

FACT SHEET

Economic Impact of Going 100% Smoke-free

MYTH

“Restaurants and bars will lose revenues and businesses will suffer.”

FACT This prediction of doom and gloom is just that: a prediction, and an inaccurate one at that. To date, no high quality, peer-reviewed study has found a long-term negative impact on business due to smoke-free ordinances (by-laws). The best measures of economic hardship are data collected routinely by independent agencies pre and post by-law, and include such things as tax receipts and employment figures. A stream of peer-reviewed studies on such places as New York City, New York State, California, and Massachusetts has shown either no effect, or a slightly positive economic effect. A recent review of 90 studies found that negative economic effects were associated with subjective outcome measures like self-report polls and interviews, and with funding from the tobacco industry.¹ Smoke-free bars and restaurants are not simply a dream that is only possible in idyllic California; if it can happen in New York City, or the entire country of Ireland, it can happen anywhere!

MYTH “Smoke-free by-laws are to blame for drops in bingo revenues and the subsequent decrease in financial support to local charities.”

FACT Bingo revenues have been declining for years. A combination of changing demographics and competition from new gaming options like casinos, slots, internet gambling, video lottery terminals and instant win tickets are more to blame than smoking bans. In Ontario, the profit for charities has been cut by more than half in the last 15 years – a time span which definitely pre-dates 100% smoke-free by-laws.² The 2001 Annual Report of the Registered Gaming Suppliers of Ontario states, “We are unable, as an industry, to clearly identify the main causes of this decline, whether it is other gaming experiences or the fact that we have become complacent in challenging the method of product delivery and understanding the changing patterns of customer needs and wants.”³

MYTH

“Organizations such as the Pub and Bar Coalition of Ontario (PUBCO) legitimately represent the voices and concerns of local pub and bar owners.”

FACT The tobacco industry has long recognized its lack of credibility in the public eye, and thus has a history of using front groups to act as legitimate mouthpieces. PUBCO has the typical hallmarks of a front group which include springing up out of nowhere with significant funding, and remaining opaque on the issue of membership. PUBCO eventually admitted to accepting funds from the Canadian Tobacco Manufacturers' Council, and coincidentally holds positions and issues statements very similar to those of Canadian tobacco companies. PUBCO appears to operate by swooping into communities to appear before city councils and stirring up trouble by spreading misinformation and distorting facts. A lot of money is at stake. Philip Morris and other tobacco companies have acknowledged, in previously secret documents, that smoking bans seriously harm their bottom lines.

MYTH “Without smokers, bars would be empty.”

FACT Eighty percent of adult Canadians don't smoke.⁴ Amongst the 20% of Canadians who do, over 80% of these smokers would like to quit, and may see smoke-free bars and restaurants as enabling environments.⁵ Based on the fact that no high quality economic impact study has found a negative outcome, one can assume that either smokers are still going out and spending money, or non-smokers are going out more, or smokers themselves are spending more money. One year after New York City banned smoking in restaurants and bars, business tax receipts were up 8.7% from the same period the year before. In addition, employment data show an increase of 10,600 jobs in the year following the ban, which demonstrates an improvement from the year before.⁶ Any way you look at it, it stands to reason that smoke-free bars and restaurants are, on balance, not harming business revenues in the long run.

MYTH “There are no benefits, economic or otherwise, to implementing a smoking ban.”

FACT Smoke-free spaces are easier to clean and maintain than smoke-filled venues: no dirty ashtrays to empty, no burn holes on carpets, no frequent re-painting, and no costly servicing of ventilation equipment. Smoke-free workplaces result in increased employee productivity⁷, lower insurance costs and lower risk of fire. Most importantly, smoke-free bars and restaurants are having overwhelmingly positive effects on the health of workers and customers.

- ¹ Scollo, M., et al. (2003). Review of the quality of studies on the economic effects of smoke-free policies on the hospitality industry. Tobacco Control, 12, 13-20.
- ² Ontario's Declining Bingo Revenues: A Four Point Action Plan for Ottawa. (2002). Corporate Services Department, City of Ottawa.
- ³ Bingo Halls and No-Smoking Bylaws: Backgrounder. (2002). OTS Media Network.
- ⁴ Canadian Tobacco Use Monitoring Survey, 2003. www.hc-sc.gc.ca/hecs-sesc/tobacco/research/ctums/index.html
- ⁵ Canadian Cancer Society. (January 16, 2004). Press release: More than half of smokers made unsuccessful attempt to quit however most still try to go alone. www.cancer.ca/ccs/internet/mediareleaselist
- ⁶ New York City Department of Finance, New York City Department of Health and Mental Hygiene, New York City Department of Small Business Services, New York City Economic Development Corporation. (2004). The State of Smoke-Free New York City: One Year Review. www.nyc.gov/html/doh/pdf/smoke/sfaa-2004report.pdf.
- ⁷ Stewart, W. F., et al. (2003). Lost productivity work time costs from health conditions in the United States: Results from the American Productivity Audit. JOEM, 45, 1234-1246.