

Blacks willing to pay more for beverages

Written by William Reed

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Should the federal government help finance expansion of U.S. health coverage by taxing products such as sugary soft drinks? Polls show at least 50 percent public support for taxes on soft drinks and rises as high as 72 percent when respondents believe revenues would be used for programs to help the poor. Support for the tax is highest among African-Americans and Hispanics; and is stronger in low-income than in higher-income groups.

Proponents of taxing high-sugar soft drinks say it will improve Americans' health while helping pay for health-care reform that ensures all Americans have regular access to doctors and slows health-care cost growth. Even President Barack Obama has indicated support for this "sin tax" to help lower high rates of US obesity. Over the next 10 years, it will cost as much as \$1.5 trillion to finance the proposed health-care reform initiative.

Soft drinks have become a staple of today's American diet. They are inexpensive, abundant, and appeal to our taste for sugar and are heavily marketed, especially to children. The consumption of sugar-sweetened beverages has been linked to risks for obesity, diabetes, and heart disease; therefore, a compelling case can be made for the need to reduce consumption of these beverages. Sugar-sweetened beverages contain added, naturally derived caloric sweeteners such as sucrose (table sugar), high-fructose corn syrup, or fruit-juice concentrates, all of which have similar metabolic effects. Taxation proponents say it's a means of reducing intake of these beverages; lowering health care costs, and generating revenue governments can use for health programs.

Over two-thirds of African American, same as are similar numbers of the American adult population, is obese or overweight. Obesity-related illnesses are costing the nation nearly \$150 billion a year. It's estimated that a one penny per ounce tax would generate \$14.5 billion per year. Black groups have bought into the tax ploy without sufficient commitment of rates of return to our communities. Although when measured as a share of their income the tax would hit poorer people harder than wealthy ones, Black liberals say poorer people would benefit the most from the universal health coverage the tax would help pay for, since they're much more likely to be uninsured.

Saying soda is "harmful" casts the proposed tax with a positive effect: nudging consumers toward healthier lifestyles. A leading grass-roots organization, the National Black Church Initiative, says "a tax on beverages would do nothing but aid in making African Americans healthier". And, that the "tax would deter [Black] families from purchasing as much soda...which in turn leads to unhealthy lifestyles. It would also make parents take a second look at the health contents of drinks when they see that they cost more". The NBCI contends the money predicted would also "help to support healthcare reform Black communities desperately need". Beverage-industry executives vehemently oppose the idea and say it would result in significant price increases. They say, "a penny per ounce would have a seriously negative impact on the industry and could potentially raise prices on key packages by 40% to 50%". Such an increase will definitely cause African American consumer to "take a second look".

Based on what Blacks received in return from governments' last "sin tax" collections in their name, it would make sense to take second (and third) looks at this matter. Black communities

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need to get more from this government action than they did from the Master Settlement Agreement (MSA) on cigarettes. Singling out the consumers of some products to finance a health-care plan the President says “will benefit all Americans” is brazen fiscal discrimination. Surely, Blacks must remember the MSA: we were leading users of cigarette products, got the most ill effects, but the least of settlement monies. The closer the U.S. moves toward a single-payer health system, the more pressure there will be to tax any product that anyone, anywhere, plausibly can argue is detrimental to one’s health. Let the people eat, drink and smoke what they want - it is their right and privilege - even if it does hurt them. The government need not intervene.

(William Reed – www.BlackPressInternational.com)