



# Raise the Tobacco Age to 21: We Can't Afford Not To

*Lower smoking rates deliver a terrific return on investment, saving health care dollars by reducing the huge financial burden that tobacco use imposes on governments, businesses and families. Passing a law that will reduce tobacco use is a sound fiscal move as well as sound health policy that can pay tremendous dividends by reducing the very diseases that cost the most to treat.*

## **MINIMAL SHORT-RUN FISCAL IMPACT**

A tobacco sale age of 21 is expected to have minimal to no fiscal impact in the short run. This is because, while the policy begins immediately to make it harder for youth and young adults to obtain cigarettes, the declines in smoking prevalence that could impact state revenues will take time to accumulate.

Reducing smoking rates saves health care dollars — so it's a sound fiscal move as well as a sound health-related action. Regardless, we would hope states would put health and lives of kids ahead of any short-term budget or revenue considerations.

Why will a tobacco sale age of 21 have little to no fiscal impact?

- 18- to 20-year olds account for a very small share of total cigarette consumption (roughly 2 to 4 percent). Unfortunately, most of these current smokers will not stop smoking as a result of this policy because of addiction and because they will continue to access tobacco through social connections and non-compliant retailers.
- While counter-intuitive, all or most 18- to 20-year olds do not need to stop smoking for the policy to work. The primary goal and impact of the policy is to prevent or delay adolescents and youth from starting to use tobacco. The policy is not expected to have a dramatic and immediate effect on adult smoking, which accounts for most of the state's cigarette sales.

- The effect of the policy will be gradual — reductions in smoking initiation and prevalence will initially be small and will grow over time.

A decrease in cigarette sales means that the policy is working to reduce tobacco use among young people, and that is a good thing. Besides, people who don't start smoking or who quit because of the increased age of sale will spend that money on other things; it doesn't disappear from the economy. Some of the money spent on cigarettes will shift to consumer spending on other products or services.

### **LONG-TERM SAVINGS**

Tobacco costs Texas \$8.8 billion annually in health care bills, with the Medicaid costs totaling \$1.9 billion. Smoking-caused productivity losses in Texas exceed \$8.2 billion a year. And each Texas household has a state and federal tax burden of \$738 each year from smoking-caused government expenditures. If we don't act to curtail smoking in the state, we know these financial burdens will be here to stay.

Doing whatever we can to prevent tobacco use, especially among young people, makes sense — and saves dollars. Increasing the legal age for the sale of tobacco products to age 21 will help reduce smoking among young people and save lives and money.

The only groups we know will lose financially if Tobacco 21 passes are the tobacco companies, who admit that increasing the legal sale age for tobacco threatens their profits. A Philip Morris document stated, "Raising the legal minimum age for cigarette purchase to 21 could gut our key young adult market (17-20)..."

**Our lives or their profits — whose side are you on?**