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 159 direct vaping-related jobs, including manufacturing, retail, and wholesale jobs in Vermont, which generated $5.4 million in wages alone. Moreover, the industry has created hundreds of secondary jobs in the Green Mountain State, bringing the total economic impact in 2018 to $34,222,900. In the same year, Vermont received more than $7 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 Vermont eclipsed $1 million.

2. State Health Department Data
As of December 31, 2019, the Vermont Department of Health (VDH) has reported three confirmed cases of vaping-related lung illnesses. According to VDH, “most patients” report using vapor products containing tetrahydrocannabinol (THC). Although other state health departments have provided additional patient information—including age, gender, and percentages of substances vaped—VDH has only reported the total number of cases and notes the role of THC but does not give official case counts. The Heartland Institute gives VDH a grade of D for information available on vaping-related lung illnesses.

3. More Information Needed
The most recent report on youth e-cigarette use in Vermont is from the 2017 Youth Risk Behavior Survey. According to the survey, in 2017, 12 percent of Vermont high school students reported using a vapor product on at least one occasion in the past 30 days, while only 1.8 percent reported daily e-cigarette use. Further, 35 percent reported using e-cigarettes because their friends and/or family member used them. Only 17 percent of respondents cited flavors as reason for e-cigarette 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 1,540 tobacco age compliance inspections in Vermont, in which the agency used a minor in an attempt to purchase tobacco products. Of those, 128, or 8 percent, resulted in a sale to a minor. Of the violations, 20 (15 percent of violations and 1 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 56 and 52, respectively, during the same period.

5. Misspent Money
In 2019, Vermont received an estimated $99.8 million in tobacco taxes and tobacco settlement payments. In the same year, the state spent only $3.8 million, or 3 percent, on funding tobacco control programs, including education and prevention.

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, Public Health England, and the American Cancer Society. 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 use.

Key Points:
1. Vermont’s vaping industry provided more than $34 million in economic activity in 2018 while generating 159 direct vaping-related jobs. Sales of disposables and prefilled cartridges in Vermont exceeded $1 million in 2016.

2. As of December 31, 2019, VDH has reported three cases of vaping-related lung illnesses, and “most patients” report vaping THC, but does not offer information on ages, gender, or specific case counts. VDH earns a D for its reporting on vaping-related lung illnesses.

3. In 2018, only 1.5 percent of Vermont high school students reported daily vapor use. Only 17 percent reported “flavors” for e-cigarette use. More data is needed.

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

5. Vermont spends very little on tobacco prevention. In 2019, Vermont dedicated only $3.8 million on tobacco control, or 3 percent of what the state received in tobacco settlement payments and taxes.
References


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.

The Heartland Institute can send an expert to your state to testify or brief your caucus; host an event in your state; or send you further information on a topic. Please don’t hesitate to contact us if we can be of assistance! If you have any questions or comments, contact Heartland’s government relations department, at governmentrelations@heartland.org or 312/377-4000.