TRIVENI INSTITUTE

A Clear Win-Win-Win for People, the Environment and Municipalities: The Consumer Choice Checkout Bag Policy

A True Story

"I was catching up with a friend this morning for a couple of hours on the phone," Michael said. "We were talking about waste stuff. She's big into that. At the end of the conversation she said, 'We've been talking for exactly two hours. Do you know how many single-use plastic bags were just used in the city of Chicago?'"

"I said I didn't want to know," Michael added. "Then she told me anyway. Sixty-three thousand, two hundred and forty bags. That's a lot of [expletive] bags."

Yes, it *is* a lot of bags: **63,240 single-use bags** used in the city of Chicago in *two hours*. **Or, 527 single-use bags used *every minute*.**[1] While Michael was having his second cup of coffee that morning and talking to his friend, he couldn't see the over sixty-three thousand bags being torn off their racks, used for a few minutes, and then stuffed under sinks and into bigger bags in closets. He couldn't see the thousands and thousands of bags being hauled to landfills, or the hundreds of bags escaping into our environment every day, blowing down sidewalks, clinging to trees, and sinking to the bottom of Lake Michigan. Maybe a few bags would be re-used as small trash can liners, or dog waste pickup bags. A small fraction of bags would eventually end up in the "Plastic Bag Recycling" receptacle at a Jewel-Osco, and an even smaller fraction might make it to a Trex factory and get downcycled into permanent plastic lumber. The vast majority of these sixty-three thousand bags will end up languishing on a giant pile of waste for eternity, slowly transforming into a microplastic and chemical soup after being used for a few minutes of temporary convenience.

This is real data, thanks to the Chicago Checkout Bag Tax, which went into effect nearly ten years ago, in early 2017. What can the data tell us about human behavior? Each time someone takes a plastic bag at checkout, uses a single-use coffee cup, or drives to work, it is just one small act. But what happens when those small, daily acts are multiplied by *millions* of people? What happens when all of these single-use convenience products are produced, consumed and disposed of out of sight, every minute while we go about our everyday lives?

One of the most valuable things about the Chicago Checkout Bag Tax is that it's a *tax*, so that means that we can FOIA the data and use it as a window into human behavior. Any policy that requires revenue to be collected and at least partially retained by a state, city or municipality is technically a tax. And this means that the public has open access to the data resulting from this policy. It means that the policy is transparent to the public in ways that other policies are not. A policy mandating a *fee*, for example - that retailers keep 100% of - can never be analyzed via FOIA because we cannot FOIA a private company. **A *tax* means a policy is transparent: a mandated *fee* does not.**

And what the FOIA data shows over the last nearly ten years is that Chicagoans are using 527 single-use bags - paper and plastic - *every minute* in Chicago. If the data from the retailers, the wholesalers and City of Chicago Department of Finance is accurate, so is this statistic.

Most people can probably agree that this is an enormous problem, that is overwhelmingly avoidable if consumers were to switch to refusing bags they don't need or using reusable bags they bring from home. And if we don't agree that this is an enormous waste problem, that's the conversation we *should* be having. For the people who think that this type of single-use, convenience-driven waste is a problem we should and can address, please read on.

[1] In 2025, Chicagoans used an average of 514 bags *every minute*, for a total of 270,051,444 bags used that year per the 2025 FOIA of the Chicago Checkout Bag Tax. This is approximately 99 bags used per capita in Chicago in 2025, which is 73% lower than the national average of 365 bags used per capita annually. Although Chicagoans used 266 fewer bags per capita than the national average, it still adds up to 512 bags used every minute. 2026 bag use projections are about the same as 2025 - despite an increase in the tax from $.10 to $.15 - with 527 bags being used per minute, or 102 bags used per capita in Chicago in 2026.

Executive Summary

There are very few waste issues that trigger as much public engagement - and public ire - as single-use plastic bags. The issue of how to carry our purchases out of a store or restaurant touches most people on a weekly, if not daily, basis. For this reason comprehensive carryout bag policy - addressing single-use paper and plastic bags as well as reusable bags - can be a multi-faceted solution to this waste problem. An estimated *100 billion* single-use carryout bags are used annually in the United States, or approximately **365** single-use carryout bags (paper and plastic) used and discarded by every American each year[2]. The single-use items introduced decades ago to make our lives more convenient are now wreaking havoc on our environment, our economy and human health[3]. An epic design flaw, single-use plastic bags are typically used for mere minutes but must be burned to be completely destroyed, creating noxious air pollution. Single-use paper bags are not a solution either: paper bags require significantly more water and energy to create and transport than single-use plastic bags, fueling the climate crisis. Paper is not infinitely recyclable either, losing its integrity after five to seven cycles[4]; just slightly better than single-use plastic. **A necessary solution to our single-use carryout bag addiction is to motivate a cultural shift towards using reusable bags *hundreds* of times apiece: not merely a just few times.** This requires a significant human behavioral shift: we must encourage consumers to acquire reusables - such as reusable bags, reusable coffee cups and reusable water bottles - that they will enjoy reusing *hundreds* of times apiece, and significantly motivate them to do so. **The Consumer Choice Carryout Bag Policy both educates and motivates consumers to make this shift through a small, incrementally increasing fee that does three primary things: 1) it effectively changes consumer behavior through loss aversion[5] behavioral economics 2) it generates short-term revenue that can be used for stateside and local programs that benefit the social and environmental good and 3) it is technically a tax, so the data can be analyzed by anyone who files a FOIA for as long as this policy is in place, generating valuable data about the efficacy of this policy.**

No amount of technology, single-use items or reusable items used as single-use will solve this problem. The Consumer Choice Carryout Bag Policy is based in nearly a decade of data from the Chicago Checkout Bag Policy as well as multiple other analyses. This new concept is a clear win for people, the State of Illinois, local municipalities and solid waste agencies, retailers and our natural world that makes all life on this planet possible.

Recycling Plastic is a Myth

What about the plastic bag drop-off bins at grocery stores? Can't we find ways to recycle all of this plastic? The short answer is, NO. Polymers behave quite differently than infinitely recyclable materials like glass and metal, resulting in *downcycling*[6] into permanent objects such as decking or lawn furniture as a best-case scenario. The tiny fraction of plastics that can actually be sorted and cleaned in preparation for "recycling" excludes the vast majority of multi-layer, complex and mixed materials we find in packaging these days. The failed Hefty ReNew Orange Bag Program was one effort to sell the concept of "recycling" flexible plastics to the public, but the effort was recently discontinued due to "lack of scaling and infrastructure for end markets"[7]: simply put, this was another false "recycling" claim by the plastics industry. Downcycling is not recycling, nor is "advanced recycling"[8]. The vast majority of our plastics get landfilled, shipped overseas, burned or escape into our environment, where they will live forever as micro- and nanoplastics, eventually making their way back into human bodies after already exposing us in single-use food packaging, coffee cups, water bottles, bags and the myriad ways in which we come into contact with single-use plastics every day.

The False Dichotomy Between **Corporate** Responsibility and **Individual** Responsibility

Waste: who's responsible for it? There has been a long-standing dichotomy between the ideas that our waste problems ultimately fall on corporations - and the ultra-rich whose net worth is in the millions or billions of dollars - and the common everyday individual just trying to make ends meet. Corporations infamously put the onus of waste on the consumer, claiming that they are just meeting market demands. For example, if consumers think Red Solo Cups (an icon of single-use plastic waste) are

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[2] Center for Biological Diversity
Closed Loop Partners / Beyond the Bag

[3] Stanford Medicine, January 2025

[4] St. Louis City Recycles
BPA **Note: "Biodegradable" is an unregulated term*

[5] Behavioral Economics: Loss Aversion

[6] Banyan Nation, May 2026

[7] Hefty ReNew Orange Bag Program

[8] Center for Climate Integrity, May 2025

problematic and the Lake Forest, Illinois-based Solo Cup Company (now owned by Dart)[9] should be responsible for the pollution created from this single-use plastic cup, why don't consumers simply stop buying them? On the other side of the argument we have hundreds of millions of individual people who claim that manufacturers are churning plastic products out of their factories at alarming rates that are poisoning humanity and have nowhere to go aside from a landfill, an incinerator or litter in our world. Corporations, focused on profits, claim waste is "not their problem." So, who is responsible for all of this waste?

We ALL are. Both sides - corporations and individual consumers - have valid points. In order for us to effectively address our pollution and resultant health problems, corporations, the wealthy elite *and* everyday Americans need to take responsibility for their waste. Corporations and billionaires need to practice greater **ethical capitalism**, and working people need to understand the collective impact of the millions of small decisions and actions that we make every day; such as using a single-use carryout bag. A solution to these complex problems is Pollution Taxes: these generate critical revenue for cities and support business, all while changing consumer behavior.

The Consumer Choice Carryout Bag Policy is built upon two familiar concepts typically extolled by conservatives: **consumer choice** and **individual responsibility**. We think giving consumers choices - for a price - is an effective modality to change consumer behavior, and taking individual responsibility for one's waste is one key to solving our waste problems that arise from small collective behaviors.

Introduction: The Consumer Choice Carryout Bag Policy

In the current confluence of the climate crisis, an unpredictable federal government, statewide and local budget crises, the status of Chicago as a climate refugee destination of the future and new research linking chemicals such as PFAS and microplastics to human health problems such as cancer, endocrine disruption and autoimmune diseases, it is critical that we consider wise policy that both **protects the health of our environment and residents** *and* **generates necessary revenue for our cities and state in the process**.

The fundamental goal of any carryout bag policy is to *change human behavior and reduce waste*. As we will present in the following analysis, *how* we do that on a policy level has been much debated. But after nearly **twenty years of trial-and-error bag policies in the United States**[10] beginning with the 2007 San Francisco bag ban, a truly effective policy is starting to emerge.

Chicago-based nonprofit Triveni Institute started as a 2011 grassroots campaign called "Bring Your Bag Chicago," which advocates for a shift from single-use disposable carryout bags to reusable bags (ideally used hundreds of times apiece). In the fall of 2016, after five years of grassroots advocacy, the Chicago Checkout Bag Tax was successfully passed in the 2017 City Budget. In 2017, the year the tax went into effect, Triveni Institute became a 501(c)3. We co-organized the April 2025 subject matter hearing, "Plastics and Human Health"[11], in the Committee for Environmental Protection and Energy and the Committee on Health and Human Relations — at which the first draft of this white paper was introduced.

There is no question that swift action needs to be taken on environmental justice, habitat and species preservation, solid waste, air pollution, water pollution and **plastic pollution** to protect the health of Chicagoans and beyond, and that **action must be focused on both holding polluting corporations accountable *and* consumer behavioral change**.

So, How Does it Work?

A small fee is charged for every single-use plastic or paper bag - and a minimum charge of $1 for reusable bags - at checkout, and steadily increased over time by $.05 a year. The Chicago Checkout Bag Tax was implemented in February 2017, and stagnated at $.07 for eight years, peaking at an all-time high in consumption of 441,232,940 bags in 2024. The following year, however, the City of Chicago increased the tax $.03 from $.07 to $.10. In 2025, there was a **39% drop in usage** compared to 2024, but an *increase* in revenue by over $2 million. This is what we predict will happen when the fee is increased incrementally over time: revenue will increase until the majority of consumers hit a "cliff"; at which time they decide to stop paying for single-use bags and either refuse a bag or bring their own reusable bag to the store. Once the "cliff" happens for the majority of consumers, single-use bags can be banned because so few people are actually buying them. Or, at this point another option would be to hold the tax at an amount

[9] Solo Cup Company

[10] National Conference of State Legislatures, 2021

[11] 4.23.25 Chicago City Council Joint Committee Subject Matter Hearing: Environmental Protection and Energy, Health and Human Relations - "Plastics and Human Health"

that represents a 90% drop in usage from the lowest consumption amount (which would be represented by the 2017 data), and the small percentage of people who will actually buy a bag will be low, but will also generate a small and steady revenue stream long-term for a municipality.

The City of Chicago increased the tax again in the beginning of 2026, from $.10 to $15, and so far the projections for 2026 levels of consumption show that there has been very little difference in consumer behavior (consumption levels mirror 2025 consumption levels) but there is a projected *60% increase in revenue* from just over $24 million in 2025 to just shy of $39 million in 2026.

Year	Tax Amount	Revenue Split Between Retailers and the City (Retailers/City)	Total Annual Revenue Remitted to the City of Chicago	Total Number of Single-Use Bags Tax Paid On	Population of Chicago	Single-Use Bags Used **Per Capita Annually**	Single-Use Bags Used **Every Minute** in the City of Chicago
2017	$0.07	$0.02 / $0.05	$5,705,601	114,112,020	2,710,456	42	217
2018	$0.07	$0.02 / $0.05	$6,366,624	127,332,480	2,700,968	47	242
2019	$0.07	$0.02 / $0.05	$6,396,583	127,931,660	2,691,497	48	243
2020	$0.07	$0.02 / $0.05	$6,259,043	125,180,860	2,741,640	46	238
2021	$0.07	$0.02 / $0.05	$7,479,832	149,596,640	2,705,934	55	285
2022	$0.07	$0.02 / $0.05	$15,822,602	316,452,040	2,680,609	118	602
2023	$0.07	$0.02 / $0.05	$17,518,417	350,368,340	2,698,758	130	667
2024	$0.07	$0.02 / $0.05	$22,061,647	441,232,940	2,726,332	162	840
2025	$0.10	$0.01 / $0.09	$24,304,630	270,051,444	2,731,585	99	514
2026	$0.15	$0.01 / $0.14	*$38,754,060*	*276,814,714*	*2,727,758*	*102*	*527*
*2026 Data Collected Through 9/25/26: Amounts are Annual Projections					Annual population in Chicago is based on U.S. Census Bureau estimates and demographic tracking data via the World Population Review Chicago Profile		

This clearly indicates that consumers either 1) *do not know* they are paying an increased tax from $.10 to $.15 2) *do not care* that they are paying an increased tax or 3) *are not paying the tax themselves*, through stealing bags at self-checkouts. So consumers are either unaware that they are paying $.15 per bag, or this amount is not effective at changing consumer behavior.

So the City of Chicago needs to do two things for 2027: increase the Chicago Checkout Bag Tax to $.20, *and* make sure that consumers are aware that they are paying $.20 per single-use carryout bag.

But Pollution Taxes Hurt the "Little Guy": Why Punish Working People Just Trying to Get By? Isn't This Policy Regressive?

This is a common criticism of a policy that asks working people - the common consumer buying groceries, household items and other purchases every day - to change their behavior. The opposition's argument is based in convenience and the belief that working people should not be accountable for waste that they produce collectively every day. Looking at the graph above, Chicago consumers are collectively using and discarding 527 single-use bags every minute in Chicago. Should be hold billionaires and corporations accountable? Absolutely. And a single billionaire is not using 527 single-use bags every minute. This statistic comes from collective action: what working people collectively throw in the garbage every single day adds up to massive amounts of food waste, plastic pollution, water pollution and air pollution - to name a few - every single day.

This policy is not regressive because it is an *optional* fee: the consumer makes the choice about whether to pay it or not.

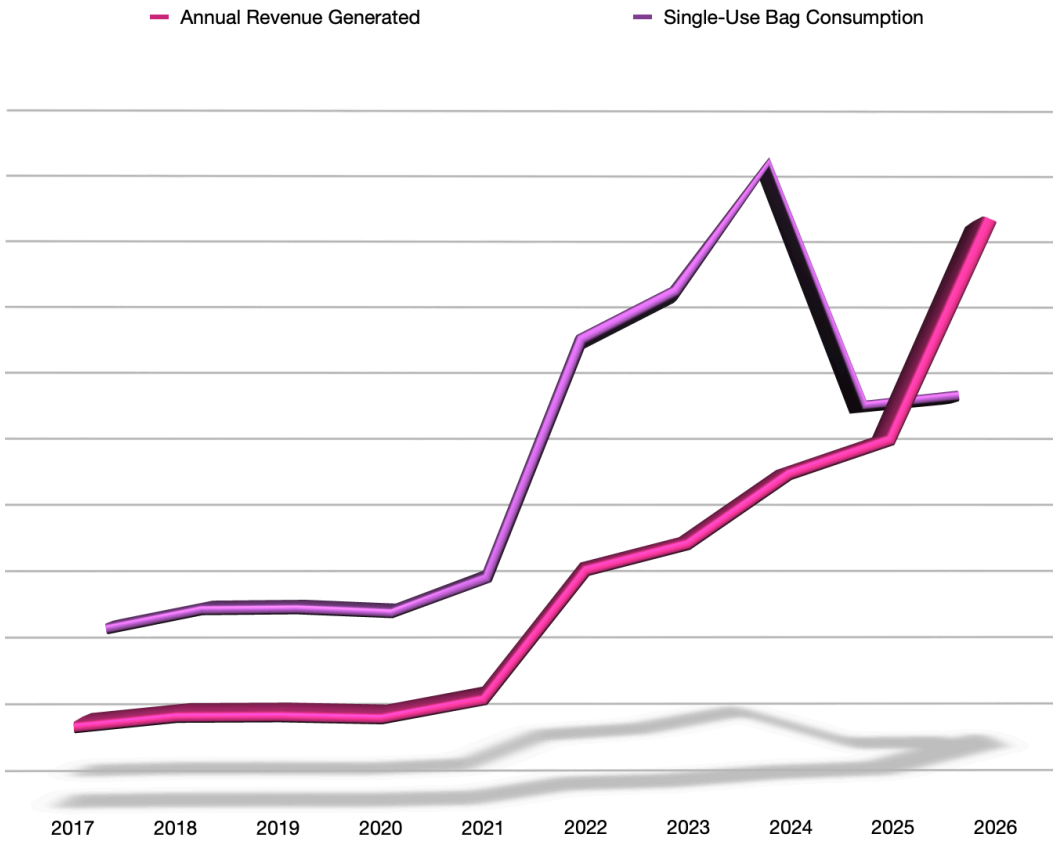
What is the Difference Between a "Tax" and a "Fee"?

To the consumer, there is no difference between a 10-cent *fee* and a 10-cent *tax*. The difference lies in where the revenue goes and who administers the policy.

Chicago already has a Pollution Tax on the books: the **Chicago Checkout Bag Tax (2016)**. This policy was in danger of being wiped out by a statewide "bag ban" - SB1872[12] - in 2025 and 2026. We propose a better solution, which we are calling the "Consumer Choice Carryout Bag Policy." By keeping the Chicago Checkout Bag Tax intact and modifying it to evolve into the Consumer Choice Carryout Bag Policy in structure, we could do three things: 1) *effectively change consumer behavior* over time 2) generate well **over $300 million in revenue for Chicago over the next ten years** to support crucial programs and the Department of Environment and 3) ensure that we have access to data via FOIA to analyze consumer behavior and the efficacy of the policy. At the end of the tax increase, there could be a permanent tax in place that would generate **several million a year indefinitely**. This policy could also be expanded to solve other pollution problems, such as the solid waste and health issues resulting from single-

[12] Full SB1872 text here

use coffee cups and lids, as well as many other pollution problems that require more conscious consumer choices and have easy reusable alternatives.



This graph above shows the **annual revenue generated** (pink line) by the Chicago Checkout Bag Tax compared to the **annual consumption of single-use bags by Chicago consumers** (purple line). The usage of single-use bags started to climb in the year 2021, and the revenue also started to climb. The peak happened in 2024, when the revenue was the highest it had been since 2017, and the consumption of single-use bags was also the highest it had been since 2017, with a staggering ***441,232,940 single-use bags being used and discarded in Chicago in 2024***, or ***840 single-use bags used and discarded every minute in Chicago in 2024***.

When Chicago increased the Checkout Bag Tax to $.10 from $.07 in 2025, however, there was a *39% decrease* in usage (reflected in the graph above), while the revenue continued to *increase*. Projections for 2026 show insignificant change in bag consumption so far in 2026 but an *increase in revenue by 60%*. Chicago is now at a critical juncture in this policy: if they view this policy as primarily a revenue source, they will not increase the tax and allow usage to climb again, which it most likely will as consumers adapt to the $.15 fee. It's likely that a $.15 fee is not high enough to trigger the "cliff": a point where the majority of people will refuse to pay the tax and opt instead to refuse taking a single-use bag or bring their own bag from home.

If Chicago increases the tax to $.20 and implements a robust public education program - so that consumers are well aware that they are paying $.20 per single-use bag - we hypothesize that the revenue will continue to climb as single-use bag consumption continues to decline. At the "cliff," the revenue would start to decline as bag consumption slows to a trickle. The city could then ban single-use bags OR choose to have single-use bags available and place a higher tax on each single-use bag. **The Consumer Choice Carryout Bag Policy is a win-win-win for the economy, the environment and public health.**

History: The Chicago Plastic Bag Ban (2014)

In 2014, Chicago passed its first checkout bag policy, which was a ban on single-use plastic bags. The ordinance, that went into effect in 2015, allowed retailers to provide three types of

checkout bags free of charge: paper bags, compostable bags, and "reusable" bags that were thicker plastic bags with handles that met the specifications of "reusable" bags per the ordinance. Because these bags were free, consumers overwhelmingly started to use these "reusable" bags as single-use bags, which was worse for the environment, and increased costs to retailers by approximately 300% (single-use plastic bags were ~ $.02 and "reusable" bags were ~ $.06).

The unintended consequences of this policy brought three entities to the table to find a solution: retailers, environmentalists and the City. The solution was to bring the single-use plastic bags back (reducing retailers' costs), charge a 7-cent tax on all bags (with 5 cents going to the City and 2 cents going to the retailers) and implement a "No Free Bags" policy (which was critical in changing behavior). This was considered a "win-win-win" at the time - for retailers, the environment *and* the City - and Mayor Rahm Emanuel promised that in future years some revenue would be earmarked for environmental purposes.[13]

Repealing the Plastic Bag Ban and Passing the Chicago Checkout Bag Tax (2016)

There was no Chicago-specific data pre-ordinance regarding bag usage, but based on national estimates of annual per capita bag usage Chicagoans were using approximately **365 bags per capita per year**.[14] In 2016 the population of Chicago was 2.716 million. According to this national statistic, total single-use bags used in 2016 in Chicago was approximately **991,340,000.**

The Chicago Checkout Bag Tax was passed in the 2017 City Budget, and the first full year the Chicago Checkout Bag Tax was in effect (2018), total revenue generated was $6,426,920[15]. This translated to 128,538,400 bags used in 2018, and with a slightly smaller population in Chicago of 2.701 million, this calculates to ***48* bags per capita**. Taking into consideration that people on programs such as SNAP and WIC were exempt from paying the tax, this was a drop from 365 bags per capita in 2016 to 48 bags per capita in 2018: or a **possible 87% reduction from 2016 levels of consumption.**

The revenue was stable throughout 2019 and 2020, but began to creep up in 2021 (to $7,479,829). In 2022, it *doubled* to $15,822,784. The reasons for this are possibly a combination of the following:

1) The COVID-19 pandemic hit in March of 2020, and shortly thereafter Governor JB Pritzker issued a "ban on reusable bags" out of concern that they might be fomites and endanger essential workers and shoppers. The Checkout Bag Tax was suspended for consumers, *but not for retailers*: they still had to pay the tax on the bags they were getting from wholesalers. Suddenly people were using significantly more single-use bags that were all continuing to be taxed.
2) Due to pandemic-based fear and "hygiene theater" (the belief that single-use plastic would calm consumers and make them feel safer) the plastics industry experienced a boom in demand for single-use plastic.
3) There was a lag time in the City collecting the tax from retailers - many of whom had extra time to pay it due to the pandemic - and that could explain in part the precipitous jump in revenue in 2022.
4) When the Checkout Bag Tax was reinstated for consumers at some point in 2021, there was little to no coordinated effort or city-wide announcement. Stores "came back online" at different times and often didn't tell their customers that they had started to charge the tax again. Cashiers often failed to alert customers that they were paying a tax, and simply charged for bags. There was a general "sloppiness" that retailers seemed to never recover from.
5) Self-checkout lines operate on the honor system, and many people do not pay for the bags they use.
6) More people used single-use bags during the pandemic and either didn't ever switch to reusables or didn't switch back. It's likely that people adapted to the 7-cent charge after several years and a pandemic, and were no longer sufficiently motivated to switch to reusable bags.

Most recent FOIA[16]:

The Checkout Bag Tax revenue has continued to climb, reaching $17,518,637 in 2023 and a staggering $22,061,722 in 2024. This can possibly be explained by *consumers being unaware that they are paying the tax*, or being *aware but not caring* that they are paying a tax. The jump in revenue from approximately $6.4 million to $22 million in 6 years indicates that either people started

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[13] Rahm Emanuel left office in 2019 and this promise never came to fruition.

[14] National Geographic, December 2018

[15] The Checkout Bag Tax officially went into effect in February 2017

[16] FOIA received from the City of Chicago in September 2026

City of Chicago Department of Finance										
Collections: January 1, 2017 - Current										
2737 - Checkout Bag Tax										
	2017	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
Jan	$ 1,728	$ 607,289	$ 604,169	$ 666,731	$ 629,824	$ 560,743	$ 859,697	$ 944,326	$ 1,129,727	$ 2,104,321
Feb	$ 139,764	$ 533,392	$ 468,416	$ 517,316	$ 463,362	$ 559,440	$ 683,011	$ 826,219	$ 1,535,980	$ 3,040,149
Mar	$ 853,588	$ 459,557	$ 514,971	$ 520,832	$ 522,698	$ 1,955,159	$ 3,414,482	$ 869,636	$ 1,525,335	$ 2,667,998
Apr	$ 532,212	$ 520,314	$ 543,798	$ 593,560	$ 516,891	$ 567,598	$ 3,542,176	$ 5,814,605	$ 1,674,452	$ 2,539,696
May	$ 453,074	$ 508,508	$ 494,954	$ 472,868	$ 493,260	$ 620,103	$ 936,126	$ 5,411,823	$ 1,948,861	$ 2,781,752
Jun	$ 506,046	$ 498,956	$ 502,167	$ 474,539	$ 492,369	$ 957,023	$ 1,369,297	$ 941,728	$ 1,888,581	$ 2,911,030
Jul	$ 506,476	$ 513,382	$ 553,300	$ 432,236	$ 499,402	$ 787,976	$ 839,155	$ 931,973	$ 1,719,527	$ 6,767,797
Aug	$ 534,060	$ 532,731	$ 541,627	$ 513,786	$ 626,659	$ 6,419,726	$ 1,260,110	$ 1,462,472	$ 2,082,648	$ 3,627,788
Sep	$ 543,494	$ 521,661	$ 523,557	$ 551,911	$ 529,348	$ 769,182	$ 1,002,688	$ 1,220,447	$ 1,773,729	$ 2,625,014
Oct	$ 547,025	$ 528,021	$ 506,670	$ 440,129	$ 518,676	$ 837,316	$ 999,342	$ 919,396	$ 1,814,283	
Nov	$ 547,677	$ 575,589	$ 535,664	$ 525,465	$ 777,292	$ 772,668	$ 857,370	$ 892,458	$ 4,839,000	
Dec	$ 540,460	$ 567,224	$ 607,290	$ 549,670	$ 1,410,048	$ 1,015,670	$ 1,754,963	$ 1,826,562	$ 2,372,509	
	$5,705,601	**$6,366,624**	**$6,396,583**	**$6,259,043**	**$ 7,479,832**	**$15,822,602**	**$17,518,417**	**$22,061,647**	**$24,304,630**	**$29,065,545**
Sept 2026 Collections thru 9/25/26										

paying the tax who hadn't before or new consumers (potentially young people or people new to Chicago) were "coming online" and paying the tax while consumers using reusable bags were moving or "going offline" in some way.

That being said, even at its peak of $22,061,722 in 2024, with the population of Chicago being an estimated 2,746,388, bag usage in Chicago was **162 bags per capita**: still well below the national average of 365 bags per capita.

The Increased Chicago Checkout Bag Tax (2024)

In the 2025 budget, the Chicago City Council decided to increase the amount of the Checkout Bag Tax to $.10, with the retailer receiving $.01 instead of $.02. This change went into effect January 1st, 2025. The City, increasing its revenue per bag 80% (from $.05 to $.09) was predicted to receive **$39,711,100 in 2025**, assuming no change in consumer behavior. However, the tax actually generated **$24,241,276**, which clearly indicates that consumers have been experiencing a"loss aversion"[17] effect.

A Proposed Statewide Bag Ban, SB1872

For years the Illinois Environmental Council has been in talks with IRMA (the Illinois Retail Merchants Association) regarding a statewide carryout bag policy. IRMA is motivated to make the increasing patchwork of bag laws in IL uniform, and is also following retailers who have successfully retained 100% of bag fees in states such as California[18] and New Jersey. In both of these states, however, there have been unintended consequences in the laws. In New Jersey, retailers experienced a windfall in revenue from "reusable bags" which were used by consumers only a few times apiece. The American Recyclable Plastic Bag Alliance hated the policy for obvious reasons, and funded a now infamous study done by the Freedonia Group[19]. The study found that reusable bag usage as well as retailer profits skyrocketed when single-use bags were banned, because retailers could give away reusable bags for free *or* charge for them. This is a problem we also saw in Chicago in 2015: when "reusable" bags were free or cheap, consumers used them as single-use or a few times, at best.

[17] Loss aversion is a cognitive bias where the emotional impact of a loss is felt more intensely than the joy of an equivalent gain. *The Decision Lab*

[18] In California it is illegal to tax bags, per a statewide law supported by the plastics industry. Retailers keep the entire fee on bags, and this has generated hundreds of millions of dollars annually for retailers in the State of California. Read about California's loophole that made their plastic bag problem worse here.

[19] Read the Forbes article commissioned by plastic bag manufacturers about New Jersey here.

At the same time environmental organizations like Beyond Plastics[20] were singing the praises of the New Jersey law, claiming that "a sample of 160 grocery stores showed a reduction in single-use paper bags from 1.1 million per month to zero at those locations, and a reduction in single-use plastic bags from 55 million per month to zero." So whose take was correct?

Like most things, the truth was probably somewhere in the middle: there probably was a profound reduction in single-use plastic and paper bags, *and* a profound uptick in "reusable" bag usage as single-use - plus a windfall of profits for retailers. This is almost certainly going to be the outcome of SB1872, if it goes into effect in four years.

The most important purpose of a bag policy is to ***change consumer behavior***: to motivate people to start using reusable bags, not once, not a few times, but *hundreds* of times apiece. If a new reusable bag is free or just ten cents, where is the motivation to actually make a lifestyle shift? Although SB1872 did one excellent thing - ban single-use plastic bags in a majority of Illinois retail establishments beginning in 2029 - there were four major problems with the bill.

1) As we mentioned, **SB1872 allowed retailers to give away "reusable" bags for free** (or charge a nominal amount, if they want to). Creating a "No Free Bags" policy was a cornerstone in the Chicago Checkout Bag Tax, and SB1872 flaunts that. Back in 2015 we already went through this once in Chicago, when single-use bags were banned and thicker "reusable" plastic bags became the new single-use bag. The definition of "reusable" bags is stronger in SB1872 than it was in the 2014 Chicago ordinance - requiring that reusable bags have threaded and stitched handles - but this will not stop a flood of cheap, flimsy "reusable" bags from supplanting single-use bags. We can look to New Jersey as a recent case study.
2) Retailers must charge $.10 for paper bags, *but they can keep all of the revenue*. This would be a significant revenue stream for retailers because a $.10 charge is becoming less and less effective at changing consumer behavior. **When a bag charge is implemented primarily as a revenue stream and not a mechanism for behavioral change, it is more likely to *increase* waste than decrease it.**
3) Once the retailers take these policies away from all the municipalities in the state, they will most likely never have another chance to pass their own laws due to being preempted from doing so. **We will have no access to data to measure how a policy is working**, like we currently do in Chicago. We cannot FOIA a private company.
4) Not only will they lose their freedom to pass their own laws, **municipalities will lose all the revenue that a bag policy can bring both in the short and long term, by handing it over to the retailers**.

IRMA has been a strong supporter of SB1872 and here's why: SB1872 would put IL statewide policy exclusively in the hands of retailers - wiping out the seven existing bag fees and taxes in the state including Chicago's - and **retailers could receive well over *$200 million in gross revenue annually* from this policy**. **Cities and the state would receive nothing.**

Here's how that would work. Let's assume that with a ban on single-use plastic bags and a ten-cent fee on paper would cause a statewide "loss aversion" response similar to Chicago's in 2017, and would reduce per capita statewide annual bag usage from the national average (365 bags) to the Chicago average (162 bags). With a statewide population of approximately 12,710,000, each Illinoisan would be paying $16.20 annually for paper bags. This calculates to **$205,902,000 in annual gross revenue for retailers, just from paper bags** (which many plastic bag manufacturers are now producing). Let's also not forget that per the bill, retailers are allowed to give away thicker plastics bags that meet the specifications of "reusable" in the bill for *free* and many consumers will simply switch to the "free" bag. Over $200 million in revenue from paper bags could easily help to cover the costs of free "reusable" bags - at least initially upon roll-out - and the retailers could also choose to charge a small amount for "reusable" bags as well - such as $.10 - further increasing their annual revenue. We put "reusable" bags in quotations because there is very little incentive to actually reuse them more than once or a few times at best if they are free and/or cheap.

We have already seen through eight years of data in Chicago that $.07 - $.10 is either too low to significantly change behavior or if it does, it won't last over time: consumers will adapt to paying it and a bag fee will simply become a revenue stream. We see this happening all over the country at this time with bags fees overwhelmingly stagnant around $.10. IRMA is consulting their associates in California and New Jersey, and know that a low bag fee is excellent at generating profits. Retaining the option to provide "free" bags in Illinois is even better.

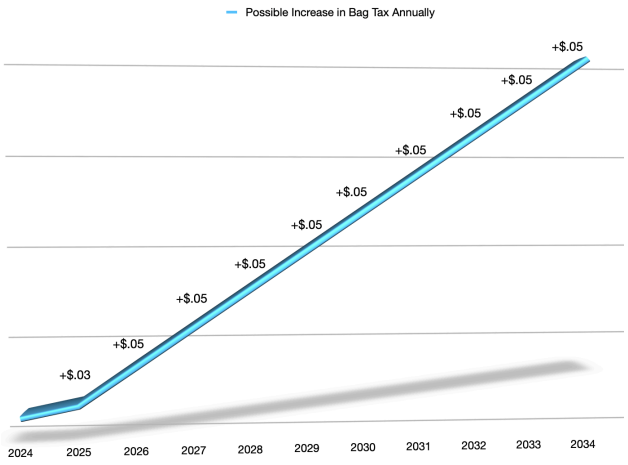
SB1872 will be a windfall in annual profits for retailers, will leave cities with nothing, and most importantly will not change consumer behavior. If a law like SB1872 were passed, it would be several more years before the law is revisited, and retailers will very likely not be motivated to be mandated to *increase* the fee to actually change consumer behavior, because the more bags they sell - single-use paper or "reusable" bags - the higher their profits.

Keeping the Chicago Checkout Bag Tax at $.07 - $.10 Isn't the Answer, and Neither is SB1872. The Consumer Choice Carryout Bag Policy Uses the Free Market to Change Behavior.

[20] Read the Beyond Plastics analysis of the New Jersey law here.

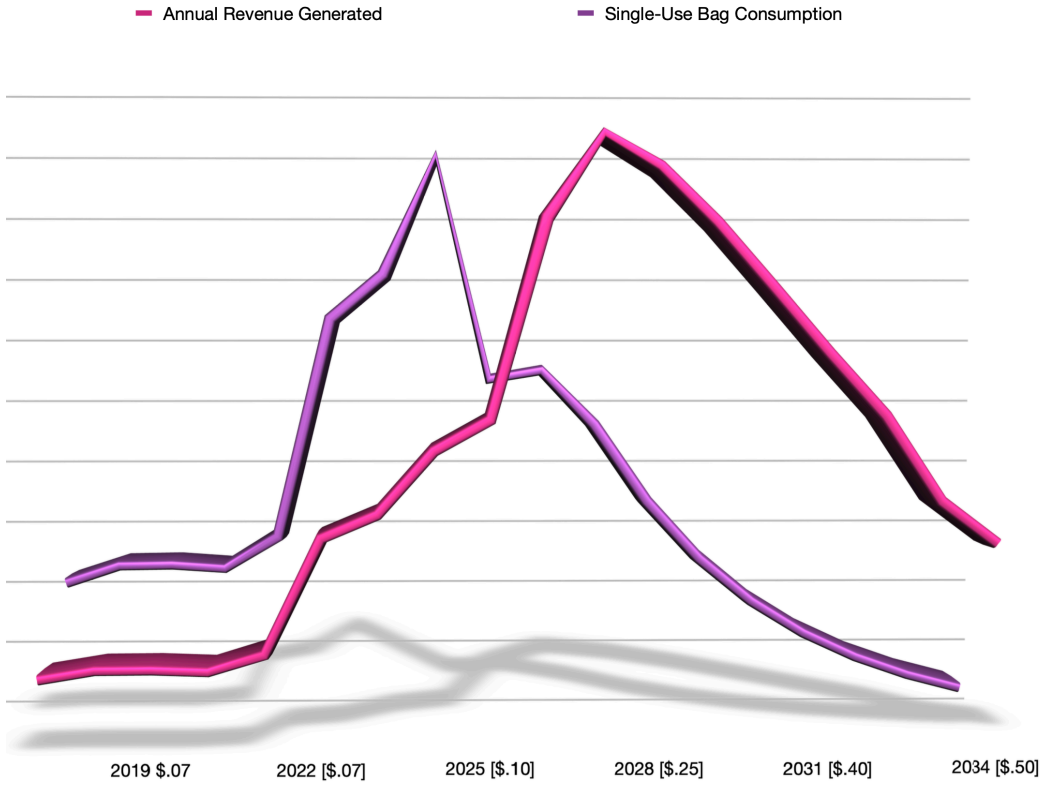
The Consumer Choice Carryout Bag Policy will effectively change human behavior, generate significant revenue over a ten-year period, and support a small long-term revenue stream. The municipality and retailers would split the tax evenly. Also, this same model can be used for other single-use plastics, such as coffee cups and lids and various other problematic single-use plastics that can easily be replaced by reusables.

One of the biggest problems we see is people adapting to stagnant fees and taxes and absorbing them over time. In order to maintain their effectiveness, these fees and taxes need to **continually be increased**. Our policy would implement a $.05 or $.10 increase in the bag fee annually. The following model is based on a $.10 increase in the bag fee annually over a ten-year period.



Through a steadily increasing bag tax in small increments of $.05 to $.10 a year, we will effectively capture a larger and larger pool of people who experience **loss aversion** and decide to change their behavior to avoid the tax. We can project bag purchases that might look like the following graph over a ten-year period: assuming no change between 2024 and 2025 (a $.03 increase), we could expect to see a projected 20% reduction in bag purchases when the tax is increased to $.20, a 10% reduction when it is increased both to $.30 and $.40, and another 20% reduction when the tax is increased to $.50. Again, $.05 increments could also be used, and we would simply have to look at the data to observe the effectiveness.

As you can see in this graph, **as the total amount of bags being purchased *decreases*, the revenue *increases*** temporarily. Then, as more people experience loss aversion, the revenue should decrease steadily while consumer behavior changes over time and the amount of bags used also decreases9. After several years the revenue will most likely stabilize at a small usage: creating a small consistent revenue stream indefinitely, or, because the usage per capita is so low (at $.50/bag the projected usage is approximately



Conclusion

The Chicago Checkout Bag Tax has not been a failure. It's easy to come to this conclusion when we look at the data - it is a shocking amount of single-use bags being used every year and the amount continues to increase. Since 2017, over *1.8 billion bags* were sold in Chicago, which translates to *430 bags used and disposed of every minute* for the past eight years. If an increase of $.03 doesn't motivate behavioral change in Chicago consumers, the predicted revenue for 2025 is $39,711,100: an increase of 80%.

We would argue, however, that **this policy will work if the revenue is continually increased - incrementally - over time.** Also, this is *not a regressive tax* because the tax is always optional: if we can remember our keys and phones when leaving the house, we can remember reusable bags to avoid paying the tax. **Plus people on government assistance would be exempt from paying the tax.** Practically speaking, sturdy reusable bags hold more than flimsy bags and are more reliable on mass transit.

Instead of handing over our policy to the retailers before it's had a chance to work, what if we held onto our Checkout Bag Tax and kept increasing the tax annually, just $.05 or $.10? The policy has been in place now for over eight years, so no one will be blindsided at this point about paying for a product that does immense harm to our environment and bodies, and languishes in landfills that are already near capacity. We would be *internalizing* the true cost of an item with a fatal design flaw: it is used for a few minutes but remains in our world for thousands of years (either in bag form, or as microplastics and nanoplastics).

What if we made good on Mayor Rahm Emanuel's promise to earmark some of that revenue for the Department of Environment, sustainability projects throughout the city, or for grants to small businesses that want to switch to reusable dishes or healthier alternatives to polystyrene?

What if, at the end of the shift, we banned single-use plastic bags and required retailers to charge a minimum of $.50 or $1.00 for paper bags, and a minimum of $2-$3 for a reusable bag? Not only would this ensure that most people were in fact using reusable bags, it would be a steady revenue stream into the indefinite future.

Through using the marketplace, we can both change behavior and generate revenue. It's another win-win-win: consumers develop sustainable habits, the city has a revenue stream, and the retailers receive an equal amount. This basic concept could be executed any number of ways, on the local level *or* the state level. We just need a progressive, forward-thinking City Council or General Assembly to take a chance on something new that could work for *everyone*.

If you're interested in discussing this idea further, please do not hesitate to contact us.

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