Macro-Level Interventions

Frank J. Chaloupka
University of Illinois at Chicago

Identifying Opportunities for Cancer Prevention During Pre-Adolescence and Adolescence
Atlanta, GA  August 10, 2011
Pricing Policies

- Excise & sales taxes
- Producer subsidies
- Consumer subsidies, food assistance programs
- Tax breaks for producers, distributors, retailers
- Tax breaks for individuals
- Differential insurance premiums
- and more........
"Sugar, rum, and tobacco, are commodities which are nowhere necessities of life, which are become objects of almost universal consumption, and which are therefore extremely proper subjects of taxation.

Cigarette Prices and Cigarette Sales, United States, 1970-2009

Source: Tax Burden on Tobacco, 2009, and author’s calculations
Cigarette Price and Youth Smoking Prevalence, United States, 1991-2008

Source: MTF, *Tax Burden on Tobacco*, 2009, and author’s calculations
France: smoking, tax and male lung cancer, 1980-2005

Lung Cancer Deaths: males age 35-44/4
Relative Price
Number cigarettes/adult/day

Source: Jha, 2009
State Cigarette Excise Tax Rates – 2010

Anchorage $3.45

CDC, Office on Smoking and Health. State Tobacco Activities Tracking and Evaluation (STATE) System.
Graph 7. Current beer excise taxes and the percentage of 18-20 year olds that binge drink.

Source: CSPI Factbook on State Beer Taxes
Decade of Last Change in Beer Excise Tax

Source: CSPI Factbook on State Beer Taxes
Selected Food Price & Youth Weight Trends
1971-2009, Inflation Adjusted

Selected Food Price & Youth Weight Trends
1971-2009, Inflation Adjusted

Federal Cigarette Tax and Tax Revenues
Inflation Adjusted, 1955-2009

Source: Tax Burden on Tobacco, 2010, and author’s calculations
State Tobacco Control Program Funding and Youth Smoking Prevalence


Total Funding (FY10 dollars)
- $0
- $200
- $400
- $600
- $800
- $1,000

Percent Current Smoking
- 19
- 21
- 23
- 25
- 27
- 29
- 31
- 33
- 35
- 37

Total State Program Funding
High School Prevalence

Source: ImpacTeen Project, UIC; YRBS
Tobacco Industry is Outspending Prevention Efforts 24:1 — FY2011

State Tobacco Revenue (taxes and settlement funds) $25.3 billion

Tobacco Industry Marketing & Promotion Expenditures (2006) $12.5 billion

Total CDC-Recommended Spending Level $3.7 billion

State Tobacco Program Budgets $0.5 billion

Campaign for Tobacco Free Kids, Federal Trade Commission, American Heart Association, American Cancer Society, American Lung Association, SmokeLess States National Tobacco Policy Initiative
Policies Affecting Availability

- Licensing
- Minimum age for sale and/or purchase
- Tax breaks
- Zoning policies
- Community planning policies
- Limits/bans on sales in various venues
- Mandated insurance coverage
Food Deserts

No Car and No Supermarket Store Within a Mile

Source: Department of Agriculture, Centers for Disease Control
Information Policies

- Information shocks
- Regulation of descriptors
- Mandatory warning labels
- Nutrition labeling
- School based programs
- Mass media campaigns
- Limits/bans on marketing
**ARE YOU POURING ON THE POUNDS?**

<table>
<thead>
<tr>
<th>Drink</th>
<th>Number of Calories</th>
<th>Teaspoons of Sugar</th>
</tr>
</thead>
<tbody>
<tr>
<td>Iced White Chocolate Mocha (16 oz)</td>
<td>340</td>
<td></td>
</tr>
<tr>
<td>Cola (20 oz)</td>
<td>250</td>
<td></td>
</tr>
<tr>
<td>Lemon Lime Soda (20 oz)</td>
<td>240</td>
<td></td>
</tr>
<tr>
<td>Orange Delight Drink (16 oz)</td>
<td>225</td>
<td></td>
</tr>
<tr>
<td>100% Apple Juice (16 oz)</td>
<td>220</td>
<td></td>
</tr>
<tr>
<td>Lemon Flavored Iced Tea (20 oz)</td>
<td>210</td>
<td></td>
</tr>
<tr>
<td>Café Latte (16 oz)</td>
<td>190</td>
<td></td>
</tr>
<tr>
<td>Sports Drink (20 oz)</td>
<td>120</td>
<td></td>
</tr>
<tr>
<td>Water, Seltzer (20 oz)</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

**DON’T DRINK YOURSELF FAT.**
Cut back on soda and other sugary beverages. Go with water, seltzer or low-fat milk instead.
## Number of Ads Seen and Nutritional Content (%) of Ads for Selected Companies in the CFBAI

**Children Ages 6-11 Years**

<table>
<thead>
<tr>
<th></th>
<th>General Mills</th>
<th>Kellogg</th>
<th>Kraft Foods</th>
<th>Coca-Cola</th>
<th>Pepsi</th>
<th>Nestle</th>
</tr>
</thead>
<tbody>
<tr>
<td>High Fat</td>
<td>2.2 2.3</td>
<td>1.4 0.9</td>
<td>1.3 0.8</td>
<td>0.2 0.1</td>
<td>0.6 0.2</td>
<td>0.4 0.3</td>
</tr>
<tr>
<td>High Sat Fat</td>
<td>4.6 9.1</td>
<td>12.4 7.5</td>
<td>34.9 30.6</td>
<td>0.0 0.0</td>
<td>20.5 24.4</td>
<td>55.3 37.8</td>
</tr>
<tr>
<td>High Sugar</td>
<td>14.9 19.1</td>
<td>15.4 11.9</td>
<td>40.5 30.6</td>
<td>0.0 0.0</td>
<td>15.2 3.0</td>
<td>70.7 55.5</td>
</tr>
<tr>
<td>High Sodium</td>
<td>90.5 81.6</td>
<td>71.8 66.4</td>
<td>64.9 36.8</td>
<td>83.9 44.8</td>
<td>66.3 57.4</td>
<td>60.1 18.7</td>
</tr>
<tr>
<td>Low Fiber</td>
<td>50.4 60.8</td>
<td>73.9 60.4</td>
<td>38.0 60.0</td>
<td>0.0 0.0</td>
<td>37.8 25.0</td>
<td>17.1 20.2</td>
</tr>
<tr>
<td>High Sat Fat, Sugar or Sodium</td>
<td>96.6 97.3</td>
<td>98.7 88.7</td>
<td>97.5 94.9</td>
<td>94.5 44.8</td>
<td>90.8 82.4</td>
<td>92.6 73.7</td>
</tr>
</tbody>
</table>
Industry Responses
Industry Responses

- Marketing
- Lobbying
- Campaign contributions
- Product design
- Corporate social responsibility campaigns
- Youth prevention programs
- Misleading arguments about economic impact
Cigarette Company Marketing Expenditures, by Category, 1975-2006

Source: author’s calculations from data reported in FTC (2009)
Tobacco Industry Efforts to Offset Tax Increase

On February 4th, 2009, the Federal Government enacted legislation to fund the expansion of the State Children's Health Insurance Program (SCHIP) that increases excise taxes on cigarettes by 158%.

As a result, you will see the price of all cigarettes, including ours, increase in retail stores.

We know times are tough, so we'd like to help. We invite you to register at Marlboro.com to become eligible for cigarette coupons and special offers using this code: MAR1558

Thank You,

Philip Morris USA
Millions Spent Lobbying Coke, Pepsi & ABA

Source: Brownell, 2010
Impact on Jobs

JULY, 14, 2010 – The Associated Press

- RICHMOND, Va. — The tobacco industry is running a full-court press ahead of a federal scientific panel's meeting to discuss how to regulate menthol cigarettes, a still-growing part of the shrinking cigarette market.

- The union representing nearly 4,000 tobacco workers sent a letter to the Food and Drug Administration committee examining the public health effects of the minty smokes, warning that a ban could lead to "severe jobs loss" and black market cigarettes.
SMOKING BAN
NO BUSINESS
CLOSED

01/09/2008

CLOSED
OUT OF BUSINESS
DUE TO SMOKING BAN!!!
Thank you David Thone

Kelly's Corner Cafe'
WHERE THE HELL ARE ALL YOU NON SMOKERS
A pack of premium cigarettes in New York City now costs $7 or $8; prices would rise to above $9. Opponents of the tax increase argue that higher prices would drive smokers to seek ways to evade the law and purchase cheaper cigarettes from smugglers or in neighboring states, blunting potential revenue gains for the state. "It's a black market gold mine," a senior fellow at the Manhattan Institute, E.J. McMahon, said of the proposed tax.
Impact on the Poor

July 23, 2010 – San Francisco Examiner

- “Democrats are relying more heavily in their midterm 2010 election message that Republicans care nothing about the poor. Conveniently absent from this analysis is Republican opposition to President Barack Obama’s cigarette tax increase……

While higher cigarette taxes do discourage smoking, they are highly regressive. Analyzing a slightly less severe proposal in 2007, the Tax Foundation noted that ‘no other tax hurts the poor more than the cigarette tax.’” Peyton R. Miller, special to the Examiner.
Who Pays & Who Benefits
Impact of Federal Tax Increase, U.S., 2009

<table>
<thead>
<tr>
<th>Income Level</th>
<th>Share of Tax Increase</th>
<th>Share of Reduced Deaths</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;poverty line</td>
<td>11.9%</td>
<td>46.3%</td>
</tr>
<tr>
<td>1-2* poverty line</td>
<td>20.7%</td>
<td>29.5%</td>
</tr>
<tr>
<td>&gt;2* poverty line</td>
<td>67.4%</td>
<td>24.2%</td>
</tr>
</tbody>
</table>

Source: Chaloupka et al., in progress; assumes higher income smokers smoke more expensive brands
Other Barriers

- Political will
- Opposition to “nanny state”
- Anti-tax, anti-government philosophy
- Lack of public understanding
- Lack of clarity on lines between educating, advocating, and lobbying
"Take her anti-obesity thing that she is on. She is on this kick, right. What she is telling us is she cannot trust parents to make decisions for their own children, for their own families in what we should eat. And I know I'm going to be again criticized for bringing this up, but instead of a government thinking that they need to take over and make decisions for us according to some politician or politician's wife priorities, just leave us alone, get off our back, and allow us as individuals to exercise our own God-given rights to make our own decisions and then our country gets back on the right track."
A Few Questions

- How much evidence is needed to move forward with policy interventions?
- What’s the appropriate level of engagement with the industry?
- What is government’s role/responsibility to intervene?
- What is the role of/who supports advocacy?
- Broad-based vs. youth-focused policies?