



Educating Consumers about the Health Benefits of Higher Tobacco Taxes

Public education campaign on the health benefits of tobacco product taxes

SUMMARY

From 1993 to 1997, the American Cancer Society, Atlanta, carried out a Tobacco Tax Education Project to educate the public about the health benefits of increasing tobacco taxes.

Key Results

The project:

- Produced and distributed fact sheets summarizing available research on tobacco control to 10,000 tobacco control advocates.
- Sent mass mailings to approximately 2,000 editorial writers and columnists.
- Commissioned two studies about tobacco taxation and cross-border cigarette smuggling to avoid these taxes in the United States and Canada.
- Provided tobacco tax educational materials and policy analysis to 18 state and local tobacco control advocates and coalitions planning or engaging in tobacco tax campaigns, and education materials on preemption (tobacco industry efforts at the state level to ban local regulation of tobacco products) to tobacco control coalitions in eight states.
- Created 3 guidebooks: *Tobacco Tax Guidebook*, *Preemption Survival Kit*, and *Tobacco Advertising Survival Kit*.
- Trained 30 state-based advocates at 2 five-day Summer Institutes; and presented case studies at 20 national, regional, and state-based meetings.

In addition, the American Cancer Society institutionalized the project by incorporating it into its annual budget.

Funding

The Robert Wood Johnson Foundation (RWJF) supported the project with two grants totaling \$874,545 from November 1993 to April 1997.

THE PROBLEM

During the national discussion about health care reform in the early 1990s, a number of revenue-raising alternatives to finance health care reform were considered, including a federal excise tax on tobacco products. The public at the time was largely unaware of several facts about tobacco excise taxes, such as:

- US tobacco excise taxes were the lowest among 20 developed countries;
- In 1991 tobacco taxes reached the lowest point since 1955 as a percentage of the retail price;
- Numerous studies indicated that tobacco consumption declines an average of 4 percent for every 10 percent increase in price, so increasing the price of tobacco products was potentially one of the most effective measures for reducing consumption.

A 1993 survey by the ACS revealed that the majority of American voters in every region of the country, and of every age, income, and education level, favored increasing the federal tax on cigarettes by \$2 a pack. According to the survey, the public supported the idea that this tax would raise needed revenue for health care reform and reduce the health and economic damage that smoking inflicts on smokers and nonsmokers alike.

Given research evidence documenting how higher prices negatively affect consumption, RWJF saw in this project an opportunity to support an organized national effort to educate the public about the health benefits of a tobacco excise tax. ACS had long played a leading role in tobacco control, but like many public health organizations, it did not have expertise about the relation between tobacco taxes and tobacco consumption. No organized national effort existed to educate the public about the health benefits of a tobacco excise tax.

THE PROJECT

The First Grant (ID# 022810)

With the first grant, ACS established a Tobacco Tax Education Project (TTEP), a national effort to educate the public about the health benefits of a tobacco excise tax. The grant planned to achieve this objective through policy analysis and materials development, media relations, and outreach to old and new allies. The project director,

John L. Bloom, JD, an expert on tobacco taxes, and other consultants led the project, working out of ACS's offices.

Results of the First Grant (ID# 022810)

- **Throughout 1994 TTEP sent mailings to approximately 2,000 editorial writers and columnists, but the national media showed little interest in the issue of the health benefits of tobacco taxes, according to the project directors.** The project directors said, "The vast majority of stories merely recounted procedural developments involving tobacco tax proposals that were included in every major health care reform proposal. The roller-coaster aspect of the legislation, and the partisan aspects of the debate, provided unlimited fodder for the media and often seemed to preclude meaningful reporting on the underlying policy issues." In an additional effort to gain media coverage, the TTEP drafted and helped place in major newspapers a dozen op-ed articles from recognized leaders such as former president Jimmy Carter. The project sent nearly 100 interested reporters fact sheets and press releases several times a month, which garnered more coverage. It also held six press conferences. More than 40 articles focusing on the health benefits of tobacco taxes appeared in newspapers and other publications. However, hundreds more articles on tobacco taxes in general were published, with a brief mention of the health benefits of tobacco taxes. Because the media interest was less than expected, the project shifted its focus to recruiting allies in the public health community.
- **Following TTEP's outreach to the public health community, more than 100 health groups adopted position statements in support of higher tobacco taxes by the end of 1994.** Public health organizations were ill-equipped to discuss the issues of governmental taxes and revenues, having historically focused on issues such as disease, treatments, medical research, and cures. Through individual meetings and presentations to coalitions and boards, TTEP supplied data and materials to show public health organizations that an increase in excise taxes on tobacco products reduces tobacco use, particularly among youth. TTEP developed new alliances with religious, consumer, and children's organizations to help further similar understanding. TTEP distributed fact sheets and other information to more than 10,000 tobacco control advocates (see the [Communications](#) section of this report).
- **TTEP commissioned two studies that countered tobacco industry arguments that increases in tobacco taxes are ineffective due to consumer smuggling of cigarettes from lower-taxed areas nearby.** Between 1981 and 1992, Canada raised cigarette taxes from rates comparable to US taxes to about \$3 (US) per pack. Illegal cigarette smuggling from the United States into Canada escalated in 1993. A 1994 Canadian study, *The Smuggling of Tobacco Products: Lessons from Canada*, revealed that Canadian tobacco companies, not consumers, were responsible for more than 90 percent of the tobacco smuggled from the United States into Canada. Three Canadian companies shipped their products to New York State in order to avoid paying Canada's taxes, and arranged for most of these cigarettes to reenter Canada illegally.

A 1995 American study, *Tobacco Industry Stimulates Exaggerated Media Reports on Extent of Cigarette Smuggling in Michigan*, revealed that a 50-cent-per-pack increase in Michigan in May 1994 reduced tobacco consumption and raised tax revenue as expected. Tobacco tax revenues in Michigan went up 147 percent, and tobacco sales declined 18 percent by the end of 1994.

The Second Grant (ID# 026698)

In 1995, RWJF awarded the second grant to build upon the earlier work. This grant supported four full-time TTEP staff in ACS regional offices, who planned to mobilize ACS's state and local staff and volunteers to promote the health benefits of tobacco taxes and provide materials, policy analysis, and media plans. TTEP broadened its focus to youth access, tobacco marketing, and preemption (the tobacco industry's major strategy to lobby for state legislation to ban local efforts to regulate tobacco products).

Results of the Second Grant (ID# 026698)

- **A TTEP team working out of four regional ACS offices (Boston, Mass.; Austin, Texas; Phoenix, Ariz.; and Washington, D.C.) educated and assisted 18 state and local tobacco control advocates and coalitions planning or engaging in tobacco tax campaigns.** Specifically, the field team provided advice, materials, technical assistance, and information on tobacco taxes and related issues; helped identify funding needs and resources; and provided hands-on training in tobacco tax policy advocacy, grassroots network building, media advocacy, and other skills needed for successful educational campaigns. The TTEP field team assessed the needs of 40 states, worked intensely in 10 states (Alabama, Alaska, Hawaii, Maine, Massachusetts, New Hampshire, New Mexico, Oregon, Utah, and Washington), and helped another 8 states (Delaware, Kansas, Maryland, New Jersey, Texas, West Virginia, Wisconsin, and Wyoming) develop support for excise taxes on tobacco products.
- **To thwart preemption, TTEP helped develop an informal coalition called the "Preemption Strike Force" to educate advocates, allied groups, policymakers, and the media on the industry's strategy of using preemption to block local tobacco control activities.** It was composed of the Americans for NonSmokers' Rights (a national anti-tobacco advocacy organization), the American Lung Association (ALA), the American Heart Association (AHA), the American Cancer Association (ACA), and The National Center for Tobacco-Free Kids. TTEP jointly developed (with the Americans for Nonsmokers' Rights) a comprehensive, user-friendly database of materials on preemption (fact sheets, charts, maps, articles, statistics, and reports); updated the TTEP field team on the tobacco industry's efforts on preemption; and provided the same type of information and technical assistance to coalitions in eight states as they had on tobacco taxes. By the end of the project, approximately one-fifth of TTEP's time was spent on preemption.

- **TTEP created a *Tobacco Tax Guidebook*, a *Preemption Survival Kit*, and a *Tobacco Advertising Survival Kit*.** These 200-page guidebooks, updated periodically, included fact sheets, research reports, newspaper articles, media plans, sample materials, and case studies for local activists to work on tobacco control measures. These guidebooks drew information from several sources, including the National Cancer Institute and articles published in peer reviewed journals such as the *Journal of the American Medical Association*, the *American Journal of Public Health*, and the *Journal of Marketing* as well as research conducted by the project staff.
- **Project members presented case studies and spoke on panels at 2 national tobacco control conferences and 18 regional and state-based meetings.**
- **TTEP conducted 2 intensive 5-day seminars for a group of 30 tobacco control advocates from 25 states.** The 1995 Summer Institute on Tobacco Taxes in North Carolina and the 1996 Tobacco Use Prevention Summer Institute in St. Louis were cosponsored by the federal Centers for Disease Control and Prevention (CDC) and the University of North Carolina's Center for Health Promotion and Disease Prevention. The summer institutes are annual events sponsored by the CDC as training for tobacco control advocates nationally. The TTEP helped recommend participants and provided the trainers.
- **TTEP was institutionalized at the ACS.** ACS incorporated TTEP into its annual base budget for the National Government Relations Department, beginning with ACS's fiscal year 1997 budget. The TTEP budget included the staff and functions established by RWJF grants.

Communications

TTEP distributed approximately 20 fact sheets that summarized available research to help counter tobacco industry arguments against higher tobacco taxes. The fact sheets, which drew from sources such as the US CDC, the Congressional Budget Office, the US Office of Technology Assessment, and public polls, were updated periodically. Some of the fact sheets were collected in *Saving Lives and Raising Revenue: The Case for Raising State and Federal Tobacco Taxes*, a report of the Coalition on Smoking OR Health (a coalition representing the ACS, the ALA, and the AHA), and in a special issue of ACS's publication, *World Smoking and Health*. Nearly 10,000 tobacco control advocates received *Saving Lives and Raising Revenue* and a special 1994 issue of *World Smoking and Health*, an ACS publication. These publications also went to state and county offices of three major organizations, the ACS, the AHA, and the ALA. Another approximately 20 fact sheets addressed tobacco control debates of the moment or the concerns of subpopulations. For instance, advocates for low-income populations often consider sales taxes a regressive form of taxation, having greater impact on poor people. A TTEP fact sheet that was also translated into Spanish described how tobacco taxes could return funds to the community in the form of government-funded medical care.

Updated fact sheets appeared on the ACS computer network to its state and county offices, on the Advocacy Institute's SCARCnet computer network for tobacco control advocates, and, for journalists, on US Newswire. TTEP sent the *Tobacco Taxes Guidebook* and the *Tobacco Advertising Survival Kit* to about 150 people, mostly to participants at the 1996 and 1997 Tobacco Use Prevention Summer Institutes. The *Preemption Survival Kit* was distributed to 400 participants at 2 national tobacco control conferences. The reports about cross-border cigarette smuggling in Canada and the United States were shared with a small group of economists who were interested in the smuggling of tobacco across borders. (See the [Bibliography](#) for further details.)

LESSONS LEARNED

1. **A successful campaign to change public awareness and attitudes toward tobacco excise taxes would probably have to be much larger in scale in the face of the tobacco industry's huge investment on the other side.** This project started as a public education campaign to reach the general public but attracted little media interest. The project soon refocused on advising health organizations and coalitions.

AFTERWARD

The ACS continues to develop materials such as a *Tobacco Tax Campaign Planning Guide for State Legislators* and *Youth Responsiveness Talking Points*. In 1996, the ACS and RWJF jointly funded The National Center for Tobacco-Free Kids, an independent organization focused on reducing tobacco use by youth (see [Program Results Report](#) on ID#s 028989, 029600, 035929). It is modeled after the TTEP project, working through other organizations to achieve its goals. For the first five years, it was funded with \$10 million from the ACS and \$20 million from RWJF; in 1999 RWJF reauthorized funding for the center at up to \$50 million.

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Brochures and Fact Sheets

Fact Sheets Produced by the Tobacco Tax Policy Project:

- Overview of the Tobacco Tax Policy Project at the American Cancer Society.
- A \$1 Increase in Alaska's Tobacco Tax Will Raise Over \$100 Million in the 1st Three Years.
- Gains from Alaska's \$1 Cigarette Tax Increase Not Compromised by Unauthorized Sales.
- Cigarette Sales and Tobacco Tax Revenue in Massachusetts and New Hampshire: The Real Story.
- Tobacco Taxes Protect Massachusetts' Kids.
- Tobacco Tax Increases Provide Net Economic Gains for Massachusetts.

- A New Hampshire Tobacco Tax Increase Will Not Reduce Other Sources of State Revenue.
- Tobacco Taxes Reduce Health Care Costs and Productivity Costs of Smoking.
- Tobacco Taxes Protect New Hampshire's Kids.
- Tobacco Taxes Protect Kids.
- What Tobacco Costs America.
- Tobacco Taxes and Native American Reservations.
- Tobacco Excise Taxes are a Reliable Source of Revenue.
- State Excise Taxes on Cigarettes (map).
- Tobacco Tax Increases Provide Net Economic Gains for Wyoming.
- State Earmarking of Tobacco Taxes.
- Why Tax Smokeless Tobacco?
- Tobacco Taxes and the Military.
- Youth Responsiveness Talking Points.
- Smokeless Tobacco Use Soars Among Children and Teenagers.
- Smokeless Tobacco is a Deadly Product.
- Tobacco Industry's National Strategy on Preemption.
- The Truth Behind Tobacco Advertising.
- Tobacco Use Among Kids: Bad and Getting Worse.
- Gains from Tobacco Tax Increases Not Compromised by Unauthorized Sales.
- The Future of Tobacco Farming.
- Tobacco Taxes and the Canadian Rollback.
- Smoking-Related Health Care Costs: State Impact.
- Cigarette Sales and Tobacco Tax Revenue in Massachusetts and New Hampshire: 1992–1996.
- 11-Cent Tobacco Tax Increase Raises Safe Revenue and Preserves New Hampshire's Low-Tax Advantage.
- Tobacco Tax Increases Provide Net Economic Gains for Non-Tobacco States Like New Hampshire.

- How to Cut Teen Smoking, Save Lives, and Raise Revenue.
- Raising the Cigarette Excise Tax in Utah—a sample communications plan.
- States with Republican Governors that Have Passed Tobacco Excise Tax Increases Since 1990.
- States that have Passed Tobacco Excise Tax Increases Since 1993.
- Cigar Smoking: A Deadly Trend.
- Purchase, Possession, and Use of Tobacco By Minors: The Question of Penalties.
- Lung Cancer.

Sponsored Workshops

"Summer Institute on Tobacco Taxes," July 10–14, 1995, Chapel Hill, NC. Attended by about 30 tobacco control advocates representing voluntary health agencies (heart, lung, and cancer) in 25 states. Cosponsored by the federal Centers for Disease Control and Prevention and the Center for Health Promotion and Disease Prevention of the University of North Carolina, Chapel Hill.

"Summer Institute on Tobacco Prevention," July 8–12, 1996, St. Louis. Attended by 30 tobacco control advocates representing voluntary health agencies (heart, lung, and cancer) in 25 states. Cosponsored by the federal Centers for Disease Control and Prevention and the Center for Health Promotion and Disease Prevention of the University of North Carolina, Chapel Hill.

Print Coverage

"A Healthy Tobacco Tax Could Help Farmers Too," editorial by Jimmy Carter in *The Washington Post*, February 9, 1994.