

# Rhinelandersafe **SMOKE-FREE AIR FOR EVERYONE**

RHINELANDER, WISCONSIN

## FACT SHEET ECONOMIC EFFECTS OF SMOKE-FREE ORDINANCES

**Smoke-Free Ordinances Do Not Hurt Business.** A series of studies of sales tax data from 81 localities in six states demonstrated that smoke-free policies have no effect on revenue. 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. Most recently, the U.S. Centers for Disease Control and Prevention found that El Paso's smoke-free policy also did not affect restaurant and bar revenue. The analysis found no change in overall restaurant and bar revenues, bar liquor sales, or restaurant and bar revenue as a percentage of total revenue.

**Smoke-Free Ordinances Do Not Hurt Tourism.** Despite arguments that smoke-free ordinances will destroy a community's tourism business, studies have found no change in tourist business and even some instances where business has increased after ordinance passage. An analysis of sales tax revenues and hotel visitors in three states and six cities with 100 percent smoke-free restaurant ordinances found that none experienced a drop in hotel visitors and some registered increases after smoke-free laws went into effect.

**Adverse Economic Impact Research is Flawed.** There is currently no valid evidence that smoke-free ordinances decrease restaurant sales. Research that has been used to convince policymakers and the public of an adverse economic impact has been based on evaluation approaches that are methodologically flawed. Reports of decreases in restaurant sales following the enactment of a smoke-free ordinance have been based on anecdotal information, restaurant owners' self-reports instead of validated sales data, and on studies of tax data from only one or two quarters following implementation of the ordinance. A comprehensive review of economic impact studies found that every study that found a smoke-free policy had a negative economic impact either lacked independence from the tobacco industry or lacked objective measures.

**Businesses Can Save Money By Going Smoke-Free.** Employers who implement smoke-free policies often experience cost-savings related to fire risk, damage to property and furnishings, cleaning costs, workers' compensation, disability, absenteeism and productivity losses. Secondhand smoke harms the health and productivity of nonsmokers and was estimated in 1983 to cost employers \$56 to \$490 per smoker per year. In addition, health and fire insurance premiums can be 25 to 35 percent lower for smoke-free businesses. Workplace smoking also increases an employer's potential legal liability. Nonsmoking employees have received settlements in cases based on their exposure to secondhand smoke.

Source: American Cancer Society

**Smoke-free Laws Add Value To Establishments.** Restaurants in smoke-free cities have a higher market value at resale (an average of 16% higher) than comparable restaurants located in smoke-filled cities.

Source:  
Iamar, B.; Glantz, SA. "Smoke-Free Ordinances Increase Restaurant Profit and Value."  
Contemporary Economic Policy, 22(4), October 2004, 520-525.

**Smoke-free Buildings Easier And Cheaper To Maintain.** The U.S. Environmental Protection Agency (EPA) estimates that smoke-free restaurants can expect to save about \$190 per 1,000 square feet each

year in lower cleaning and maintenance costs. 10 The EPA also estimates a savings of \$4 billion to \$8 billion per year in building operations and maintenance costs if comprehensive smoke-free indoor air policies were adopted nationwide. The Organization for Economic Cooperation and Development estimates that construction and maintenance costs are seven percent higher in buildings that allow smoking than in buildings that are smoke-free.

Sources:  
US Centers for Disease Control and Prevention; Michigan Department of Community Health