

Policy Tip Sheet



POLICY ANALYSIS FROM
THE HEARTLAND INSTITUTE

Tobacco Harm Reduction 101: Alabama

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 1,182 direct vaping-related jobs, including 750 retail jobs and 112 manufacturing jobs in Alabama, which generated \$32 million in wages alone.¹ Moreover, the industry has created hundreds of secondary jobs in the Yellowhammer State, bringing the total economic impact in 2018 to \$319,538,800. In the same year, Alabama received more than \$18 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 Alabama eclipsed \$9.9 million.²

2. State Health Department Data

As of January 2, 2020, the Alabama Department of Public Health (ADPH) has reported 13 cases of vaping-related lung illness, including one death.³ Although other state health departments have provided additional patient information—including age, gender, and substances vaped—ADPH has only reported the total number of cases. This is alarming because many state health departments have already linked vaping-related lung illnesses to the use of products containing tetrahydrocannabinol (THC) and provided this information in their own updates. *The Heartland Institute gives ADPH a grade of F for information available on vaping-related lung illnesses.*

3. More Information Needed

The most recent report on youth e-cigarette use in Alabama is from the 2015 Youth Risk Behavior Surveillance System survey.⁴ According to the survey, 41 percent of high school students in Alabama had ever used an electronic cigarette or vaping device in 2015, and only 2 percent of high school students reported daily use of e-cigarettes. 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 5,074 tobacco age compliance inspections in Alabama, in which the agency used a minor in an attempt to purchase tobacco products.⁵ Of those, 457, or 9 percent, resulted in a sale to a minor. Of the violations, 106 (23 percent of violations and 2 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 224 and 118, respectively, during the same period.

5. Misspent Money

In 2019, Alabama received an estimated \$300.2 million in tobacco taxes and tobacco settlement payments. In the same year, the state spent only \$2.1 million, or 0.6 percent, on funding tobacco control programs, including education and prevention.⁶ The lack of funding is notable in the state's telephone quit line, of which Alabama invests only \$1.40 per smoker, much 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,⁷ Public Health England,⁸ and the American Cancer Society.⁹ 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 use.

Key Points

- 1 Alabama's vaping industry provided more than \$319 million in economic activity in 2018 while generating 1,182 direct vaping-related jobs. Sales of disposables and prefilled cartridges in Alabama exceeded \$9.9 million in 2016.
- 2 As of December 18, 2019, ADPH has reported 13 vaping-related lung illnesses, including one death, but does not provide information on age, gender, and substances vaped. ADPH earns an F for its lack of transparency on vaping-related lung illnesses.
- 3 In 2015, only 2 percent of Alabama high school students reported daily use of vapor products. More data is needed.
- 4 Only 2 percent of FDA retail compliance checks resulted in sales of e-cigarettes to minors from January 1, 2018 to September 30, 2019.
- 5 Alabama spends very little on tobacco prevention. In 2019, Alabama dedicated only \$2.1 million on tobacco control, or 0.6 percent of what the state received in tobacco settlement payments and taxes.

Notes

Tobacco Harm Reduction 101: Alabama

References

- ¹ Vapor Technology Association, “The Economic Impact of the Vapor Industry ALABAMA,” 2019, <https://vta.guerrillaeconomics.net/reports/c21f1ff5-aad0-4f6f-93ba-7f987f82da5d?>
- 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 Alabama Department of Public Health, “Vapes and E-Cigs,” January 2, 2020, <http://www.alabamapublichealth.gov/tobacco/ecigs.html>, Accessed January 4, 2020.
- ⁴ Centers for Disease Control and Prevention, “High School Youth Risk Behavior Survey, Alabama 2015 Results,” <https://nccd.cdc.gov/youthonline/App/Results.aspx?LID=AL>.
- ⁵ 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.
- ⁶ Truth Initiative, “Tobacco use in Alabama,” June 28, 2019, <https://truthinitiative.org/research-resources/smoking-region/tobacco-use-alabama-2019>.
- ⁷ 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>.
- ⁸ 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.
- ⁹ 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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