



Policy Profile: **Berkeley, CA**

Sugary Drink Tax

In November, 2014, Berkeley, California became the first US city to pass an excise tax on sugary drinks.*

Tax Amount, Type, Revenue

A 1-cent-per-ounce excise tax on distributors of drinks with added caloric sweeteners, except milk products, alcohol, infant formula, and beverages for medical use. The tax was implemented in March, 2015.

- From March 2015 through February 2016, the city collected over \$1.4 million.
- The tax is projected to bring in \$1.2 million in FY 2016.

Revenue Use

Health programs to reduce sugary drink consumption and address its effects, including:

- More than \$850,000 for school-based prevention efforts.
- Over \$637,000 for programs run by community-based organizations including the Ecology Center, the YMCA, Healthy Black Families, and Berkeley Youth Alternatives.

Proponents and Campaign Spending

- The campaign was run by the Berkeley Healthy Child Coalition, a diverse, grassroots group of parents, teachers, health professionals, community leaders, and residents. It was endorsed by every local, elected official.
- The campaign spent about \$927,000 in both cash and in-kind contributions.
- Opposition spent at least \$2.4 million to oppose it. The main opponent was the American Beverage Association (ABA).

Results

- Sugary drink prices have gone up. The tax was passed on from distributors to retailers, and after three months of implementation, sugary drink retail prices in Berkeley increased more than in nearby cities. For example, average 20-ounce soda prices increased by 14 cents to \$1.89. One retail chain (Dollar Tree) even discontinued selling sugary drinks altogether.

Amount

- 1 cent/oz.

What is Taxed

- Sugary drinks like soda, fruit flavored drinks, and energy and sports drinks.

Revenue Raised

- \$1.4 million in one year (as of February 2016)

Revenue Use

- Health programs in schools and communities

BERKELEY AT A GLANCE

- Population 118,800
- 60% white, 10% Black or African-American, 20% Asian/Pacific Islander, 10% Latino
- 20% below poverty level
- Almost 40% of Berkeley's school children are overweight or obese

Produced by Healthy Food America, which works to reduce the prevalence of added sugars in the American diet, by promoting policy and changing industry practice.

Visit www.healthyfoodamerica.org or email info@hfamerica.org for more information.

- A survey of residents in Berkeley’s low-income neighborhoods found a 21% drop in consumption of sugary drinks in the months following implementation of the tax.

Highlights

- In November, 2014, Berkeley, California waged a battle against Big Soda and won, making the city the first in the nation to pass an excise tax on sugary drinks, and paving the way for other US cities to follow its example.
- Seventy-six percent of Berkeley voters said “yes” to the tax.
- Revenues go to the general fund, but the measure created a panel of experts in child nutrition, health care, and education to advise the City Council on how to fund programs to improve child health.
- Proponents organized a strong grassroots campaign
 - Strategically-named “Berkeley vs. Big Soda,” the campaign began in November of 2013 with the formation of the Berkeley Healthy Child Coalition. The coalition was run by a manager, with two prominent Berkeley residents as co-chairs.
 - Field staff and community volunteers went door-to-door to talk to voters, and gathered near-unanimous endorsements from health, community, education, and political organizations; the School Board; grocers and restaurateurs; and all 9 members of the Berkeley City Council.
- A majority of voters supported the tax. In November 2014, 76% voted for the tax.

The Campaign’s Simple Message

- 40% of kids will get diabetes in their lifetime
- Soda is the primary driver of this epidemic
- This tax will address it

What Worked in Berkeley

Each community has unique circumstances that dictate how it will frame and design its campaign. Here are some lessons learned from Berkeley:

- Begin early and soften the ground with education.
- Focus the campaign on children’s health and future.
- Use social media and stick to key messages.
- Involve those communities in the campaign which are most affected by diabetes, obesity, heart disease, and dental disease.
- Be prepared for opponents to fight hard.
- Have a well thought-out implementation plan in place.

“We have already inspired people around the country — if our tiny city of 100k can take on the industry, so can other cities!”

Tweet by a supporter

*Please contact HFA for citations.

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