

Research Brief

A Tricky, But Promising, Road Forward For Gaining Support for Soda Taxes in New Mexico

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Executive Summary

A new poll of adults in New Mexico examines how the places we live, work, and play impact a wide variety of health measures, views on policy, and lived experiences. The New Landscapes of a Majority-Minority State (NLMMS) survey, commissioned by the Robert Wood Johnson Foundation Center for Health Policy (RWJF-CHP) and administered by Latino Decisions, questioned 1,505 New Mexico adults between September 3rd to 27th, 2016. Part of the survey inquired about New Mexican's knowledge around the Healthy Diné Act of 2014 (which, in part, enacts a 2% tax on all sugar sweetened beverages) and their level of support for expanding this law to all of New Mexico. The results of the study find that there were low levels of awareness of the law passed on the Navajo Nation among the state. Nevertheless, there are promising signs of support for expanding the law. It is always difficult to pass new taxes, particularly in this budget climate, but we find that 39% of respondents are in favor of the law's expansion, 36% in opposition, the rest undecided. The report breaks down awareness and support by socio-demographic groups and recommends methods to gain support for soda taxes.

Study Background

The New Landscapes of a Majority-Minority State (NLMMS) survey, commissioned by the Robert Wood Johnson Foundation Center for Health Policy (RWJF-CHP) and administered by Latino Decisions, questioned 1,505 New Mexico adults about their experiences with the health care system, social capital, community access to services, discrimination, LGBTQI health, illicit and prescription drug use, perceptions on obesity and related policies, amongst many other topics¹. The NLMMS survey's main innovation was adapting commonly used social determinates of health questions to fit the unique landscape of New Mexico with a large sample to be useful for analysis. In this policy brief, we examine the level of awareness and support for expanding a soda tax law passed on the Navajo Nation to all of New Mexico. The findings will provide policy makers and advocacy organizations with valuable information regarding current support for implement a soda tax in New Mexico, as well as prospects for expanding support more broadly.

High Rates of Diabetes and Obesity in New Mexico

Given that policy interventions such as soda taxes are, in part, aimed at reducing negative health outcomes such as obesity and diabetes, it is important to provide some context from our study on the state of overall health status in New Mexico. According to our study, 13% of respondents have been told by a medical professional that they have diabetes. This is up from 9.6% of the adult New Mexico population in 2012-2013.²

¹ See here for more analysis from the survey
http://healthpolicy.unm.edu/sites/default/files/SDH%20in%20NM%20Policy%20Brief_final%20-%20Formatted.pdf

² <https://nmhealth.org/publication/view/general/108/>

Further, it is higher than the national average of 9.3%.³ Our study shows that the rates of diabetes are higher for Hispanic respondents (16%) than for White (10%) respondents.

Additionally, only 18% of respondents say that a medical professional has told them that they are obese, however, based upon self-reported height and weight collected in the survey, 37% of respondents would be considered overweight and 24% obese. Amongst those who are obese (according to our BMI calculations), only 51% have been told that they were obese by a medical professional. Our measure shows a narrow disparity in obesity between Hispanic (at 23%) and White (at 20%) respondents. The growing rates of diabetes and obesity in New Mexico are putting a severe strain on an already overburdened health care system and our survey results show that the rates have only increased over time. This provides the context in which policy interventions, such as the soda tax, should be evaluated. It should be kept in mind that the proposed soda tax would not impact purchases made with SNAP benefits, only a federal level tax would have this impact.

Soda Taxes in New Mexico

One approach that has been proposed to help combat the obesity epidemic in the United States is by implementing a tax on sugar-sweetened beverages (commonly known as soda taxes). There have been two previous attempts to pass a soda tax in New Mexico: once in 2010 and the same bill was introduced again in 2011. The bill called for a ½ penny per ounce tax on all sugar sweetened beverages. The revenue generated from the tax would have gone mostly toward county-supported Medicaid funds and towards childhood obesity prevention programs. The bill was not passed the first time and died in committee in 2011. Since then, nationwide and here in New Mexico, there has been growing interest, and success, in passing soda taxes partially due to their ability to generate sizable revenue. If New Mexico were to pass a one-penny-per-ounce tax on all sugar sweetened beverages, in 2016 alone, it was estimated that New Mexico could have generated \$90,467,644 in revenue.⁴ This is obviously attractive in an economic climate where new revenue is desperately needed. For instance, we find in our survey that 26% of respondents reported that they are not employed nor were they employed during the last 12 months. Further, 23% of respondents indicated that they have participated in SNAP (formerly called Food Stamps) in the same time frame.

In 2014, the Navajo Nation passed the Healthy Diné Nation Act of 2014 (called the Navajo Nation Soda Tax in this report) that implemented an additional 2% tax on all minimal-to-no-nutritional value food (which includes soda). The revenue generated from the tax will support community wellness projects, such as community gardens and playgrounds. As a part of the NLMMS survey, we asked our respondents if they have heard of this tax before and how much they would be willing to support expanding such a tax to cover all of New Mexico. In the next two sections we examine levels of awareness of the bill and support across demographic groups.

³ <https://www.cdc.gov/diabetes/pubs/statsreport14/national-diabetes-report-web.pdf>

⁴ <http://www.uconnruddcenter.org/revenue-calculator-for-sugar-sweetened-beverage-taxes?>

Are New Mexican's Aware of the Navajo Nation's Soda Tax?

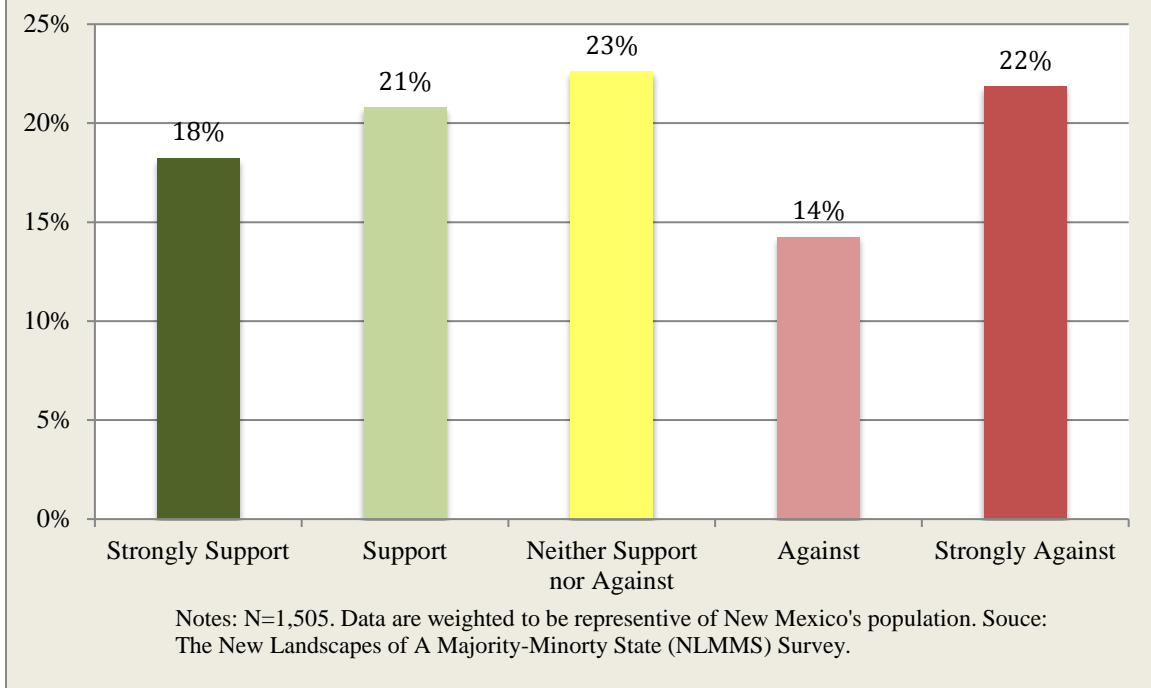
Overall, we find that there was low awareness of the Navajo Nation's Soda Tax. According to our study, we find that only 22% of New Mexicans have heard of this law before. Awareness was low across all racial/ethnic groups, except for Native Americans where 51% had heard of the law. When looking across educational groups, we find that awareness was positively associated with levels of education. Amongst those with college educations or higher, the highest education group, 26% of these respondents have heard of the bill before, but only 15% of those with a high school diploma or less, the lowest education group, were aware of the law.

Support for Expanding Navajo Nation's Soda Tax to All of New Mexico

After asking about awareness of the Navajo Nation Soda Tax, all respondents were asked how much he/she would be willing to support enacting such a law across all of New Mexico. Our results (see Figure 1) find that 19% of respondents would strongly support expanding this law, 21% would support it, 23% are neutral (neither support nor are against the law), 15% are in opposition with the law's expansion, and 22% strongly disagree with expanding this law. Overall, that means that 40% of respondents with a firm opinion agree with the law's expansion, compared to 37% who are against. It is tough to gain support for any tax increase, but these basic statistics show that there are encouraging signs of support for enacting a soda tax state-wide.

Despite only 22% of New Mexicans having heard about this law, prior knowledge has large implications on the ensuing level of support for expansion. Amongst those who have heard of the law, 54% are in support of enacting it for all of New Mexico whereas amongst those who have not heard of this act before only 35% are in overall support and 38% are overall against its expansion. This implies that greater education of the potential value, in regard to both health and economics, could increase support for the law.

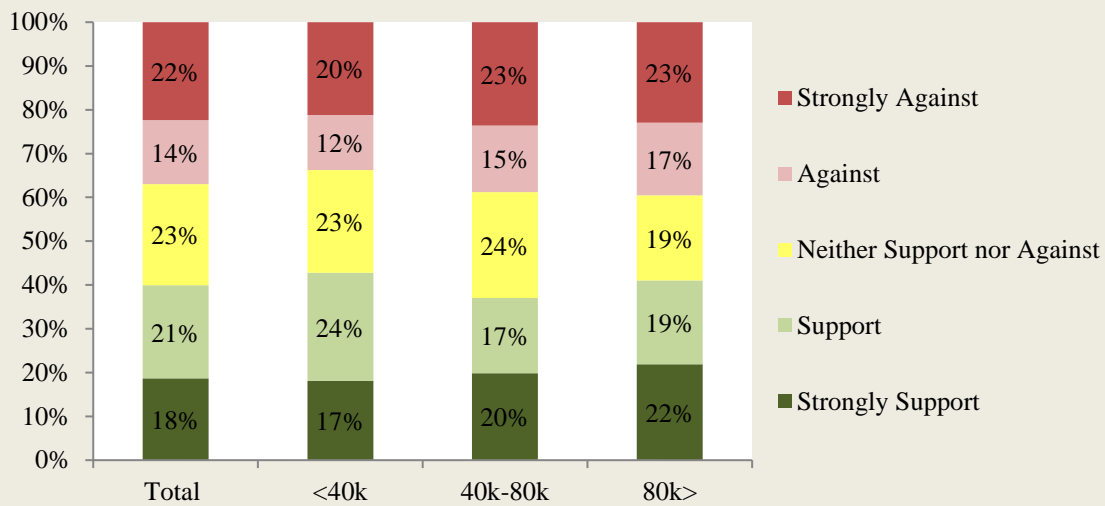
Figure 1: Level of Support for Expanding Navajo Nation Soda Tax



We then proceed to analyze support by socio-demographic factors, first by income in Figure 2 below. Although soda taxes have been argued to be a type of regressive tax, or a tax that would disproportionately impact the poor more than the wealthy, some of the highest overall support comes from respondents in the lowest income bracket across the state⁵. Our results show that 41% of respondents in the lowest income bracket support the law's expansion, which is the same level of support for the highest income group.

⁵ In this preliminary analysis, respondents who did not report their income are currently excluded from the analysis, which represents 13% of the sample.

Figure 2: Support for Expanding Navajo Nation Soda Tax By Income Groups



Notes: N=1,287. Data are weighted to be representative of New Mexico's population. Source: The New Landscapes of a Majority-Minority State (NLMMS) Survey.

Amongst other socio-demographic factors, we find modest differences based on race. More specifically, more Whites disagree with the laws expansion to the full state of New Mexico than agree (42% overall disagree vs. 37% overall agree), whereas overall for Hispanics more agree with the expansion than disagree (37% overall agree vs. 33% overall disagree). Given the relationship between political ideology and support for taxes and tax increases, we, as expected, find overall support was highest amongst those who are self-defined liberal compared to conservative (58% vs. 35%, respectively).

A Path Forward For Building Support for Soda Taxes in New Mexico

Overall, we see that there are promising signs of support for expanding and enacting the Health Diné Nation Act of 2014 for all of New Mexico. It will not be easy to pass a soda tax, and we want to clarify that we do not find overwhelming support among the public to do so. However, despite these economic hardships, it is still possible to pass a soda tax. Our survey results indicate that for most demographic groups examined here, there is overall more support than opposition for expanding the law. Additionally, nearly a quarter (23%) of New Mexicans are neither for nor against the expansion. Not only does a surprisingly large percentage of the population support the soda tax law, but support appears to increase with greater knowledge levels, as we find that when people are aware of the Navajo Nation Soda Tax they were more likely to support expanding it to all of New Mexico. We therefore suggest that for those interested in passing soda taxes here in New Mexico it will be critical to clearly outline how the revenue generated would be allocated to combat obesity and related health issues.

Survey Methodology

Latino Decisions survey a statewide representative sample of 1,505 adults in New Mexico between September 3rd and September 27th, 2016. The survey used mixed modes to collect data. Half of the respondents (753) were contacted through randomly selected telephone calls to landlines (603) and cell phones (150), where the survey was conducted via live, person-to-person (i.e. not robocalls). The other half of the respondents (752) completed the survey on the Web. The survey was conducted in either English (97%) or Spanish (3%) at the respondent's discretion. All interviewers were full bilingual. The average interview time was close to 20 minutes. With a response rate of 17.7 percent for the telephone sample, the survey has an overall margin of error of +/- 2.5 percent.

About the Author

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