

Smoke-free Policies: Good for Business

Research has repeatedly shown 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.

Fact: Smoke-free Laws Do Not Negatively Impact 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.

- A 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.”ⁱ
- Studies examining the impact of local or statewide smoke-free laws in Alabama, Arizona, California, Florida, Indiana, Kansas, Kentucky, Massachusetts, Maryland, New York, North Carolina, North Dakota, Mississippi, Missouri, South Carolina, Texas, West Virginia, Washington, and Wisconsin found that smoke-free laws had either positive or no effects on restaurant revenues and other economic indicators, such as the number of employees.^{ii,iii,iv,v,vi,vii,viii,ix,x,xi}
 - For example, one year after a strong smoke-free ordinance went into effect in New York City, the city’s bars and restaurants had an 8.7% increase – approximately \$1.4 million - in tax receipts and the rate of restaurant openings remained unchanged.^{xii}
 - A 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.^{xiii}
- Smoke-free ordinances may increase restaurant resale values. Smoke-free restaurants in California and Utah had a 16% (or \$15,300) median increase in sale price compared to restaurants in communities where smoking was permitted.^{xiv}
- More people are demanding smoke-free establishments. In Michigan, a poll found that 74% of likely voters support the state’s smoke-free law. In addition, 93% of respondents indicated that they go to restaurants and bars just as or more often than they did before the law took effect.^{xv}

Fact: Smoke-free Laws Do Not Adversely Effect Bar Sales

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 across the country, including in California, Florida, Kentucky, Massachusetts, Maryland, Minnesota, New York, Texas, North Dakota, Alabama, Indiana, Mississippi, Missouri, South Carolina, and West Virginia, shows that these laws had no negative effect on bar sales or service workers’ employment.^{xvi,xvii,xviii,xix,xx,xxi,xxii,xxiii,xxiv,xxv,xxvi,xxvii} In fact, bar businesses are no more sensitive to changes in smoking behavior than other hospitality businesses.^{xxviii}
- A study found that smoke-free ordinances had no significant effect on the resale value and profitability of bars, disputing the false tobacco industry claim of a the 30% decrease in value.^{xxix} 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.^{xxx, xxxi, xxxii}

- 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.^{xxxiii, xxxiv} A 2010 Ohio poll also found that nearly three in four voters believed that bar employees should be protected from SHS in their workplaces.^{xxxv} By a 2-1 margin voters supported (60%) permanently prohibiting smoking indoors at New Jersey casinos in 2021 and 70% would prefer to visit a smoke-free casino to one that allows smoking.^{xxxvi}

Fact: Smoke-free Laws Do Not Reduce Tourism

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

- One study found that smoke-free laws were associated with increased hotel revenues in four localities: Los Angeles, CA, Mesa, AZ, New York City, NY, and the State of Utah.^{xlii}
- 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.^{xliii}
- 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%.^{xliv}
- 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.^{xlv}

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.^{xlvi}

- 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.^{xlvii, xlviii, xlix, l, li, lii, liii, liv} Other costs associated with permitting smoking in workplaces are increased housekeeping and maintenance costs.
- Smoking employees have significantly higher absenteeism and injury, accident, and disciplinary rates than their nonsmoking colleagues.^{lv, lvi, lvii, lviii, lix, lx}
- Some business owners have been found liable in lawsuits filed by sick employees seeking damages related to smoking in the workplace.^{lxi, lxii, lxiii, lxiv, lxv}
- One year after New York City's smoke-free law took effect, smoking among the city's adults declined 11%, 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.^{lxvi, lxvii}

ACS CAN's Position on Smoke-free Laws

Research published in leading scientific journals has shown consistently and conclusively that smoke-free laws have no adverse effects on the hospitality industry.^{lxviii, lxix}

The American Cancer Society Cancer Action Network (ACS CAN) advocates for everyone's right to breathe smoke-free air so that no one is forced to choose between their health and a paycheck. ACS CAN urges state and local officials to pass and protect comprehensive smoke-free laws in all workplaces, including restaurants, bars and gaming facilities, to protect the health of all employees and patrons. These laws should include all forms of smoking, including but not limited to cigarettes, electronic cigarettes, cigars, hookah, pipes and cannabis. Policymakers are encouraged to reject legislation that weakens smoke-free laws or removes authority from local governments to pass local smoke-free laws.

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^{xiii} Kayani, et al. Economic Effect of Smoke-free Ordinances on 11 Missouri Cities. *Preventing Chronic Disease* 2012; 9: 110277.

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