

Andrew Hoffman

## **Starbucks: Opposing a Local Tax to Address Homelessness while Promoting Social Justice**

In June 2018, Robin Clawson,<sup>1</sup> Starbucks' director of public and government affairs, stared out her office window at the Seattle skyline. It was a calm and warm evening, a welcome feeling after a hectic month for Clawson and her team.

On May 14, the city government had instituted a new employee hours tax on large businesses, aimed at supporting affordable housing and homelessness services. Starbucks was known for social concern, but had decided to be a leader in opposing the tax. John Kelly, senior vice president, global public affairs and social impact, had said, "There's no reason why one of the wealthiest cities in the world should have children sleeping in cars." But, he said, the solution is not to funnel more money through a city council that had thus far failed to show it could spend it effectively. Kelly added that the cost of the tax to the company was of secondary importance.<sup>1</sup> Seattle corporations felt they were being penalized for creating economic growth.

Seattle was known as one of the most progressive cities in the United States, with a local government active in ensuring citizens' rights, especially related to the homelessness crisis in the area. Clawson had not been surprised when the Seattle City Council voted 9-0 to pass the controversial tax. It required companies located in the city whose annual gross revenue surpassed \$20 million to pay a \$275 tax per employee per year.<sup>2</sup> Supporters of the tax argued that the city needed the funding to combat a homelessness epidemic. Opponents called it a counterproductive tax on job growth.

The day after the council vote, Kelly issued a statement: "This city continues to spend without reforming and failing without accountability, while ignoring the plight of hundreds of children sleeping outside. If they cannot provide a warm meal and safe bed to a five-year-old child, no one believes they will be able to make housing affordable or address opiate addiction. This city pays more attention to the desires of the owners of illegally parked RVs than families seeking emergency shelter."<sup>3</sup> Clawson noted that Kelly's

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<sup>1</sup> Robin Clawson is a fictional character.

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