



MEASURING SUSTAINABLE DEVELOPMENT

A GENUINE PROGRESS INDEX FOR ATLANTIC CANADA

**THE COST OF SMOKING IN NEWFOUNDLAND
& LABRADOR
AND THE ECONOMICS OF TOBACCO CONTROL**

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EXECUTIVE SUMMARY

Stepped-up efforts in the past few years to prevent and reduce the incidence of smoking in Newfoundland & Labrador (NL) are beginning to yield results. Rising tobacco taxes, more extensive awareness and education programs, the spread of smoking bans and restrictions, and other interventions are helping Newfoundlanders either avoid smoking in the first place, “kick the habit,” or reduce their cigarette consumption. The number of ex-smokers is growing, and the incidence of teenage smoking is decreasing. On the critical public health issue of smoking, NL 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 still remain:

- Newfoundland & Labrador’s smoking rate for people aged 15 and over is still more than 18% higher than the Canadian average and about 54% higher than British Columbia, which has the lowest smoking rate in the country.
- Newfoundlanders smoked nearly 687 million cigarettes in 2001, approximately 6,075 for each of an estimated 113,080 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 8,750 underage smokers in NL.
- Nearly one in three NL males and nearly three in ten females reported exposure to second-hand smoke, rates that are above the Canadian average.
- Newfoundland & Labrador has a cancer mortality rate 10% above the national rate, with the mortality rate for men 15% above the rate for all Canadian men.
- An estimated 1,000 Newfoundlanders lose their lives every year due to smoking.
- Approximately 9,000 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 Newfoundlanders an estimated \$79 million (2001\$) annually in medical care costs, an estimated \$139.2 million (2001\$) in productivity losses due to the premature deaths of smokers, and millions more in costs borne directly by NL 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-related illness as costs rather than gains to the economy. Whereas measures of progress based on the GDP count 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. 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 NL 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 \$100,000 (2001\$) in avoided spending on cigarettes by retirement age. If Newfoundlanders smoked at the same rate as British Columbians (16.7% of the population 15 and older instead of 25.7% as at present), they would have nearly \$49 million (2001\$) extra in their pockets each year for more productive expenditures and investments.
- If just 10% of NL’s smokers managed to quit, they would over their lifetimes save the provincial economy over \$594 million (2001\$) in avoided medical care costs and productivity losses. If Newfoundlanders smoked at the rate of those in British Columbia (the lowest rate in Canada), approximately \$67 million (2001\$) would be saved *annually* in avoided medical care costs and economic productivity losses due to the premature deaths of smokers.

The medical benefits of smoking cessation are proven, clear, and unambiguous. The strategies for achieving cessation are available. What is also known is that of *all* possible interventions to reduce illness and death in society from *any* cause, smoking cessation is 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.