

Investing in Tobacco-Free Youth

Protect Children, Save Lives, Reduce Healthcare Costs



The Problem

- **Ohio youth are using cigars and smokeless tobacco.** “Other tobacco products” (OTP), which includes non-cigarette forms of tobacco like cigars, smokeless tobacco, and hookah tobacco, are a growing problem in Ohio. While high school students have decreased their use of cigarettes, they have not decreased their use of smokeless tobacco or cigars. These products come in candy flavors and kid-friendly packaging and are often displayed in convenience stores near candy and snacks.
- **Young African Americans, Appalachian Ohioans, and young males are especially at risk.** Little cigar use is especially high among young, African-American males, and smokeless use is a special problem for males in Appalachian Ohio. Among males 18 to 24, over 37% use some form of tobacco product other than cigarettes.
- **The tobacco industry spends \$1.5 million in Ohio every day.** The tobacco industry is serious about funding in Ohio. It spends over \$1.5 million a day promoting smoking and chewing tobacco to Ohioans, even in places kids go, like convenience stores. Columbus is the test market for new kinds of smokeless tobacco called Orbs, Strips and Sticks marketed by RJ Reynolds, and U.S. Smokeless Tobacco sends mailers to smokers in Ohio encouraging them to use smokeless tobacco when in smoke-free public places.
- **Youth tobacco prevention programs have been decimated.** Because of severe funding decreases, Ohio is unable to adequately help smokers quit and keep kids from starting. The youth tobacco prevention programs in schools, anti-tobacco programs in communities around Ohio, and the tobacco Quitline and other stop smoking help have been decimated. The decrease in funding will lead to increased smoking rates, more children using tobacco, more lives lost, and increased healthcare costs. Starting July 1, 2010, the state will not fund these programs at all.
- **Tobacco hurts Ohio’s economy and drives up insurance and Medicaid costs.** Smoking costs Ohio over \$9 billion every year. Ohioans pay over \$4 billion in healthcare costs annually; \$1.4 billion of that amount is the portion covered by the state Medicaid program. The average Ohio household pays \$629 in state and federal taxes related to smoking-caused government expenditures annually.

The Solution

- **Correct the other tobacco tax inequity.** When legislators increased the cigarette tax in 2003 and 2005, they failed to also raise the “other tobacco products” (OTP) tax which covers non-cigarette forms of tobacco. Legislators should correct this error so that the OTP tax equals 55% of wholesale price, equivalent to the current cigarette tax. (The current OTP tax rate is 17%.) Adding a minimum tax would stop the sale of dirt cheap tobacco and the single sales of cigars both of which appeal to kids.
- **The correction would dramatically reduce youth tobacco use.** The correction would decrease the overall consumption of other tobacco products by over 13%, and 25% fewer youth would use the products, a dramatic decline.
- **Dedicate the income to tobacco prevention and community programs and reduce tobacco use in Ohio.** The income resulting from this correction, approximately \$50 million a year, should be dedicated to the Ohio Department of Health to continue the high quality, science-based tobacco prevention and cessation programs that have in the past been funded in communities around the state and that are inline with best practices as recommended by the Centers for Disease Control (CDC). Although the amount generated by the tax correction equals less than the tobacco industry spends in one month in Ohio, the funding helps Ohio reach toward the goal of funding programs at the level recommended by the CDC.
- **Legislators can save lives and save money.** For every thousand kids kept from smoking by tobacco prevention programs, future healthcare costs decline by roughly \$16 million. For every thousand adults prompted to quit, future health costs drop by roughly \$8.5 million.

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