

Serious Impact

Tobacco Use Hurts Your Bottom Line

Corporate leaders today are well aware that rising health care costs are one of the biggest threats to their bottom lines. What is not as well known is the significant role of smoking and other tobacco use in driving these costs. In fact, tobacco use is the leading preventable cause of death and disease in the United States. Business bears the burden of tobacco-caused illness — and the resulting health care bills — among employees, family members and even retirees. Reducing tobacco use and its preventable costs is critical to optimizing profits and improving worker health and productivity.

THE HEALTH CARE COSTS OF SMOKING

Smoking harms virtually every organ in the body, causing multiple cancers, heart disease, chronic respiratory diseases and numerous other ailments. It's no surprise then that smoking-related illness results in almost \$100 billion in health care costs each and every year, and business bears much of that burden.¹ Private insurance pays for nearly 50 percent of smoking-related medical costs for people ages 19 to 64.²

Even though they live significantly shorter lives, smokers on average incur \$15,000 to \$17,000 more in lifetime health care costs than non-smokers.³

Of course, the worst cost of smoking is human life. Tobacco use kills more than 400,000 Americans every year, and smoking cuts lives short by an average of 12 to 14 years. Tobacco use kills more than 400,000 Americans every year. Half of long-term tobacco users become ill and die of smoking-related illnesses in middle age.⁴

CSX CORPORATION, a transportation company based in Jacksonville, FL, has taken steps to reduce health care costs while increasing productivity by helping its employees stop smoking. The corporation provides coverage for doctor visits, medication and counseling, in addition to CDC-recommended comprehensive smoking cessation treatment benefits. The director of health and wellness explains, "Our role in this partnership is to provide support, incentives and encouragement. Through this effort, we have helped 50 percent of CSX participants make successful quit attempts. While protecting the health of workers and their families, the effort is helping to curb our company's health care costs while improving overall productivity."⁹

IMPACT ON WORKER PRODUCTIVITY

Healthier workers are more productive workers, and it is clear that non-smokers are healthier workers.

- Smokers are absent from work seven to 10 more days per year than non-smokers.⁵
- A study of current, former and never smokers over time showed that current smokers had significantly greater absenteeism than never smokers, with former smokers in between. Former smokers also showed an improvement over time in productivity measures, compared to current smokers.⁶
- Smoke breaks are disruptive, take time away from work and may be viewed as unfair by fellow workers. One survey found that three 15-minute smoking breaks a day amounted to a full year of a worker's life spent smoking.⁷
- A study for the U.S. Navy showed that smokers had poorer job performance reviews.⁸



AT HEARTLAND COMMUNICATIONS GROUP, INC.,

based in Fort Dodge, IA, the director of human resources took proactive steps to help smoking co-workers prepare for the statewide smoke-free law that took effect in July 2007. She set up “The Quitters’ Club,” with the motto “Quitters do win, and winners do quit.”

Nonsmoking employees showed support for co-workers trying to quit by providing them with lunch. In addition to increased productivity, the human resources director notes that because of the club, “We will see lower absenteeism, healthier employees, lower insurance rates, but more importantly than that, these people will make a change in their lives that is just incredible.”¹⁴

SMOKING IN THE WORKPLACE

Businesses that permit smoking experience higher fire and property insurance costs, as well as higher costs of cleaning and maintenance due to smoke damage. Commercial cigarette fires cause about \$500 million in damages and kill 2,000 people each year.¹⁰ Cleaning costs associated with smoking in the workplace total about \$4 billion per year.¹¹

Smoking harms businesses in less obvious ways as well. In addition to the direct harms of smoking, secondhand smoke is also a serious health hazard that causes lung cancer, heart disease and other ailments in nonsmokers. Even if your workplace is smoke-free, your employees may be exposed in restaurants, bars and other public places.

- Smokers exposed to secondhand smoke suffer from acute respiratory problems and require more outpatient treatment.¹²
- In addition to their increased risk for cancer, heart disease and other illnesses, nonsmokers exposed to secondhand smoke in the workplace tend to be less productive.¹³

RESCUE YOUR BOTTOM LINE

The good news is that the human and economic toll of tobacco use is preventable. Businesses can take proven steps in the workplace to reduce smoking and exposure to secondhand smoke among employees and dependents. Just as important, businesses can play a vital role in community efforts to protect workers and families from tobacco use. The accompanying brochures describe how you can act now both in your company and in your community to reduce tobacco’s toll on your workforce and your bottom line.



ENDNOTES

- 1 Centers for Disease Control and Prevention (CDC), Sustaining State Programs for Tobacco Control: Data Highlights 2006 [and underlying CDC data and estimates], http://www.cdc.gov/tobacco/data_statistics/state_data/data_highlights/2006/index.htm.
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- 13 Javitz, HS, et al., "Financial burden of tobacco use: An employer's perspective," *Clinics in Occupational and Environmental Medicine* 5(1):9-29, 2006.
- 14 Burch, A, "Kicking the habit," *The Messenger (Fort Dodge, IA)*, July 15, 2008.