

September 26, 2023

Michigan Should Invest More in Tobacco Use Prevention

In a Nutshell

- Despite the significant progress made in reducing tobacco use over the last few decades, smoking and tobacco use are still extremely costly from an individual health and economic perspective.
- Michigan spends dramatically less on tobacco cessation programs than the CDC recommends, despite evidence that more funding could reduce smoking rates even further.
- Michigan should prioritize expanding tobacco prevention and cessation efforts.

Tobacco control has long been touted as a public health success story, yet tobacco use remains one of the most significant public health issues across the United States. While Michigan, like every state, continues to enact policies that aim to reduce the rate of smoking and tobacco use, funding for tobacco prevention campaigns is exceptionally low. Relative to the amount of tobacco-related tax revenue -Michigan collects over a billion dollars in revenue from cigarette sales every year – a very small amount is appropriated for tobacco prevention programs. While a wide range of laws and regulations have been enacted over the last several decades to successfully reduce smoking rates, increasing funding for tobacco prevention programs is the policy option that has the most potential to drive down tobacco use in Michigan in the coming years.

Existing Tobacco Control Policy

Reducing the rates of smoking and tobacco consumption has been one of the country’s most well-known public health achievements. Through a combination of substantive policy changes and socio-cultural shifts in attitudes towards smoking, the United States has made considerable progress in tobacco control. Tobacco use nationally has been declining generally since the first Surgeon General report on the adverse effects of smoking was released in 1964, and cigarette use reached an all-time low in 2019. While smoking rates fell consistently for adults, youth rates saw a significant rise in the 1990s. Following additional targeted policy changes enacted in the late 1990s, such as tax increases, indoor smoking bans, and anti-smoking campaigns, the youth rate dropped as well.

The effort to reduce smoking was tackled from several different policy angles that aimed to change people’s behaviors and attitudes regarding smoking. Statutory changes regarding the cost of cigarettes, smoke-free air, packaging, and advertising, along with cultural mass media campaigns and public education, fueled much of the decline in cigarette use. The federal government and many states responded relatively quickly to the continued release of scientific evidence on the negative health effects of smoking. The first law requiring the labeling of cigarette packages with health warnings was enacted in 1965, one year after the release of the first Surgeon General report. Over the next decade, as more information regarding second-hand smoke was released, several states began to place restrictions on smoking in public places, government buildings, and airplanes. By the late 1980s, several bans were in place.

Along with these changes, many states and the federal government enacted significant increases to the excise

taxes levied on tobacco products in the mid-1990s. Decades of research have shown that taxation is effective at reducing cigarette use, and can be particularly effective for teens. Further, while restrictions on advertising were first enacted in the 1970s, more aggressive and targeted restrictions were enacted in the late 1990s following the sharp rise in teen smoking rates. Additional policy changes in the 21st century, including increased funding for scientific research and a focus on public education, led to a plethora of anti-smoking campaigns and helped to further reduce the incidence of smoking among adults and teens.

Michigan began enacting laws related to tobacco use in the late 1980s and has continued to regulate various policies related to smoking, including smoke-free indoor air protection, protecting youth from accessing tobacco, creating excise taxes on tobacco products, and other regulations on advertising. Most recently, Michigan followed the federal government's lead and enacted a legislative package that raised the state age for tobacco sales from 18 to 21. Michigan also spends state and federal dollars on tobacco prevention programs, including the Michigan Tobacco Quitline program, which provides phone and online coaching services to individuals.

Despite Major Successes, Smoking Remains a Problem in Michigan

While Michigan's adult smoking rate has been declining regularly over the past few decades, it has consistently remained higher than the national average; a trend that reflects Michiganders engaging in more negative health behaviors than the rest of the country. In 2021, the adult smoking rate in Michigan was 17 percent, compared to 14 percent nationally. Neighboring states, including Illinois, Wisconsin, Ohio, and Indiana, have similar or lower rates. Adult e-cigarette use was also slightly higher than the national average in 2021 (7.6 percent compared to 6.6 percent). The rate of high schoolers in Michigan that smoke cigarettes (1.7 percent) is slightly below the national average (2.0 percent), while the rate of high schoolers in Michigan who use e-cigarettes (14 percent) is on par with the national average. Overall, a substantial portion of the Michigan population still uses tobacco products.

The health and economic impacts of smoking are significant. In 2023, cigarette use accounted for over 16,000 deaths in Michigan, with an additional 1,740 deaths from second-hand smoke. Tobacco kills more people in Michigan per year than drug overdoses, auto accidents, murders, and suicides combined, and over 30 percent of cancer deaths in Michigan are attributable to smoking. In addition, smoking causes a range of illnesses, including lung cancer, ischemic heart disease, chronic obstructive pulmonary disease (COPD) and stroke, and even small exposure to second-hand smoke can cause heart damage.

The annual health care costs in Michigan related to smoking total \$5.3 billion, including ambulatory care, nursing home care, prescription drugs, home health services, and durable medical equipment. The state spends \$1.46 billion through its Medicaid program to address smoking-related costs (approximately 27.4 percent of the state's total smoking-related health care costs are incurred by Medicaid recipients). The state and federal tax burden on residents in Michigan for government expenditures related to smoking total \$1,140 per household. These figures also only represented the health care-related costs and do not include indirect costs, such as lost productivity and wages due to sick days taken as a result of tobacco use. While progress has been made, smoking and tobacco use remains a considerable public health problem that has significant social and economic costs.

Next Steps in Tobacco Control Policy

Several options are available to Michigan policymakers to further reduce tobacco use. The American Lung Association reviews state regulations on tobacco control and provides letter grades to each state in its annual State of Tobacco Control report. Michigan received poor grades (ranging from C to F) in all five policy areas in 2023, which include tobacco prevention funding, smoke-free air laws, access to cessation services, taxation, and restricting flavored tobacco products. In some of these areas, however, very few states scored well. While the grades are subjective, they inform potential policy solutions to strengthen tobacco regulation and improve public health. Advocacy groups and others have made a number of recommendations to improve Michigan's tobacco control policy, including licensing all tobacco retailers, including e-cigarette retailers; prohibiting flavorings for tobacco products; and bringing excise tax parity to non-cigarette forms of tobacco. While there

is evidence to suggest these types of policies are likely to reduce tobacco use, most states are still figuring out how to balance the trade-offs between the public health value of these proposals and the restrictions and financial burdens they place on individuals.

However, funding for tobacco prevention programs is the one area in which Michigan is clearly behind the curve relative to other states. State spending on tobacco prevention has gone down considerably in the last two decades. In FY2023, the state spent \$1.8 million on these programs, which is only 3.8 percent of the Centers for Disease Control and Prevention (CDC)-recommended level. CDC's spending targets are based on their recommendations for spending in five different areas of tobacco prevention, which are influenced by many factors including general population demographics, smoking rates, public health worker wages, the geographic size of the state, advertising costs in the state's media markets, and number of smokers calling help-lines. The FY2024 state budget added an additional \$1.5 million to this effort, but it is one-time funding. While most states fall below the recommended level, Michigan ranked 49th in state spending on tobacco prevention programs in 2023.

Michigan collects a significant amount of revenue from taxes on tobacco products, yet very little of this revenue is used on tobacco prevention programs. In 2014, the CDC recommended a total annual state investment of \$111 million based off the state's revenue collected from tobacco sales and settlements in 2012, with a minimum \$76.9 million allocated across five programmatic areas. At that time, funding a comprehensive tobacco prevention program at the recommended level would have required nine percent of the total tobacco revenue from the amount of taxes and settlement revenue collected. The proportion of recommended funding to tobacco revenue remains roughly the same in 2023 (9.5 percent), while the minimum level would require less than seven percent.

Revenue collected specifically from tobacco taxes totaled \$796.7 million in FY2022. This money is distributed to several agencies and programs, with most of the revenue going to the Medicaid Benefits Trust Fund, the State School Aid Fund, and the General Fund. The state should consider some reallocation of this funding for tobacco control programs, as the Healthy Michigan Fund, which administers the prevention programs, is more likely to see a return on investment.

Further, the tobacco industry continues to outspend the state government on tobacco marketing in Michigan – tobacco industries spend an estimated \$323.8 million annually on marketing. This means that for every \$1 the state spends in tobacco prevention, the tobacco industry is spending about \$180 on marketing. Tobacco marketing is notorious for its aggressive and predatory tactics, especially towards youth. Leaving Michigan financially ill-equipped to combat this kind of marketing leaves the state's residents largely unprotected from counter-messaging.

Research has consistently demonstrated that tobacco prevention programs are effective. Many studies show that comprehensive tobacco prevention programs that incorporate CDC best practices effectively reduce tobacco use. Several states have documented successful outcomes in reducing tobacco use, particularly in reducing tobacco use among teens. Florida, a state that invests considerably more in tobacco prevention programs (about 41 percent of the CDC's recommended level), reported that its high school smoking rate fell to 3.6 percent in 2018.

The reduction in tobacco use from prevention programs creates significant cost-savings for the state and saves money in the long run. The Michigan Tobacco Quit Line projects that it has saved state residents between \$454.7 and \$655.5 million in total lifetime medical expenditures and lost productivity costs. Further, it is estimated that for every smoker that successfully quits, their cost-savings to themselves can be as high as \$1,820 per year.

The research and guidance on tobacco prevention programs are well-established. The CDC provides best practices for comprehensive tobacco prevention programs that cover a wide range of topics, including health communications, health equity, cessation, program infrastructure, and youth engagement. If Michigan invests in comprehensive programs, the state can work towards several of its stated goals, which include identifying and eliminating tobacco-related health disparities, and preventing initiation among youths and young adults.

Conclusion

Michigan has both the evidence-based guidance and the funding to implement more robust tobacco control programs. Unlike other potential policy solutions to tobacco use, smoking prevention efforts do not inhibit an individual's freedom, nor does it require any unfair financial hardships. Michigan collects enough money from tobacco sales and settlements to, at the very least, increase the amount of funding for tobacco prevention programs to the minimum CDC recommended level. It is more a matter of reallocating those public resources and making prevention programs a higher public health priority. Deciding where to spend public money always involves trade-offs, but investing in tobacco prevention is a proven approach that saves the state money and, more importantly, prevents pre-mature deaths.

ABOUT THE AUTHOR

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Karley Abramson joined the Research Council in 2022 as a Research Associate focusing on health policy. Previously, Karley was a nonpartisan Research Analyst at the Michigan Legislative Service Bureau where she specialized in the policy areas of public health, human services, education, civil rights, and family law. Karley has worked as a research fellow for various state and national organizations, including the National Institutes of Health and the ACLU of Michigan. She is a three-time Wolverine with a bachelor's degree in sociology, a master's of public health, and a juris doctor from the University of Michigan.

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