



WHY THE STATES SHOULD USE THEIR TOBACCO SETTLEMENT FUNDS TO SUPPORT NEW STATEWIDE EFFORTS TO PREVENT AND REDUCE TOBACCO USE

The states have already started deciding how to use the millions of dollars they will be receiving each year from their tobacco settlements. While some policymakers have been tempted to divert these new funds to various other programs or expenditures, the arguments for also directing a significant portion of each state's settlement payments to establish new or expanded comprehensive statewide tobacco prevention programs are overwhelming. Such programs would substantially reduce smoking and other tobacco use, save thousands of lives and millions of dollars, dramatically improve public health, and do more to help each state and its citizens than any other alternative use of the settlement funds.

Tobacco Company Payments Should Go To Fight Tobacco Company Harms. The tobacco payments to the states are meant to compensate for past and future tobacco-related harms and related costs. Accordingly, the payments should be used to reduce the amount of damage tobacco use will cause the states and their citizens in years to come – and that means using settlement funds to sharply curtail smoking and other tobacco use in each state, especially among children.

The Public Supports Using Tobacco Settlement Money For Tobacco Prevention. In a nationwide poll, 84% of the respondents favored spending the money their state receives to reduce tobacco use among kids, including more than two-thirds (69%) who “strongly favor” spending the money for this purpose. Similarly, in polls of likely voters in 18 states, more than 85%, on average, said that about half or more of any settlement funds should be spent to reduce smoking among kids (with less than 1% saying that none of the funds should be so used).

The Smoking Problem Is Big And Getting Worse. Almost one-quarter of all adults are current smokers, along with more than one-third of all high school students. Although a small recent drop in underage smoking has interrupted the otherwise steady increases in youth smoking since the early 1990s, smoking among kids is still at historically high levels. Over the past 10 years, the number of kids under 18 who become daily smokers each year has increased by more than 70%. More than 6,000 kids try smoking for the first time each day, and another 3,000 kids become new daily smokers. About one-third of these new daily smokers will ultimately die from tobacco-related causes, with many more suffering serious health consequences.

Comprehensive Statewide Tobacco Prevention Strategies Dramatically Reduce Smoking And Other Tobacco Use. California and Massachusetts have had statewide tobacco control campaigns for some time that have reduced overall smoking levels within their borders at a faster rate than elsewhere in the country. While youth smoking rates were rising steadily nationwide, in California and Massachusetts they either went down or increased much more slowly – despite funding cuts and despite aggressive tobacco company efforts to dampen the impact of the state programs. Recently, Oregon's small statewide program reduced cigarette consumption by more than 11 percent in its first two years; and after less than a year of exposure to the state's anti-tobacco program in Florida, smoking among teenagers dropped from 23.3% to 20.9%, reducing the number of teenage smokers by more than 30,000.

New Tobacco Prevention Spending Will Save Lives. Tobacco use is responsible for more deaths than alcohol, auto accidents, AIDS, suicides, murders, and illegal drugs *combined*. Each year, more than 400,000 people die from smoking-related causes in the U.S. Countless others suffer from tobacco-related disease and distress, including many of those exposed to secondhand smoke. If current smoking trends are not reversed, more than five million of the kids under 18 currently alive in the U.S. will eventually die from smoking-related causes. Directing tobacco settlement monies to reduce tobacco use can reduce this unnecessary disease, misery, and death. There is no better investment a state can make to save lives and improve public health.

New Tobacco Prevention Spending Will Save Money. Public and private direct expenditures to treat health problems caused by smoking annually total more than \$85 billion, with taxpayers paying more than

\$40 billion every year to treat smoking-caused health care costs through Medicare, Medicaid, and other federal and state government programs. Expenditures for health care relating to smokeless tobacco use and exposure to secondhand smoke add even more to the health costs from tobacco use. Beyond these direct health expenditures are tobacco-related labor costs and lost productivity (roughly \$40 billion or more per year nationwide); damage and loss from cigarette-related fires (\$500 million); and tobacco-related maintenance and cleaning expenses (\$4 billion). Aggressive tobacco prevention initiatives in every state would reduce all of these tobacco-related costs and save each state, its businesses, and its citizens many millions of dollars each and every year.

Nickel And Diming The Problem Won't Work. Significantly reducing tobacco use requires substantial state investments in a sustained and comprehensive multi-year tobacco prevention strategy. Anything less will not effectively counter the addictive power of nicotine or the tobacco companies' advertising and marketing expenditures (more than \$6.8 billion per year nationwide). Existing tobacco prevention efforts throughout the country show that the best way to reduce tobacco use, other than raising prices, is to take full advantage of a wide range of proven effective measures, including public education efforts, school and community-based programs to prevent tobacco use and to help people quit, the enhanced enforcement of laws prohibiting the sale of tobacco products to kids, and the firm maintenance of smoke-free workplaces and public areas. While any one of these tobacco control measures can reduce tobacco use by itself, they work much more powerfully and effectively when done together.

Relying On The Settlement Agreement's Tobacco Prevention Provisions Won't Work. Although the multistate settlement contains some useful restrictions on tobacco marketing, they will not, by themselves, significantly hinder the tobacco industry's ability to market to kids. Similarly, the new national public education campaign financed by the settlement can significantly reduce tobacco use only if accompanied by strong state tobacco prevention efforts, including new state public education strategies. Put simply, the tobacco settlements can dramatically cut tobacco use only if the states use their settlement payments to finance new tobacco prevention initiatives.

If The States Don't Do It, No One Else Will. Because of a special provision in the multistate settlement agreement, until 2003 the tobacco companies' payments to the signing states will be reduced dollar for dollar by any new federal funding made available to the states for tobacco prevention efforts that comes from an increase in the federal tobacco tax or from any other new charges against the tobacco companies. Consequently, it is highly unlikely that Congress will direct any new federal tobacco control funding to the states for some time.

Adequately Funding A Comprehensive Statewide Tobacco Prevention Strategy Would Still Leave Plenty of Settlement Funding For Other Purposes. The U.S. Centers for Disease Control and Prevention has developed estimates of what it would cost each state to adequately fund a comprehensive tobacco control effort. These estimates make it very clear that each state could run a strong statewide tobacco prevention program with only a fraction of the settlement payments they will receive from the tobacco companies. By bringing their tobacco tax rates up to the national average, many states could secure even more funding for tobacco prevention and other worthwhile causes – while also taking another positive step to reduce tobacco use.

Directing Settlement Payments to Tobacco Prevention Will Not Waste Money. Thanks to the extensive research and evaluation of existing tobacco control efforts, each state could easily direct its settlement payments to support only those types of tobacco prevention initiatives that have successful track records and that follow available research findings on how best to maximize beneficial results. Including a monitoring and evaluation component in any tobacco control strategy would further enhance cost effectiveness, both by improving program performance and by blocking any misappropriation of allocated funds.

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Sources

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State-specific versions of this fact sheet are available from the Campaign for Tobacco-Free Kids: factsheets@tobaccofreekids.org.