

Policy Tip Sheet



POLICY ANALYSIS FROM
THE HEARTLAND INSTITUTE

Tobacco Harm Reduction 101: Michigan

Since their introduction to the U.S. market in 2007, e-cigarettes and vaping devices—tobacco harm reduction products that are 95 percent safer than combustible cigarettes—have helped more than three million American adults quit smoking.

1. Economic Impact

According to the Vapor Technology Association, in 2018, the industry created 2,660 direct vaping-related jobs, including manufacturing, retail, and wholesale jobs in Michigan, which generated \$75 million in wages alone.¹ Moreover, the industry has created hundreds of secondary jobs in the Great Lakes State, bringing the total economic impact in 2018 to \$608,284,800. In the same year, Michigan received more than \$38 million in state taxes attributable to the vaping industry. These figures do not include sales in convenience stores, which sell vapor products including disposables and prefilled cartridges. In 2016, sales of these products in Michigan eclipsed \$16.3 million.²

2. State Health Department Data

As of January 9, 2020, the Michigan Department of Health and Human Services (MDHHS) has reported 35 confirmed and 30 probable cases of vaping-related lung illnesses,³ including three deaths.⁴ MDHHS reports that 82.5 percent of 63 patients report using vaping products containing tetrahydrocannabinol (THC). Although, MDHHS provides information on substances vaped, other state health departments are also providing information on ages and genders. *The Heartland Institute gives MDHHS a grade of B for information available on vaping-related lung illnesses.*

3. More Information Needed

The most recent report on youth e-cigarette use in Michigan is from the 2017 Michigan Youth Risk Behavior Survey.⁵ In 2017, only 14.8 percent of Michigan high school students reported using a vapor product on at least one occasion in the 30 days prior to the survey. Only 2.9 percent of Michigan high school students reported daily e-cigarette use. More data is needed to understand the effects of public health campaigns on youth e-cigarette use.

4. Youth Sales Miniscule

From January 1, 2018 to September 30, 2019, the U.S. Food and Drug Administration (FDA) administered 6,125 tobacco age compliance inspections in Michigan, in which the agency used a minor in an attempt to purchase tobacco products.⁶ Of those, 1,241 or 20 percent, resulted in a sale to a minor. Of the violations, 182 (25 percent of violations and 5 percent of all compliance checks) involved the sale of e-cigarettes or vaping devices. The number of violations involving sales of cigars and cigarettes were 591 and 331, respectively, during the same period.

5. Misspent Money

In 2019, Michigan received an estimated \$1.2155 billion in tobacco taxes and tobacco settlement payments. In the same year, the state spent only \$1.6 million, or less than 1 percent, on funding tobacco control programs, including education and prevention.⁷

Policy Solution

Electronic cigarettes and vaping devices have proven to be tremendous tobacco harm reduction tools, helping many smokers transition away from combustible cigarettes. Despite recent fearmongering, their use is significantly safer than traditional cigarettes, as noted by numerous public health groups including the Royal College of Physicians,⁸ Public Health England,⁹ and the American Cancer Society.¹⁰ Rather than restricting their use, and undoubtedly reducing public health gains and millions of dollars in economic output, lawmakers should dedicate existing tobacco funds on programs that actually reduce youth usage.

Key Points

1

Michigan's vaping industry provided more than \$608 million in economic activity in 2018 while generating 2,660 direct vaping-related jobs. Sales of disposables and prefilled cartridges in Michigan exceeded \$16.3 million in 2016.

2

As of January 9, 2020, MDHHS has reported 35 confirmed and 30 probable cases of vaping-related lung illnesses. MDHHS reports that 82.5 percent of patients report vaping THC. MDHHS earns a **B** for its reporting on vaping-related lung illnesses.

3

In 2017, only 2.9 percent of Michigan high school students reported using vapor products daily. More data is needed.

4

Only 5 percent of FDA retail compliance checks in Michigan resulted in sales of e-cigarettes to minors from January 1, 2018 to September 30, 2019.

5

Michigan spends very little on tobacco prevention. In 2019, Michigan dedicated only \$1.6 million on tobacco control, or less than 1 percent of what the state received in tobacco settlement payments and taxes.

Notes

Tobacco Harm Reduction 101: Michigan

References

- ¹ Vapor Technology Association, “The Economic Impact of the Vapor Industry MICHIGAN,” 2019, <https://vta.guerrillaeconomics.net/reports/ee2b0d04-2f54-43df-8c24-eb4b5cecf5ba?>
- ² Teresa W. Wang et al., “National and State-Specific Unit Sales and Prices for Electronic Cigarettes, United States, 2012-2016,” *Preventing Chronic Disease*, Centers for Disease Control and Prevention, August 2, 2018, https://www.cdc.gov/pcd/issues/2018/17_0555.htm.
- ³ Michigan Department of Health and Human Services, “Weekly Outbreak Update Summary,” Health Advisory: Severe Lung Injury Associated with Electronic Cigarette Product Use or Vaping, January 9, 2020, https://www.michigan.gov/mdhhs/0,5885,7-339-71550_2955_2973_94238_95655---,00.html. Accessed January 11, 2020.
- ⁴ Michigan Department of Health and Human Services, “MDHHS reports state’s third vaping-related lung injury death,” January 10, 2020, <https://www.michigan.gov/mdhhs/0,5885,7-339--516571--,00.html>.
- ⁵ Centers for Disease Control and Prevention, “High School YRBS Michigan 2017 Results,” 2017, <https://nccd.cdc.gov/youthonline/App/Results.aspx?LID=MI>,
- ⁶ U.S. Food and Drug Administration, “Compliance Check Inspections of Tobacco Product Retailers,” September 30, 2019, https://www.accessdata.fda.gov/scripts/oc/inspections/oc_insp_searching.cfm.
- ⁷ Truth Initiative, “Tobacco use in Michigan,” June 28, 2019, <https://truthinitiative.org/research-resources/smoking-region/tobacco-use-michigan-2019>.
- ⁸ Royal College of Physicians, Nicotine without Smoke: Tobacco Harm Reduction, April 2016, <https://www.rcplondon.ac.uk/projects/outputs/nicotinewithout-smoke-tobacco-harm-reduction-0>.
- ⁹ A. McNeill et al., “Evidence review of e-cigarettes and heated tobacco products 2018,” Public Health England, February 2018, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/684963/Evidence_review_of_e-cigarettes_and_heated_tobacco_products_2018.pdf.
- ¹⁰ The American Cancer Society, “What Do We Know About E-Cigarettes?” June 19, 2019, <https://web.archive.org/web/20190806152535/https://www.cancer.org/cancer/cancer-causes/tobacco-and-cancer/e-cigarettes.html>.

For More Information, please refer to:

Tobacco Harm Reduction 101: A Guidebook for Policymakers

<https://www.heartland.org/publications-resources/publications/latest-heartland-policy-booklet-addresses-vaping-myths>

This booklet from The Heartland Institute aims to inform key stakeholders on the much-needed information on the benefits of electronic cigarettes and vaping devices. *Tobacco Harm Reduction 101* details the history of e-cigarettes, including regulatory actions on these products. The booklet also explains the role of nicotine, addresses tax policy and debunks many of the myths associated with e-cigarettes, including assertions about “popcorn lung,” formaldehyde, and the so-called youth vaping epidemic.

Nothing in this *Policy Tip Sheet* is intended to influence the passage of legislation, and it does not necessarily represent the views of The Heartland Institute. For further information on this and other topics, visit the [Budget & Tax News](#) website, [The Heartland Institute’s website](#), and [PolicyBot](#), Heartland’s free online research database.

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