

**MEASURING SUSTAINABLE DEVELOPMENT**

---

**A GENUINE PROGRESS INDEX FOR ATLANTIC CANADA**

---

THE COST OF SMOKING  
IN NEW BRUNSWICK & THE  
ECONOMICS OF TOBACCO CONTROL

EXECUTIVE SUMMARY

---

*Prepared by:*

Ronald Colman, Ph.D  
Robert Rainer  
Jeffrey Wilson, BES

April 2003



# EXECUTIVE SUMMARY

Stepped-up efforts in the past few years to prevent and reduce the incidence of smoking in New Brunswick seem to be yielding results. The number of ex-smokers is growing, and the incidence of teenage smoking is decreasing. On the critical public health issue of smoking, New Brunswick is heading in a direction that will save lives and health care dollars, and reduce the human and financial burden of preventable illness.

However, many challenges remain:

- New Brunswick's smoking rate for people aged 15 and over is 15% higher than the Canadian average and about 50% higher than British Columbia, which has the lowest smoking rate in the country.
- New Brunswickers smoked more than 1.2 billion cigarettes in 2001, approximately 7,950 for each of an estimated 153,500 smokers.
- Most people who have ever smoked start 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 12,500 underage (under 19) smokers in New Brunswick.
- One in three New Brunswick males and nearly three in 10 females report exposure to second-hand smoke, rates that are above the Canadian average.
- New Brunswick has an overall cancer incidence rate 8% above the national rate, with a lung cancer incidence rate for men 23% higher than the national average.
- An estimated 1,300 New Brunswickers lose their lives every year due to smoking.
- Approximately 11,700 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.
- Smoking costs New Brunswickers an estimated \$120 million (2001\$) annually in medical care costs, an estimated \$218 million (2001\$) in productivity losses due to the premature deaths of smokers, and millions more in costs borne directly by New Brunswick employers.

Ironically, standard economic growth statistics count 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 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 illness as costs rather than as gains to the economy. Whereas measures of progress based on the GDP counts all expenditures related to smoking, including 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 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. The latter, especially at schools, day care centres, health facilities and workplaces, are an essential component of any effective tobacco control strategy. 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 New Brunswick 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 \$161,000 (2001\$) in avoided spending on cigarettes by retirement age. If New Brunswickers smoked at the rate of those in British Columbia (16.7% of the population 15 and older rather than the 25% at present), they would have nearly \$112 million (2001\$) extra each year for more productive expenditures and investments.
- If just 10% of New Brunswick's smokers quit, they would over their lifetimes save the provincial economy over \$803 million (2001\$) in avoided medical care costs and productivity losses. If New Brunswickers smoked at the rate of those in British Columbia (the lowest rate in Canada), approximately \$99 million (2001\$) would be saved *annually* in avoided medical care costs and economic productivity losses due to the premature deaths of smokers.
- A 10% increase in the price of cigarettes would likely discourage two to four New Brunswick teenagers every day from starting to smoke – 700 to 1500 in one year alone.
- A well-supported, comprehensive approach to health promotion and illness prevention within New Brunswick schools would help further prevent teenage smoking, and would help 1,550 to 3,150 current teenage smokers either quit altogether, or reduce their cigarette consumption.

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