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SAFE Glen Cove Coalition: The Truth About the Price of Tobacco

According to a recent report from The Truth Initiative, tobacco company expenditures have become increasingly concentrated on marketing efforts that reduce the price of tobacco products, especially at the point-of-sale. Tobacco companies employ several options for reducing the prices of their products, ranging from directly dropping the wholesale prices to engaging in a variety of price-reducing tactics such as couponing, multipack discounts (e.g. buy-two-get-one-free or buy-two-for-one deals), and price discounts (e.g. \$2.50 off one pack).

Retailers also frequently sell cigars, little cigars, and cigarillos as singles or in multi-packs for less than \$1. In the past decade, price-reducing promotions have been the primary means of price competition among manufacturers, with some evidence that these promotions have been targeted to specific brands or venues that are important for young people. For example, from 1985-1986, RJ Reynolds promoted its Camel brand cigarettes to 18- to 24-year-old males in the Midwest with price-reducing promotions like “buy three, get three free” discounts, leading to a dramatic increase in the brand’s market share after a previously flat-to-declining-share trend.

These price-reducing promotions also mitigate the impact of tax increases. When retail prices rise following tax increases, tobacco companies engage in a variety of price-related marketing efforts to soften the impact of the increased prices, such as increased distribution of coupons and multipack discounts. There is also evidence that the tobacco industry uses pricing promotion strategies to lower cigarette prices in states with stronger state and local tobacco control policies than in states with weaker policies. This strategy is used to offset the impact of these policies on tobacco use. This was shown in a study using data from 1960-1990 that found states and localities with stronger tobacco control laws had lower cigarette prices, or price discrimination.

The industry knows that price increases have an immediate negative impact on sales. Both youth and adult smokers are sensitive to price promotions, and low-income and minority smokers have greater price-responsiveness.

The extensive use of price-reducing promotions has led to higher rates of tobacco use among young people than would have occurred in the absence of these promotions. Tobacco product coupons are received more often by individuals of lower educational attainment, higher intensity tobacco users, and people who identify as sexual and gender minorities.

Tobacco companies also target female, low socioeconomic status, and BIPOC customers with coupons. Receipt of coupons or redemption is associated with increased tobacco initiation among those who had not previously used tobacco products and reduced smoking cessation among current tobacco users. To increase demand particularly among price-sensitive populations, the tobacco industry has also lowered prices for little cigars and cigarillos in neighborhoods where most residents are Black or young adults.

Keeping the price of tobacco products high is a great benefit to public health. In fact, a CDC study found that a \$10 per pack retail price (a target established in the 2014 Surgeon General's Report) combined with eliminating discounts could result in almost 638,000 fewer youth smokers, almost 4.2 million fewer young adult smokers, and more than 7.7 million fewer adult smokers aged 26 years and older, just one year after implementation. A \$10 per pack retail price with no discounts would be expected to prevent the early deaths of approximately 1.5 million U.S. youth and young adults.

Keep aware, stay informed and avoid unhealthy behaviors. "Live SAFE!". The SAFE Glen Cove Coalition works diligently to protect youth and inform parents through prevention education to avoid the negative consequence of nicotine addiction.

SAFE, Inc. is the only alcohol and substance abuse prevention, intervention, and education agency in the City of Glen Cove. The Coalition is concerned with all combustible and electronic products with tobacco. The Agency employs environmental strategies to educate and update the community regarding the negative consequences of smoking and vaping. To learn more about the SAFE Glen Cove Coalition please follow www.facebook.com/safeglencovecoalition or to learn more about electronic products visit the Youth and Tobacco Use and Vaping Facts and Myths Pages of SAFE's website to learn more about how vaping is detrimental to your health at www.safeglencove.org.

The Truth Initiative is the nation's largest nonprofit public health organization dedicated to preventing youth and young adult nicotine addiction and empowering quitting. Research is conducted through the Truth Initiative Schroeder Institute that produces independent research to provide evidence for policy change and leadership in cessation research. For more information, please visit www.truthinitiative.org.