

The Business Case for Smoke-Free Air

Frank J. Chaloupka
Distinguished Professor
Economics and Public Health
University of Illinois at Chicago

Health Impact of Cigarette Smoking

- Estimated 438,000 deaths caused by smoking each year
 - Smoking harms nearly every organ in the body
 - More deaths than from HIV/AIDS, alcohol use, illicit drug use, traffic crashes, homicides, and suicides combined
- At least an additional 26,100 deaths per year from exposure to secondhand smoke
 - Lung cancers, cardiovascular diseases, respiratory diseases and more

Economic Impact of Cigarette Smoking

- Health consequences of smoking result in considerable economic costs
 - Direct costs from smoking estimated at more than \$208 billion per year
 - Over \$4 billion in Wisconsin
 - \$94.4 billion in health care costs to treat illnesses caused by smoking
 - \$2.2 billion in Wisconsin
 - \$115 billion in lost productivity from premature deaths caused by smoking
 - \$1.8 billion in Wisconsin

Sources: CDC, 2005, 2006; estimates updated to account for inflation

Economic Impact of Cigarette Smoking

- Significant costs from non-smokers' exposure to second hand tobacco smoke
 - Over \$5.3 billion in additional health care costs
 - Nearly \$5.0 billion in additional lost productivity

Economic Impact of Cigarette Smoking

- Additional costs to businesses include:
 - Lost productivity from illnesses caused by smoking
 - Sick days among smokers almost 60% greater than for nonsmokers (average of 2.3 more sick days per year)
 - Over \$31 billion in additional lost productivity due to absenteeism among smokers
 - Lost productivity from smoking breaks
 - Average of 3 breaks per day, 13 minutes per break
 - Billions more in lost productivity

Economic Impact of Cigarette Smoking

- Additional costs to businesses include:
 - Higher insurance premiums
 - Increased health insurance premiums
 - Higher fire and property insurance premiums
 - Premiums 25-30% lower for smoke-free businesses
 - More work place accidents
 - Higher cleaning and maintenance costs
 - Increased legal liability among nonsmokers harmed by workplace exposure to tobacco smoke

Smoke Free Policies Work

- Significantly reduce exposure to tobacco smoke among non-smokers
- Encourage smokers to quit or cut back
- Immediate reductions in risks of health consequences
- Lower health care costs and insurance premiums
- Increased productivity
- Reduced cleaning and maintenance costs

Smoke Free Policies Work

Smoke Free Air Policies and Adult Smoking Prevalence, 2003-04

