Tobacco Harm Reduction 101: Hawaii

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 451 direct vaping-related jobs, including manufacturing, retail, and wholesale jobs in Hawaii, which generated $18 million in wages alone. Moreover, the industry has created hundreds of secondary jobs in the Aloha State, bringing the total economic impact in 2018 to $100,745,600. In the same year, Hawaii received more than $9 million in state tax 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, average national sales of these products eclipsed $11 million.

2. State Health Department Data
As of November 13, 2019, the Hawaii Department of Health (HDH) has reported four cases of vaping-related lung illnesses. HDH notes that two of the patients are adults and “two are adolescents.” There is no further information on gender and/or substances vaped. This is alarming because many state health departments have already linked vaping-related lung illnesses to the use of products containing tetrahydrocannabinol (THC) and provided this information in their own updates. The Heartland Institute gives HDH 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 Hawaii is from the 2017 Hawai’i Youth Tobacco Survey. According to the survey, in 2017, 20.9 percent of Hawaii high school students reported using a vapor product at least once, in the 30 days prior to the survey. There is no information on frequent and/or daily use. Only 26.4 percent of Hawaii high school students reported “flavors” as a reason for using e-cigarettes. Further, in 2017, 80.6 percent of Hawaii high school students believed “all e-cigarettes are dangerous.” 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 615 tobacco age compliance inspections in Hawaii, in which the agency used a minor in an attempt to purchase tobacco products. Of those, 26, or 4 percent, resulted in a sale to a minor. Of the violations, 9 (34 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 2 and 15, respectively, during the same period.

5. Misspent Money
In 2019, Hawaii received an estimated $160.3 million in tobacco taxes and tobacco settlement payments. In the same year, the state spent only $4.5 million, or 2 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. Hawaii’s vaping industry provided more than $100 million in economic activity in 2018 while generating 451 direct vaping-related jobs. The national average of sales of disposables and prefilled cartridges exceeded $11 million in 2016.

2. As of November 13, 2019, HDH has reported four cases of vaping-related lung illnesses. HDH notes two of the patients are adolescents and two are adults and offers no other information. HDH earns a D for its reporting on vaping-related lung illnesses.

3. In 2018, 20.9 percent of Hawaii high school students reported using vapor products on at least one day in the previous 30 days. Only 26.4 percent of Hawaii high school students cited flavors as a reason for e-cigarette use. More data is needed.

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

5. Hawaii spends very little on tobacco prevention. In 2019, Hawaii dedicated only $4.5 million or 2 percent of what the state received in tobacco settlement payments and taxes.
References

1 Vapor Technology Association, “The Economic Impact of the Vapor Industry HAWAII,” 2019, https://vta.guerrillaeconomics.net/reports/9a966bb8-b7c8-4100-9611-f0acc6612e31?.

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.

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