

Policy Tip Sheet



POLICY ANALYSIS FROM
THE HEARTLAND INSTITUTE

Tobacco Harm Reduction 101: New Jersey

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 2,119 direct vaping-related jobs, including manufacturing, retail, and wholesale jobs in New Jersey, which generated \$91 million in wages alone.¹ Moreover, the industry has created hundreds of secondary jobs in the Garden State, bringing the total economic impact in 2018 to \$565,949,300. In the same year, New Jersey received more than \$41 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 New Jersey eclipsed \$34.4 million.²

2. State Health Department Data

As of December 31, 2019, the New Jersey Department of Health (NJDH) has reported 56 confirmed cases of vaping-related lung illnesses, including one death.³ An additional 11 cases are under investigation. Of the confirmed cases, the age of patients ranges from 14 to 75 years old, with a median age of 21, and 64 percent of patients are male. Unlike other health departments, NJDH is not providing information on substances vaped, despite many health departments finding most patients have reported vaping tetrahydrocannabinol (THC). *The Heartland Institute gives NJDH a grade of D for information available on vaping-related lung illnesses.*

3. More Information Needed

The most recent report on youth e-cigarette use in New Jersey is from the 2016 New Jersey Youth Tobacco Survey.⁴ According to those results, in 2016, 21 percent of New Jersey high school students had ever used a vapor product and only 9.6 percent reported using an e-cigarette on at least one occasion 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 7,932 tobacco age compliance inspections in New Jersey, in which the agency used a minor in an attempt to purchase tobacco products.⁵ Of those, 850, or 10 percent, resulted in a sale to a minor. Of the violations, 150 (17 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 240 and 435, respectively, during the same period.

5. Misspent Money

In 2019, New Jersey received an estimated \$919.6 million in tobacco taxes and tobacco settlement payments. In the same year, the state spent only \$7.2 million, or less than 1 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 use.

Key Points

- 1 New Jersey's vaping industry provided more than \$565 million in economic activity in 2018 while generating 2,119 direct vaping-related jobs. Sales of disposables and prefilled cartridges in New Jersey exceeded \$34.4 million in 2016.
- 2 As of December 31, 2019, NJDH has reported 56 cases of vaping-related lung illness, including one death. NJDH reports do not offer details on substances vaped. NJDH earns a **D** for its reporting on vaping-related lung illnesses.
- 3 In 2016, only 9.6 percent of New Jersey high school students reported using vapor products on at least one day in the previous 30 days. There is no data on frequent and/or daily use. More data is needed.
- 4 Only 1 percent of FDA retail compliance checks in New Jersey resulted in sales of e-cigarettes to minors from January 1, 2018 to September 30, 2019.
- 5 New Jersey spends very little on tobacco prevention. In 2019, New Jersey dedicated only \$7.2 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: New Jersey

References

- ¹ Vapor Technology Association, “The Economic Impact of the Vapor Industry NEW JERSEY,” 2019, <https://vta.guerrillaeconomics.net/reports/d405613d-bfc4-4ea9-aa3f-1b98547ecc04?>
- 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 New Jersey Department of Health, “Vaping-associated Illness,” E-Cigarettes and Vaping, December 31, 2019, <https://www.nj.gov/health/fhs/tobacco/vaping/index.shtml>. Accessed January 10, 2020.
- ⁴ New Jersey Department of Health, “2016 New Jersey Youth Tobacco Survey,” 2016, https://www.nj.gov/health/fhs/tobacco/documents/NJYTS%202016%20State%20Report_Final.pdf.
- 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 New Jersey,” June 28, 2019, <https://truthinitiative.org/research-resources/smoking-region/tobacco-use-new-jersey-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.