



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 19%¹ ranks us as **41st in the nation for percentage of smokers.**



Tobacco costs Indiana \$7.6 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 dollars² 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.

Sources

¹ https://www.americashealthrankings.org/explore/annual/measure/Overall_a/state/IN?edition-year=2020

² Berman, M. et.al (2014) Estimating the Cost of a smoking employeee

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We are a group of dedicated Indiana health care professionals, advocates, community and business leaders committed to improving the health of our state. Commit to a #HealthierIndiana by helping us build awareness and becoming a partner organization. **Join us at HealthierIndiana.**



Our 3-Part Plan

Raise the Price on Cigarettes

Indiana's current 99.5 cent per pack tax is lower than all of our surrounding states.¹ Increasing the price per pack by an additional \$2 is the single most effective method for decreasing Indiana's stubbornly high smoking rate – especially in those under 18 years of age. Changes in behavior would occur in key demographics:

- An increase in the real price of cigarettes would reduce the number of kids who start smoking and become adult smokers by 39,000 individuals.² The long-term health savings associated with fewer youths ever becoming adult smokers with long-term chronic health conditions results in billions of dollars of savings.³
- Likewise, the health care cost savings from fewer smoking-affected pregnancies and births produces over \$32M in savings over a five-year period.⁴ Real cost savings of \$13M are also realized for the State of Indiana under the Medicaid program over a five-year period.⁵
- Seventy percent (70%) of Hoosier African-Americans smokers reported a quit attempt in the last twelve months which is significantly higher than other demographics.⁶

An increase of \$2 per pack would generate annual revenues of \$345M which could be used for targeted investments in public health.⁷

Institute a Tax on E-cigarettes

Twenty (20%) of all high school students and more than 5% of middle school students currently vape.⁸

A 2018 Indiana State Department of Health survey found that in the past six years, e-cigarette use soared by 387% among high school students and almost as much among middle school students.⁹ Indiana ranks third in e-cigarette usage prevalence.¹⁰ To protect our youth Indiana needs to better regulate the use and price of e-cigarette or vaping products. The Alliance is calling for the legislature to implement a tax comparable to that of traditional cigarette/tobacco products on all e-cigarette and vaping products including delivery devices.

Increase and Better Target Tobacco Cessation and Prevention Funding

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.

Sources

¹ Orzechowski & Walker, Tax Burden on Tobacco, 2018; media reports; state revenue department websites.

² Boonn, Chaloupka & McMahan, New Revenues, Public Health Benefits & Cost Savings from a \$2 Cigarette Tax Increase in Indiana; <https://www.fightcancer.org/policy-resources/state-tobacco-tax-increases-explanations-and-sources-projections-new-revenues>

³ Ibid

⁴ 2008 Indiana Adult Tobacco Survey; 2004-2008 Behavioral Risk Factor Surveillance System.

⁷ Boonn, Chaloupka & McMahan, New Revenues, Public Health Benefits & Cost Savings from a \$2 Cigarette Tax Increase in Indiana; <https://www.fightcancer.org/policy-resources/state-tobacco-tax-increases-explanations-and-sources-projections-new-revenues>

⁸ 2018 Indiana Youth Tobacco Survey along with 2017 data from the CDC's Behavioral Risk Factor Surveillance System of e-cigarette users in all 50 states.

¹⁰ Ibid