

COSTS OF ON-THE-JOB TOBACCO USE

N.C. Tobacco Prevention & Control Branch

Costs to Employers

Employees who smoke cost more than those who do not smoke. The costs of employee tobacco use and secondhand smoke (SHS) to the employer are significant. Some of these costs include:

- Absenteeism;
- Lost productivity;
- Health insurance and life insurance costs and claims;
- Worker's compensation payments and occupational health awards;
- Accidents and fires (plus related insurance costs);
- Property damage (plus related insurance costs);
- Smoke pollution (increased cleaning and maintenance costs); and
- Illness and discomfort among nonsmokers exposed to passive smoke.

Economic Effects of Smoking and SHS in North Carolina

Eliminating tobacco use in all North Carolina workplaces will not only eliminate exposure to a known health hazard, but will also help those who want to quit.

Annual health care costs in North Carolina due to smoking are estimated at \$3.8 million. Smoking-related productivity losses are estimated at \$4.2 million. Current estimates show that workers who smoke cost businesses approximately \$6,000 more per year than workers who do not smoke.

Health care costs for secondhand smoke were estimated to be in excess of \$293.3 million per year in North Carolina in 2009 dollars.

Other non-health costs from tobacco use include:

- Residential and commercial property losses from smoking-caused fires (more than \$500 million per year nationwide);
- Extra cleaning and maintenance costs made necessary by tobacco smoke and litter (about \$4+ billion nationwide for commercial establishments alone); and
- Additional productivity losses from smoking-caused work absences, smoking breaks, and on-the-job performance declines and early termination of employment caused by smoking-caused disability or illness.

Costs to Individuals and Society

The cost savings associated with a heart attack that is prevented, or with the delayed onset of cancer, are often difficult to calculate. Yet, reducing smoking rates and secondhand smoke exposure in a worksite can save money, not only for the employer but also for individuals, and society as a whole. Individual costs in time, health, and money arise because smokers tend to:

- Have more hospital admissions;
- Take longer to recover from illness and injury;
- Have higher outpatient health care costs;
- Experience birth complications; and
- Have smaller babies, who are more likely to need special care.

References:

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