

Economic Impact of Smoke-Free Policies

As the public has become more aware of the dangers of secondhand smoke, many communities have enacted laws to regulate smoking in workplaces and public places, including bars and restaurants. Opponents claim that smoke-free ordinances cause economic damage to businesses. However, a comprehensive review of all available studies on the economic impact of smoke-free laws concluded “all of the best designed studies report no impact or a positive impact of smoke-free restaurant and bar laws on sales or employment.”ⁱ Here are the facts:

Smoke-Free Laws Do Not Hurt Restaurant and Bar Business

- Data from New York City shows that business tax receipts for restaurants and bars increased 8.7% in the months after their law went into effect compared to the same period a year earlier. Employment in New York City restaurants and bars increased significantly after the implementation of the smoke-free lawⁱⁱ and a recent survey of 30,000 New Yorkers found that 23% of restaurant-goers are eating out more often because of the new law.ⁱⁱⁱ
- A study conducted at the Harvard School of Public Health found that Massachusetts’ smoke-free law had no negative impact on meal and alcoholic beverage sales.^{iv}
- The U.S. Centers for Disease Control and Prevention found that an El Paso, TX policy did not negatively impact restaurant and bar revenue. There was no change in overall restaurant and bar revenues, bar liquor sales, or restaurant/bar revenue as a percentage of total revenue.^v
- A University of Wisconsin study found restaurant sales increased 24% in Madison after a smoke-free ordinance went into effect, compared to a 19% increase in the rest of the state.^{vi} Most recently, data from Madison and Appleton, WI indicate a five-year low in bar closings and a significant increase in new liquor licenses issued following the enactment of comprehensive smoke-free policies in those communities.^{vii}
- Researchers compared California bar sales for the first five cities and two counties requiring all bars to be smoke-free with bar sales of comparable communities in the state that did not. Smoke-free laws were found to have no negative effect on bar sales.^{viii}
- Retail receipts for taverns, nightclubs, bars that serve food, and liquor stores, remained unaffected by Florida’s statewide smoke-free law.^{ix}
- A series of studies of sales tax data from 81 localities in six states demonstrated that smoke-free policies have no negative effect on restaurant revenues.^x

Smoke-Free Laws Do Not Hurt Tourism

- A Florida study found that the statewide smoke-free law had no negative impact on sales and employment in the hotel, restaurant, or tourism industry.^{xi}
- An analysis of sales tax revenues and hotel visitors in three states and six cities with comprehensive smoke-free restaurant ordinances found that none experienced a drop in hotel visitors and some registered increases after smoke-free laws went into effect.^{xii}
- New York City’s hotel revenue increased for the first time in three years after the smoke-free law took effect.^{xiii}

Smoke-Free Laws Save Businesses Money

- The medical costs and economic losses to nonsmokers suffering from lung cancer or heart disease due to secondhand smoke are estimated to total nearly \$6 billion a year.^{xiv}
- Smoke-free policies reduce housekeeping and maintenance costs, lower insurance rates and result in fewer smoking-related fires. Smoke-free businesses have healthier workers and healthier workers miss less work, are more productive, and have lower health care costs.^{xv}
- Secondhand smoke harms the health and productivity of nonsmokers and has been estimated to cost employers \$1,300 per smoker per year.^{xvi}
- Workplace smoking also increases an employer’s potential legal liability. Nonsmoking employees have received settlements in cases based on their exposure to secondhand smoke.

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- ⁱ Scollo M, et al. "Review of the quality of studies on the economic effects of smoke-free policies on the hospitality industry." *Tobacco Control*. 2003.
- ⁱⁱ NYC Department of Finance, NYC Department of Health and Mental Hygiene, NYC Department of Small Business Services, NYC Economic Development Corporation. "The State of Smoke-Free New York City: A One-Year Review" March 2004.
- ⁱⁱⁱ Zagat Press Release. "Zagat 2004 New York City Restaurant Survey Finds Local Dining Economy in Comeback Mode." October 2003
- ^{iv} Connolly G, et al. *Evaluation of the Massachusetts Smokefree Workplace Law: A Preliminary Report*. Division of Public Health Practice, Harvard School of Public Health, Tobacco Research Program. April 2005.
- ^v U.S. Centers for Disease Control and Prevention. "Impact of a Smoking Ban on Restaurant and Bar Revenues: El Paso, Texas 2002." *Morbidity and Mortality Weekly Report*. February 2004.
- ^{vi} Dresser, L. "Clearing the Air: The Effect of Smokefree Ordinances on Restaurant Revenues in Dane County." 1999.
- ^{vii} Wideman S. "One Bar Has Closed Since Smoking Ban Enacted." *Appleton Post Crescent*. January 2005; Tobacco Free Dane County Coalition. One Year Later: A Status Report on the Health Effects of Madison's Comprehensive Clean Indoor Air Ordinance. June 2006.
- ^{viii} Glantz SA and Smith LRA. The Effect of Ordinances Requiring Smoke-Free Restaurants and Bars on Revenues: A Follow-Up. *American Journal of Public Health*. 1997.
- ^{ix} Dai C, et al. *The Economic Impact of Florida's Smoke-Free Workplace Law: A Progress Report*. Bureau of Economic and Business Research, Warrington College of Business Administration, University of Florida. June 2004.
- ^x Glantz S. "Smoke-Free Restaurant Ordinances Do Not Affect Restaurant Business. Period." *Journal of Public Health Management and Practice* January 1999
- ^{xi} Dai C, et al. *The Economic Impact of Florida's Smoke-Free Workplace Law: A Progress Report*. Bureau of Economic and Business Research, Warrington College of Business Administration, University of Florida. June 2004.
- ^{xii} Glantz S, Charlesworth A. Tourism and Hotel Revenues Before and After Passage of Smoke-Free Restaurant Ordinances. *Journal of the American Medical Association*. May 1999.
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- ^{xiv} Uccello CE. American Academy of Actuaries. "Costs Associated with Secondhand Smoke." October 2006.
- ^{xv} US Department of Health and Human Services, Centers for Disease Control and Prevention. *Save Lives, Save Money: Make Your Business Smoke-Free*. June 2006.
- ^{xvi} US Department of Health and Human Services, CDC Office of Smoking and Health, Wellness Councils of America, American Cancer Society. *Making Your Workplace Smokefree: A Decision Maker's Guide*. 1996.