Tobacco Harm Reduction 101: California

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 6,687 direct vaping-related jobs, including 2,574 retail vape store jobs and 2,574 manufacturing jobs in California, which generated $346 million in wages alone. Moreover, the industry has created hundreds of secondary jobs in California, bringing the total economic impact in 2018 to $2,932,198,900. In the same year, California received more than $183 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 California eclipsed $39.9 million.2

2. Health Department Providing Information
As of December 23, 2019, the California Department of Public Health (CDPH) has reported 187 cases of vaping-related lung illnesses.3 CDPH has provided detailed information on the cases, including age range, gender, and substances vaped. California cases age range from 14 to 70 years, with a median age of 25 years. 62 percent of cases are male. Further, 82 percent of patients reported vaping tetrahydrocannabinol (THC). The Heartland Institute gives CDPH an A-ranking for information available on vaping-related lung illnesses.

3. More Information Needed
The most recent report on youth tobacco use in California comes from the California Tobacco Facts and Figures 2019.4 According to those results, in 2019, 10.9 percent of California high school students reported current use of e-cigarettes, or using an e-cigarette at least once in the 30 days prior to the survey. According to the 2017 California Youth Risk Behavior Survey, only 1.9 of high school students reported using vaping products daily.5 More data is needed to understand the effects of public health campaigns on youth e-cigarette use. More data is needed to understand the effects of public health campaigns on youth e-cigarette use.

4. Youth Sales Miniscule
Between January 1, 2018 and September 30, 2019, the U.S. Food and Drug Administration (FDA) administered 6,144 tobacco age compliance inspections in California, in which the agency used a minor in an attempt to purchase tobacco products.6 Of those, only 293, or 4 percent, resulted in a sale to a minor. Of the violations, 151 (2 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 72 and 69, respectively, during the same time period.

5. Misspent Money
In 2019, California received an estimated $2.8083 billion in tobacco taxes and tobacco settlement payments. In the same year, the state spent only $250.4 million, or 8 percent, on funding tobacco control programs, including education and prevention.7 California invests $3.14 per smoker in the state’s quit line, compared to the national average of $2.21 per smoker.

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,8 Public Health England,9 and the American Cancer Society.10 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 usage.

Key Points:
1. California’s vaping industry provided more than $2.9 billion in economic activity in 2018 while generating 2,905 vaping-related jobs. Sales of disposables and prefilled cartridges in California exceeded $9.9 million in 2016.
2. As of December 23, CDPH has reported 187 cases of vaping-related lung illnesses and includes information on age, gender, and substances vaped. 82 percent of California patients reported vaping THC. CDPH earns an A-ranking for its reporting on vaping-related lung illnesses.
3. In 2018, 10.9 percent of high school students reported past 30-day use of e-cigarettes and vaping devices. In 2017, only 1.9 percent of high school students reported daily use of vapor products. More data is needed.
5. California spends very little on tobacco prevention. In 2019, California dedicated only $250.4 million on tobacco control, or 8 percent of what the state received in tobacco settlement payments and taxes.
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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