



# Tackling Tobacco Use

Helping Hoosier smokers quit and deterring youth from starting



Tobacco use remains a concerning and costly challenge to the health, quality of life and economic development of communities across the country. This challenge is particularly acute in Indiana, where the current high smoking rate of 21% ranks us as **41st in the nation for percentage of smokers.**



**Tobacco costs Indiana \$5.4 billion annually in health care costs and lost productivity.**

Tobacco use in Indiana exacts a painful, significant cost on the overall economy. Because we are a state that smokes, our economy has 520,000 fewer people and **pays \$25.3 billion less in after-tax income** to workers and residents.



**Secondhand smoke costs Indiana \$2.2 billion dollars in excess medical expenses and premature loss of life.**

*In an Indiana economy where tobacco wasn't used or produced...*

- ... an additional 178,000 jobs would exist.
- ... personal income would be \$28.7 billion higher.
- ... after-tax income would be 7% higher.
- ... more than \$100 billion in cumulative new investment would take place.
- ... per capita income would be approx. \$108 higher.



# Our 4-Part Plan

## Raise the Price

**Indiana's current 99.5¢ per pack tax is lower than all but one of our surrounding states.** Increasing price is the single most effective method for decreasing smoking rates — especially in those under age 18. A 10% increase in the real price of cigarettes would reduce the number of kids who smoke by 6-7%, and the number of pregnant women who smoke pregnant women by 7% — and result in \$1.4 billion in long-term health care savings, while adding more than \$200 million in new revenue that could be used for boosting Indiana's cessation efforts and programs. But we can aim higher, which is why we are calling for an increase of at least \$1.50 per pack.

## Restore Funding for Cessation and Prevention

**5 of 10 smokers tried to quit at least once in the past year.** Yet Indiana only spent 10% of the CDC recommended annual investment for tobacco cessation and control programs in 2014. We know that there is a tremendous opportunity to reach those who want to quit. We are asking policymakers to restore Indiana's funding for prevention & cessation and tobacco control programs to 2001 levels — a \$35 million commitment, which will put us in the top 10 states for prevention & cessation and tobacco control programs in the nation.

## Raise the Age

**An estimated 95% of adult smokers start smoking before the age of 21.** With more than 4,100 Hoosiers under age 18 becoming new daily smokers each year, raising the minimum age for sale of tobacco products from 18 to 21 would be a huge deterrent for potential new smokers. Other states and cities across the country are moving in this direction.

## Repeal Preferential Treatment for Smokers

**Employees who smoke result in increased health care costs and higher life insurance premiums for all employees.** In 1991, the Indiana General Assembly enacted a law that created special treatment for smokers, tying the hands of employers to effectively control their hiring practices and benefit programs. It's time to repeal this outdated law, repeal preferential treatment for smokers and empower businesses to effectively manage rising health care costs.

**Sources:** America's Health Rankings 2017 Annual Report; Barkey, P.M. (2005) The Economic Impact of Tobacco Use in Indiana; Berman M., et al. (2014) Estimating the Cost of a Smoking Employee; Campaign for Tobacco-Free Kids (2015) The Toll of Tobacco in Indiana; Federation of Tax Administrators 2016 State Excise Tax Rates on Cigarettes; Indiana State Department of Health: The Burden of Tobacco on Your Workplace; Indiana State Department of Health: Tobacco 21; Indiana Tobacco Quitline: Costs of Employee Tobacco Use; Lewis, C. K. & Zollinger, T. Estimating the Economic Impact of Secondhand Smoke in Indiana in 2014; Richard M. Fairbanks Foundation (2016) Report on the Tobacco Epidemic in Marion County and Indiana; Trust for America's Health, State of Obesity 2017