



ECONOMIC SAVINGS

Secondhand Smoke is a Burden on the Economy

- **The Society of Actuaries has determined that secondhand smoke costs the US economy roughly \$10 billion a year: \$5 billion in medical costs and \$4.6 billion in lost wages.¹**
- **Allowing smoking in the workplace increased business owners' costs by \$1,300 per year per smoking employee.²**
- **Business owners have been found liable in lawsuits filed by sick employees seeking damages related to smoking in the workplace.³**

Smoke-Free Policies Reduce Cleaning and Maintenance Costs

- **The EPA estimates the smoke-free restaurants can expect to save about \$190 per 1000 sq. feet each year in lower cleaning and maintenance costs.⁴**
- **The EPA also estimates a saving of \$4 to \$8 billion per year in building operation and maintenance costs if comprehensive smoke-free indoor air policies were adopted nationwide.⁵**
- **The Organization for Economic Cooperation and Development estimated that construction and maintenance costs are 7% higher in building that allow smoking.⁴**
- **A 1993 survey of businesses conducted by the Building Owners and Management Association (BOMA) International found that the elimination of smoking from a building reduced cleaning expenses by an average of 10%.⁶**
- **Restaurants in smoke-free cities have higher market value at resale (average 16%) than comparable restaurants located in cities with no formal smoke-free laws.⁷**

Smoke-Free Policies Reduce Insurance Rates and Prevent Fires

- **The National Fire Protection Association found that in 1998 smoking materials caused 8,700 fires in non-residential structures resulting in a direct property damage of \$60.5 million.⁸**
- **Health and fire insurance premiums can be 25% to 35% less for smoke free businesses. Disability and early retirement payments can be cut by as much as 75 percent.⁹**

¹Behan, D.F.; Eriksen, M.P.; Lin, Y., "Economic Effects of Environmental Tobacco Smoke," Society of Actuaries, March 31, 2005. ²US Department of Health and Human Services, CDC, Office of Smoking and Health, Wellness Councils of America, American Cancer Society (1996). Making Your Workplace Smokefree: A Decision Makers Guide. ³Uhbi v. State Compensation Insurance Fund (CA, 1990), Magaw v. Middletown Board of Education (NJ, 1998), Shimp v New Jersey Bell (NJ, 1976), Smith v. Western Electric (MO, 1982). ⁴"The dollars (and sense) benefits of having a smoke-free workplace," Michigan Department of Community Health, 2000. ⁵US Dept. of Health and Human Services: Centers for Disease Control and Prevention, "Clean Indoor Air Regulation Fact Sheet.: National Center for Chronic Disease Prevention and Health Promotion. April 11, 2001. ⁶Garland, W.S., BOMA Supports Smoking Bans in Buildings. ⁷Alamar, B.; Glantz, SA. "Smokefree Ordinances Increase Restaurant Profit and Value." Contemporary Economic Policy, 22(4) October 2004, 520-525. ⁸Hall, Fr., J.R. "The US Smoking-Material Fire Problem." National Fire Protection Association, Fire Analysis and Research Division, April 2001. ⁹Dr. William L. Weis, Associate Professor of Business Administration at Seattle University