

SMOKEFREE LAWS HELP THE ECONOMY AND DO NOT HARM RESTAURANTS AND BARS

"The benefits of smoke free policies will be even more profound in the long term. Reduced mortality and morbidity due to limiting exposure to second-hand smoke and due to the impact of these policies on quitting will enhance countries' human capital, leading to further economic growth."

-- SmokeFree Partnership, *"Lifting the Smokescreen: 10 Reasons for a Smoke Free Europe,"* February 2006, p. 50.

Secondhand smoke is costly. Secondhand smoke claims thousands of lives worldwide each year. It imposes a heavy financial burden on businesses in the form of increased medical costs for employees, lost productivity due to illness, higher insurance premiums, and increased cleaning and property maintenance costs.¹

Yet, the tobacco industry and its front groups claim that prohibiting smoking in workplaces and enclosed public places, including pubs and restaurants, would have a devastating impact on trade and employment. There are NO objective, independent and peer reviewed studies to support this claim. Instead, all legitimate economic impact studies on business show either no economic effect or a positive one after a smokefree law goes into effect.² The evidence in support of smokefree policies is growing as the number of national and subnational jurisdictions continue to pass smokefree legislation.

The bottom line: Smokefree air is good for health, good for business and good for the economy.

Smokefree policies provide substantial economic benefits

- According to the World Health Organization, smokefree policies carry numerous economic benefits, including:
 - ✓ lower direct medical costs to care for conditions attributable to secondhand smoke exposure and reduced insurance costs;
 - ✓ increased productivity among those who quit smoking (time saved on smoking breaks) and among workers no longer exposed to secondhand smoke (absenteeism due to illness);
 - ✓ lower building maintenance costs; and
 - ✓ reduced employer liability for workers exposed to secondhand smoke in the workplace.³
- The United States Occupational Safety and Health Administration (OSHA) estimates that clean air increases productivity by 3 percent.⁴
- In Taiwan, the benefits of providing smokefree air would save more than \$1 billion a year.⁵

- In his 2003 Annual Report, Britain's Chief Medical Officer said that a comprehensive smokefree law could benefit the British economy by up to £2.7 billion. This could include up to:
 - ✓ £680m saved by having a healthier workforce, which could produce more goods;
 - ✓ £140m saved through fewer sick days;
 - ✓ £430m saved because less production would be lost to cigarette breaks; and
 - ✓ £100m saved by not having to clean up behind smokers.⁶
- A recent study by the Society of Actuaries estimates that secondhand smoke exposure results in over US\$10 billion in direct and indirect economic costs (such as disability, lost wages and related benefits) annually in the United States.⁷
- If all US workplaces were smokefree, it would save an estimated US\$279 million in medical costs every year.⁸
- In Hong Kong SAR, the annual value of direct medical costs, long-term care and productivity loss due to secondhand smoke exposure is estimated to be US\$156 million.⁹

Smokefree policies do not harm restaurants, bars and pubs

- A study in the journal *Tobacco Control* offered a comprehensive review of all available studies on the economic impact of smokefree workplace laws and concluded that: "All of the best designed studies report no impact or a positive impact of smokefree restaurant and bar laws on sales or employment. Policymakers can act to protect workers and patrons from the toxins in secondhand smoke confident in rejecting industry claims that there will be an adverse economic impact."¹⁰
- Since the implementation of smokefree laws in Ireland in 2004, visiting patterns to restaurants have been virtually unchanged. In addition, 92 percent of the population stated that they would be either more likely or just as likely to visit a restaurant to eat.¹¹
- In Norway, customer frequency figures for bars and restaurants were virtually unchanged after the smoking ban, including smokers.¹²
- In Scotland, a review of the health and economic impacts of smoking restrictions on the hotel, bar, and restaurant industries, using sales tax and employment data, "have failed to find any statistically significant effect."¹³
- A survey commissioned by ASH UK found that 20 percent of nonsmokers reported that they frequented pubs more often since the smoking ban.¹⁴
- A Canadian report demonstrates that the implementation of Ontario's comprehensive smoke free law in 2001 had no negative impact on sales in bars and restaurants.¹⁵
- Gaming group Rank, which has 86 clubs in England, says its company shares were up by 8.75 percent since the ban.¹⁶
- In July 2006, a report on The Health and Economic Impact of New York's Clean Indoor Air Act found that "the law has not had an adverse financial impact on bars and restaurants."¹⁷ The report examined sales tax receipts from 1999 to 2004 from a sample of vendors who had filed a tax return for each quarter. The analysis showed

that, "the CIAA had no apparent effect on sales tax receipts for bars or full service restaurants or on totals from all retailers in New York City or New York State."

- The Surgeon General's 2006 Report on *The Health Consequences of Involuntary Exposure to Tobacco Smoke* examined numerous studies from states and local communities across the United States. The report concluded that, "Evidence from peer-reviewed studies shows that smoke-free policies and regulations do not have an adverse economic impact on the hospitality industry."¹⁸

The business community increasingly supports smokefree laws

- Ralph Findlay, Chief Executive of Wolverhampton & Dudley Breweries, one of Britain's largest pub chains, dismissed dire predictions for the industry and said smoky atmospheres discouraged nonsmokers from going into pubs. "About 35 percent of the population currently do not go to pubs because of smoking, so the more we can do to encourage that group of people, the better."
- Keith Bloch, Manager at Red Lobster in Saskatoon, Canada says, "People are very happy about it. That's why they come here now, because it's non-smoking."¹⁹
- Michael O'Neal, former president of the New York State Restaurant Association was quoted in Nation's Restaurant News, saying, "I feel strongly that it is pro-business and pro-health to eliminate smoking in all workplaces, including restaurants. Smokefree workplace legislation is good for all businesses, including the restaurant business."²⁰

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