

The Impact of the Smoke-Free Air Act on Louisiana's Economy

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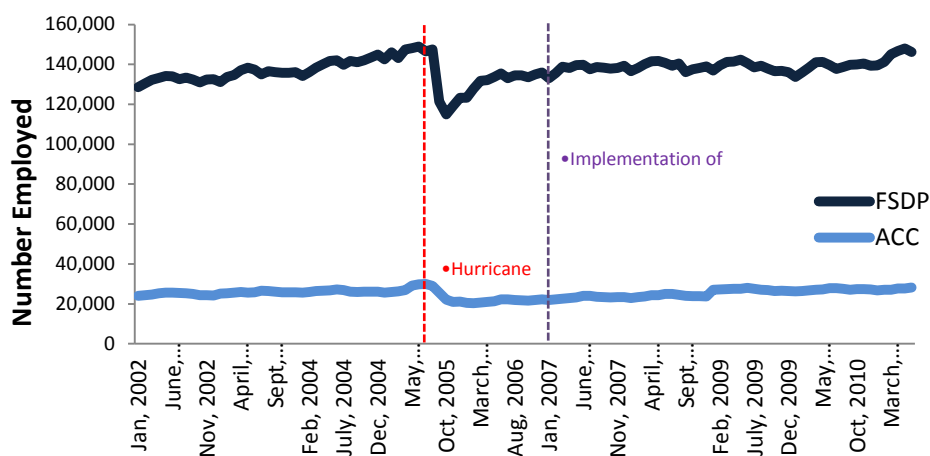
Introduction

- Policymakers and business owners must consider the impact of state and local laws on tourism, one of Louisiana's largest industries. During the 2006 state legislative session, lawmakers debated a bill that would restrict smoking in all public places.
 - Supporters* of comprehensive smoke-free legislation argued that a comprehensive policy would improve health outcomes at little economic cost, stressing that exposure to secondhand smoke was dangerous for employees and patrons of these venues.
 - Critics* of comprehensive smoke-free legislation argued that smoking restrictions would financially harm businesses that rely on tourists, stressing that smoke-free policies would negatively impact revenues and employment rates of venues popular with tourists.
- In January 2007, this bill was implemented as **The Louisiana Smoke-Free Air Act (SFAA)**. Legislators attempted to balance the health and economic concerns by restricting smoking in all workplaces and restaurants, *except bars, nightclubs & gaming facilities*.

Methodology

- To evaluate the impact of the SFAA on Louisiana's hospitality industry, this study assessed data specific to the two most financially valuable sectors of the state's tourism industry: **Accommodation (ACC) & Food Service and Drinking Places (FSDP)**.
- The main source of data in this analysis was monthly employment figures (based on quarterly tax returns from all employers covered by unemployment insurance) from the Louisiana Department of Labor and the US Bureau of Labor Statistics.
- A time-series ARIMA model was used to analyze the state-level policy while controlling for secular trends.

Results



FSDP and ACC Employment in Louisiana, 2002-2011

Conclusions

- The Louisiana Smoke-Free Air Act had **no significant impact** on employment rates in the ACC and FSDP industries, at both the state and Orleans Parish level (*Orleans parish data not shown*).
- When considered alongside previous literature investigating the relationship between smoke-free ordinances and employment rates in other geographic areas, this study suggests that expanding the reach of the SFAA into bars and nightclubs will have no **impact** on employment in these venues.