

Policy Brief

June 2012

Deterring Latino Youth Smoking Initiation Through a California Excise Tax

Introduction

Tobacco use is responsible for more than 440,000 annual deaths in the United States, and more than 36,000 deaths in California with an estimated \$9.1 billion in direct medical costs each year. Smoking causes more deaths per year than by all deaths from AIDS, illegal drug use, alcohol use, motor vehicle accidents, suicides and homicides combined. According to the Centers for Disease Control and Prevention, approximately 80 percent of smokers began smoking before the age of 18 and 99 percent of smokers start by age 26. In the U.S., close to 4000 youth under the age of 18 smoke their first cigarette and three out of four high school smokers will smoke as adults. Approximately one third of students who begin smoking today will die prematurely compared to their non-smoking peers¹.

Smoking among California Latino youth

Despite progress in the decline of youth smoking in California, Hispanic high school students had the second highest smoking rates among all high school students in 2008. A closer look at why Latino youth are disproportionately affected by smoking reveals that tobacco industry marketing, access to tobacco products and affordability contribute to high smoking rates among this population.

Tobacco Industry Marketing

The tobacco industry spends \$10.5 billion a year to market cigarettes and other tobacco products. They recently introduced little cigars or “cigarillos” with sweet flavors, colorful packaging and prices that make it appealing and easy for youth to access.² Tobacco companies heavily target Hispanic youth by using cultural images and themes that entice them to smoke, and by sponsoring Hispanic cultural events. Due to the unrestricted regulations on tobacco advertising in Mexico, youth who live along the U.S./Mexican border are at greater risk of falling prey to tobacco marketing.³

Access to tobacco products

Tobacco product placement and displays in retail stores has been found to increase average tobacco sales by 12%, which is critical given that 75% of teens visit a convenience store at least once a week.⁴ A 2007 article published in the *Archives of Pediatrics and Adolescent Medicine* found higher levels of advertising, lower cigarette prices, and greater availability of cigarette promotions were associated with greater acceptance of smoking. Advertising increased the likelihood of youth initiating smoking, low prices increased the likelihood of smoking, and the availability of promotions increased the likelihood that youth will move from experimentation to regular smoking.⁵

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Cigarette Affordability

Almost three quarters of cigarette marketing expenditures is spent on price discounts, which equals to about a 41 cent discount per pack of cigarettes, making them more affordable to youth. Other price reductions include tobacco discount coupons which amount to roughly \$360 million, free bonus cigarettes with a tobacco purchase at \$721 million and free non-cigarette items with tobacco purchases at \$11 million. The combination of these promotions amounts to about a 550 million increase in the number of cigarette packs sold and smoked with a 6.2 percent increase in youth smoking, or 200,000 more youth smokers nationwide.⁶

What can be done?

Raising tobacco taxes has been shown to deter youth from initiating smoking. A \$1.00 per pack tax increase would prevent over 220,000 kids from ever beginning to smoke, prompt more than 100,000 adults to quit smoking and prevent over 100,000 premature deaths.⁷ By raising the tobacco tax by \$1.00, California would gain approximately 12,000 new healthcare jobs and generate nearly \$2 billion worth of economic activity every year, as well as provide funding for tobacco control and cancer research.⁸

PROJECTED PUBLIC HEALTH BENEFITS FROM A TOBACCO RATE INCREASE

Percent decrease in youth smoking: 13.7%

Kids in California kept from becoming addicted adult smokers: 228,700

Current adult smokers in the state who would quit: 118,300

Smoking affected births avoided over next five years: 22,300

California residents saved from premature smoking-caused death: 104,500

5-year health savings from fewer smoking-affected pregnancies & births: \$37.9 million

5-year health savings from fewer smoking-caused heart attacks & strokes: \$43.0 million

Long-term health savings in the state from adult & youth smoking declines: \$5.1 billion

Source: Table duplicated from Campaign for Tobacco-Free Kids, "Public Health Benefits & Costs Savings from a \$1.00 Cigarette Tax Increase in California."

1. A Report of the Surgeon General Preventing Tobacco Use Among Youth and Young Adults
2. Warning to Parents: How Big Tobacco Targets Kids Today (Campaign for Tobacco Free Kids)
3. Report on Tobacco Consumption Among Hispanic/Latino Youth (National Latino Tobacco Control Network – NLTCN)
4. Trends in Tobacco Industry Marketing (<http://www.tobaccofreekids.org/research/factsheets/pdf/0156.pdf>. Campaign for Tobacco Free Kids).
5. Slater, SJ, et al., "The Impact of Retail Cigarette Marketing Practices on Youth Smoking Uptake," *Archives of Pediatrics of Adolescent Medicine* 161:440-445, May 2007.
6. Cigarette company price discounts & Marketing Expenditures are Increasing Smoking Levels, Especially among Kids (<http://www.tobaccofreekids.org/research/factsheets/pdf/0272.pdf> Campaign for Tobacco Free Kids).
7. Californians for a Cure. (http://californiansforacure.org/facts/goals/lives?_c=10ma5ylj5r4xsty)
8. Glantz, S., Bullet point summary of Prop 29 and the campaign to date. (<http://tobacco.ucsf.edu/bullet-point-summary-prop-29-and-campaign-date>)