

Smoke-free Workplace Law No Effect on Lottery

But advocates will have trouble blaming smoking ban for budget shortfalls

By: Raymond Rendleman



March 17, 2010 — A recent poll commissioned by Northwest Health Foundation brings further doubt to the contention that smoking bans in bars are responsible for reduced lottery funds.

Most of the 500 respondents—65 percent—claimed they go to restaurants and bars “about the same” since smoking has been prohibited, while only 7 percent said they go “less often,” and 12 percent indicated they go “more often.”

The results represent a huge victory for Oregon’s Department of Human Services, which was the major proponent of last year’s smoking ban.

DHS doesn’t receive lottery funds, but the large reductions have affected health services because of shortfalls elsewhere in the state’s budget, said Cathryn Cushing, spokesperson. In 2007-09, DHS cut \$16.1 million through hiring freezes, reduced supplies and services, and saved \$25.2 million in programs and administrative costs.

The foundation’s statewide survey also showed overwhelming support for the Smokefree Workplace Law. Of the 500 people randomly contacted, 70 percent said they “strongly support” such bans, 11 percent “somewhat” support the measures, and only 15 percent were opposed.

“We really wanted to get a sense of people’s priorities, and we’re seeing that they really do value community health measures,” said Chris Palmedo, NHF public affairs director. “People really do care about the environments that influence health.”

Surveys conducted by the lottery last spring back up the foundation's results. Of 1,000 people contacted in May 2009, 70 percent said they still visit bars, restaurants and lounges since the smoking ban took effect.

"There's a correlation between video players and smokers, but this isn't the only issue," said Mary Loftin, Oregon Lottery Commission spokesperson. "Anecdotally, we had a lot of retailers panicking because their sales were going down because of the smoking ban. This is more often the case, but we've also heard that some people are taking up games now that they can play them in a smoke-free environment."

John Hamilton, spokesperson for the Oregon Restaurant Association, said the Smokefree Workplace Law "was a foregone conclusion, so the association didn't waste any energy fighting it."

As soon as gas prices shot up in 2008, the lottery saw reductions in revenue, and the lottery's economic analysis found that all Oregonians were trying to save money by going out less often. Next was the one-two punch of a two-week snowstorm followed by the state's unemployment rate which hit record highs. Lottery revenue went sharply down, and never recovered.

"We call this the perfect storm," Loftin said. "We wish we could pinpoint what's causing this, but the waters are too muddy."

Of the 348 lottery players randomly interviewed at gaming locations in a lottery-commissioned survey, 26 percent indicated they played less in 2009. Of these, only 7 percent said the smoking ban influenced their decision.

"The recession seems like the obvious reason that lottery revenues are down," Palmedo said. "Gambling seems like a pretty elastic activity, economically speaking."

Loftin acknowledged it's a balancing act to not encourage problem gambling, which would constitute another public health problem. "We try to encourage a lot of people to gamble a little bit," she said.

The stakes are high in finding fault because lottery gains are down about \$33 million. Officials estimate it will take at least eight years to recover that lost revenue.

"The money that we didn't make had a horrible impact on these various services," Loftin said. "We're doing everything we possibly can to make up those numbers, but the weight is very heavy on our shoulders."

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