

Smoke-free Policies: Good for Business



The Surgeon General's reported in 2006ⁱ and again 2010ⁱⁱ that there is no risk-free level of exposure to secondhand smoke (SHS). Smoke-free laws and policies provide immediate and long-term health benefits for both people who smoke and those who do not and are good for businesses and workers. In fact, a recent report by the National Cancer Institute and the World Health Organization concluded that "smoke-free policies do not have negative economic consequences for businesses, including restaurants and bars, with a small positive effect being observed in some cases."ⁱⁱⁱ

FACT: Smoke-free Laws Do NOT Harm Restaurants

Numerous studies examining the impact of state and local smoke-free restaurant laws have found that these laws do not hurt, and may even benefit, restaurant sales.

- Studies examining the impact of local or statewide smoke-free laws in California, New York, Massachusetts, Arizona, Indiana, Wisconsin, Florida, Maryland, Kentucky, Kansas, North Carolina, Alabama, Indiana, Mississippi, Missouri, South Carolina, Texas, West Virginia, and North Dakota found that smoke-free laws had either positive or no effects on restaurant revenues and other economic indicators.^{iv,v, vi,vii, viii, ix, x,xi, xii,xiii, xiv}
 - For example, one year after the passage of a strong smoke-free ordinance went into effect in New York City, the city's bars and restaurants experienced an 8.7 percent increase in tax receipts – an increase of approximately \$1.4 million – and the rate of restaurant openings remained unchanged.^{xv}
 - As another example, a 2012 study of restaurants and bars in 11 Missouri cities found that eight of the cities experienced increases in sales after local smoke-free ordinance implementation and the other three did not experience any decline.^{xvi}
- Smoke-free ordinances may actually increase restaurant resale values. Smoke-free restaurants in California and Utah had a 16 percent (or \$15,300) median increase in sale price compared to restaurants in communities where smoking was permitted.^{xvii}
- More people are demanding smoke-free establishments. In Michigan, a 2011 poll found that 74 percent of likely voters support the state's smoke-free law, compared with 66 percent that supported the law before it went into effect. In addition, 93 percent of respondents indicated that they go to restaurants and bars just as or more often than they did before the law took effect.^{xviii}

FACT: Smoke-free Laws Do NOT Harm Bars

Numerous studies have also found that smoke-free bar laws do not hurt, and may even benefit, bar sales.

- Research examining the impact of smoke-free ordinances in communities in California, Florida, Kentucky, Massachusetts, Maryland, Minnesota, New York, Oregon, Texas, North Dakota, Alabama, Indiana, Mississippi, Missouri, South Carolina, and West Virginia showed that these laws had no negative effect on bar sales or service workers' employment.^{xix, xx, xxi, xxii, xxiii, xxiv, xxv, xxvi, xxvii, xxviii, xxix, xxx} In fact, bar businesses are no more sensitive to changes in smoking behavior than other hospitality businesses.^{xxxii}
- A 2007 study found that smoke-free ordinances had no significant effect on the resale value and profitability of bars, contrary to the 30 percent decrease in value purported by the tobacco industry.^{xxxiii} These data were supported by studies in nine states including Texas and Florida, all of which reported no effect or an increase in bar revenue and employment following passage of smoke-free laws.^{xxxiii, xxxiv, xxxv}
- Public support for smoke-free bars is strong. Surveys conducted in Montana and Nebraska found that a vast majority respondents planned to visit bars, restaurants, bowling allies and other service industries equally or more frequently than they did prior to the implementation of smoke-free laws in their communities.^{xxxvi, xxxvii} A 2010 Ohio poll also found that nearly three in four voters believed that bar employees should be protected from SHS in their workplaces.^{xxxviii}

FACT: Smoke-free Laws Do NOT Reduce Tourism

Several studies have shown that smoke-free policies do not affect tourism or hotel/motel revenues.^{xxxix, xl, xli, xlii, xliii}

- One study found that smoke-free laws were associated with increased hotel revenues in four localities: Los Angeles, CA, New York City, NY, Mesa, AZ, and the state of Utah.^{xliv}
- Another study found that the number of tourists that visited California and New York increased after the implementation of these states' smoke-free policies. Additionally, the study looked at seven other localities and observed no significant changes in tourism following the implementation of smoke-free policies.^{xlv}
- Approximately one year after Florida's smoke-free law took effect, researchers found no significant change in the number of visits to recreational sites across the state. Moreover, the number of people employed in the leisure and hospitality industry increased almost 2 percent.^{xlvi}
- One study of Hawaii that controlled for economic trends of the recession and seasonal trends found that the law was associated with positive trends in tourism and tourism employment five years after implementation of their statewide law.^{xlvii}

FACT: Smoke-free Laws SAVE Businesses Money

The costs of secondhand smoke are significant. The 2014 Surgeon General's report estimated the economic value of lost wages, fringe benefits, and workforce associated with premature mortality due to SHS exposure to be \$5.6 billion per year nationwide. This estimate excludes the losses due to morbidity and far underestimates the total economic impact of SHS.^{xlviii}

- Smoking employees have significantly higher absenteeism and injury, accident, and disciplinary rates than their nonsmoking colleagues.^{xlix, l, li, lii, liii, liv}
- Some business owners have been found liable in lawsuits filed by sick employees seeking damages related to smoking in the workplace.^{lv, lvi, lvii, lviii, lix}
- Business owners that allow smoking in the workplace increase their costs of doing business: Employers pay increased health, life, and fire insurance premiums, make higher workers' compensation payments, incur higher worker absenteeism, and settle for lower work productivity.^{lx, lxi, lxii, lxiii, lxiv, lxv, lxvi, lxvii} Other costs associated with smoking in the workplace are increased housekeeping and maintenance costs.
- One year after New York City's smoke-free law took effect, smoking among the city's adults declined 11 percent, resulting in 140,000 fewer people who smoke, and preventing 45,000 premature deaths. These declines in smoking and related disease saved over \$500 million annually in tobacco-related health care costs, part of which would have been incurred by local businesses.^{lxviii, lxix}

Conclusion

Existing research strongly indicates that smoke-free laws are good for businesses, for workers, and for customers. Research published in leading scientific journals has shown consistently and conclusively that smoke-free laws have no adverse effects on the hospitality industry,^{lxx, lxxi} and actually benefit businesses. The 2006 Surgeon General's Report furthers this point, concluding that "evidence from peer-reviewed studies shows that smoke-free policies and regulations do not have an adverse economic impact on the hospitality industry."^{lxxii} No one should have to choose between their job and their health.

ACS CAN strongly supports legislative and regulatory measures that prohibit smoking in public places and work environments. Furthermore, ACS CAN opposes preemptive state and federal legislation that restricts local authorities from regulating smoke-free air and urges policymakers and community leaders to support smoke-free efforts, which reduce and prevent disease, suffering and death from tobacco.

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