

Economics of Smoke-free Air Policy: The Kentucky Experience

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Smoke-free did not Harm Business in Lexington, Kentucky

- An average of 400 additional restaurant employees per month (3% of total restaurant employment)
- Bar employment stable
- No change in business openings or closings



Pyles, M, Mullineaux, DJ, Okoli, CTC, Hahn, EJ. (2007). Economic impact of a smoke-free law in a tobacco-growing community. *Tobacco Control*, 16(1).

Smoke-free Laws Do Not Affect Employee Turnover

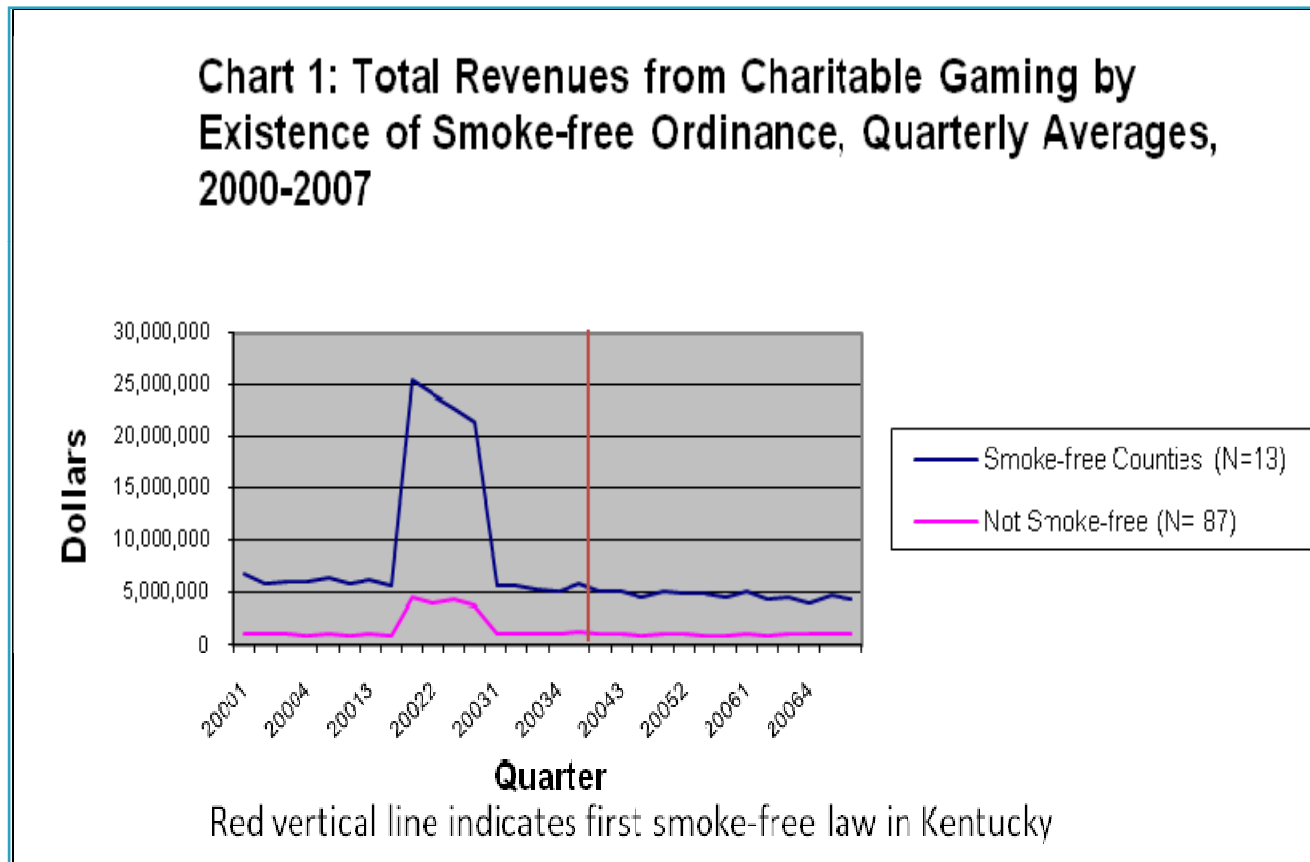
- ▶ No overall relationship between smoke-free laws and employee turnover.
- ▶ Small annual increase in training costs, if any.



Thompson, E., Hahn, E.J., Blomquist, G., Garen, J., Mullineaux, D., Ogunro, N., Rayens, M.K. (2008). Smoke-free laws and employee turnover. *Contemporary Economic Policy*, 26(3):351-359.



Smoke-free Laws Have No Effect on Bingo Revenues, Kentucky 2000-2007



Pyles, M.K. & Hahn, E.J. (2009). Smoke-free legislation and charitable gaming in Kentucky. *Tobacco Control, 18*, 60-62.

Smoke-free Laws Do Not Have a ‘Spillover’ Effect

- ▶ When controlling for economic variables, county-specific effects, and time trends, there is no evidence of a disproportionate change in economic activity in Ohio or Kentucky border counties relative to their non-bordering counterparts.
- ▶ There was no evidence of a relationship between Ohio’s smoke-free law and economic activity in Kentucky border counties.

Pyles, M. &, Hahn, E.J. (In press). Economic effects of Ohio’s smoke-free law on Kentucky and Ohio border counties. [Tobacco Control](#).

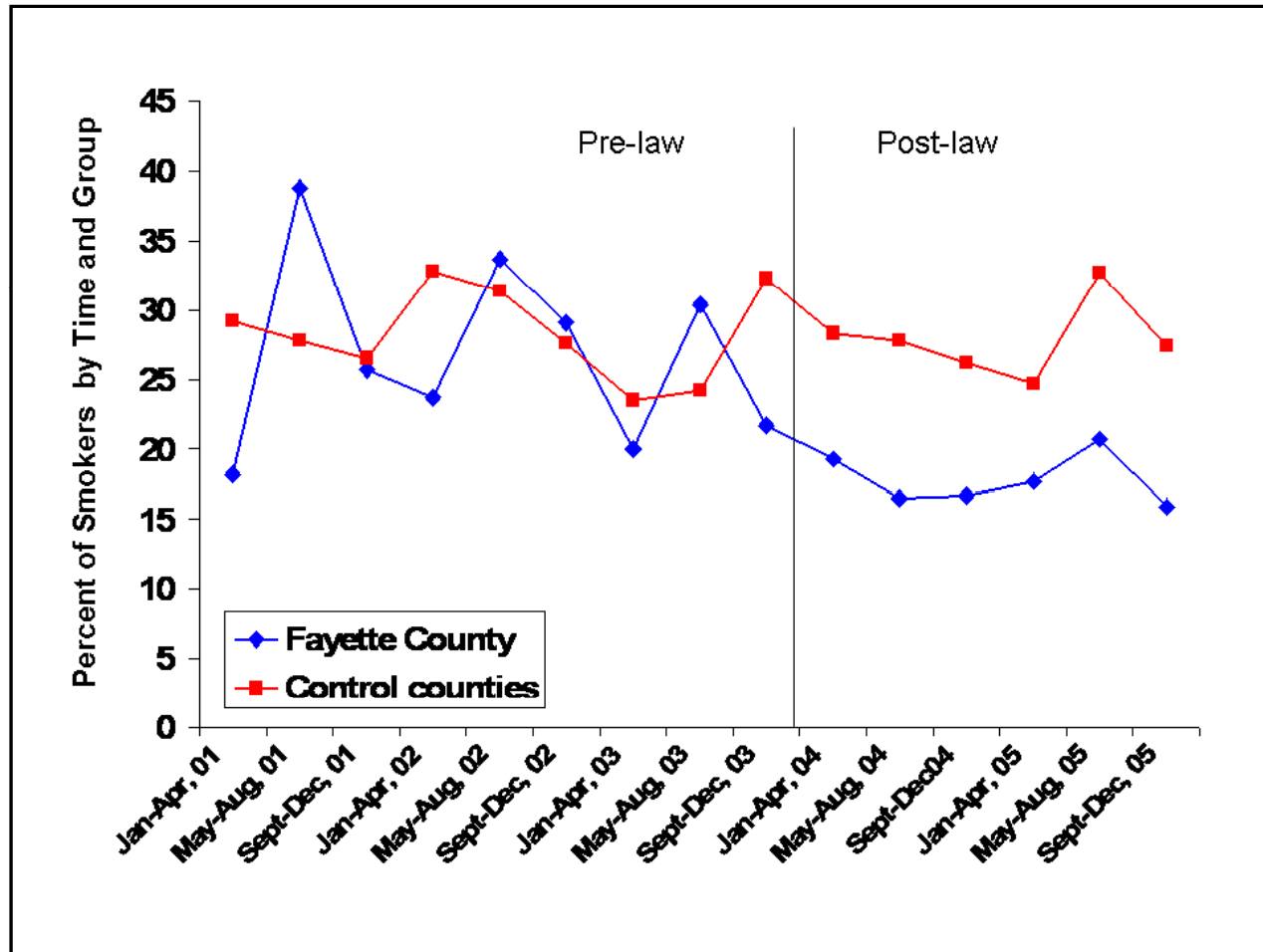
Smoke-free Laws in Rural Communities Do Not Harm Business

- ▶ No economic harm from smoke-free laws regardless of rurality.
- ▶ There were no negative economic effects of smoke-free laws in rural communities regardless of level of law (state vs. local).



Pyles, M & Hahn, EJ. (pending review). Economic effects of smoke-free laws on Kentucky and Ohio rural and urban counties.

A 32% Reduction in Adult Smoking Saved Lexington an estimated \$21 million per year in Healthcare Costs



Hahn, E.J., Rayens, M.K., Butler, K.M., Zhang, M., Durbin, E., and Steinke, D. (2008). Smoke-free laws and adult smoking prevalence. *Preventive Medicine*, 47: 206-209.

— Bluegrass Beacon —

Smoking out socialist

Kentucky's smoking nannies have made it clear: They want a state-government imposed and enforced smoking ban in every public place in the commonwealth — even in local communities that have decided otherwise.



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We must stop them.

They brush aside as insignificant — or worse, ignore altogether — the right

of local governments policies that best fit the especially if those decisions are a ban rather than a total o

For example, the state Nanny, Ellen Hahn, w university of Kentucky Ce Policy, recently issued a statewide ban while in speak to the Rotary Clu

“I think it would be the state would pass i Modlin, news director tucky University’s pu



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for FreedomKentucky.org



**Northern
Kentucky**
has a
CHOICE
Closed or Crowded

Anticipate the Opposition

Smoke and Mirrors: Exposing the Thalheimer Report

On June 7, 2005, the Lexington Food and Beverage Association (LFBA) released a report, “An Analysis of the Economic Impact of the Lexington, Kentucky Smoking Ban of 2004,” by Richard Thalheimer. The purpose of the report was to show that the law on demand for alcohol. Thalheimer analyzed the impact of the ordinance and claimed there had been a 9.8% to 10.8% increase in demand for alcohol. Thalheimer also claimed that there had been a 9.8% to 10.8% increase in demand for alcohol. Thalheimer also claimed that there had been a 9.8% to 10.8% increase in demand for alcohol.

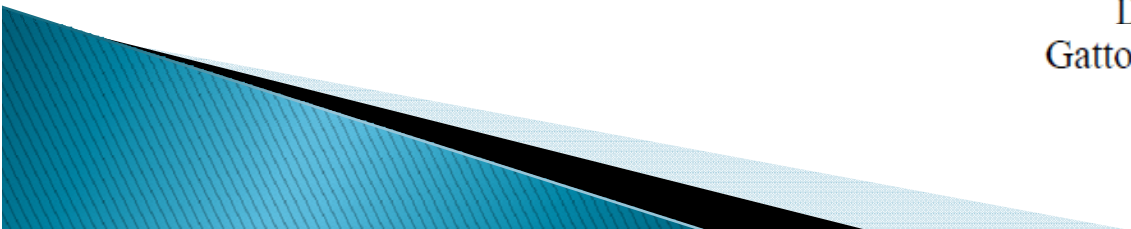
Flawed Scientific Methods

Report Not Peer-reviewed or Independently Evaluated

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Responses to Thalheimer’s Criticisms of the University of Kentucky Economic Impact Study

Dr. Donald J. Mullineaux
Director, School of Management
Gatton College of Business & Economics
University of Kentucky



Lessons Learned

- ▶ Anticipate bogus 'reports' of economic loss before and after the law is implemented.
- ▶ Partner with a well-respected, 'neighborhood' economist!
- ▶ Prepare rebuttal documents and talking points for anticipated opposition.
 - Get out in front of the train ('timing is everything')
- ▶ Sound economic impact analysis essential to a successful smoke-free campaign
 - Wards off attempts to exempt certain venues (i.e., bingo halls) and weaken the law post-implementation



For More Information

Kentucky Center for Smoke-free Policy

www.kcsp.uky.edu

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