

## **SMOKE-FREE LAWS HELP THE ECONOMY AND DO NOT HARM THE HOSPITALITY INDUSTRY**

*“The benefits of smoke free policies will be even more profound in the long term. Reduced mortality and morbidity due to limiting exposure to second-hand smoke and due to the impact of these policies on quitting will enhance countries' human capital, leading to further economic growth.”*

-- Smoke-free Partnership, *“Lifting the Smokescreen: 10 Reasons for a Smoke Free Europe,”* February 2006, p. 50.

All legitimate economic impact studies on business show either no economic effect or a positive one after a smoke-free law goes into effect.<sup>1</sup> The evidence in support of smoke-free policies is growing as more national and subnational jurisdictions pass smoke-free legislation.

### **Smoke-free air is good for health, good for business and good for the economy.**

Numerous countries, regions and cities have now implemented smoke free laws covering the hospitality industry. These laws generally cover restaurants, bars and the public sections of hotels. The majority of laws require at minimum a set of rooms set aside as smoke-free with some setting strict ventilation requirements and a few banning smoking all together throughout hotels.

Since these laws have been implemented:

- No declines in tourism have been reported.
- Hospitality revenue has not declined; in some areas it has increased.
- No smoke free law covering the hospitality industry has been repealed.
- Smoke free restaurants, bars and hotels have proved to be popular with the public.

“The number of smokers who gripe when put in a non-smoking room is small compared to the number of people who were complaining about being put in a smoking room” when the hotel was fully booked, says general manager David Hill. “It’s a huge weight off the shoulders of our (customer) service staff. I will never go back.”<sup>2</sup> (The Westin)

“We’re focused on responding to what our guests are asking for and our guests are overwhelmingly asking for smoke-free rooms,” DiPietre said. “The number of guests requesting smoking rooms has declined dramatically in recent years.”<sup>3</sup> (*Walt Disney World Resort Hotels*)

### **Smoke-free policies do not harm restaurants, bars, pubs, and hotels**

- A comprehensive review of available studies on the economic impact of smoke-free workplace laws concluded that: “All of the best designed studies report no impact or a positive impact of smoke-free restaurant and bar laws on sales or employment. Policymakers can act to protect workers and patrons from the toxins in secondhand smoke confident in rejecting industry claims that there will be an adverse economic impact.”<sup>4</sup>

- A 2005 review of 115 studies from Australia, Canada, and United States demonstrated that “smoke-free legislation does not have a negative impact on the sales, revenues, profits and employment of restaurants, bars, hotels, and gaming facilities over the long term.”<sup>5</sup>
- An evaluation of New Zealand’s 2003 smoke-free law showed no significant impact on the tourist industry and some evidence of a positive impact on the restaurant and café sector.<sup>6</sup> In fact, the number of overseas visitors and their expenditure increased by 1.5% and 3.3% respectively in 2005, to record level.<sup>7</sup>
- In Scotland, a review of the health and economic impacts of smoking restrictions on the hotel, bar, and restaurant industries, using sales tax and employment data, “have failed to find any statistically significant effect.”<sup>8</sup>
- Peer-reviewed articles have concluded that New York City’s smoke-free law did not harm the city’s restaurant industry; and there was no evidence that the hotel industry had been adversely affected.<sup>9</sup>
- In July 2006, a report on The Health and Economic Impact of New York’s Clean Indoor Air Act found that “the law has not had an adverse financial impact on bars and restaurants.”<sup>10</sup> The report examined sales tax receipts from 1999 to 2004 from a sample of vendors who had filed a tax return for each quarter.
- Following South Africa’s smoke-free law, 81% of restaurants saw either no change or a positive change in revenue. The remaining 19% reported an insignificant decrease in revenue.<sup>11</sup>
- In Argentina, a study of the smoke-free laws in Buenos Aires and the provinces of Cordoba, Santa Fe and Tucuman, showed that the laws did not negatively affect the revenue of bars and restaurants. In the case of Buenos Aires, there is evidence that the smoke-free law induced an increase in the revenue of bars and restaurants.<sup>12</sup>
- Since the implementation of smoke-free laws in Ireland in 2004, visiting patterns to restaurants have been virtually unchanged. In addition, 92 percent of the population stated that they would be either more likely or just as likely to visit a restaurant to eat.<sup>13</sup>
- In Norway, customer frequency figures for bars and restaurants were virtually unchanged after the smoking ban, including smokers.<sup>14</sup>
- A survey commissioned by ASH UK found that 20 percent of nonsmokers reported that they frequented pubs more often since the smoking ban in the United Kingdom.<sup>15</sup>
- A Canadian report demonstrates that the implementation of Ontario’s comprehensive smoke free law in 2001 had no negative impact on sales in bars and restaurants.<sup>16</sup>
- Gaming group Rank, which has 86 clubs in England, says its company shares were up by 8.75 percent since the UK smoking ban went into place.<sup>17</sup>

- The Surgeon General’s 2006 Report on *The Health Consequences of Involuntary Exposure to Tobacco Smoke* examined numerous studies from states and local communities across the United States. The report concluded that, “Evidence from peer-reviewed studies shows that smoke-free policies and regulations do not have an adverse economic impact on the hospitality industry.”<sup>18</sup>

### **Surveys Show Strong Support for Smoke-Free Hotel Policies**

- According a study conducted by J.D. Power and Associates in 2006, 79% of hotel guests in North America and 69% of hotel guest across Europe prefer a smoke-free environment that exceeds the boundaries of their guest room.<sup>19</sup>
- A recent survey of more than 12,000 hotel guests in Europe found that nearly 72 percent of French hotel guests now prefer a smoke-free environment, even beyond their room.<sup>20</sup>
- Westin’s customer data and industry research shows that:<sup>21</sup>
  - 92% of Westin’s guests request a non-smoking room when traveling and do not smoke in any part of the hotel, including public areas.
  - 88% of consumers think businesses need to take steps to provide customers with healthier environments and 86% feel that creating non-smoking environments is an important step toward a healthier environment.
  - 80% of consumers prefer when restaurants and other indoor public spaces are free of cigarette and cigar smoke.
  - 81% of consumers hate when they stay in a non-smoking room and it smells like smoke.

### **Hotels Go Smoke Free Voluntarily due to Customer Demand**

Implementation of smoke-free hotels is easy to do, popular with the public and beneficial for hotels revenue. Given this several large hotel chains have gone smoke free on voluntarily and others are expected to follow. For example:

#### ***Westin***

With more than 120 hotels and resorts in 24 countries, Westin is a major contender in the hospitality industry.<sup>22</sup> The Westin is completely smoke-free at locations in the U.S., Canada, the Caribbean, Australia, Fiji, and Scotland.<sup>23</sup> The new smoke-free policy is a result of customer data and a clear demand from guests.

#### ***Marriott***

Marriott International has more than 3,000 lodging properties located in the United States and 66 other countries and territories<sup>24</sup> and is smoke-free in its North American locations.

#### ***Choice Sheraton***

Sheraton Hotels & Resorts is the largest brand of Starwood Hotels & Resorts Worldwide, and has more than 400 hotels in 75 countries, and Points by Sheraton has more than 130 properties in 22 countries.<sup>25</sup> The Sheraton is completely smoke-free in the US, Caribbean and Canada, effective by the end of 2008.

#### ***Walt Disney World Resort Hotels***

Walt Disney Parks and Resorts has grown to encompass the world-class Disney Cruise Line, eight Disney Vacation Club resorts, and five resort locations on three continents: Disneyland Resort, Walt

Disney World Resort, Tokyo Disney Resort, Disneyland Resort Paris, and Hong Kong Disneyland.<sup>26</sup> Disney owned and operated resort hotels and Disney Vacation Club resorts are smoke-free environments. This policy includes all guest rooms, balconies, patios, meeting spaces, restaurants, lounges and public space.

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