

PHILADELPHIA'S SUGARY BEVERAGE TAX

What is the sugary beverage tax?

A 3-cents-per-ounce tax that will be levied on distributors of drinks containing added sugar (i.e., soda, sports drinks, and iced teas). If passed, the tax would increase the cost of a 20-ounce beverage by 60 cents. It is projected to raise \$432 million dollars over five years.



.03
per
ounce

What are the proposed benefits?

The \$432 million in new revenue has been designated in the Mayor's Fiscal Year 2017 budget to fund the following initiatives:

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Universal Pre-K

In five years, the City plans to provide quality pre-Kindergarten to 25,000 children annually. This effort seeks to expand access to quality pre-K in low-income communities.

Community Schools



The City plans to create 25 community schools over the next five years. Community schools address barriers to academic achievement by integrating health and social services, youth development activities, and family engagement opportunities directly into public schools.

Philadelphia Energy Campaign

The Philadelphia Energy Campaign is a 10-year effort that will leverage \$1 billion of public and private investment for energy efficiency and clean energy projects. The campaign has prioritized the development of an energy savings program for small businesses.

Parks & Recreation Centers



The City plans to make infrastructure improvements to existing parks, libraries, and recreation centers. These infrastructure improvements intend to allow these community spaces to serve as community hubs with programming designed for community engagement.



Why could the tax be good for Philadelphia?

Revenue from the tax will invest in programs that will provide opportunities directly to underserved neighborhoods.

Investments in parks and recreation centers have been shown to improve community safety. Following a \$5 million investment in Hunting Park, crime decreased 89 percent within a half-mile radius of the park over the next three years.

Ancillary health benefits, such as reduced obesity rates, could result from lower consumption of sugary drinks.

Forty-six percent of Philadelphia Kindergarteners start unprepared. Improving Philadelphia's schools will help to reduce educational attainment gaps.

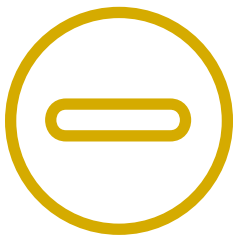


Why could the tax be bad for Philadelphia?

Food service businesses could be forced to raise prices, impacting their bottom line.

The tax has the potential to be regressive. It could impact lower and more moderate income families more heavily than higher income families.

Reduction in sugary-drink sales could lead to job losses, from bottling plant workers to delivery drivers.



Why SBN is considering engagement?



The Kenney administration has asked SBN to take a public position in support of the sugary beverage tax. SBN is considering engaging for the following reasons:



Advancing the Green Stormwater Infrastructure Industry

Renovations to parks and recreation centers provide a significant opportunity to further the City's long-term stormwater management program, *Green City, Clean Waters*. If properly leveraged, the City could considerably increase the acreages of green stormwater infrastructure installed.



Growing the Clean Energy Sector

The Philadelphia Energy Campaign could significantly catalyze growth in the region's clean energy sector. The campaign has also prioritized the development of an energy savings program for small business.



Job Creation and Increased Local Spending

A ReadyNation report that studied the multiplier effect of quality pre-K investments found that for every \$1 spent, at least \$1.79 is generated in local spending. It also concluded that for every 20 jobs created in Pennsylvania's early education sector, five additional jobs are created outside the sector.



Building a Local Talent Pipeline

Philadelphia's schools are underfunded, resulting in widening gaps in educational attainment. Greater investment in education ensures businesses will be able to find workers they need to compete in a globally and technologically powered economy.