



Economic Impact of Smoking Restrictions on Business

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Smoke-free Policies Do Not Hurt the Bottom Line

- The U.S. Surgeon General has concluded that adopting smoke-free workplace policies is a wise business decision. The results of all credible peer-reviewed studies show that smoke-free policies and regulations do not have a negative impact on business revenues. Establishing smoke-free workplaces is the simplest and most cost effective way to improve worker and business health.¹
- No rigorous, scientifically conducted study has found negative economic impact from smoke-free policies; some, in fact, have found an increase in restaurant and bar sales following local or statewide restrictions on smoking in public places.²³

"Even in the number one tobacco producing state in the nation, smoke-free policies did not hurt restaurant sales."³
Adam Goldstein, MD, MPH

Smoke-free Policies Save Businesses Money

- The U.S. Environmental Protection Agency (EPA) estimates that smoke-free restaurants can expect to save about \$190 per 1,000 square feet each year in lower cleaning and maintenance costs.⁴ The EPA also estimates a savings of \$4 billion to \$8 billion per year in building operations and maintenance costs if comprehensive smoke-free indoor air policies are adopted nationwide.⁵
- The total property and contract loss due to fires caused by smoking materials was more than \$10.6 million in 1996.⁶ The National Fire Protection Association reports \$391 million in direct property damage for smoking related fires from 1993 to 1996. Landlords and restaurants with smoke-free premises have negotiated lower fire and property insurance premiums. Fire insurance is commonly reduced 25-30% in smoke-free businesses.
- The American Cancer Society reports that employees who smoke have an average insured payment for health care of \$1,145, while nonsmoking employees average \$762.⁷
- Employees who smoke, on average, take more time off due to sickness and use more healthcare resources than employees who do not smoke.^{8,9,10}
- Most people who smoke want to quit, and smoke-free policies can help smokers successfully quit smoking.¹¹

Even Cigarette Manufacturers Acknowledge the Dangers of Secondhand Smoke

- The only negative financial impact is for the tobacco industry. However, a reduction in North Carolina tobacco consumption would only reduce the overall demand for all American-grown flue cured tobacco by approximately one tenth of one percent.¹²
- Studies that have shown negative economic impact are likely not scientific studies based on objective measures such as taxable sales revenue and employment levels.
- Several tobacco industry-sponsored studies claim to show adverse effects of secondhand smoke policy. The question is—do you believe them? These studies are based on subjective interviews with business owners and are not scientifically valid.

"We believe that the conclusions of public health officials concerning environmental tobacco smoke are sufficient to warrant measures that regulate smoking in public places."
Phillip Morris website

For more information, contact NC Alliance for Health at 919-463-8328 or ncalliance@heart.org.

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- ⁷ "The Cost of Smoking to Business" American Cancer Society. [n.d.] Accessed on March 1, 2007 Download at http://www.cancer.org/docroot/NWS/content/NWS_2_1x_The_Cost_of_Smoking_to_Business.asp.
- ⁸ Halpern, M.T.; Shiklar, R.; Rentz, A.M.; Khan, Z.M., "Impact of smoking status on workplace absenteeism and productivity," *Tobacco Control* 10(3): 233-238, September 2001.
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- ¹⁰ Stewart, W.F.; Ricci, J.A.; Chee, E.; Morganstein, D. "Lost Productivity Work Time Costs From Health Conditions in the United States: Results From the American Productivity Audit." *JOEM*. 45(12): 1234-1246. December 2003.
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- ¹² Campaign for Tobacco Free Kids