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## Opinion: Why the Philadelphia business community should support Mayor Kenney's sugary drinks tax

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*Editor's note: The multiple authors of this opinion piece are listed below.*

We are issuing a call to action for Philadelphia's business community to stand up for Philadelphia's children, and invigorate our local economy in the process.

Right now, we have the opportunity to accomplish both by supporting Mayor Kenney's sugary beverage tax proposal.

It defies popular thinking that businesses would support raising business taxes, but no tax exists within a vacuum, and no business does, either. For businesses to thrive, the local economy must thrive, powered by strong infrastructure, vibrant communities, and empowered human capital.

It will take bold investments by both government and the private sector to grow Philly's local economy. That's why the Sustainable Business Network of Greater Philadelphia supports Mayor Kenney's sugary beverage tax – this tax is the best way to fully fund transformational programs with the power to significantly



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"Small businesses, including beverage distributors, have done better, not worse, under sugary beverage taxes," writes the Sustainable Business Network of Philadelphia.

way to fully fund transformational programs with the power to significantly reduce poverty in Philadelphia, rebuild our crumbling infrastructure, and revitalize our community.

Just over 400,000, or 26.3%, of Philadelphians live in poverty, which is devastating to our local business environment. Neighborhoods with high unemployment and gaps in skilled labor don't have the resources to sustain viable business corridors. And, no city has ever become world class by leaving near 30% of its most valuable asset--its people--behind.

SBN also supports the sugary beverage tax because close to \$300 million of the proceeds from the tax will be directed towards investments in universal pre-k and community schools, programs shown to lead to greater academic success, reduced crime and delinquency, and increased earnings over a lifetime.

Investing in quality pre-K and community schools will keep local businesses profitable and attract new businesses to our city and neighborhoods.

Here's why: A ReadyNation report studied the multiplier effect of quality pre-K investments and found that for every \$1 spent on early childhood education, at least \$1.79 is generated in local spending. It also found that for every 20 jobs created in the Pennsylvania early education sector, five jobs are created outside the sector. And the Children's Aid Society (CAS) of New York found that New York City's Community Schools have a return on investment of between \$10-\$15 for every dollar invested.

Finally SBN supports the sugary beverage tax because \$72 million of the tax's proceeds will jumpstart our local economy by funding the renovation of the city's parks and rec network and energy-efficiency retrofits to public buildings.

These long-needed investments to the city's parks, recreational facilities, and libraries will reduce crime, improve quality of life in our neighborhoods, and make our city more attractive to commerce.

Additionally, robust energy-efficiency retrofits along with a strong parks and recreation capital improvement program will generate new business opportunities, and career pathways for at-risk populations, returning citizens,

and the long-term unemployed.

What about the argument that this tax will hurt small businesses?

Well, it turns out small businesses, including beverage distributors, have done better, not worse, under sugary beverage taxes.

In both Mexico and Berkeley, two places where sugary beverage taxes have been successfully implemented, overall beverage sales increased even as sales of taxed beverages went down.

Here's why: This tax provides a high level of choice. So small businesses can and will maintain their profit margins by selling more tax-exempt drinks, including 100% fruit juice options. Truck drivers' jobs won't be at risk because they'll still haul the same overall number of pallets – the bottles they deliver will just contain different beverages.

We support this tax because its proceeds will go a long way towards improving equity, education, and quality of life in Philadelphia's neighborhoods, all critical factors in advancing the city towards a just, strong, local economy.

The time has come for Philadelphia's business community to stand up for Philadelphia's children. Because that's what it will take to build a thriving Philadelphia economy.

*The authors of this article are: Jamie Gauthier, Executive Director of The Sustainable Business Network of Greater Philadelphia (SBN), Steve Masters, SBN Board Chair and Founder of JustLaws, PLLC, and SBN food and beverage members: Daniel Stern, Chef and Owner, R2L, Jill Fink, Owner of Mugshots Café, Peg Botto, Owner of Cosmic Café and Catering, and Jon Roesser, General Manager, Weavers Way Cooperative Association.*

*The Sustainable Business Network of Greater Philadelphia is a non-profit membership organization of 400 locally-owned businesses that, through their products, services, and internal practices, create positive change for the environment and in their communities.*