

Policy Tip Sheet



POLICY ANALYSIS FROM
THE HEARTLAND INSTITUTE

Tobacco Harm Reduction 101: Colorado

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 2,821 direct vaping-related jobs, including manufacturing, retail, and wholesale jobs in Colorado, which generated \$60 million in wages alone.¹ Moreover, the industry has created hundreds of secondary jobs in the Centennial State, bringing the total economic impact in 2018 to \$412,980,700. In the same year, Colorado received more than \$25 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 Colorado eclipsed \$8.7 million.²

2. State Health Department Data

As of January 8, 2020, the Colorado Department of Public Health and Environment (CDPHE) has reported eight cases of vaping-related lung injury.³ The median age of the patients is 25 and 87.5 percent are male. Three of the patients reported vaping devices containing tetrahydrocannabinol (THC). *The Heartland Institute gives CDPHE 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 Colorado is from the 2017 Healthy Kids Colorado Survey.⁴ According to the results, in 2017, 27 percent of Colorado high school students reported using vapor products on at least one day in the 30 days prior to the survey. There is no information on frequent and/or daily 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 7,153 tobacco age compliance inspections in Colorado, in which the agency used a minor in an attempt to purchase tobacco products.⁵ Of those, 621 or 8 percent, resulted in a sale to a minor. Of the violations, 247 (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 107 and 249, respectively, during the same period.

5. Misspent Money

In 2019, Colorado received an estimated \$286.3 million in tobacco taxes and tobacco settlement payments. In the same year, the state spent only \$23.6 million, or 8 percent on funding tobacco control programs, including education and prevention.⁶

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 usage.

Key Points

- 1 Colorado's vaping industry provided more than \$412 million in economic activity in 2018 while generating 2,821 direct vaping-related jobs. Sales of disposables and prefilled cartridges in Colorado exceeded \$8.7 million in 2016.
- 2 As of January 8, 2020, CDPHE has reported eight cases of vaping-related lung illness. CDPHE noted that three of the patients reported vaping THC. CDPHE earns an **A** for its reporting on vaping-related lung illnesses.
- 3 In 2017, 27 percent of Colorado high school students reported using vapor products at least once in the 30 days prior to the survey. There is no information on frequent and/or daily use. More data is needed.
- 4 Only 3 percent of FDA retail compliance checks resulted in sales of e-cigarettes to minors from January 1, 2018 to September 30, 2019.
- 5 Colorado spends very little on tobacco prevention. In 2019, Colorado dedicated only \$23.6 million on tobacco control, or 8 percent of what the state received in tobacco settlement payments and taxes.

Notes

Tobacco Harm Reduction 101: Colorado

References

- ¹ Vapor Technology Association, “The Economic Impact of the Vapor Industry MISSISSIPPI,” 2019, <https://vta.guerrillaeconomics.net/reports/a456da69-1c66-4988-856e-3fe2807c445e?>.
- 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 Colorado Department of Public Health and Environment, “Vaping-Associated Respiratory Illness Outbreak Report,” January 8, 2020, https://docs.google.com/document/d/e/2PACX-1vSM_x2LIs4ip-PDZT5LGVYYnwaTya-G4sBNINM00XM_zs5RekMCbFkljzzIUqkbxZoVitKg8OwlXhpm/pub. Accessed January 10, 2020.
- ⁴ Colorado Department of Public Health and Environment, “Health Kids Colorado Survey 2017 Executive Summary,” 2017, <https://drive.google.com/file/d/1-fcgq91BtPBCPCdhstPYO4PZD3NXdtW7/view/>.
- 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 Colorado,” June 28, 2019, <https://truthinitiative.org/research-resources/smoking-region/tobacco-use-colorado-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.

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 or 312/377-4000.