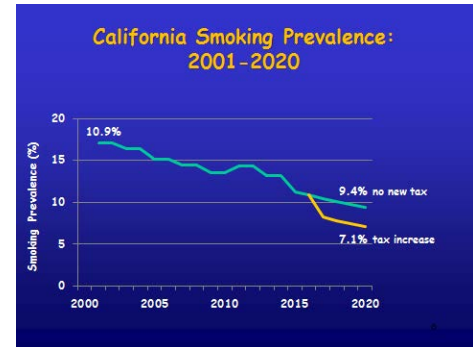


## A \$2.00 per pack increase in the tobacco excise tax will reduce smoking, save billions in healthcare expenditures, and create thousands of California jobs

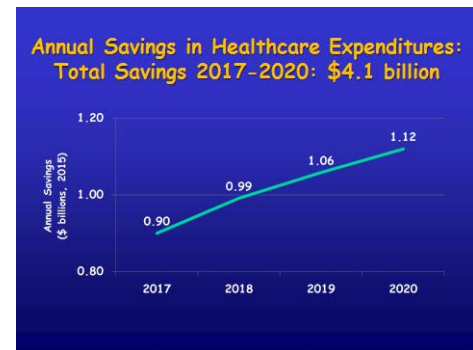
### Smoking prevalence in California will be more than 2 percentage points lower in 2020 with the tobacco tax increase

- In 2020 just 7.1% of California adults will smoke, and the remaining smokers will smoke less
- Smoking rates drop quickly because of the combined effect of higher prices and a larger reinvigorated tobacco control program
- Fewer smokers will mean fewer smoking-caused deaths and fewer nonsmokers breathing secondhand smoke



### The tobacco tax increase will save billions of dollars in healthcare expenditures because fewer people will get sick

- Annual savings in healthcare expenditures will be \$900 million in 2017, increasing to \$1.12 billion in 2020
- Cumulative savings will total \$4.1 billion between 2017 and 2020
  - Hospitalization costs will be \$2 billion lower
  - Outpatient costs will be \$1 billion lower
  - Medication costs will be \$650 million lower



### 70 million fewer packs of cigarettes will be smoked

- The tobacco industry will lose \$250 million in sales every year
- Because no tobacco is grown and no cigarettes are manufactured in California, most of the money spent on cigarettes leaves the state and goes to Phillip Morris, RJ Reynolds, and their suppliers
- When people smoke less, they will spend the money they save on goods that contribute to the California economy, creating 8,600 new jobs and increasing California economic activity by nearly \$700 million a year

Sources: (1) Max W, Sung HY, Lightwood J. *The Effect of a \$2.00 per Pack Increase in the Tobacco Excise Tax on Smoking and Healthcare Expenditures: 2017-2020*. Available at: [www.escholarship.org/uc/item/4g6677fq](http://www.escholarship.org/uc/item/4g6677fq). (2) Lightwood J, Glantz S. *Economic Impact of the California Healthcare, Research and Prevention Tobacco Tax Act of 2016. Job Creation and Economic Activity*. 2012. Available at: [www.escholarship.org/uc/item/9g738223](http://www.escholarship.org/uc/item/9g738223). (3) Max W, Sung HY, Lightwood J. The impact of changes in tobacco control funding on healthcare expenditures in California, 2012–2016. *Tobacco Control* 2013;22:e10-e15. (4) Lightwood J, Glantz S. The Effect of the California Tobacco Control Program on Smoking Prevalence, Cigarette Consumption, and Healthcare Costs: 1989–2008. *PLoS One* 2013;8(2):e47145.

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