

# Consortium for Infant and Child Health (CINCH)

## Benefits of Regional Tobacco Pricing Strategies

### Burden of Tobacco:

***Smoking is bad for Virginians.*** Smoking kills more people than alcohol, AIDS, car crashes, illegal drugs, murders, and suicides combined — and thousands more die from other tobacco-related causes — such as fires caused by smoking (more than 1,000 deaths/year nationwide) and smokeless tobacco use. It is well known that there is no safe level of smoke — including second and third hand smoke. Smoking causes cancer and respiratory disease, such as COPD and asthma.

***Smoking is a problem in Virginia.*** In Virginia, 9,200 adults die each year from their own smoking. And, an estimated 152,000 of children now under age 18 in Virginia will die prematurely from smoking. Almost 20% or over 85,000 Virginia high school students smoke with 9,400 new daily teen smokers each year. There are 336,000 children exposed to second hand smoke at home.

***Smoking is costly.*** Smoking compounds the current economic and health care crisis in Virginia. Annual health care costs in Virginia directly caused by smoking are **\$2.08 billion**, with the Medicaid program covering **\$401 million**. Residents' state & federal tax burden from smoking-caused government expenditures are **\$563 per household**. And, smoking-caused productivity losses in Virginia total **\$2.53 billion**.

### Impact of Tobacco Pricing Strategies

The [Task Force on Community Preventive Services](#) recommends interventions that increase the price of tobacco products based on strong evidence of their effectiveness in:

- Reducing tobacco use among adolescents and adults
- Reducing population consumption of tobacco products
- Increasing tobacco use cessation

#### **What we know about a 20% increase in the price of tobacco:**

- Higher prices reduces the number of kids that start smoking by 8.6%
- Higher prices help people quit smoking with a 10.4% decrease in overall tobacco use and a 3.6% decrease in adult tobacco use
- Smokers and non-smokers are benefitted by stopping smoking — better health, reduced health care costs and reduced exposure to tobacco smoke, and funds generated help support local services and programs
- Families can save money and communities improve economic conditions — a family with 2 smokers with a one pack per day habit can save approximately \$330 per month or over \$4,000 per year
- Higher prices decrease racial and ethnic health disparities related to smoking

Sources: Campaign for Tobacco Free Kids: [http://www.tobaccofreekids.org/facts\\_issues/toll\\_us/virginia](http://www.tobaccofreekids.org/facts_issues/toll_us/virginia)

Task Force on Community Preventive Services: <http://www.thecommunityguide.org/tobacco/increasingunitprice.html>

Tobacco Technical Assistance Consortium: [http://www.ttac.org/services/pricing\\_strategies/resources.html](http://www.ttac.org/services/pricing_strategies/resources.html)

Tobacco Tax rates: City Code Websites for each city

For more information or educational seminars on the benefits of local adoption of tobacco pricing strategies, please contact CINCH at 757-668-6426 or [CINCH@evms.edu](mailto:CINCH@evms.edu)

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## Benefits of Regional Tobacco Pricing Strategies

These findings were based on a systematic review of all available studies, conducted on behalf of the Task Force by a team of specialists in systematic review methods, and in research, practice and policy related to tobacco use. Interventions to increase the unit price for tobacco products through municipal, state, or federal legislation that raises the excise tax on these products make the continued use of tobacco products less attractive to users, and often provide revenue for comprehensive tobacco use prevention and control programs.

## Regional Solutions through Tobacco Pricing Strategies

Virginia is currently 50<sup>th</sup> in the country for tobacco pricing with only a \$.30 standard per pack tax. In Hampton Roads, local cigarette tax rates vary from \$0.45 per pack to \$1.15 per pack, *including the state tax*. An increase of the tobacco tax rate across the region to a minimum of \$1.50 total rate would induce benefits of the pricing strategy to decrease smoking and youth initiation of smoking, as well as raise additional revenue for the region.

Locality	Local Rate	Total Rate
Chesapeake	\$0.50	\$0.80
Hampton	\$0.80	\$1.10
Newport News	\$0.85	\$1.15
Norfolk	\$0.75	\$1.05
Poquoson	\$0.25	\$0.55
Portsmouth	\$0.60	\$0.90
Smithfield	\$0.25	\$0.55
Suffolk	\$0.50	\$0.80
Tappahannock	\$0.15	\$0.45
Virginia Beach	\$0.65	\$0.95
Williamsburg	\$0.25	\$0.55
Data from American Cancer Society, October 2011 & City Websites, 2012		

For example, if cities in Hampton Roads were to increase their total cigarette tax rate to \$1.50, including the state tobacco tax, this would directly contribute to raising additional revenue, as well as decrease youth and adult tobacco smoke exposure, ultimately saving lives. A portion of the increase, such as \$0.35 per pack, could even be allocated to a Healthy Hampton Roads fund for each city to be put towards tobacco cessation services, marketing, and youth health programming.

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