

Policy Tip Sheet



POLICY ANALYSIS FROM
THE HEARTLAND INSTITUTE

Tobacco Harm Reduction 101: Tennessee

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 2,864 direct vaping-related jobs, including manufacturing, retail, and wholesale jobs in Tennessee, which generated \$97 million in wages alone.¹ Moreover, the industry has created hundreds of secondary jobs in the Volunteer State, bringing the total economic impact in 2018 to \$226,362,200. In the same year, Tennessee 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 Tennessee eclipsed \$8.3 million.²

2. State Health Department Data

As of January 9, 2020, the Tennessee Department of Health (TDH) has reported 77 cases of vaping-related lung illness, including two deaths.³ TDH reports that 64 percent of patients are male, the ages of patients ranges from 15 to 63 years-old, and the median age is 24 years-old. TDH notes that national data suggests vapor products containing tetrahydrocannabinol (THC) “play a major role in the outbreak,” but does not include specific Tennessee case counts, despite other state health departments providing such information. *The Heartland Institute gives TDH a grade of C for information available on vaping-related lung illnesses.*

3. More Information Needed

The most recent report on youth e-cigarette use in Tennessee is from the 2017 Tennessee Youth Risk Behavior Survey.⁴ According to the survey, in 2017, 11.5 percent of Tennessee high school students reported using a vapor product on at least one day during the 30 days prior to the survey. Further, in 2017, only 1.5 percent of Tennessee high school students reported using vapor products daily. 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 4,418 tobacco age compliance inspections in Tennessee, in which the agency used a minor in an attempt to purchase tobacco products.⁵ Of those, 889, or 20 percent, resulted in a sale to a minor. Of the violations, 296 (33 percent of violations and 6 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 410 and 175, respectively, during the same period.

5. Misspent Money

In 2019, Tennessee received an estimated \$422 million in tobacco taxes and tobacco settlement payments. In the same year, the state allocated \$0 on funding tobacco control programs, including education and prevention.⁶ The lack of funding is most notable in the state’s quit line, of which Tennessee invests \$0.51 per smoker, much less 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 usage.

Key Points

- 1 Tennessee’s vaping industry provided more than \$226 million in economic activity in 2018 while generating 2,864 direct vaping-related jobs. Sales of disposables and prefilled cartridges in Tennessee exceeded \$8.3 million in 2016.
- 2 As of January 9, 2020, TDH has reported 77 cases of vaping-related lung illnesses, including two deaths. TDH notes the role of THC-containing vapor products, but does not give case counts for Tennessee. TDH earns a C for its reporting on vaping-related lung illnesses.
- 3 In 2017, only 1.5 percent of Tennessee high school students reported daily e-cigarette use. More data is needed.
- 4 Only 6 percent of FDA retail compliance checks in Tennessee resulted in sales of e-cigarettes to minors from January 1, 2018 to September 30, 2019.
- 5 Tennessee spends very little on tobacco prevention. In 2019, Tennessee dedicated \$0 on tobacco control, despite receiving \$422 million in tobacco settlement payments and taxes.

Notes

Tobacco Harm Reduction 101: Tennessee

References

- ¹ Vapor Technology Association, “The Economic Impact of the Vapor Industry TENNESSEE,” 2019, <https://vta.guerrillaeconomics.net/reports/9025c615-a11f-4fbe-ab28-ffc85625e1a?>.
- 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 Tennessee Department of Health, “Vaping-Associated Pulmonary Illness,” January 9, 2020, <https://www.tn.gov/health/cedep/vaping-illness.html>. Accessed January 16, 2020.
- ⁴ Centers for Disease Control and Prevention, “High School YRBS Tennessee 2017 Results,” 2017, <https://nccd.cdc.gov/youthonline/App/Results.aspx?LID=TN>.
- 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 Tennessee,” June 28, 2019, <https://truthinitiative.org/research-resources/smoking-region/tobacco-use-tennessee-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.