

# Smoke-free Workplaces: Good for Business

## Why Do Smoke-free Workplaces Save Money?

No legal claims from non-smokers exposed at work <sup>1</sup>
No added healthcare costs from non-smokers exposed to secondhand smoke at work <sup>2</sup>
↓ Housekeeping and maintenance costs <sup>2</sup>
↑ Number of employees who quit smoking <sup>1</sup>

## What Does a Smoking Employee Cost Business?\*

	<i>Estimated Annual Cost (in 2010 dollars)</i>
More absences due to illness	517
Lower productivity	462
Time lost for smoking breaks	3077
Higher healthcare costs (if self-insured)	2056
Pension savings (if defined-benefit pension plan)	(296)
<b>Total costs per smoking employee</b>	<b>\$5816</b>

\*Adapted from Berman, Crane, Seiber, & Munur (2013)<sup>2</sup>

## How do Cessation Programs Benefit Business?

↓ Healthcare costs 1 year after quitting; (close to never-smokers' costs by year 10) <sup>3</sup>
↓ 3.1 illness days/year per "quitter" for the rest of their employment <sup>2</sup>
Immediate ↓ in smoke break costs (largest single cost) <sup>1</sup>
<b>Benefits of workplace cessation outweigh expenses in 4 years<sup>1</sup></b>



<sup>1</sup> The health consequences of involuntary exposure to tobacco smoke: a report of the Surgeon General. – [Atlanta, Ga.] : U.S. Dept. of Health and Human Services, Centers for Disease Control and Prevention, Coordinating Center for Health Promotion, National Center for Chronic Disease Prevention and Health Promotion, Office on Smoking and Health, [2006]

<sup>2</sup> Berman M, Crane R, Seiber E, & Munur M. Estimating the cost of a smoking employee. *Tob Control* 2014;423-433. doi:10.1136/tobcontrol-2012-050888.

<sup>3</sup> Javitz HS, Zbikowski SM, Swan GE, Jack LM. Financial burden of tobacco use: an employer's perspective. *Clin Occup Environ Med* 2006; 5:9-29. doi:10.1016/j.coem.2005.10.007.

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## *The Kentucky Chamber of Commerce Supports Smoke-free Policies*

- 92% of Kentucky Chamber members are supportive of smoke free laws.<sup>4</sup>
- The Kentucky Chamber of Commerce supports a statewide smoke-free law,<sup>5</sup> noting that:

***“Smoking is not only killing us, it is bankrupting us – both in terms of costs to business and costs to government.” - Dave Adkisson, President and CEO, Kentucky Chamber of Commerce, 2013***

## ***How Does Smoking Bankrupt Kentucky and the Region?***

- |  |  |
|--|--|
| ➤ Kentucky’s <i>annual</i> health care costs caused by smoking | <b>\$1.92 billion<sup>6</sup></b>        |
| ○ Portion covered by Medicaid                                  | <b>\$589.8 million<sup>6</sup></b>       |
| ➤ Kentucky residents’ tax burden from smoking-related expenses | <b>\$1,185 per household<sup>6</sup></b> |
| ➤ Smoking-caused productivity losses in Kentucky               | <b>\$2.79 billion<sup>6</sup></b>        |
| ➤ Tobacco-related healthcare costs each year in the Southeast  | <b>\$7.33 billion<sup>7</sup></b>        |

## ***Is Smoke-free Policy an Economic Turning Point for Kentucky?***

- For every \$1 earned by Kentucky tobacco growers, Kentucky spends more than \$4 treating sick smokers.<sup>8</sup>
- A study of 216 communities in 8 Southeastern states including Kentucky showed no economic downturn from local smoke-free laws and increased restaurant employment in West Virginia.<sup>9</sup>
- Comprehensive smoke-free policy reduces smoking,<sup>10</sup> which is quickly followed by lower healthcare expenses in the next year.<sup>7</sup>
- 87% of guests prefer a smoke-free hospitality environment.<sup>11</sup>
- Although Kentucky’s historic ties to tobacco run deep in many counties, we can no longer afford to lead the nation in smoking, chronic disease and early and painful death from smoking and secondhand smoke exposure.<sup>12</sup>

***“The smoking ban is a non-issue in London. We all got re-elected and new restaurants have been built. No complaints, not even from the bars.” – Mayor Troy Rudder, London, KY, 2013***

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<sup>4</sup>Kentucky Chamber of Commerce (2013). *2013 public policy survey*.

<sup>5</sup>Kentucky Chamber of Commerce (2013). *Smoke-free policies: Good for business, good for Kentucky*. Retrieved from <http://www.kychamber.com/news/2012/07/13/smoke-free-policies-good-business-good-kentucky>

<sup>6</sup>Campaign for Tobacco-Free Kids (6/20/16). *The toll of tobacco in Kentucky*. Retrieved from [http://www.tobaccofreekids.org/facts\\_issues/toll\\_us/kentucky](http://www.tobaccofreekids.org/facts_issues/toll_us/kentucky)

<sup>7</sup>Lightwood J, Glantz SA. *Smoking Behavior and Healthcare Expenditure in the United States, 1992-2009: Panel Data Estimates*. *PLoS Med* 2016;13(5):e1002020.

<sup>8</sup>Snell, W.W., (6/4/13). *Tobacco data for KY, post buyout (2005-2012) in total value (\$s) and total lbs*. Unpublished data, Department of Agricultural Economics, University of Kentucky, Lexington, Kentucky.

<sup>9</sup>Loomis, GR, Shafter PR, van Hasselt M. *The economic impact of smoke-free laws on restaurants and bars in 9 states*. *Prev Chronic Dis* 2013; 10:120327

<sup>10</sup>Guide to Community Preventive Services. *Reducing tobacco use and secondhand smoke exposure: Smoke-free policies*. Centers for Disease Control and Prevention. <https://www.thecommunityguide.org/tobacco/smokefreepolicies.html>. Last Updated: 09/22/2014.

<sup>11</sup>J.D. Power and Associates. *As Industry Begins to Rebound from Downturn, Satisfaction with Hotels Increases Notably* [press release]. July 27, 2010.

<sup>12</sup>Hahn, E.J. (July 29, 2013). *Kentucky Voices: it’s time to take Kentucky smoke-free statewide*. *Lexington Herald-Leader*. Retrieved from <http://www.kentucky.com/opinion/op-ed/article44436273.html>.