



STATE-SPECIFIC TOBACCO COMPANY MARKETING EXPENDITURES 1998 to 2006

From 1998 to 2006, tobacco industry marketing has increased, nationwide, by more than 85 percent, with tobacco industry marketing in 2006 totaling at least \$12.8 billion (or more than \$35 million per day). These tobacco industry marketing increases have overwhelmed any public health benefits from the marketing restrictions that were put into place in late 1998 by the Master Settlement Agreement (MSA) between the states and the tobacco companies.

Cigarette company marketing expenditures accounts for more than 97 percent of all tobacco industry marketing, and the vast majority of cigarette company marketing expenditures are directly linked to individual pack sales through price discounts, sales-related promotional allowances, coupons, sales-linked bonus items, and the like. Precise data on how much the tobacco industry spends on marketing in each state is not publicly available, but the following table provides state specific estimates based on the number of cigarette packs sold in each state as a percentage of total nationwide sales.

Annual Tobacco Industry Marketing Expenditures in Each State (in millions of dollars)

State	1998	1999	2000	2001	2002	2003	2004	2005	2006	Percent Change '98 - '06
All States	\$6.88 bill.	\$8.41 bill.	\$9.82 bill.	\$11.45 bill.	\$12.70 bill.	\$15.38 bill.	\$14.38 bill.	\$13.36 bill.	\$12.84 bill.	86.63%
Alabama	\$137.2	\$166.5	\$195.6	\$216.8	\$229.0	\$282.2	\$293.2	\$265.0	\$261.6	90.64%
Alaska	\$14.4	\$16.4	\$19.7	\$22.0	\$24.4	\$31.1	\$30.6	\$28.1	\$24.9	73.13%
Arizona	\$88.3	\$107.6	\$128.2	\$149.5	\$167.0	\$196.9	\$176.0	\$172.5	\$172.8	95.68%
Arkansas	\$83.1	\$101.2	\$119.5	\$146.5	\$142.0	\$189.7	\$162.8	\$160.5	\$155.7	87.38%
California	\$504.3	\$582.8	\$617.7	\$694.0	\$747.0	\$920.2	\$870.1	\$843.8	\$819.5	62.51%
Colorado	\$93.9	\$118.6	\$138.9	\$163.3	\$177.0	\$216.7	\$204.7	\$189.3	\$170.7	81.74%
Connecticut	\$74.7	\$91.8	\$107.0	\$126.1	\$137.6	\$157.2	\$137.2	\$124.1	\$123.0	64.66%
Delaware	\$29.1	\$39.1	\$49.3	\$59.7	\$68.6	\$112.9	\$106.7	\$105.5	\$106.7	266.58%
DC	\$8.3	\$10.3	\$12.0	\$13.5	\$15.4	\$20.1	\$16.0	\$14.7	\$16.0	92.50%
Florida	\$399.2	\$494.6	\$573.9	\$676.8	\$772.6	\$967.9	\$935.8	\$930.4	\$881.4	120.78%
Georgia	\$223.3	\$278.0	\$255.1	\$379.2	\$403.0	\$535.8	\$438.4	\$444.8	\$426.4	90.94%
Hawaii	\$12.7	\$14.8	\$18.3	\$27.9	\$37.9	\$48.2	\$44.2	\$42.2	\$42.1	231.87%
Idaho	\$28.4	\$34.8	\$41.2	\$46.5	\$50.6	\$65.8	\$61.5	\$57.8	\$57.9	103.94%
Illinois	\$287.7	\$328.6	\$384.9	\$449.4	\$535.5	\$493.4	\$563.0	\$471.4	\$452.4	57.24%
Indiana	\$240.0	\$299.1	\$346.4	\$397.7	\$448.9	\$475.4	\$448.5	\$425.1	\$426.2	77.59%
Iowa	\$81.0	\$100.1	\$117.7	\$136.4	\$151.0	\$192.1	\$182.6	\$176.0	\$174.2	115.11%
Kansas	\$68.1	\$82.7	\$97.3	\$113.1	\$126.3	\$125.9	\$113.8	\$106.7	\$104.6	53.61%
Kentucky	\$201.1	\$247.3	\$285.0	\$332.4	\$346.3	\$549.7	\$532.4	\$535.3	\$417.5	107.60%
Louisiana	\$135.8	\$168.2	\$210.7	\$200.2	\$262.1	\$284.9	\$285.2	\$291.5	\$241.0	77.44%
Maine	\$35.5	\$40.6	\$47.7	\$55.8	\$61.9	\$73.9	\$70.0	\$66.8	\$59.0	66.06%
Maryland	\$110.3	\$139.1	\$138.9	\$165.9	\$182.1	\$204.7	\$199.6	\$192.7	\$188.8	71.14%
Massachusetts	\$117.0	\$141.4	\$164.9	\$187.5	\$214.1	\$233.3	\$207.9	\$194.7	\$194.6	66.28%
Michigan	\$213.8	\$305.5	\$369.7	\$424.2	\$471.9	\$556.1	\$511.5	\$415.9	\$393.6	84.12%
Minnesota	\$117.2	\$144.8	\$167.6	\$196.7	\$213.4	\$274.3	\$273.7	\$237.9	\$196.6	67.76%
Mississippi	\$87.9	\$108.6	\$124.9	\$143.9	\$158.2	\$200.4	\$188.8	\$183.0	\$185.5	110.99%
Missouri	\$194.5	\$243.9	\$287.8	\$325.0	\$337.7	\$460.9	\$443.9	\$423.5	\$419.9	115.88%
Montana	\$23.7	\$27.8	\$32.8	\$36.4	\$40.7	\$49.9	\$46.3	\$41.8	\$33.3	40.35%

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State	1998	1999	2000	2001	2002	2003	2004	2005	2006	Percent Change '98 - '06
Nebraska	\$41.2	\$54.9	\$60.4	\$64.4	\$80.1	\$90.2	\$79.7	\$75.8	\$72.1	75.01%
Nevada	\$49.6	\$66.7	\$79.6	\$97.5	\$104.7	\$140.2	\$116.1	\$115.6	\$113.8	129.51%
New Hampshire	\$61.0	\$77.1	\$82.4	\$90.7	\$100.8	\$141.7	\$141.7	\$128.0	\$122.2	100.39%
New Jersey	\$175.3	\$195.8	\$224.4	\$261.8	\$299.5	\$314.0	\$275.2	\$231.2	\$226.3	29.09%
New Mexico	\$32.4	\$39.5	\$45.7	\$52.7	\$57.7	\$75.3	\$49.1	\$48.0	\$47.0	44.96%
New York	\$356.8	\$436.5	\$478.9	\$490.8	\$535.0	\$516.0	\$480.0	\$443.8	\$429.6	20.40%
North Carolina	\$278.9	\$321.3	\$387.0	\$434.5	\$487.9	\$615.2	\$595.9	\$569.3	\$535.9	92.16%
North Dakota	\$15.4	\$18.3	\$21.9	\$24.3	\$26.3	\$32.1	\$30.9	\$29.9	\$32.3	109.73%
Ohio	\$359.3	\$445.3	\$516.1	\$612.2	\$666.0	\$789.3	\$728.3	\$724.0	\$556.7	54.95%
Oklahoma	\$112.0	\$141.5	\$167.8	\$201.0	\$213.4	\$274.3	\$264.4	\$245.8	\$213.1	90.25%
Oregon	\$81.6	\$99.1	\$111.7	\$126.4	\$139.9	\$162.7	\$145.7	\$135.9	\$137.0	67.95%
Pennsylvania	\$335.8	\$419.0	\$489.8	\$574.2	\$645.7	\$706.0	\$631.9	\$553.5	\$533.9	58.98%
Rhode Island	\$26.5	\$32.8	\$37.9	\$44.9	\$47.8	\$54.8	\$48.7	\$38.0	\$35.1	32.28%
South Carolina	\$141.9	\$157.3	\$183.1	\$208.9	\$239.7	\$298.9	\$283.4	\$280.3	\$282.6	99.18%
South Dakota	\$19.5	\$23.6	\$26.6	\$31.7	\$34.5	\$42.6	\$39.3	\$37.7	\$37.0	89.65%
Tennessee	\$192.5	\$237.5	\$280.9	\$317.4	\$359.1	\$411.7	\$417.8	\$406.3	\$405.5	110.65%
Texas	\$423.0	\$503.1	\$636.8	\$697.8	\$752.7	\$966.5	\$915.1	\$884.7	\$854.2	101.95%
Utah	\$25.6	\$34.6	\$41.0	\$46.5	\$55.0	\$63.7	\$59.5	\$57.9	\$58.7	129.47%
Vermont	\$17.3	\$21.2	\$25.0	\$30.9	\$34.5	\$36.7	\$31.7	\$28.2	\$27.4	58.44%
Virginia	\$213.0	\$263.2	\$309.0	\$359.1	\$400.5	\$528.0	\$533.4	\$438.5	\$411.3	93.09%
Washington	\$94.4	\$118.3	\$141.2	\$159.4	\$163.0	\$184.9	\$171.3	\$164.6	\$146.0	54.66%
West Virginia	\$63.2	\$78.1	\$90.7	\$106.7	\$120.7	\$169.4	\$139.6	\$132.0	\$140.4	122.19%
Wisconsin	\$138.4	\$169.7	\$194.7	\$226.0	\$247.0	\$298.2	\$285.0	\$276.1	\$274.0	97.99%
Wyoming	\$15.0	\$19.2	\$21.7	\$24.7	\$27.9	\$43.9	\$17.6	\$27.4	\$27.6	84.11%

Sources. U.S. Federal Trade Commission (FTC), *Cigarette Report for 2006, 2009*, <http://ftc.gov/os/2009/08/090812cigarettereport.pdf>. FTC, *Smokeless Tobacco Report for the Years 2006, 2009*, <http://ftc.gov/os/2009/08/090812smokelesstobaccoreport.pdf>. Data for top 5 manufacturers only. Because of the formula used for making the state-specific estimates, the listed state-specific changes in estimated tobacco industry marketing largely reflect the relative pack sales changes in each state, which tracks the vast majority of cigarette company marketing expenditures. Some tobacco industry marketing, however, is not directly linked to pack sales; and there is some evidence that the cigarette companies increase their marketing efforts in states that have recently passed cigarette tax increases – in an attempt to dampen the effect of the cigarette tax increases on reducing consumption.

Campaign for Tobacco-Free Kids, August 19, 2009 / Ann Boonn

For more on tobacco industry marketing, and its impact on kids, see the Campaign for Tobacco-Free Kids Website at: <http://tobaccofreekids.org/research/factsheets/index.php?CategoryID=23>.

For information on state tobacco taxes, which would offset tobacco industry price discounts, see: <http://tobaccofreekids.org/research/factsheets/index.php?CategoryID=18>.