

ECONOMICS OF TOBACCO USE

Quick Facts

- Taxation is an effective method for reducing tobacco consumption, especially among youth.¹
- Following a major tobacco tax increase in March 2002, Alberta Government tobacco tax revenues increased 65% from 2002 to 2003,^{2,3} and contributed to a 24% decrease in cigarette sales.⁴
- In an AADAC 2003 public opinion survey, 56% of Albertans supported higher tobacco taxes as a means to prevent youth smoking.⁵
- Albertans with annual household incomes less than \$45,000 per year have higher smoking rates than Albertans with annual household incomes in excess of \$45,000.⁶
- In Alberta, a pack-a-day smoker spends \$3,770 on cigarettes each year, based on an average cost of \$10.35 per pack.
- The Conference Board of Canada estimated in 1997 that it costs employers about \$2,500 more per year to employ a smoker than to employ a non-smoker.⁷
- One third of Alberta employers surveyed thought that employee tobacco use was a serious problem in 2002.⁸
- Between 1997 and 2001, fires caused by smokers' materials cost Albertans \$46 million in property damage, and led to 40 deaths and over 280 injuries.⁹
- In 1992, tobacco use was estimated to cost the Alberta economy \$728.6 million each year, which included \$215.4 million in direct health care costs.¹⁰