

PHILADELPHIA'S BEVERAGE TAX: THE DAMAGING ECONOMIC IMPACT

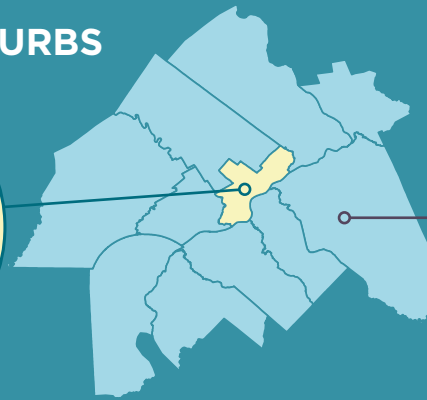


In January 2017, Philadelphia implemented a 1.5 cent per ounce tax (PBT) on all sweetened beverages – even those with no calories. The impact means that Philadelphia will lose an estimated **1,190 jobs**, **\$54 million in labor income**, and **\$80 million in annual GDP**.

BEVERAGE SALES SHIFT TO THE SUBURBS

The major beverage bottlers have cited a **29% decline in sales** inside the borders of Philadelphia following implementation of the tax.

Total beverage sales in Philadelphia retail super markets **fell 24%...**



...while beverage sales in immediately adjacent towns **rose 14%**

THE IMPACT GOES BEYOND BEVERAGES TO TOTAL GROCERY SALES

Same-store sales data for non-beverage products **declined** in Philadelphia.

-7%



Key areas of same-store, non-beverage sales decline:

-14%

Frozen vegetables



-10%

Yogurt



-9%

Fresh bread/rolls



THE TAX SHIFTS CONSUMPTION TO UNTAXED SUBSTITUTES WITH CALORIES

Last year in Philadelphia...

drink mix sales increased

29%



instant tea sales increased

32%



Read the full report here:
<https://goo.gl/hb3C7K>