

Policy Tip Sheet



POLICY ANALYSIS FROM
THE HEARTLAND INSTITUTE

Tobacco Harm Reduction 101: Indiana

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 2,110 direct vaping-related jobs, including manufacturing, retail and wholesale jobs in Indiana, which generated \$61.8 million in wages alone.¹ Moreover, the industry has created hundreds of secondary jobs in Indiana, bringing the total economic impact in 2018 to \$480,477,900. In the same year, Indiana received more than \$26 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 Indiana eclipsed \$9.4 million.²

2. State Health Department Data

As of December 26, 2019, the Indiana State Department of Health (ISDH) has reported 121 cases of vaping-related lung illnesses, including five deaths.³ The age of patients ranges from 13 to over 65 years. Although other state health departments have provided additional patient information—including gender, and substances vaped—ISDH has only reported the total number of cases and ages. 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 ISDH 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 Indiana comes from the 2018 Indiana Youth Tobacco Survey.⁴ According to those results, in 2018, 18.6 percent of Indiana high school students reported current use of e-cigarettes, or using an e-cigarette at least once in the 30 days prior to the survey. There is no data on frequent, 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 8,627 tobacco age compliance inspections in Indiana, in which the agency used a minor in an attempt to purchase tobacco products.⁵ Of those, only 901 or 10 percent, resulted in a sale to a minor. Of the violations, 355 (4 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 282, respectively, during the same period.

5. Misspent Money

In 2019, Indiana received an estimated \$556.8 million in tobacco taxes and tobacco settlement payments. In the same year, the state spent only \$7.5 million, or 1 percent, on funding tobacco control programs, including education and prevention.⁶ Indiana invests \$1.39 per smoker in the state's quit line, 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,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

Indiana's vaping industry provided more than \$480 million in economic activity in 2018 while generating 2,110 vaping-related jobs. Sales of disposables and prefilled cartridges in Indiana exceeded \$9.4 million in 2016.

2

As of December 26, ISDH has reported 121 cases of vaping-related lung illness, including five deaths, but does not provide information on gender or substances vaped. ISDH earns an **F-ranking** for its reporting on vaping-related lung illnesses.

3

In 2018, 18.6 percent of Indiana high school students reported vaping at least once in 30 days prior to the survey. There is no information on frequent or daily use. More data is needed.

4

Only 4 percent of FDA retail compliance checks resulted in sales of e-cigarettes from January 1, 2018 to September 30, 2019.

5

Indiana spends very little on tobacco prevention. In 2019, Indiana dedicated only \$7.5 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: Indiana

References

- ¹ Vapor Technology Association, “The Economic Impact of the Vapor Industry INDIANA,” 2019, <https://vta.guerrillaeconomics.net/reports/5ae23853-f65d-416e-b5e4-9f52f03e63f3?>
- 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 Indiana State Department of Health, “Indiana Cases of Vaping-Related Lung Injuries,” January 2, 2020, <https://www.in.gov/isdh/28337.htm>. Accessed January 7, 2019.
- ⁴ Tobacco Prevention and Cessation Commission, “Results from the 2018 Indiana Youth Tobacco Survey,” Indiana State Department of Health, August, 2019, https://www.in.gov/isdh/tpc/files/2018%20Indiana%20YTS%20Report_08_2019.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 Indiana,” June 28, 2019, <https://truthinitiative.org/research-resources/smoking-region/tobacco-use-indiana-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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