

## Big Tobacco Targets People with Limited Incomes

While overall smoking rates have declined in recent years, smoking rates remain higher among specific populations, including people with limited incomes. These differences are in large part due to the tobacco industry's targeted marketing through advertising, price discounting and other strategies.<sup>i</sup> Every year the tobacco industry spends \$9.1 billion in the United States marketing their deadly and addictive products.<sup>ii</sup>

### Tobacco Use by People with Limited Incomes

In 2020, smoking rates were particularly high for adults with an annual household income of less than \$35,000, for whom the smoking rates was 20.2%, well above the overall adult smoking rate of 12.5%.<sup>iii</sup> Examining use of any tobacco product, 25.2% of adults with household incomes below \$35,000 annually used tobacco products, compared to 19.0% of the adult population overall.<sup>iv</sup>

### Tobacco Industry Targeting of People with Limited Incomes

The tobacco industry has a long and well-documented history of targeting people with limited incomes with discounts and promotions of its deadly and addictive products dating back over 60 years.<sup>v,vi,vii</sup> Previously secret tobacco industry documents confirm the companies have utilized a variety of tactics to target people with limited incomes. Historically the tobacco industry has engaged in the following tactics to target people with limited incomes:

- Handed out free cigarettes to children in housing projects, particularly targeting Black children from households with limited incomes.<sup>viii</sup>
- Provided tobacco coupons with food stamps by enclosing coupons for 25 cents off a pack of cigarettes in the envelope with food stamps.<sup>ix</sup> This program was targeted at Black and Hispanic families living in inner-city neighborhoods with limited incomes.
- Targeted coupons at women with limited incomes.<sup>x</sup>
- Gave away gas cash cards and other rewards debit cards, targeted at women with limited incomes.<sup>xi</sup>

Big Tobacco's targeting of people with limited incomes continues today. Tobacco retailers are disproportionately located in communities with limited incomes where tobacco retailers are more likely to be near schools than in other neighborhoods.<sup>xii</sup> One study of 30 U.S. cities found that there are nearly 5 times more tobacco retailers per square mile in the neighborhoods with the lowest income compared to the neighborhoods with the highest income.<sup>xiii</sup> Individuals are exposed to increased amounts of tobacco retail advertising in areas with high concentrations of tobacco retailers. In fact, retail marketing, including in-store advertising, product displays, and discounts accounts for a large portion of the tobacco industry's marketing budget. In 2020 Big Tobacco spent 97% of their total cigarette and smokeless tobacco advertising and promotion budgets on strategies that facilitated retail sales, such as price discounts, point-of-sale advertising, coupons, and payments to ensure prime retail space.<sup>xiv</sup>

Big Tobacco is using the same playbook to addict people with e-cigarettes by selling them at significant discounts and initially distributing free e-cigarettes. In 2018 the six largest e-cigarette manufacturers spent

over \$36 million on coupons and over \$11 million on retail-added-value promotions, such as “bogo deals,” offering to distribute a free e-cigarette upon the purchase of another e-cigarette.<sup>xv</sup>

## Big Tobacco’s Deceptive and Targeted Marketing Costs Lives

Big Tobacco’s deceptive marketing practices, coupled with current low tobacco prices they have fought for, continue to incentivize smoking for people with limited incomes and other populations at higher risk of being targeted by Big Tobacco, causing these groups to shoulder a disproportionate share of the real cost of tobacco use. Smoking harms nearly every organ in the body and remains the number one cause of preventable death.<sup>xvi</sup> Smoking is the single largest contributing risk factor to cancer in the United States, increasing the risk of at least 12 cancers.<sup>xvii</sup>

Smoking causes approximately 30% of cancer deaths.<sup>xvii</sup>

<sup>i</sup> The Truth Initiative, Campaign for Tobacco-Free Kids, American Heart Association and American Stroke Association, American Cancer Society Cancer Action Network, American Lung Association, Americans for Nonsmokers’ Rights, and Robert Wood Johnson Foundation. A report entitled *Broken Promises to Our Children: A State-By-State Look at the 1998 State Tobacco Settlement 19 Years Later*. December 2017. Available on-line at: <https://www.tobaccofreekids.org/what-we-do/us/statereport>.

<sup>ii</sup> U.S. Federal Trade Commission (FTC), Cigarette Report for 2020, 2021 <https://www.ftc.gov/system/files/documents/reports/federal-trade-commission-cigarette-report-2020-smokeless-tobacco-report2020/p114508fy20cigarettereport.pdf> [data for top 5 manufacturers only].; FTC, Smokeless Tobacco Report for 2020, 2021, <https://www.ftc.gov/system/files/documents/reports/federal-trade-commission-cigarette-report-2020-smokeless-tobacco-report2020/p114508fy20smokelesstobacco.pdf> [Data for top 5 manufacturers only]. FTC, E-Cigarette Report for 2019 – 2020, 2022. [https://www.ftc.gov/system/files/ftc\\_gov/pdf/E-Cigarette%20Report%202019-20%20final.pdf](https://www.ftc.gov/system/files/ftc_gov/pdf/E-Cigarette%20Report%202019-20%20final.pdf)

<sup>iii</sup> Centers for Disease Control and Prevention. “Tobacco Product Use Among Adults – United States, 2020.” *Morbidity and Mortality Weekly Report*, 71 (11); 397-405. March 18, 2022.

<sup>iv</sup> Centers for Disease Control and Prevention. “Tobacco Product Use Among Adults – United States, 2020.” *Morbidity and Mortality Weekly Report*, 71 (11); 397-405. March 18, 2022.

<sup>v</sup> U.S. Department of Health and Human Services. Preventing Tobacco Use Among Youth and Young Adults: A Report of the Surgeon General. Atlanta, GA: U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, National Center for Chronic Disease Prevention and Health Promotion, Office on Smoking and Health, 2012.

<sup>vi</sup> Brown-Johnson, CG, England, LJ, Glantz, SA, and Ling, PM. Tobacco industry marketing to low socio-economic status women in the U.S. *Tob Control*, 23(0): e139–e146, 2014.

<sup>vii</sup> Siahpush, M, Farazi, P, Kim, J, Michaud, T, Yoder, A, Soliman, G, Tibbits, Nguyen, M, Shaikh, R. Social disparities in exposure to point-of-sale cigarette marketing. *Int J of Environ Res Public Health*, 13(12): 1263, 2016.

<sup>viii</sup> Tobacco Control Legal Consortium. *Evans v. Lorillard: A Bittersweet Victory Against the Tobacco Industry*. Updated August 2016. <http://www.publichealthlawcenter.org/sites/default/files/resources/tclc-Evans-v-Lorillard-case-study-2016.pdf>

<sup>ix</sup> Brown-Johnson CG, England LJ, Glantz SA, et al. Tobacco industry marketing to low socioeconomic status women in the USA. *Tobacco Control* 2014;23:e139-e146.

<sup>x</sup> *Ibid.*

<sup>xi</sup> *Ibid.*

<sup>xii</sup> truth initiative. “Why Are 72% of Smokers from Lower-Income Communities?” January 24, 2018. <https://truthinitiative.org/news/why-are-72-percent-smokers-lower-income-communities>

<sup>xiii</sup> Aspire Center. Retail Tobacco Density & Access. Available at: [http://aspirecenter.org/wp-content/uploads/2020/08/ASPiRE\\_RetailTobaccoDensityandAccess\\_ExecSumm.pdf](http://aspirecenter.org/wp-content/uploads/2020/08/ASPiRE_RetailTobaccoDensityandAccess_ExecSumm.pdf)

<sup>xiv</sup> U.S. Federal Trade Commission (FTC), Cigarette Report for 2020, 2021 <https://www.ftc.gov/system/files/documents/reports/federal-trade-commission-cigarette-report-2020-smokeless-tobacco-report2020/p114508fy20cigarettereport.pdf> [data for top 5 manufacturers only].; FTC, Smokeless Tobacco Report for 2020, 2021, <https://www.ftc.gov/system/files/documents/reports/federal-trade-commission-cigarette-report-2020-smokeless-tobacco-report2020/p114508fy20smokelesstobacco.pdf> [Data for top 5 manufacturers only].

<sup>xv</sup> U.S. Federal Trade Commission (FTC), E-Cigarette Report for 2015 – 2018. Issued 2022. [Federal Trade Commission E-Cigarette Report for 2015-2018 \(ftc.gov\)](https://www.ftc.gov/system/files/documents/reports/federal-trade-commission-e-cigarette-report-2015-2018/e-cigarette-report-2015-2018.pdf) [data for top 6 manufacturers only].

<sup>xvi</sup> Centers for Disease Control and Prevention (CDC). Health Effects of Cigarette Smoking. Updated October 29, 2021. [https://www.cdc.gov/tobacco/data\\_statistics/fact\\_sheets/health\\_effects/effects\\_cig\\_smoking/](https://www.cdc.gov/tobacco/data_statistics/fact_sheets/health_effects/effects_cig_smoking/)

<sup>xvii</sup> American Cancer Society. [Cancer Facts and Figures 2022](https://www.cancer.org/healthy/2022-cancer-facts-and-figures). Atlanta, Georgia. 2022.