

# Policy Tip Sheet



POLICY ANALYSIS FROM  
THE HEARTLAND INSTITUTE

## Tobacco Harm Reduction 101: Kentucky

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 2,546 direct vaping-related jobs, including manufacturing, retail and wholesale jobs in Kentucky, which generated \$97 million in wages alone.<sup>1</sup> Moreover, the industry has created hundreds of secondary jobs in Kentucky, bringing the total economic impact in 2018 to \$942,243,300. In the same year, Kentucky received more than \$45 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 Kentucky eclipsed \$9 million.<sup>2</sup>

### 2. State Health Department Data

As of December 20, 2019, the Kentucky Cabinet for Health and Family Services (KCHFS) has confirmed six cases of vaping-related lung illnesses.<sup>3</sup> Although other state health departments have provided additional patient information—including age, gender, and substances vaped—KCHFS 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 KCHFS a grade of F for information available on vaping-related lung illnesses.*

### 3. More Information Needed

The most recent report on youth tobacco use in Kentucky comes from the draft report of the 2019 Kentucky High School Youth Risk Behavior Survey.<sup>4</sup> According to those results, in 2019, 73.9 percent of Kentucky high school students reported not using e-cigarettes in the 30 days prior to the survey. Only 8.7 percent of high school students reported daily use of vapor products. 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 5,622 tobacco age compliance inspections in Kentucky, in which the agency used a minor in an attempt to purchase tobacco products.<sup>5</sup> Of those, only 358 or 6 percent, resulted in a sale to a minor. Of the violations, 100 (28 percent of violations and 1 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 142 and 107, respectively, during the same period.

### 5. Misspent Money

In 2019, Kentucky received an estimated \$507.3 million in tobacco taxes and tobacco settlement payments. In the same year, the state spent only \$3.8 million, or 1 percent, on funding tobacco control programs, including education and prevention.<sup>6</sup> Kentucky invests \$0.65 per smoker in the state's quit line, significantly less than the national average of \$2.21 per smoker.

### 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>7</sup> Public Health England,<sup>8</sup> and the American Cancer Society.<sup>9</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 Kentucky's vaping industry provided more than \$942 million in economic activity in 2018 while generating 2,546 vaping-related jobs. Sales of disposables and prefilled cartridges in Kentucky exceeded \$9 million in 2016.
- 2 As of December 20, 2019, KCHFS has reported six cases of vaping-related lung illness. KCHFS does not provide information on age, gender, or substances vaped. KCHFS earns an **F-ranking** for its reporting on vaping-related lung illnesses.
- 3 During 2016-2017, only 8.7 percent of Kentucky high school students reported using e-cigarettes daily, while 73.9 percent reported not vaping. More data is needed.
- 4 Only 1 percent of FDA retail compliance checks resulted in sales of e-cigarettes from January 1, 2018 to September 30, 2019.
- 5 Kentucky spends very little on tobacco prevention. In 2019, Kentucky dedicated only \$3.8 million on tobacco control, or 1 percent of what the state received in tobacco settlement payments and taxes.

# Notes

## **Tobacco Harm Reduction 101: Kentucky**

### **References**

- <sup>1</sup> Vapor Technology Association, “The Economic Impact of the Vapor Industry KENTUCKY,” 2019, <https://vta.guerrillaeconomics.net/reports/12f9f5d6-a52e-4d80-95ce-41e5b8407612?>.
- <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> Kentucky Cabinet for Health and Family Services, “Severe Lung Injury and Vaping,” December 20, 2019, <https://chfs.ky.gov/agencies/dph/dmch/hpb/Pages/pdinfo.aspx>.
- <sup>4</sup> Kentucky Department of Education, “Youth Risk Behavior Survey,” December 3, 2019, [https://education.ky.gov/curriculum/CSH/data/Pages/Youth-Risk-Behavior-Survey-\(YRBS\).aspx](https://education.ky.gov/curriculum/CSH/data/Pages/Youth-Risk-Behavior-Survey-(YRBS).aspx).
- <sup>5</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>6</sup> Truth Initiative, “Tobacco use in Kentucky,” June 28, 2019, <https://truthinitiative.org/research-resources/smoking-region/tobacco-use-kentucky-2019>.
- <sup>7</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>8</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>9</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.