

CAMPAIGN For TOBACCO-FREE Kids®

"... our goal is to reduce the business at hospitals and funeral homes by 30 percent."
-- Representative Michael P. Lawlor, Co-Chairman, Judiciary Committee,
Connecticut State House of Representatives¹

SMOKE-FREE LAWS DO NOT HARM BUSINESS AT RESTAURANTS AND BARS

In recent years a groundswell of support for smoke-free restaurant and bar laws has developed from states and localities across the country. As of April 2005, more than one-third of the U.S. population, or more than 100 million people, are now covered by strong smoke-free laws – a figure that has more than doubled in size in roughly two years.² Strong smoke-free restaurant and bar laws are important because:

- There is overwhelming scientific evidence that secondhand tobacco smoke is a direct cause of lung cancer (causing an estimated 3,000 nonsmokers to die each year),³ heart disease (35,000 deaths each year),⁴ and lung and bronchial infections (affecting a quarter million children every year).⁵
- Smoke-free laws help protect restaurant and bar employees and patrons from the harms of secondhand smoke.⁶
- Smoke-free laws help the seven out of every ten smokers who want to quit smoking by providing them with public environments free from any pressure or temptation to smoke.⁷

Accompanying the growth in smoke-free laws nationwide has been a parallel increase in false allegations from the cigarette companies and their allies that smoke-free laws will hurt local economies and businesses.⁸ In fact, numerous careful scientific and economic analyses show that smoke-free laws do not hurt restaurant and bar patronage, employment, sales, or profits.⁹ At worst, the laws have no effect at all, and they sometimes even produce slightly positive trends. For example:

- A study in the journal *Tobacco Control* (in 2003) offered a comprehensive review of all available studies on the economic impact of smoke-free workplace laws and concluded that: "All of the best designed studies report no impact or a positive impact of smoke-free restaurant and bar laws on sales or employment. Policymakers can act to protect workers and patrons from the toxins in secondhand smoke confident in rejecting industry claims that there will be an adverse economic impact."¹⁰
- A study conducted by researchers at the Harvard School of School of Public Health of the Commonwealth of Massachusetts' comprehensive statewide smoke-free law that took effect July 5, 2004 found that, "Analyses of economic data prior to and following implementation of the law demonstrated that the Massachusetts state-wide law did not negatively affect statewide meals and alcoholic beverage excise tax collections. Furthermore, the number of employees in food services and drinking places and accommodation establishments, and keno sales were not affected by the law."¹¹
- A study conducted by researchers at the University of Kentucky's College of Nursing and the Gatton College of Business and Economics of the Lexington-Fayette County, Kentucky comprehensive smoke-free law that took effect April 27, 2004 found that,

"In general, selected key business indicators in Lexington restaurants, bars, and hotels have not been affected by the smoke-free law. When taking factors into account such as population size, unemployment, and seasonal variation, there was a slight increase in restaurant employment; bar employment remained stable and hotel/motel employment declined in the 10 months after the smoke-free law took effect. There was no effect of the smoke-free law on payroll withholding taxes (workers' earnings) in restaurants, bars, or hotels/motels in the 10 months after the law went into effect, after taking seasonal variation into account. The smoke-free law was not related

to business openings or closures in alcohol-serving establishments or at non-alcohol serving establishments.”¹²

- A study conducted by research economists at the University of Florida’s Bureau of Economic and Business Research found that the state’s voter-approved smoke-free law, which took effect July 1, 2003, has not hurt sales or employment in the hotel, restaurant and tourism industries (the Florida law exempts stand-alone bars). In addition to analyzing total sales, the study also examined restaurant revenue as a percentage of total retail revenue in order to account for underlying economic conditions in the state. The proportion of retail sales by Florida’s restaurants, lunchrooms, and catering services increased by 7.37% after the smoke-free law went into effect.¹³
- On March 30, 2003, New York City implemented its comprehensive smoke-free workplace law prohibiting smoking in all of the city’s restaurants and bars. A March 2004 report issued by the New York City Department of Finance, Department of Health and Mental Hygiene, Department of Small Business Services, and Economic Development Corporation noted, “One year later, the data are clear. . . . Since the law went into effect, business receipts for restaurants and bars have increased, employment has risen, virtually all establishments are complying with the law, and the number of new liquor licenses issued has increased—all signs that New York City bars and restaurants are prospering.”¹⁴ The report noted that business tax receipts for restaurants and bars increased 8.7 percent from April 1, 2003, to January 31, 2004 compared to the same period in 2002-2003. Employment in New York City restaurants and bars increased by 10,600 jobs (about 2,800 seasonally adjusted jobs) from the implementation of the smoke-free law in March 2003 to December 2003.¹⁵ The 2004 Zagat New York City Restaurant Survey provides additional evidence that New York City’s smoke-free law is not hurting business. The survey of nearly 30,000 New York restaurant-goers found that 23 percent of respondents said they are eating out more often because of the city’s smoke-free workplace law, while only four percent said they are eating out less. Zagat’s press release concludes, “The city’s recent smoking ban, far from curbing restaurant traffic, has given it a major lift.”¹⁶
- In Delaware, business remains steady one year after the state’s Clean Indoor Air Act went into effect in November 2002. Data from the Delaware Alcohol Beverage Control Commission show that the number of restaurant, tavern and taproom licenses increased in the year since the law took effect. Data from the Delaware Department of Labor show that employment in the state’s food service and drinking establishments also increased in the year since the smoke-free law went into effect.¹⁷
- A study released by the U.S. Centers for Disease Control and Prevention (CDC) found that a comprehensive smoke-free policy in El Paso, TX did not affect restaurant and bar revenue in the year after it took effect in January 2002.¹⁸ The CDC and the Texas Department of Health analysis found no statistically significant changes in overall restaurant and bar revenues, bar liquor sales, or restaurant and bar revenue as a percentage of total revenue. The latter finding refutes arguments often made by opponents of smoke-free laws that, even if bar and restaurant revenues grow after such laws take effect, they do not grow as fast as the rest of the economy.
- In California, taxable sales receipts for bars and restaurants have increased every year since 1997 (the year before the state’s smoke-free bar law took effect) through 2002 (the most current year full data is available).¹⁹ In addition, total employment at bars and restaurants has also increased every year since 1997.²⁰ While bars have seen a decrease in total employment since 1990 (seven years before the smoke-free laws implementation), this trend in bar employment has not been affected by the smoke-free bar law.
- Studies of sales tax data from 81 localities in six states have consistently demonstrated that ordinances restricting smoking in restaurants had no effect on restaurant revenues.²¹
- In New York City, a partial smoke-free workplace law went into effect in 1995, but from 1993-1997 restaurant employment growth in the city was more than three times that of the rest of the state (17.6% versus 4.6%).²² In addition, the New York City smoke-free law has not had any significant impact on dining out patterns among New York City diners.²³

- Studies of this earlier New York City smoke-free workplace law have also shown that it did not effect the wide variation in restaurant and hotel industry indicators caused by seasonal changes and other factors. Peer-reviewed articles have concluded that the smoke-free law did not harm the city's restaurant industry; and there was no evidence that the hotel industry had been adversely affected.²⁴
- Studies of local smoke-free policies in Massachusetts have shown no substantial impact on aggregate restaurant sales. In addition, the adoption of local smoke-free restaurant policies did not cause any statistically significant change in town taxable meal revenue.²⁵
- Studies of smoke-free laws in California and Colorado have found that smoke-free ordinances do not affect restaurant revenues (and the same holds true for smoke-free bar ordinances).²⁶

Key Restaurant and Business Leaders Support Smoke-Free Laws

Members of the business community, including restaurant and bar owners, are becoming increasingly supportive of smoke-free laws, recognizing that these laws can have a positive impact on public health and the health of their business.²⁷

- Michael O'Neal, former president of the New York State Restaurant Association: "I feel strongly that it is pro-business and pro-health to eliminate smoking in all workplaces, including restaurants. Smoke-free workplace legislation does not hurt business . . . Smoking prohibitions in California, Utah, Vermont, Maryland and Maine as well as in hundreds of cities all over the country prove that smoke-free-workplace legislation is good for all businesses, including the restaurant business. That shouldn't be a surprise. Even smokers prefer to breathe clean air."²⁸
- Support for New York's law has grown even among bar and restaurant owners. James McBratney, President of the Staten Island Restaurant and Tavern Association, was quoted in the Feb. 6, 2005, issue of The New York Times saying "I have to admit, I've seen no falloff in business in either establishment [restaurant or bar]." According to The Times, "He went on to describe what he once considered unimaginable: Customers actually seem to like it, and so does he."²⁹
- David E. Garth, President and CEO of the San Luis Obispo Chamber of Commerce in California: "I must admit that, at the time the [San Luis Obispo smoke-free bar and restaurant] ordinance was presented, we were extremely wary of it. We feared that the ban on smoking would cost the community revenue, jobs, tax dollars, tourists and tourist-generated income. We ended up coming out in support of the ordinance, seeing it as a leap of faith that wouldn't hurt businesses. Suffice it to say, our initial fears were unfounded and today, I'm pleased to report that the effects have been extremely positive."³⁰
- A 2002 survey of California bar owners, managers, assistant managers and bartenders found overwhelming support for the state's smoke-free bar law, with more than eight in ten bar managers and employees (83 percent) saying they think the smoke-free workplace law protects their health and the health of other bar employees, and 77 percent of bar managers and employees saying that complying with the law has been "very" or "fairly" easy.³¹

The Campaign for Tobacco-Free Kids, April 18, 2005 / Matt Barry

Related Campaign Factsheets on secondhand smoke and smoke-free laws are available at:

<http://tobaccofreekids.org/research/factsheets/index.php?CategoryID=19>.

¹ Dixon, Ken "New Law Extinguishes Restaurant Smoking," Connecticut Post On-Line, September 29, 2003,

<http://www.connpost.com/Stories/0,1413,96%257E3750%257E1663993,00.html>.

² Figures based on ordinances recorded by Americans for NonSmokers Rights (ANR), <http://www.no-smoke.org/lists.html>, combined with population data from the U.S. census bureau's State and County Quickfacts website, <http://quickfacts.census.gov/qfd/>.

³ Environmental Protection Agency (EPA), "Secondhand Smoke: What You Can Do About Secondhand Smoke As Parents, Decision-Makers, and Building Occupants," EPA-402-F-93-004, (July 1993); EPA, "Respiratory Health Effects of Passive Smoking: Lung Cancer and Other Disorders," EPA/600/6-90/006F (December 1992); National Cancer Institute, *Health Effects of Exposure to Environmental Tobacco Smoke*, Smoking and Tobacco Control Monograph No. 10, based on a California Environmental Protection Agency report, July 18, 1997.

⁴ National Cancer Institute, July 18, 1997.

⁵ National Cancer Institute, July 18, 1997.

⁶ Siegel, M., "Involuntary Smoking in the Restaurant Workplace," *JAMA* 270(4):490-493, 1993.

⁷ Fiore MC, Bailey WC, Cohen SJ, et al., *Treating Tobacco Use and Dependence*. Clinical Practice Guideline, HHS Public Health Service, June 2000. ANR, *Economic Impact of Clean Indoor Air Policies* (January 15, 2000). Internal Philip Morris document that states that the "financial impact of smoking bans will be tremendous ... Three to five fewer cigarettes per day per smoker will reduce annual manufacturers profits a billion dollars plus per year." Philip Morris document number 2025771934/1995, www.pmdocs.com.

⁸ KPMG Peat Marwick for the American Beverage Institute, "Effects of 1998 California Smoking Ban on Bars, Taverns and Night Clubs," (1998); InContext for the Massachusetts Restaurant Association, "Massachusetts Restaurant Association Study," (1996); InContext for the Empire State Restaurant & Tavern Association, "Restaurant Jobs in New York City, 1993 Through First Quarter 1996, and the Restaurant Smoking Ban," (1996).

⁹ ANR, *Economic Impact of Clean Indoor Air Policies* (January 15, 2000); Glantz, S., "Smoke-Free Restaurant Ordinances Do Not Affect Restaurant Business. Period.," *Journal of Public Health Management and Practice* 5:1, (January 1999); Scollo M, et al, "Review of the quality of studies on the economic effects of smoke-free policies on the hospitality industry", *Tobacco Control* (2003); 12:13-20.

¹⁰ Scollo M, et al, "Review of the quality of studies on the economic effects of smoke-free policies on the hospitality industry", *Tobacco Control* (2003); 12:13-20.

¹¹ Connolly G, et al, *Evaluation of the Massachusetts Smokefree Workplace Law: A Preliminary Report*, Division of Public Health Practice, Harvard School of Public Health, Tobacco Research Program, April 4, 2005. http://www.hsph.harvard.edu/php/pri/tcrtp/Smoke-free_Workplace.pdf.

¹² Hahn E, et al, *Economic Impact of Lexington's Smoke-free Law: A Progress Report*, University of Kentucky College of Nursing and Gatton College of Business and Economics, April 18, 2005. <http://www2.mc.uky.edu/TobaccoPolicy/UK%20Progress%20Report%20FINAL.pdf>.

¹³ Dai, C, et al., *The Economic Impact of Florida's Smoke-free Workplace Law*, Bureau of Economic and Business Research, Warrington College of Business Administration, University of Florida, June 25, 2004. <http://www.smokefreeforhealth.org/pdf/Economic%20Study.pdf>

¹⁴ NYC Department of Finance, NYC Department of Health & Mental Hygiene, NYC Department of Small Business Services, NYC Economic Development Corporation, "The State of Smoke-Free New York City: A One-Year Review", March 2004, <http://www.nyc.gov/html/doh/pdf/smoke/sfaa-2004report.pdf>. See also New York City Department of Health and Mental Hygiene, Press Release, "Workers, Owners, City Officials, And Health Groups Toast One-Year Anniversary Of The Smoke-Free Air Act," March 29, 2004, <http://www.ci.nyc.ny.us/html/doh/html/public/press04/pr031-0329.html>.

¹⁵ NYC Department of Finance, NYC Department of Health & Mental Hygiene, NYC Department of Small Business Services, NYC Economic Development Corporation, "The State of Smoke-Free New York City: A One-Year Review", March 2004, <http://www.nyc.gov/html/doh/pdf/smoke/sfaa-2004report.pdf>.

¹⁶ Zagat, Press Release, "Zagat 2004 New York City Restaurant Survey Finds Local Dining Economy in Comeback Mode," October 20, 2003.

¹⁷ Meconi, Vincent, Secretary of the Delaware Department of Health and Social Services, "Secondhand Smoke Deserves Regulations," *Delaware State News*, (December 30, 2003). See also American Lung Association of Delaware, "Delaware's Clean Indoor Air Act – The 1st Anniversary Story", <http://www.alade.org/main.htm>

¹⁸ U.S. Centers for Disease Control and Prevention (CDC), "Impact of a Smoking Ban on Restaurant and Bar Revenues --- El Paso, Texas, 2002," *Morbidity and Mortality Weekly Report (MMWR)* 53(07) (February 27, 2004). <http://www.cdc.gov/mmwr/preview/mmwrhtml/mm5307a2.htm>

¹⁹ California State Board of Equalization, "Taxable Sales in California", <http://www.boe.ca.gov/news/tsalescont.htm>.

²⁰ State of California Employment Development Department, Labor Market Information, "Employment by Industry Data," [http://www.calmis.ca.gov/file/indhist/cal\\$haw.xls](http://www.calmis.ca.gov/file/indhist/cal$haw.xls).

²¹ Glantz, S., "Smoke-Free Restaurant Ordinances Do Not Affect Restaurant Business. Period.," *Journal of Public Health Management and Practice*, (January 1999) Vol. 5, No. 1. Glantz, S. (January 1999).

²² Hyland, A. & Cummings, M.K., "Restaurant Employment Before and After the New York City Smoke-Free Air Act," *Journal of Public Health Management and Practice*, 5(1), 22-27, 1999.

²³ Hyland, A. & Cummings, M.K., *Journal of Public Health Management and Practice*, 5(1), 22-27, 1999.

²⁴ Hyland, A. & Cummings, M.K., *Journal of Public Health Management and Practice*, 5(1), 22-27, 1999.

²⁵ Bartosch, W.J. & Pope, G.C., "The Economic Effect of Smoke-Free Restaurant Policies On Restaurant Business in Massachusetts," *Journal of Public Health Management and Practice* 5(1), 53-62 (1999).

²⁶ Glantz, S.A. and Smith, L.R.A., "The Effect of Ordinances Requiring Smoke-Free Restaurants and Bars on Revenues: A Follow-Up," *American Journal of Public Health*, (October 1997) Vol. 87, No. 10.

²⁷ For a six-minute video of restaurant and bar owners discussing the positive impact of smoke-free laws, visit <http://www.tobaccofreekids.org/reports/shs/>. ANR features quotes from restaurant and bar owners across the country on their website <http://www.no-smoke.org/htmlpage.php?id=56>

²⁸ O'Neal, Michael "Butt Out: - The Industry Shouldn't Need Laws To Make Us Clear The Smoke From Restaurants," *Nation's Restaurant News*, April 16, 2001.

²⁹ Rutenberg, J. and Koppel, L., "Almost Two Years Into Cigarette Ban, New York City Bars Thrive and Many Smokers Shrug," *New York Times*, (February 6, 2005).

³⁰ Garth, David, President/CEO of the San Luis Obispo (CA) Chamber of Commerce, Letter To Washington DC Council In Support of Smoke-Free legislation, November 3, 2003.

³¹ Field Research Corporation, "Bar Establishment Survey," conducted September – October 2002 for California Department of Health Services (CDHS).