

10 Reasons Small Businesses Should Oppose Bag Bans

By Don Williams and Anthony van Leeuwen

September 7, 2016

Bag bans are the result of a small group of very vocal people pressuring willing politicians into implementing their personal bag choices onto the people through rules implemented on businesses. Not content with using their own reusable bags as they choose, they are irritated that everyone else doesn't adopt their lifestyle and so seek to control others. They do this by banning the use of thin film plastic bags for carrying goods, and requiring a "minimum fee" on a paper bag or a reusable plastic bag that has new composition requirements.

While this scheme has worked out well for big grocers in the form of millions of dollars of profit each year (which is why big grocers donate to bag ban pushers), it is a bad deal for the majority of small businesses who lack the scale of larger stores to implement the policy in a profitable manner. Small businesses also lack the voice, money, and influence to speak out against the negative impacts of the bag ban. And by painting bag bans as a "green" law, the bag banners have made small business owners, Chambers of Commerce, and even normal citizens hesitant to complain or oppose bag bans for fear of being labeled as "evil" environment-hating people only concerned with profits or convenience.

However, as this paper will show, small business owners (and the groups that support them) have many valid reasons to oppose bag bans. While many papers have been written as to the reasons why bag bans are unjustified, do little to help the environment, and cost taxpayers millions per year in wasted time and energy, this paper will focus specifically on issues related to small businesses.

Ten Reasons Bag Bans Are Bad for Small Businesses

1. Bag bans regulate what incentives businesses may or may not offer to customers.

Why do businesses choose to offer free bags to customers? To make it as easy as possible for customers to buy and carry-out products, and to provide a service to customers in order to increase business. The government doesn't force any business to offer bags, and no customers are forced to take them.

However, bag banners don't like the choices that businesses and their customers make. So they pass complicated and unnecessary laws that add restrictions and regulations onto business banning them from offering a free, convenient product to all of their customers. And they force businesses to charge a minimum fee for a product that they used to offer for free.

And if they do this for bags, what is next? Napkins? Straws? Bottled water? Stopping free parking spaces (to encourage public transportation)? Limiting the amount of lighting or store temperatures (to reduce electricity use)? Limiting quantities of items that people can buy (i.e. soda taxes or sugar taxes)?

2. Small businesses are being used by the government as the imposers of a bag choice that the people (and even businesses) do not want.

The entire reason for a plastic bag ban, and mandated paper bag fee, is because the businesses and people did not freely choose the "reusable" bag lifestyle. If a true case could be made against plastic bags that people would believe, then customers would not choose to use them and businesses would stop offering them.

But because this is not the case (apparently, the people are too stupid to make this choice on their own), the businesses must now be the enforcers of the “right” choice on the people. Businesses cannot offer them the plastic bag that they want, and may only provide an undesirable paper bag or a reusable plastic bag at a minimum charge.

Basically, the people are not making the “right” choice, so businesses will now be forced to take that choice away and leave customers with choices they do not want. On behalf of the government.

And businesses must deal with the frustration and anger of the customer.

3. Bag bans force businesses to change from inexpensive compact plastic bags to expensive larger paper bags.

Plastic bags are cheap, compact, simple to store and easy to dispense. Paper bags are more expensive, much larger, and harder to manage. 1000 plastic bags fit into a box about 5 inches tall, whereas 1,000 paper bags are over 2 feet tall!

And the laws don’t even allow normal paper bags to be used, but includes additional new requirements on the type and composition of paper bag that must be used, and even new bag manufacturing inspections. This invalidates existing bags in inventory, and inflates the price of new bags.

While big grocers can buy paper bags in bulk and quickly exhaust their previous inventory (or use it elsewhere), small businesses do not have that luxury. Many small businesses who purchased bags in quantity with their name printed on them found that they could not be used after the bag ban.

Big grocers can buy paper bags in bulk at 5 - 7 cents each, but small businesses end up paying 10 – 15 cents per bag. Big grocers make a profit on the 10 cent minimum fee, while small businesses lose on every bag.

Many bag bans also include requirements for businesses to track the quantities of every bag they sell for a minimum of 2 years. While big grocers can easily handle this requirement, small businesses struggle greatly with the additional accounting requirements.

4. The ban will require business to offer free paper or reusable bags to customers who participate in various public assistance programs.

California State Proposition 67 (and many local bans) require businesses to provide the more expensive paper or plastic reusable bags at NO charge to customers who participate in Supplemental Nutrition Assistance Program (SNAP), i.e. Food Stamps and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC).

While this requirement is not a burden to a store in higher income locations, it is an unfair burden to stores located in low income areas. In this situation, the grocer would have to recoup the cost of the more expensive bags from higher product prices.

Bag Bans create two classes of customers, some who pay for bags and others who do not. In other words, business will be forced to discriminate between the two classes of customers, where each class is treated differently.

5. Bag bans set a dangerous new precedent where the government dictates a “minimum price” on an object they deem “undesirable.”

Bag bans dictate the “minimum price” that a private business must charge their customer for a certain type of paper or reusable bag. This was done for two primary reasons: To avoid a forced vote by voters (because a new

bag tax would require a 2/3 majority vote under California law), and to bribe big grocers who initially opposed bag bans, but now support them with the new windfall profits from bag sales.

The city or state has never set a “minimum price” on an object, and this sets a very scary new precedent that can be used on anything they wish to indirectly influence. Businesses must now become the executioners of the government’s latest social policies in order to penalize customers into a desired behavior.

Small businesses are particularly hard hit by these new laws, especially if the “minimum price” does not cover their costs. Also, the minimum price effectively becomes the set price, as all customers know the minimum price. This makes it virtually impossible for small businesses to charge 15 to 20 cents to cover the true cost of the new regulated bags.

6. Businesses see increases in shop lifting

While big grocers have security cameras and systems in place to minimize shop lifting, small businesses lack the resources or staff to manage the changes imposed by bag bans. Now, customers are entering stores with bags, backpacks, and other items used to carry products. They may already have other products in those bags from other stores. And customers who refuse to purchase bags will be carrying out products in their hands. These were previously separated and visually tracked by bags from various stores, and bags from the businesses selling goods.

Without identifying bags, it is virtually impossible for businesses (particularly small businesses) to track the movement of products.

7. Heavy use of reusable bags results in spread of diseases and germs

Everyone knows (even the bag banners) that people do not wash reusable bags. And that was even determined when people were using reusable bags by their own choice! Just imagine when the masses are forced into using reusable bags against their will. Will they ever be washed?

This creates not only a threat to the customer, but to the clerk who has to handle many bags per day. Not to mention the additional effort required to properly sanitize the check stands due to exposure to unsanitary reusable bags. Grocery store clerks have already reported about people throwing their filthy dog-hair covered reusable bags up on the check-out stand. Is this really a good idea for anyone?

8. Use of reusable bags or imposing bag fees introduces delays and wasted time and money

If a customer has reusable bags, it takes additional time for them to organize and hand them to the cashier. They are also typically at the bottom of their basket, which takes additional time. Add to that the situations where they do not have enough bags and then need to argue or discuss with the clerk if the bags can be repacked, some items can be hand carried, or if they will purchase bags.

The process of purchasing bags also takes extra time, as bags need to be itemized and the number of bags often cannot be decided until the end, after all the items are packaged. And even if they do not want bags, the question must be asked and discussed. Every time. Every transaction. Every day.

All of this wastes time. Not only the time of the paid cashier and the person checking out, but anyone waiting in line is delayed as well.

9. Small businesses lose a key avenue of advertisement

One of the best and cheapest advertisements for small businesses is to have their business name and information printed on the side of plastic bags. Not only is it great advertisement as people walk around, but for the entire life of the bag as it is stored at home, or reused for other purposes.

Small businesses lose this ability for three reasons:

- The new regulated paper bags are so expensive that the small business needs to minimize costs and take a standard bag. The minimum quantity of bags required for unique paper bag printing means the small business must buy more than they need and have a large storeroom.
- The number of customers willing to buy paper bags is a small fraction of the overall customers.
- Paper bags are seldom reused for anything else, and typically immediately thrown away or recycled rather than repurposed.

10. Small businesses must pay the price for customer inconvenience

Not only are customers upset at the entire bag ban (and take it out on the cashier), but the very inconvenience of customers hurts small businesses. Customers buy less if they “forget” their reusable bags. Or customers steal handbaskets or carts to use. And what is a customer to do in the event it is raining?

Customers visiting grocery stores typically plan in advance to visit, and carry reusable bags. However, the usage rate of reusable bags at non-grocery stores is almost zero. Thus, not having a bag (and not getting one for free) impacts virtually every purchase at businesses other than large grocery stores, as customers realize that the more they buy, the more paper bags they will need to purchase.

Conclusion

Small businesses should not be intimidated by the accusations of being “anti-environmental” if they do not go along with the bag ban. The bag ban does little to nothing to help the environment, and may even be worse for the environment overall when all factors are considered. Small businesses should not be forced to bear the cost and negativity of social manipulation laws being imposed by the government. The government should make their case for or against various bags, and let the market decide.

Bag ban regulations should be opposed as they create cost, logistics, theft, sanitation, and customer satisfaction issues for the small business. And they empower the government to micro-manage decisions that should be left to the business owners.

The type of bag offered by a business should be left as a decision between the business and the customer.

About The Authors

Don Williams is the founder of the [“Stop the Bag Ban”](#) citizens group in the San Francisco bay area. He holds a bachelor’s degree in Mechanical Engineering and has worked in the high tech field for over 25 years.

Anthony van Leeuwen is the founder of the [Fight The Plastic Bag Ban](#) website and writes extensively on the subject. He holds a bachelors and Master's degree in Electronics Engineering and has over 40 years of experience working in the federal government and private industry.