

Policy Tip Sheet



POLICY ANALYSIS FROM
THE HEARTLAND INSTITUTE

Tobacco Harm Reduction 101: Minnesota

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 1,152 direct vaping-related jobs, including manufacturing, retail, and wholesale jobs in Minnesota, which generated \$44 million in wages alone.¹ Moreover, the industry has created hundreds of secondary jobs in the Gopher State, bringing the total economic impact in 2018 to \$336,366,200. In the same year, Minnesota received more than \$20 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, average national sales of these products eclipsed \$2.6 million.²

2. State Health Department Data

As of December 30, 2019, the Minnesota Department of Health (MDH) has reported 141 confirmed or probable cases of vaping-related lung illnesses, including three deaths.³ MDH does not offer any other details, but notes that patients have reported vaping products containing tetrahydrocannabinol (THC). The state's first death was linked to a THC-containing vapor product.⁴ THC was also linked to the state's second death, while the third deceased patient vaped an "unknown" substance, in addition to nicotine.⁵ MDH has additionally tested lung fluid samples and products, finding THC in 11 of 12. MDH also found vitamin E acetate in 52 percent of 46 illicit THC-containing vapor products.⁶ *The Heartland Institute gives MDH a grade of C for information available on vaping-related lung illnesses.*

3. More Information Needed

The most recent report on youth e-cigarette use in Minnesota is from the 2017 Minnesota Youth Risk Behavior Survey.⁷ According to the survey, in 2019, only 1.5 percent of Minnesota 9th and 11th grade students used an e-cigarette daily. Further, 89.2 percent of Minnesota 9th and 11th graders reported *not using* a vapor product on any day in the 30 days prior to the survey. 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 7,037 tobacco age compliance inspections in Minnesota, in which the agency used a minor in an attempt to purchase tobacco products.⁸ Of those, 573, or 8 percent, resulted in a sale to a minor. Of the violations, 196 (34 percent of violations and 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 193 and 178, respectively, during the same period.

5. Misspent Money

In 2019, Minnesota received an estimated \$703.6 million in tobacco taxes and tobacco settlement payments. In the same year, the state spent only \$17.3 million, or 2 percent on funding tobacco control programs, including education and prevention.⁹

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,¹⁰ Public Health England,¹¹ and the American Cancer Society.¹² 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

Minnesota's vaping industry provided more than \$336 million in economic activity in 2018 while generating 1,152 direct vaping-related jobs. The national average of sales of disposables and prefilled cartridges exceeded \$2.6 million in 2016.

2

As of December 30, 2019, MDH has reported 141 confirmed or probable cases of vaping-related lung illnesses, including three deaths. MDH does not offer further information, but reported that two of the deceased patients had vaped THC. MDH earns a C for its reporting on vaping-related lung illnesses.

3

In 2019, only 1.5 percent of Minnesota 9th and 11th grade students reported daily e-cigarette use, and 89.2 percent reported not using e-cigarettes in the previous 30 days. More data is needed.

4

Only 2 percent of FDA retail compliance checks in Minnesota resulted in sales of e-cigarettes to minors from January 1, 2018 to September 30, 2019.

5

Minnesota spends very little on tobacco prevention. In 2019, Minnesota dedicated only \$17.3 million or 2 percent of what the state received in tobacco settlement payments and taxes.

Notes

Tobacco Harm Reduction 101: Minnesota

References

- ¹ Vapor Technology Association, “The Economic Impact of the Vapor Industry MINNESOTA,” 2019, <https://vta.guerrillaeconomics.net/reports/e4e2ad3b-ca91-427e-9bf3-056543b2355b?>
- ² Teresa W. Wang et al., “National and State-Specific Unit Sales and Prices for Electronic Cigarettes, United States, 2012-2016,” *Preventing Chronic Disease*, Centers for Disease Control and Prevention, August 2, 2018, https://www.cdc.gov/pcd/issues/2018/17_0555.htm.
- ³ Minnesota Department of Health, “Vaping-Associated Lung Injuries Minnesota Investigation,” December 30, 2019, <https://www.health.state.mn.us/diseases/lunginjuries/index.html>. Accessed January 16, 2020.
- ⁴ Minnesota Department of Health, “Health officials report death in a patient hospitalized for vaping-related lung injury,” September 6, 2019, <https://www.health.state.mn.us/news/pressrel/2019/lunginjury090619.html>.
- ⁵ Minnesota Department of Health, “Health officials confirm two more deaths from severe lung injuries associated with vaping,” October 16, 2019, <https://www.health.state.mn.us/news/pressrel/2019/lunginjury101619.html>.
- ⁶ Minnesota Department of Health, “MDH lab finds vitamin E acetate in 2019 illicit vaping products but not in 2018 products,” November 26, 2019, <https://www.health.state.mn.us/news/pressrel/2019/vape112519.html>.
- ⁷ Minnesota Department of Education, “Minnesota Student Survey Reports 2013-2019,” 2019, <https://public.education.mn.gov/MDEAnalytics/DataTopic.jsp?TOPICID=242>.
- ⁸ U.S. Food and Drug Administration, “Compliance Check Inspections of Tobacco Product Retailers,” September 30, 2019, https://www.accessdata.fda.gov/scripts/oc/inspections/oc_insp_searching.cfm.
- ⁹ Truth Initiative, “Tobacco use in Minnesota,” June 28, 2019, <https://truthinitiative.org/research-resources/smoking-region/tobacco-use-minnesota-2019>.
- ¹⁰ Royal College of Physicians, *Nicotine without Smoke: Tobacco Harm Reduction*, April 2016, <https://www.rcplondon.ac.uk/projects/outputs/nicotinewithout-smoke-tobacco-harm-reduction-0>.
- ¹¹ A. McNeill et al., “Evidence review of e-cigarettes and heated tobacco products 2018,” Public Health England, February 2018, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/684963/Evidence_review_of_e-cigarettes_and_heated_tobacco_products_2018.pdf.
- ¹² The American Cancer Society, “What Do We Know About E-Cigarettes?” June 19, 2019, <https://web.archive.org/web/20190806152535/https://www.cancer.org/cancer/cancer-causes/tobacco-and-cancer/e-cigarettes.html>.

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.