

ECONOMIC IMPACT

Studies Show Smoke-Free Laws Don't Harm Business

- A study of sales tax data from 81 localities in six states found that smoke-free ordinances have no effect on revenues.¹
- Studying the quality and funding sources of 97 reports on the economic impact of smoke-free policies, researchers concluded that all of the best-designed studies report that smoke-free restaurant and bar laws have no impact or a positive impact on sales or employment.²
- Studies that used objective measures such as sales tax receipts, included data from several years before and after, and controlled for changes in economic conditions found no negative economic impact from smoke-free policies.³
- Researchers found that studies showing negative impacts on the hospitality industry were usually based on predictions or estimates of changes. Mainly funded by the tobacco industry, none were published in peer-reviewed journals.³
- “. . . the economic arguments often used by the industry to scare off smoking ban activity were no longer working, if indeed they ever did. These arguments simply had no credibility with the public, which isn't surprising when you consider that our dire predictions in the past rarely came true.” -internal Phillip Morris document⁴

Smoke-Free Laws Don't Harm Cities

- **Fayetteville, AR:** Employment increased, and 69% of Fayetteville restaurants reported higher sales. Same-store sales increased by roughly 6 percent, the best growth rate since 2001.⁵
- **Lexington, KY:** Since the smoke-free law went into effect, restaurant employment increased, the number of bar employees remained the same, and the number of licensed restaurants and bars opening and closing has remained stable.⁶
- **El Paso, TX:** In 2004, the U.S. Centers for Disease Control and Prevention (CDC) published the results of a study that found no decline in total restaurant or bar revenues occurred in El Paso, Texas after the city's smoke-free law was implemented on January 2, 2002.⁷
- **Dallas, TX:** An evaluation of Dallas sales tax receipts found that there were no statistically significant changes in hospitality revenue trends since the ordinance's implementation. The evaluation also found there to be an increased number of restaurants and bars in Dallas.⁸
- **Albuquerque, NM:** Ninety-six percent of surveyed businesses reported that Albuquerque's 100% smoke-free law has had no effect on business, with 97% of their customers responding positively. Restaurants saw a 6.54% increase in gross receipts.⁹

- **New York City:** After implementing a smoke-free ordinance, tax receipts were up 12% and the city gained 10,000 new jobs.¹⁰
- **Minot, ND:** No adverse change in restaurant sales after implementation of Minot's smoke-free restaurant law. Numbers were normalized for fluctuations in sales due to economic trends and seasonal patterns.¹¹
- **Fort Wayne, IN:** Using sales tax data, restaurant revenues in Fort Wayne had no statistically significant variation in revenues.¹²
- **Boulder, CO:** After passage of a smoke-free restaurant ordinance in 1995, revenues were up 3.14% in 1997, 4.83% in 1998, and 4.31% in 1999 when compared to the same period before the ordinance.¹³
- **Corvallis, OR:** Sales data was collected and compared to data collected in nearby communities without smoke-free laws. Researchers found that smokers did not abandon bars and restaurants, that revenues from the nonsmoking majority replaced any loss of business, and that malt beverage sales did not decline relative to surrounding communities.¹⁴
- **Flagstaff, AZ:** A study comparing Flagstaff restaurant and retail sales with sales in two similar Arizona cities, three counties, and the entire state of Arizona found no adverse effect on restaurant sales.¹⁵
- **Beverly Hills and Bellflower, CA:** Despite repealing restaurant ordinances following opposition organized by the tobacco industry, studies have since shown that there was no detectable drop in restaurant sales during the time the ordinances were in effect, nor was there an increase in restaurant sales following reversal of the 100% smoke-free ordinances.^{16,17,18}
- **Dane County, WI:** Restaurant revenues rose at a higher rate within the county than in the rest of the state and employment in restaurants grew faster than in any other Madison industry.¹⁹
- **Chapel Hill, NC:** Researchers examined restaurant sales in 10 counties, 5 with smoke-free ordinances and five with weak or no ordinances. No differences were found in restaurant sales between the two groups.²⁰
- **Minneapolis, MN:** After implementing a 100% smoke-free ordinance, Minneapolis experienced a 10.7% increase in food sales--almost double of the previous year--and 4% increase in liquor sales.²¹

Smoke-Free Laws Don't Hurt States

- **Florida:** Restaurant sales were up 7 percent one year after state's the smoke-free law that made all public places and restaurants 100% smoke-free.²²

- **New York:** Contrary to concerns of the hospitality industry, the number of bars in the state increased by 3.5% from the year prior to the ordinance to a year after.²³
- **California:** Sales tax data shows an increase in annual sales for establishments selling beer, wine, and other kinds of alcohol and employment in California's bars and restaurants increased by 200,500 after implementation of the smoke-free law(1995-2003).²⁴
- **Delaware:** One year after passing a smoke-free ordinance state revenue from gaming had increased by \$5.7 million, the number of applications for restaurant, tavern, and taproom licenses were up, and employment in the hospitality industry had grown.^{25,26}
- **Massachusetts:** A Harvard School of Public Health report found that the Massachusetts Smoke-Free Workplace Law did not affect meals and alcoholic beverage excise tax revenues, keno sales or employment in the hospitality industry.²⁷
- **Rhode Island:** Bars and restaurants generated 20% more tax revenue in the first quarter following implementation of a statewide smoke-free ordinance.²⁸

¹Glantz, S., "Smoke-Free Restaurant Ordinances Do Not Affect Restaurant Business. Period." *Journal of Public Health Management and Practice*, January 1999, Vol. 5, No. 1. ²Scollo, Lal, Hyland, & Glantz. (2003). Review of the quality of studies on the economic effects of smoke-free policies on the hospitality industry. *Tobacco Control*, 12, 13-20. ³Scollo, M. & Lal, A. (2002, December). Summary of Studies Assessing the Economic Impact of Smoke-Free Policies in the Hospitality Industry. www.vctc.org.au/publ/reports/Hospitality_paper_summary.pdf. ⁴David Laufer: Philip Morris Regional Director, Government Affairs Bates # 204118375 - 2041183790, p. 28, July 8, 1994. ⁵"Assessing the Economic Impact of the Fayetteville, Arkansas Smoking Ban," Center for Business and Economic Research, Sam M. 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