

Centering Equity in Sugary Drink Tax Policy: Research Agenda

Taxing sugary drinks has emerged as an important healthy food and chronic disease prevention policy. There is a growing body of research describing the effects of sugary drink taxes on beverage prices, sales and consumption.¹⁻⁹ However, this research has not yet adequately described tax implementation and impacts from an equity perspective.

Specifically, do tax effects differ by race or socioeconomic status, what are the economic impacts of taxes, are revenues being invested in activities in impacted communities to promote equity, how are these activities benefiting communities, and are decisions about tax design and revenue allocations being made equitably?

Healthy Food America and The Praxis Project, funded in part by Voices for Healthy Kids^a, convened the **Tax Equity Workgroup**^b to develop recommendations on research questions to assess tax equity. To guide its process, the Workgroup collaboratively developed a shared **values statement**:

The Tax Equity Workgroup values sugary drink tax policies that provide sustainable sources of support for building health equity and social justice, community capacity and agency, and that hold food and beverage corporations accountable for the harms they bring to communities.

The following table lists the questions members identified as being most important. The Workgroup also developed recommendations for equitable sugary drink tax policy design. These recommendations, the full set of research questions, and a technical report (which describes how the Workgroup developed the recommendations) are available at [Healthy Food America](#).

The Workgroup hopes that researchers, evaluators, and funders will address these questions, working in partnership with community members to develop answers grounded in their lived experiences.

Equity

Equity is achieved when everyone has a fair and just opportunity to thrive, regardless of race, identity, economic class or other group characteristics. Equity emphasizes fairness in process and equality in outcomes and seeks to transform inequitable social structures, unhealthy community environments, and systemic biases that have led to the current conditions. The vision and process for achieving equity is centered in community.

Impacted Community

An impacted community is one experiencing inequities in health conditions associated with sugary drinks.

These inequities are caused by adverse community conditions shaped by racial and ethnic discrimination and by social, political and economic exclusion, and are exacerbated by exposure to sugary drinks.



^a Voices for Healthy Kids is an initiative of the American Heart Association.

^b The Innovation, Equity and Exploration Tax Equity Workgroup.

Beverage purchases and consumption

Among people with low incomes and people of color:

- Do taxes change sugary drink purchases* or consumption? How do these changes compare to those observed among people with higher incomes and white people?
- Are there substitution effects? Are sales or consumption of healthier beverages increasing? Specifically, do sales or consumption of water change? Are sales or consumption of sweetened or other foods changing?
- Do purchases* or consumption of sugary drinks change among people who have participated in programming and activities supported by sugary drink taxes, driven by changes in knowledge, attitudes and self-efficacy, over and above any changes attributable to the tax itself?
- Does sugary drink consumption change more among those with high baseline rates of consumption, such as youth and young adults?

In neighborhoods whose residents are predominantly people with low incomes or people of color:

- Do beverage prices, both taxed and non-taxed products, change? Do changes vary by neighborhood race/ethnicity and socioeconomic composition?

(*“purchases” refers to both purchases and sales)

Knowledge, attitudes and beliefs

- Do people of color and people with low incomes support sugary drink taxes (before and after implementation)? What concerns do they have? How does the degree of support compare to that among white people and people with higher incomes? What factors affect support and opposition?

Health impact

- What is the amount of change in purchases or consumption needed to make a meaningful impact on health outcomes among people of color and people with low incomes?
- What is the impact of the *activities* funded by the tax among people of color and people with low incomes on health outcomes and disparities, community conditions and infrastructure associated with preventable chronic diseases, and community capacity and power to address these issues?

Economic impact – individuals

- How much are people of color and people with low incomes paying in sugary drink taxes (both actual dollars and as percentage of household income)? How does this compare to taxes paid by people with higher incomes and white people?

Economic impact – community

- What is the allocation of tax revenue by neighborhood compared to the tax burden by neighborhood? How do allocation and burden vary by racial/ethnic and socioeconomic neighborhood composition?
- What is the impact of taxes on local businesses, especially those owned by people of color?
- What is the impact of taxes on employment among people of color and people with low incomes, including job creation from tax-funded programs?

Tax design and adoption

- What elements of current tax policies, as described in adopted tax legislation, address and promote equity? How do they compare to the Tax Equity Workgroup recommendations?
- Who from impacted communities is involved in tax adoption? What roles do they play? How much power and influence do they have? How does the extent of community involvement affect tax design and adoption?

Tax implementation: revenue allocation

- How are impacted communities involved in decisions about tax revenue allocation and at what stage in the tax policy process (e.g. tax design, adoption, implementation)? How much power and influence do they have? How does the extent of community involvement affect tax revenue allocation?

Tax implementation: revenue allocation

- Are the objectives, activities, focus populations, and outcomes of programs supported by tax revenues:
 - Aligned with the legislative intent of the tax?
 - Aligned with values and priorities of communities impacted by sugary drinks and health inequities?
 - Equity-centered?

Negative, unintended consequences

- Are there negative, unintended consequences of sugary drink taxes for people of color and people with low incomes?

Tax Equity Workgroup

The Workgroup was comprised of leading community, professional, and academic experts working at the forefront of tax policy design, adoption, implementation, and evaluation. Workgroup members are champions for healthy communities and equity. Organizations are listed for identification purposes only:

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