



NORTH CAROLINA ALLIANCE FOR HEALTH

Tobacco Use Prevention and Cessation Funding

Overview

- Tobacco use, including e-cigarettes, has an enormous negative impact on the health of North Carolinians and the economic wellbeing of our state.
- E-cigarette use among North Carolina high school students has increased 1129% since 2011.
- North Carolina receives approximately \$140 million from tobacco companies every year as a result of the Tobacco Master Settlement Agreement, but none of that funding is spent on tobacco use prevention programs.
- By investing in evidence-based tobacco use prevention and cessation services, North Carolina can save on future medical costs caused by tobacco-related illnesses and prevent thousands of youth from becoming regular tobacco users.

Youth Tobacco Use in North Carolinaⁱ

High School

- Currently use e-cigarettes: 20.9%
- Currently smoke cigarettes: 5.7%
- Currently use any tobacco product: 27.3%
- Want to quit using tobacco: 44.9%
- Have tried to quit in the past year: 65.7%

Middle School

- Currently use e-cigarettes: 6.1%
- Currently smoke cigarettes: 2.4%
- Currently use any tobacco product: 10.4%
- Want to quit using tobacco: 41.9%
- Have tried to quit in the past year: 74.3%

The Toll of Tobacco in North Carolinaⁱⁱ

- Proportion of cancer deaths attributable to smoking: 30.5%
- Annual health care costs directly caused by smoking: \$3.81 billion*
- Medicaid costs caused by smoking: \$931.4 million*
- Residents' state and federal tax burden from smoking-caused government expenditures: \$783 per household*
- Smoke-caused productivity losses: \$4.24 billion*
- Estimated portion of tobacco industry marketing spent in North Carolina each year: \$412.4 million**

*Does not include health costs caused by exposure to secondhand smoke, smoke-caused fires, smokeless tobacco use, or cigar and pipe smoking. Tobacco use also imposes additional costs such as workplace productivity losses and damage to property.

**Published research studies have found that kids are twice as sensitive to tobacco advertising as adults and are more likely to be influenced to smoke by cigarette marketing than by peer pressure. One-third of underage experimentation with smoking is attributable to tobacco company advertising.

History of the Tobacco Master Settlement Agreement

On November 23, 1998, Philip Morris Inc., RJ Reynolds, Brown & Williamson, and Lorillard, along with 46 states, including North Carolina, entered into the Master Settlement Agreement (MSA), the largest civil litigation settlement in US history. The participating companies agreed to make annual payments in perpetuity to the Settling States to compensate them for taxpayer money spent for health-care costs connected to tobacco-related illness. The MSA clearly states that its primary purpose is to decrease youth smoking and promote public health. State legislatures are responsible for deciding how the money is spent.

Every April, North Carolina still receives approximately \$140 million in MSA payments. Yet, none of this funding is being spent to prevent youth from becoming daily tobacco users. With the lack of tobacco use prevention funding and the increased marketing of new and emerging tobacco products, including e-cigarettes, tobacco use among North Carolina youth is once again on the rise.

Per legislation passed by the NC General Assembly, 25% of the MSA funds were allocated to the Health and Wellness Trust Fund (HWTF) from 2001 to 2012, including up to \$17.3 million annually that went to youth tobacco use prevention programs. North Carolina's tobacco use prevention programs were award-winning, and the teen tobacco use fell from 38.3% in 2000 to 25.8% in 2009. In FY 2011-12, the HWTF was abolished and funding for tobacco use prevention programs was eliminated. MSA funds that had been earmarked for the HWTF were redirected to the state's general fund. Almost immediately teen tobacco use began to rise, increasing more than 15% in just two years.

By spending just a fraction of MSA funds on tobacco use prevention programming, North Carolina could save on future medical costs caused by tobacco-related illnesses and save thousands of youth from becoming daily smokers.

ⁱ Youth Tobacco Survey. North Carolina Division of Public Health. *Available at* <https://tobaccopreventionandcontrol.ncdhhs.gov/data/yts/docs/YouthTobaccoSurveyFactSheet-2019.pdf>; The Toll of Tobacco in North Carolina. Campaign for Tobacco-Free Kids. *Available at* https://www.tobaccofreekids.org/problem/toll-us/north_carolina.

ⁱⁱ The Toll of Tobacco in North Carolina. Campaign for Tobacco-Free Kids. *Available at* https://www.tobaccofreekids.org/problem/toll-us/north_carolina.