

# Smoking in the Workplace

## Costs You Money

In the face of increasing competition and rising expenses, many CEOs find themselves searching for ways to cut costs and increase productivity.

The American Cancer Society's Smoke-Free New England campaign can help you save money by establishing a tobacco-free workplace and adopting policies to support workers who want to quit. Men who are heavy smokers and who are between the ages of 40 and 44 years will generate an average of more than \$56,000 in additional costs of illness during their lifetimes. For women, these costs will be more than \$19,000, according to an article in *Millbank Quarterly*. Tobacco use by employees increases costs across the board, affecting absenteeism, productivity, and maintenance as well as insurance, workers' compensation, disability, and retirement costs.

helping one smoker to quit reduces the anticipated medical costs associated with heart attack and stroke by \$47 in the first year, and by \$853 during the next seven years. A 1992 report from the Surgeon General estimated that the average lifetime health care costs of a smoker exceed those of a nonsmoker by more than \$6,000.

Many insurers have recognized the differential in mortality rates between smokers and nonsmokers, and are offering up to a 45% discount on premiums for term life insurance coverage for nonsmokers.

Economist Marvin M. Kristein, PhD, of the American Health Foundation found that smokers can cost employers an extra \$45

per year for accidental injury and related workers' compensation costs. Researchers have estimated fire accident costs due to smoking to be \$10 per year per smoker. Dr. William L. Weis, associate professor of business administration at the Albers School of Business, Seattle University, says that health and fire insurance premiums can be 25% to 35% lower for smoke-free businesses, and morbidity and fire statistics suggest that premium discounts should be as high as 70%.

### Workers' compensation costs

A recent study of over 3,000 Xerox Corp. employees found that smoking is one of the most costly individual health risks. The study, published in the July 2001 issue of the *Journal of Occupational and Environmental Medicine*, determined that the workers' compensation costs for a smoker averaged \$2,189 compared to only \$176 for a nonsmoker.

## Consider the impact of these factors on your business:

### Absenteeism

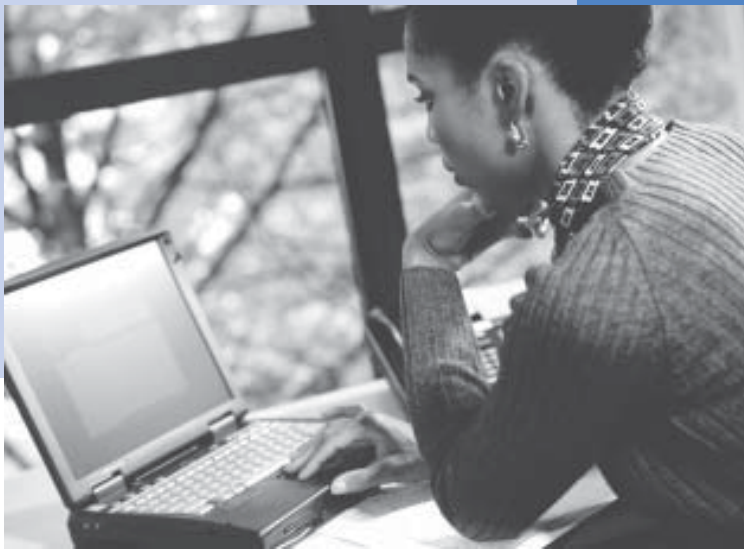
On average, smokers are absent 50% more often than nonsmokers. As long ago as 1974, Dow Chemical Company found that cigarette-smoking employees were missing 5.5 more work days per year than their nonsmoking peers. A recent study of 300 booking clerks at a large United States airline was published in the September 2001 issue of *Tobacco Control*, a publication of the *British Medical Journal*. The researchers found that smokers are absent from work for sickness as many as 6.16 days per year on average, compared with 3.86 days for those who never smoke. Costs for these absences include temporary replacements as well as lowered productivity and morale among employees who are on the job and must cope with the absences.

### Insurance

The additional health care cost per smoker in this country is hundreds of dollars per year. A recent article in the journal *Circulation* estimated that successfully

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### **Productivity**

Many studies show that the higher carbon monoxide levels, eye irritation, and lower attentiveness of smokers cause an increase in inefficiency and errors. According to the Centers for Disease Control and Prevention, smoking caused more than \$150 billion in annual health-related economic losses from 1995 to 1999, including \$81.9 billion in mortality-related productivity losses and \$75.5 billion in excess medical expenditures in 1998.

### **Ventilation**

The American Society of Heating, Refrigerating, and Air Conditioning Engineers notes that "higher ventilation rates are specified for spaces where smoking is permitted, because tobacco smoke is one of the most difficult contaminants to control at the source." When smoking is a factor, requirements for outdoor air are two to three times greater, resulting in higher energy costs due to heating or cooling the outdoor air. In addition, filters must be cleaned or changed much more frequently.

### **Maintenance**

Employers who have eliminated smoking in the workplace report dramatic decreases in the maintenance costs of their businesses. Furniture and drapes last longer and have to be cleaned less often. Many chores can be scheduled semiannually or annually rather than monthly.

### **Disability and Retirement**

In 1990 the United States Office of Technology and Assessment estimated that the workplace cost of disability and premature mortality from smoking employees for American businesses was \$47 billion a year.

Preventing and reducing tobacco use in New England will ultimately save employers and taxpayers countless billions of dollars.

Creating a smoke-free workplace can save you money – and save lives. The American Cancer Society needs your leadership in both your company and your community to ensure the success of our Smoke-Free New England campaign. Are you ready to help us clear the air?

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