



Direct Costs of Tobacco Use

Direct costs are those dollars spent on health services. Direct costs include payments made out-of-pocket on healthcare benefits, disability, and workers' compensation.

- In the United States, the direct medical costs associated with smoking totaled approximately \$75.5 billion (average 1997-2001), according to the Centers for Disease Control and Prevention.⁴
- Businesses pay an average of \$2,189 in workers' compensation costs for smokers, compared with \$176 for nonsmokers.⁵
- Nonsmoking employees can receive workers' compensation, unemployment compensation, disability benefits, and other settlements based upon their exposure to secondhand smoke in the workplace.⁶

Indirect Costs of Tobacco Use

Indirect costs are expenses not immediately related to treatment of disease. These non-medical expenditures include lost wages, lost workdays, costs related to using replacement workers, overtime premiums, productivity losses related to unscheduled absences, and productivity losses of workers on the job.

- A national study based on American Productivity Audit data of the U.S. workforce found that tobacco use was one of the greatest causes of lost worker production time (LPT) — greater than alcohol consumption, family emergencies, age, or education. Additionally, LPT increased in relation to the amount smoked. LPT estimates for workers who reported smoking one pack of cigarettes per day or more was 75% higher than that observed for nonsmoking employees or employees who had previously quit smoking.⁷
- In 2005, the Centers for Disease Control and Prevention concluded that each employee who smokes costs employers \$1,897 in lost productivity each year.⁴
- Approximately \$92 billion (average 1997-2001) is linked with lost productivity resulting from smoking attributable diseases according to the Centers for Disease Control and Prevention.⁴
- On average, smokers miss 6.16 days of work per year due to sickness (including smoking related acute and chronic conditions), compared to nonsmokers, who miss 3.86 days of work per year.⁸
- Employees who take four 10-minute smoking breaks a day actually work one month less per year than workers who don't take smoking breaks.⁹
- The Organization for Economic Cooperation and Development calculates that construction and maintenance costs are 7% higher in buildings that allow smoking than in buildings that are smoke-free.⁹
- Employers in the United States could save \$4 to \$8 billion in building operations and maintenance costs if they implemented comprehensive smoke-free indoor air policies according to the U.S. Environmental Protection Agency (EPA).¹⁰
- The U.S. Environmental Protection Agency (EPA) estimates that smoke-free restaurants can expect to save about \$190 per 1,000 square feet each year in lower cleaning and maintenance costs.⁹

Citations

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