

Raising the Price of Tobacco

Raising the price of tobacco is good for our clients.

- Higher prices reduce the number of kids who smoke – a 10% increase in the price of tobacco reduces the number of kids who smoke by 6 or 7%. Most smokers start smoking as children.
- Higher prices help people quit using tobacco – for every 10% increase in the price of tobacco, there is a 4% decrease in sales (consumption).
- Smokers reap the most benefit from higher cigarette prices – better health through quitting tobacco, reduced health care costs and reduced exposure to secondhand smoke. Also, funds received through higher prices go toward increased state services.¹
- A family with two, one pack-per-day smokers could save approximately \$330* per month if both smokers quit smoking. This is more than the average family SNAP (food stamp) benefit and more than 62% of the maximum monthly TANF (Temporary Assistance to Needy Families) benefit for a family of three.

Family with 2 smokers who quit could save:	\$330 per month
Average family SNAP benefit:	\$250 per month
Maximum TANF benefit for a family of 3:	\$528 per month

- A person who smokes one pack-per-day can save over **\$1,980*** per year by quitting.

What is good for our clients is good for our state.

- By preventing tobacco use, Oregonians become healthier, have more money and help the state balance the budget. Tobacco use costs Oregon over \$2 billion per year in direct medical costs and lost productivity due to early death – a price the state cannot afford.
- Tobacco use costs Oregon Medicaid \$287 million per year.
- Babies born to mothers who don't smoke during or after pregnancy are healthier. They are more likely to be full term and normal birth weight, they have fewer respiratory problems and are less likely to die from SIDS. However, over one in five pregnant women on Medicaid continue to smoke during pregnancy.

Resources:

Campaign for Tobacco Free Kids

“Responses to Misleading and Inaccurate Cigarette Company Arguments Against State Cigarette Tax Increases”

<http://www.tobaccofreekids.org/research/factsheets/index.php?CategoryID=18>

Oregon Public Health Division

“Burden of Tobacco Among Medicaid Clients in Oregon”

<http://www.healthoregon.org/tobacco>

Date: July 12, 2010

* Average cost of a pack of cigarettes in Oregon after a 10% price increase: \$5.50