

# Policy Tip Sheet



POLICY ANALYSIS FROM  
THE HEARTLAND INSTITUTE

## Tobacco Harm Reduction 101: Texas

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 8,022 direct vaping-related jobs, including manufacturing, retail, and wholesale jobs in Texas, which generated \$283 million in wages alone.<sup>1</sup> Moreover, the industry has created hundreds of secondary jobs in the Lone Star State, bringing the total economic impact in 2018 to \$807,839,700. In the same year, Texas received more than \$112 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 Texas eclipsed \$27.4 million.<sup>2</sup>

### 2. State Health Department Data

As of January 14, 2020, the Texas Department of State Health Services (TDSHS) has reported 237 cases of vaping-related lung illnesses in Texas, including four deaths.<sup>3</sup> The age range of patients ranges from 13 to 75 years-old, with a median patient age of 22. To date, 75 percent of patients are male. Further, 90 percent of patients report vaping tetrahydrocannabinol (THC). *The Heartland Institute gives TDSHS a grade of A for information available on vaping-related lung illnesses.*

### 3. More Information Needed

The most recent report on youth e-cigarette use in Texas is from the 2018 Texas School Survey of Drug and Alcohol Use.<sup>4</sup> According to that survey, in 2018, 16.5 percent of Texas high school students reported using a vapor product on at least one day in the 30 days prior to the survey. The 2018 survey does not include information on frequent and/or daily use. According to the 2017 Texas Youth Risk Behavior Survey, in 2017, only 1.5 percent of Texas high school students reported daily e-cigarette use.<sup>5</sup> 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 10,980 tobacco age compliance inspections in Texas, in which the agency used a minor in an attempt to purchase tobacco products.<sup>6</sup> Of those, 1,047 or 10 percent, resulted in a sale to a minor. Of the violations, 337 (32 percent of violations and 3 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 450 and 250, respectively, during the same period.

### 5. Misspent Money

In 2019, Texas received an estimated \$1.9 billion in tobacco taxes and tobacco settlement payments. In the same year, the state spent only \$4.2 million, or less than 1 percent, on funding tobacco control programs, including education and prevention.<sup>7</sup> The lack of funding is most notable in the state's telephone quit line, of which Texas spends \$0.60 per smoker, lower than the national average of \$2.21.

### 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,<sup>8</sup> Public Health England,<sup>9</sup> and the American Cancer Society.<sup>10</sup> 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

Texas's vaping industry provided more than \$807 million in economic activity in 2018 while generating 8,022 direct vaping-related jobs. Sales of disposables and prefilled cartridges in Texas exceeded \$27.4 million in 2016.

2

As of January 14, 2020, TDSHS has reported 237 cases of vaping-related lung illnesses, including four deaths. To date, 90 percent of patients reported using vapor products containing THC. TDSHS earns an A for its transparency on vaping-related lung illnesses.

3

In 2017, only 1.5 percent of Texas high school students reported daily e-cigarette use. More data is needed.

4

Only 3 percent of FDA retail compliance checks in Texas resulted in sales of e-cigarettes to minors from January 1, 2018 to September 30, 2019.

5

Texas spends very little on tobacco prevention. In 2019, Texas dedicated only \$4.2 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: Texas**

### **References**

- <sup>1</sup> Vapor Technology Association, “The Economic Impact of the Vapor Industry TEXAS,” 2019, <https://vta.guerrillaeconomics.net/reports/83c7d43e-db86-418a-8fac-1d56e7ed3aa4?>
- <sup>2</sup> 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](https://www.cdc.gov/pcd/issues/2018/17_0555.htm).
- <sup>3</sup> Texas Department of State Health Services, “Lung Injury Associated with Vaping,” January 14, 2020, <https://www.dshs.state.tx.us/news/updates.shtm#vaping>. Accessed January 26, 2020.
- <sup>4</sup> The Public Policy Research Institute, “Texas School Survey of Drug and Alcohol Use 2018,” Texas A&M University, 2018, <https://texasschoolsurvey.org/Documents/Reports/State/18State712.pdf>.
- <sup>5</sup> Centers for Disease Control and Prevention, “High School Youth Risk Behavior Survey, Texas 2017 Results,” 2017, <https://nccd.cdc.gov/youthonline/App/Results.aspx?LID=TX>.
- <sup>6</sup> 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](https://www.accessdata.fda.gov/scripts/oc/inspections/oc_insp_searching.cfm).
- <sup>7</sup> Truth Initiative, “Tobacco use in Texas,” June 28, 2019, <https://truthinitiative.org/research-resources/smoking-region/tobacco-use-texas-2019>.
- <sup>8</sup> 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>.
- <sup>9</sup> 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](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).
- <sup>10</sup> 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.

The Heartland Institute can send an expert to your state to testify or brief your caucus; host an event in your state; or send you further information on a topic. Please don’t hesitate to contact us if we can be of assistance! If you have any questions or comments, contact Heartland’s government relations department, at [governmentrelations@heartland.org](mailto:governmentrelations@heartland.org) or 312/377-4000.