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# THE COST OF SMOKING IN BRITISH COLUMBIA AND THE ECONOMICS OF TOBACCO CONTROL

## EXECUTIVE SUMMARY

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Stepped-up efforts in the past few years to prevent and reduce the incidence of smoking in British Columbia (BC) are beginning to yield results. Rising tobacco taxes, more extensive awareness and education programs, the spread of smoking bans and restrictions, and other interventions are helping British Columbians either avoid smoking in the first place, “kick the habit,” or reduce their cigarette consumption. The number of ex-smokers is growing, and the incidence of teenage smoking is generally decreasing. On the critical public health issue of smoking, BC leads the nation as it heads in a direction that will save lives and health care dollars, and reduce the human and financial burden of preventable illness.

However, many challenges still remain:

- British Columbians smoked nearly 4.3 billion cigarettes in 2002, approximately 7900 for each of the estimated 542,240 smokers.
- While British Columbia has a lower prevalence of smoking than the rest of Canada, overall consumption rates among smokers in BC are consistent with the national average. Among smokers between the ages of 15 and 19, daily cigarette consumption in BC is higher than the Canadian average.
- Most people who have ever smoked started smoking in their teenage years; youth as young as 12 and 13 can show evidence of nicotine addiction within days of their first cigarette. There are an estimated 63,900 underage (0-18) smokers in BC.
- Approximately 14,000 children and teenagers in the province who smoke today or who will take up smoking will die in middle age from it, while a similar number will die prematurely later in life.
- Over one in five BC males and nearly one in five females reported exposure to second-hand smoke.
- An estimated 5,700 British Columbians lose their lives every year due to smoking.
- Smoking costs British Columbians an estimated \$525 million (2002\$) annually in medical care costs, an estimated \$904 million (2002\$) in productivity losses due to the premature deaths and excess disability of smokers, and millions more in costs borne directly by BC employers.

Ironically, standard economic growth statistics count cigarette sales and the medical care costs of smoking as contributions to the Gross Domestic Product (GDP), rather than as costs to the economy. Indeed, the more money spent on cigarettes, hospitals, doctors, and drugs, the more the economy will grow. Seen in this light, it is clear that measures of progress based on economic growth make no distinction between activities that create benefit and those that cause harm.

By contrast to the GDP, the **Genuine Progress Index (GPI)** – a new tool for conceptualizing societal progress – counts the expenditures related to smoking-related illness as costs rather than gains to the economy. Whereas measures of progress based on the GDP count all expenditures related to smoking, including cigarette sales, illness treatment costs, and funerals, as if “more” of them are “better”, the GPI recognizes that less of such expenditures are “better”. From the GPI perspective, money not spent on tobacco and smoking-related illness can be invested in productive activities that improve population health and overall quality of life.

Fortunately, much can be done and is being done to reduce the toll of smoking. Prevention and cessation strategies include tobacco tax increases, youth-based intervention strategies, anti-tobacco advertising, and place-based smoking bans. A comprehensive tobacco control and health promotion strategy can markedly reduce the number of smokers, the volume of cigarettes consumed, and the associated medical care costs and economic productivity losses.

This report suggests that a comprehensive tobacco control program for BC would benefit both individuals and the province as a whole.

- The average individual smoker would begin to realize a reversal of smoking effects within days or weeks of cessation, gain back 4.2 years of life that would otherwise been lost had he or she continued smoking, and save more than \$152,000 (2002\$) in avoided spending on cigarettes by retirement age. If people in British Columbia smoked at the same rate as the Utah population (12.9% of the population instead of 16% as at present), they would have nearly \$290 million (2002\$) extra in their pockets each year for more productive expenditures and investments.
- If just 10% of BC’s smokers managed to quit, they would over their lifetimes save the provincial economy over \$2.9 billion (2002\$) in avoided medical care costs and productivity losses. If British Columbians smoked at the rate of those in Utah (the lowest rate in North America), approximately \$240 million (2002\$) would be saved *annually* in avoided medical care costs and economic productivity losses due to the premature deaths of smokers.

The medical benefits of smoking cessation are proven, clear, and unambiguous. The strategies for achieving cessation are available. What is also known is that of *all* possible interventions to reduce illness and death in society from *any* cause, smoking cessation is among the most cost-effective. This report, part of an emerging Genuine Progress Index in Canada, describes the savings that taxpayers, employers, individual smokers, and the economy as a whole may expect from a comprehensive tobacco control strategy.