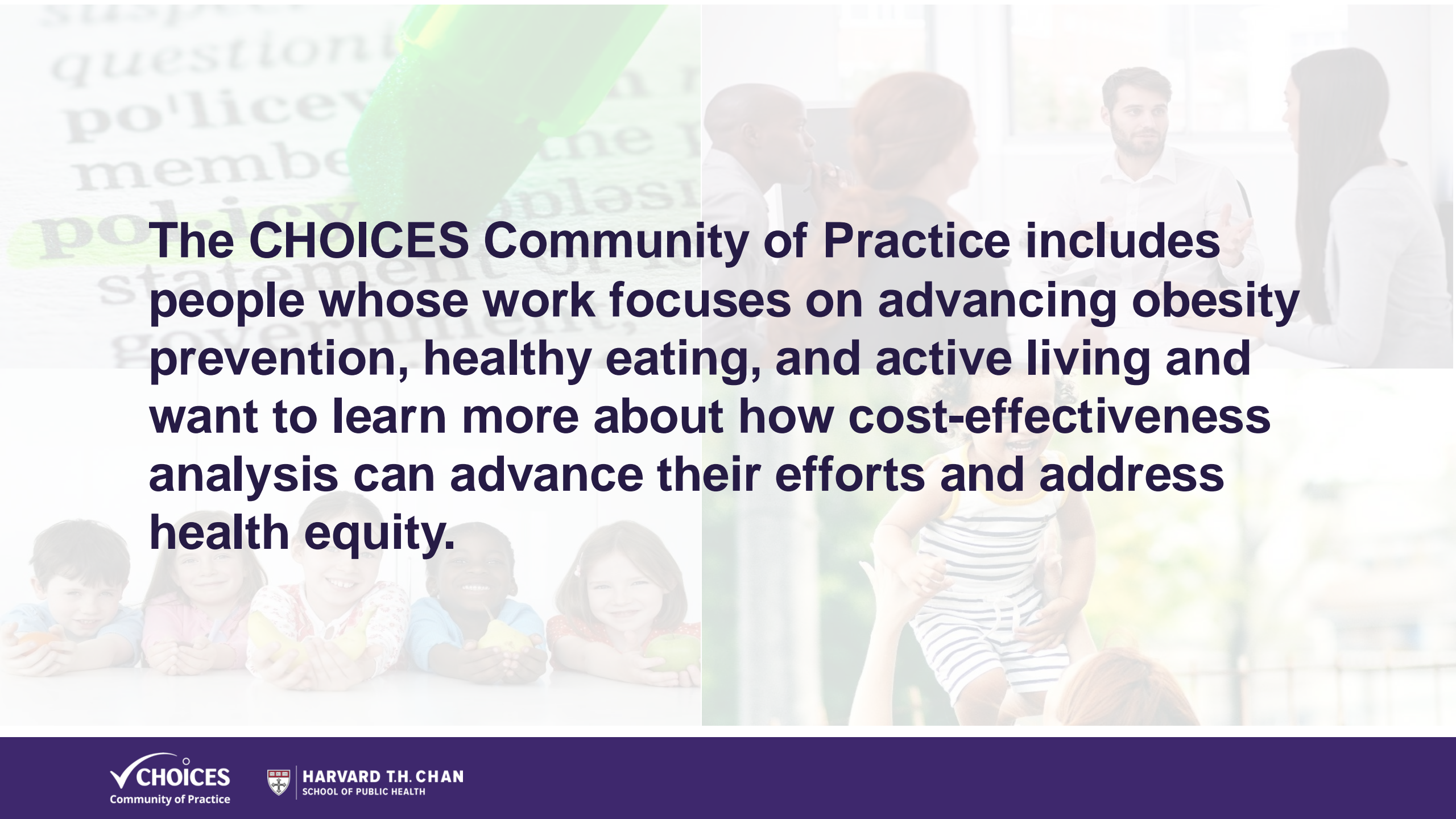
Welcome!

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.
- Our guest speakers have been invited to share their personal perspectives and do not speak for Harvard.

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 background of the slide is a collage. On the left, there is a green diagonal graphic with the word 'policy' repeated in a light, semi-transparent font. On the right, there is a faded image of four adults in a meeting. At the bottom, there is a faded image of five diverse children sitting at a table and holding fruit.

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.

Investing in a Healthier Future: How a Sugary Drink Excise Tax Could Improve Health & Health Equity in Massachusetts



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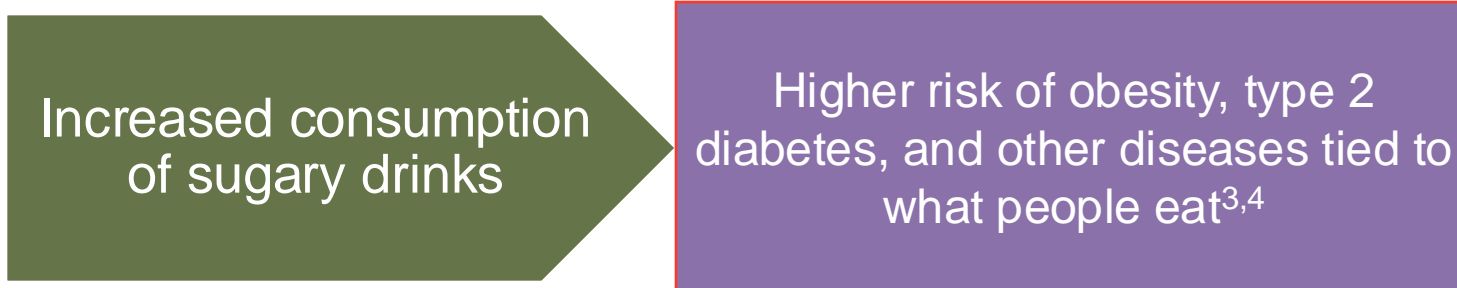
Professor of the Practice of Health Sociology, Director of the Prevention Research Center on Nutrition and Physical Activity, and Director and Co-Principal Investigator of the CHOICES Project at the Harvard T.H. Chan School of Public Health

Funding

- This work is supported by the National Institutes of Health (R01HL146625), The JPB Foundation, and the Centers for Disease Control and Prevention (U48DP006376). The findings and conclusions are those of the authors and do not necessarily represent the official position of the National Institutes of Health, the Centers for Disease Control and Prevention, or other funders.

How do sugary drinks impact health?

- **Sugary drinks are the number one source of added sugars that Americans consume¹**
- In 2018, the beverage industry spent \$1 billion to advertise sugary drinks in a variety of media,² frequent focus on advertising towards youth, especially Black and Hispanic/Latinx youth



According to recent estimates, approximately 71% of adolescents in Boston report consuming soda regularly, and 14% consume at least one serving of soda per day.⁵ Higher than average sugary drink consumption levels are common among Hispanic/Latinx and Black Boston youth.⁵

¹U.S. Dept of Health and Human Services & U.S. Dept of Agriculture, 2015-2020 Dietary Guidelines for Americans, 8th Edition, 2015.

²Harris et al., UConn Rudd Center for Food Policy & Obesity, 2020. http://sugarydrinkfacts.org/resources/Sugary%20Drink%20FACTS%202020/Sugary_Drink_FACTS_Full%20Report_final.pdf

³Malik et al., Am J Clin Nutr, 2013

⁴Chen et al., Circulation, 2010

⁵Centers for Disease Control and Prevention. Youth Online. Massachusetts, High School Youth Risk Behavior Survey, 2019. <https://nccd.cdc.gov/Youthonline/App/Results.aspx?LID=MA>

What is a sugary drink excise tax?

- Tax on sugary drinks applied to beverage distributors; cost passed on directly to consumers
 - Sugary drinks include all beverages with added caloric sweeteners
 - 100% juice, milk products, artificially-sweetened beverages would be exempt

Volume Tax
One tax rate applied according to the volume of sugary beverages
\$0.02/oz

Tiered Tax	
Two tax rates applied based on sugar content of beverages*	
No tax	7.5 grams of sugar or less
\$0.01/oz.	More than 7.5 grams of sugar but less than 30 grams
\$0.02/oz.	30 grams of sugar or more

**Based on sugary content per 12 fl oz.*

Strong Evidence that Sugar-Sweetened Beverage Excise Taxes Reduce Consumption and Impact Weight Gain

- Evaluations of taxes implemented in multiple cities in the US – including Berkeley, Oakland, San Francisco, Philadelphia, and Seattle – have indicated effectiveness in reducing sugary beverage sales and consumption.¹⁻⁶
- Studies across many countries have validated these results.
- Recent studies document the impact of SSB excise taxes on reducing weight gain in children and adolescents.⁷⁻¹⁰

¹Silver LD, Ng SW, Ryan-Ibarra S, Taillie LS et al. PLoS Med. 2017.

²Powell LM, Leider J. Econ Hum Biol. 2020.

³Lee MM, Falbe J, Schillinger D, Basu et al. Am J Public Health. 2019.

⁴Roberto CA, Lawman HG, LeVasseur MT, et al. JAMA. 2019.

⁵White JS, Basu S, Kaplan S, et al. PLoS Med. 2023.

⁶Krieger J, Bleich SN, Scarmo S. Annu Rev Public Health. 2021.

⁷Rogers NT, Cummins S, Forde H, et al. PLoS Med. 2023.

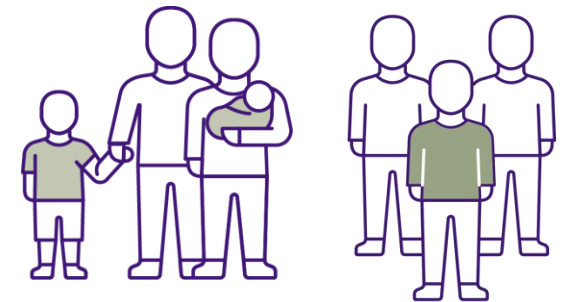
⁸Gracner T, Marquez-Padilla F, Hernandez-Cortes D. JAMA Pediatr. 2022

⁹Flynn J. Econ Letters. 2024.

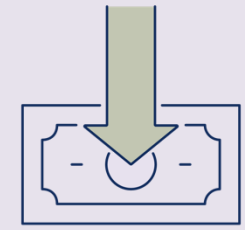
¹⁰Young DR, Hedderson MM, Sidell MA, et al. JAMA Netw Open. 2024.

How the CHOICES Model Works

- **Project impact on the population**
- The CHOICES microsimulation model projects the future course of the obesity epidemic by evaluating how an identified strategy will impact obesity, health care costs, and Quality adjusted life year (QALY) outcomes over 10 years
- The model uses multiple local and national datasets to project the likely impact of a sugary beverage excise tax in Massachusetts



Massachusetts sugary drink excise tax on distributors is projected to be cost-saving



Health impact of a \$0.01-\$0.02/ounce state excise tax

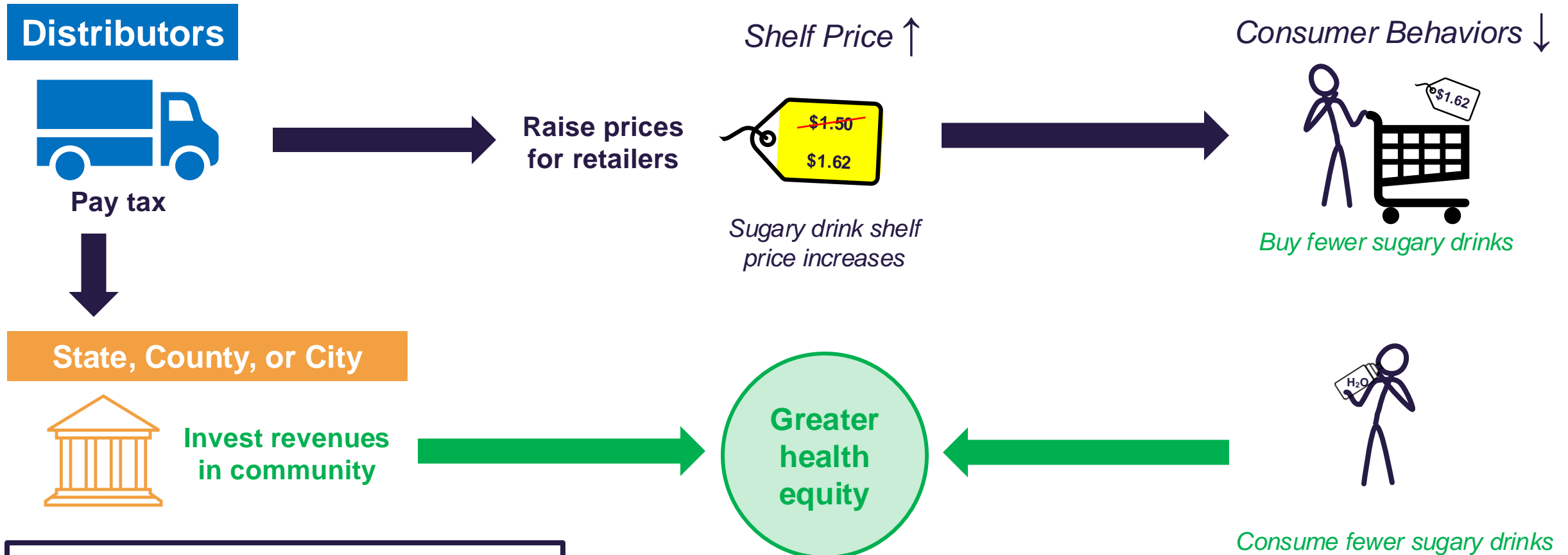
- ✓ **108** fewer 12-oz sugary drinks servings per person in the first year
- ✓ **119,000** fewer decayed, missing, or filled teeth among Medicaid participants
- ✓ **2,450** cases of diabetes prevented
- ✓ **62,500** cases of obesity prevented in 2032
- ✓ Greater change in obesity rates among Black and Hispanic/Latinx residents, leading to improved health equity.

Cost impact of a \$0.01-\$0.02/ounce state excise tax

- ✓ **\$246** health care costs saved per \$1 invested
- ✓ **\$165** decrease in spending on sugary drinks per household in the first year

- Legislative measures for a tiered sugary drink excise tax have been proposed in Massachusetts
- CHOICES cost-effectiveness analysis compared the costs and outcomes of implementing a tax with the costs and outcomes if the tax were not implemented over 10 years (2023-2032)
- \$0.01-\$0.02/ounce tiered tax based on sugar content
- Paid by sugary drink distributors
- Could raise as much as \$226 million to \$322 million in annual revenue

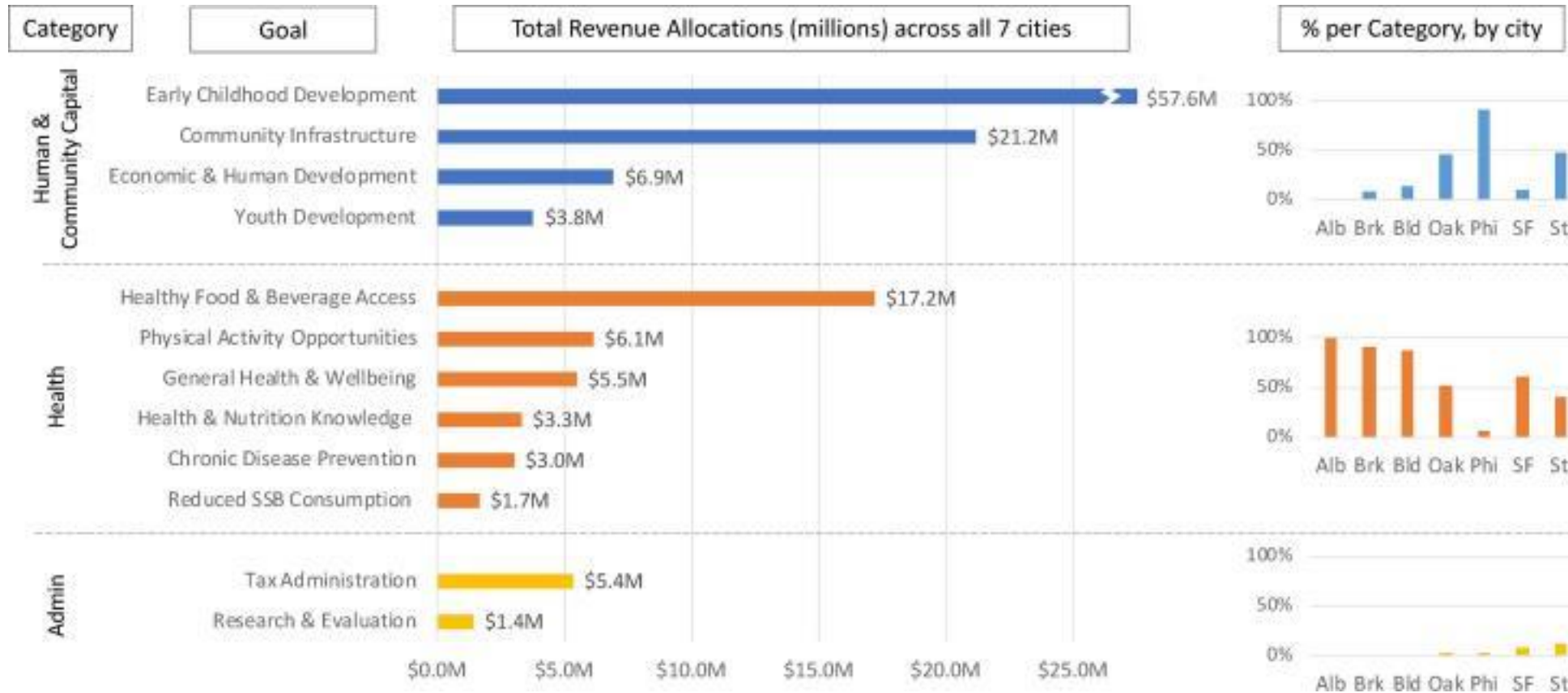
How does an excise tax work?



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)

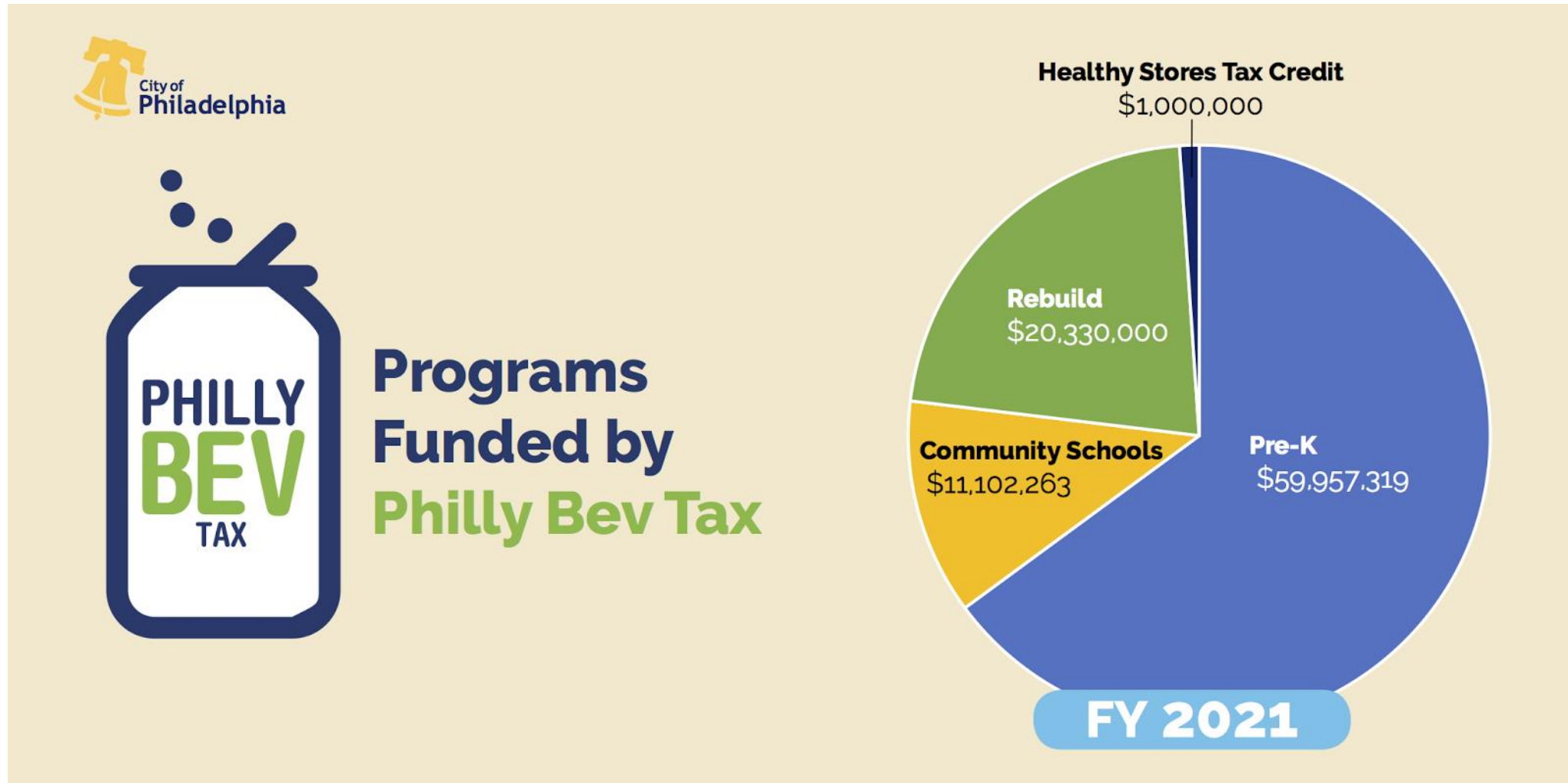
Graphic adapted from "CHOICES Web Forum: How a statewide sugary drink tax in California could improve health and promote health equity", June 16, 2021. Presentations by Marcus Plescia, Maria Ochoa, Jessie Gouck, Kristine Madsen, and Jim Krieger. Available at: <https://choicesproject.org/publications/web-forum-statewide-drink-tax-california-improve-health-equity>

Uses of tax revenue



Total of **\$134 million** in tax annual tax revenue across 7 cities

Uses of tax revenue – Focus on Philadelphia



Uses of tax revenue – Focus on Seattle

Food Access

61%



Increasing equitable access to nutritious food and beverages

SBT revenue supports food banks, meal programs, and food delivery services for families, elders, and individuals experiencing food insecurity. Funding also goes to programs that provide fresh, culturally-relevant, locally-grown fruits and vegetables to youth at community centers, childcare, preschools, and schools. **Fresh Bucks**, a program that helps Seattle residents on a tight budget afford healthy food, is also supported by the tax.



Promoting health through community-led projects

Many of the efforts funded by SBT revenue are led by and for the people most affected by food and health inequities: Black, Indigenous, People of Color, immigrants, refugees, people with low incomes, youth, and elders. These efforts include the **Food Equity Fund** community grant program, a **youth-led media campaign** to promote drinking water, installation of water bottle filling stations in Seattle Public Schools, and a variety of strategies that increase access to healthy, culturally-relevant food and drinks.

The Sweetened Beverage Tax in 2021 provided

\$20.3M

for programs and services that increase access to healthy food and beverages and support early child development and learning.

Child Health and Early Learning

39%



Increasing equitable access to high quality childcare

SBT revenue is expanding **childcare subsidies** for working families, supporting small **Family Child Care** providers through home visiting, training modules, and technical assistance, and providing health consultation and training to help improve the quality of infant and toddler care.



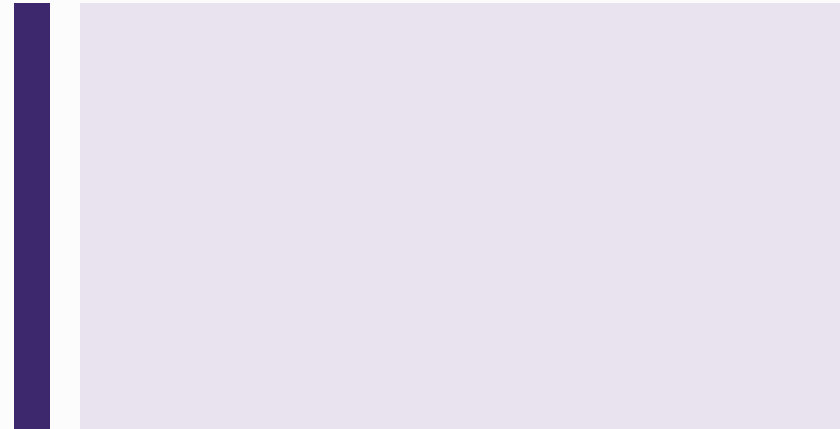
Investing in child health and development

In 2021, the City of Seattle launched its first ever **Prenatal-to-Three Community Grants Program** with SBT revenue. Revenue also supports programs that provide developmental screening and therapeutic support, such as the Developmental Bridge program for children with developmental concerns or a family member with a disability.





Questions?



THANK

YOU



CONTACT US

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