

Cigarette Pricing Lowest in Black Neighborhoods: 2010–2012

This brief examines how cigarette pricing differs by the racial/ethnic composition of neighborhoods where cigarettes are sold in the United States. The analyses are based on data collected from 2010 to 2012 from 6,998 retail stores in a nationally representative sample of 468 public middle and high school enrollment areas. This brief shows that cigarette pack prices vary with the racial/ethnic compositions of the neighborhoods where cigarettes are sold.

Introduction

Tobacco use is the single most preventable cause of death and disease in the U.S. Smoking cigarettes is responsible for nearly one-half million annual premature adult deaths.¹ A major factor that impacts smoking rates is cigarette pricing. Higher cigarette prices reduce the number of people who smoke by reducing the initiation of smoking by youth, the prevalence and intensity of smoking among youth and adults, and increasing the number of young adults and adults who quit smoking.^{2,3}

Healthy People 2020 includes an objective to increase federal and state taxes on tobacco products.⁴

Increasing the unit price of tobacco products through tobacco taxation is one of the key components of a comprehensive tobacco control program to reduce tobacco use.^{5,6}

This brief describes cigarette pricing in retail stores across the United States from 2010 to 2012. It discusses how cigarette pricing varies by the racial/ethnic composition of the neighborhoods where these retail stores are located. Finally, this brief suggests the use of excise taxes to help reduce these disparities and, ultimately, reduce smoking rates in the United States.

Key Findings

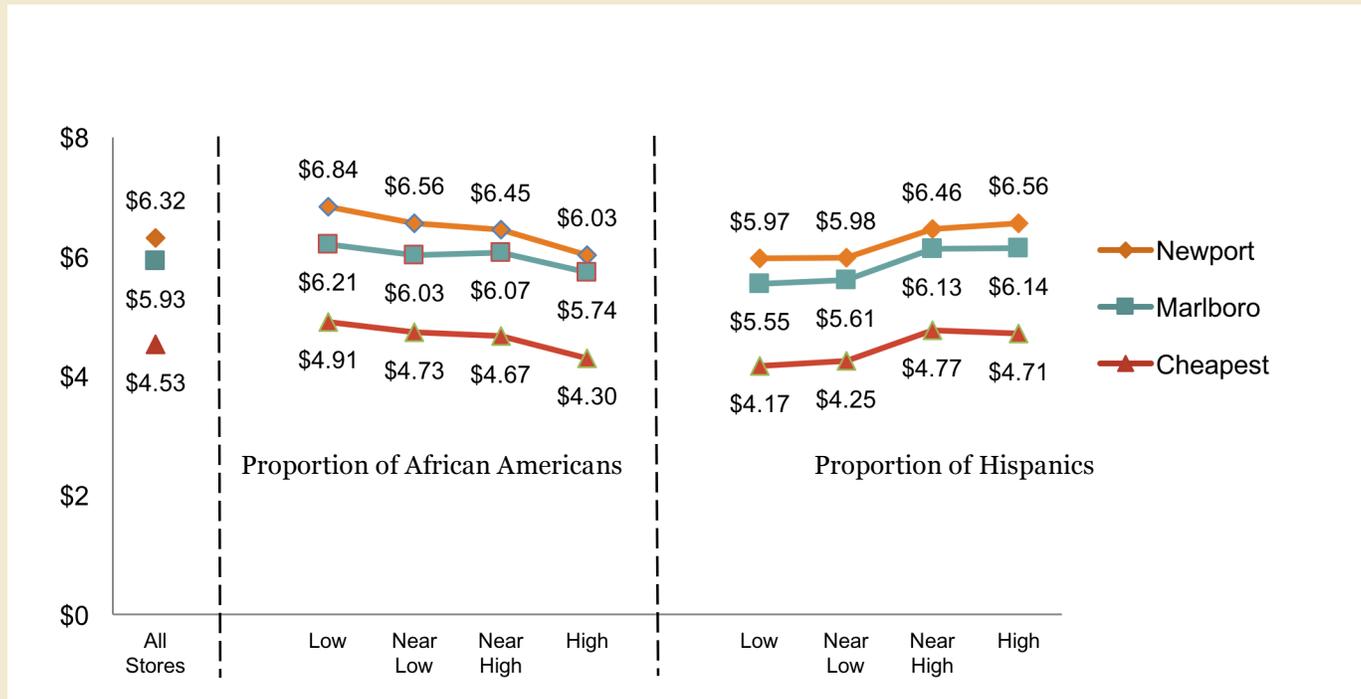
Cigarette prices vary as neighborhoods' racial and ethnic compositions change.

- All types of cigarettes are less expensive in neighborhoods where higher proportions of African Americans live than in neighborhoods that have a lower proportion of African Americans. (Figure 1)
- All types of cigarettes are more expensive in neighborhoods with higher proportions of Hispanic residents. (Figure 1)
- There are no differences in cigarette prices as the proportion of white residents increases.

Figure 1

Average Price of Cigarette Packs

By African American and Hispanic Neighborhoods, 2010–2012



Notes: Neighborhoods were classified into the proportion of African Americans and Hispanics residing in these communities by quartile (low, near low, near high, high). The following comparisons are significantly different at $p < 0.05$:

African American Quartiles: Newport, Marlboro and Cheapest: Low vs High; Newport: Near-low vs High, Near-high vs High.

Hispanic Quartiles: Newport, Marlboro and Cheapest: Low vs High, Near-low vs High and Near-high vs High; Marlboro and Cheapest: Low vs Near-high.

Conclusions and Policy Implications

Given the inverse relationship between cigarette prices and smoking,^{7,8} the different prices observed across racial/ethnic groups is noteworthy. These data show that prices of Marlboro, Newport, and the cheapest available brand are significantly lower in neighborhoods with a high proportion of African Americans. However, prices of cigarettes are significantly higher in neighborhoods with a

high proportion of Hispanics. This relationship persists even when controlling for cigarette tax, store type, median household income, and degree of urbanicity.

This brief's findings suggest that there are significant differences in the price of cigarettes faced by different racial ethnic groups. Because higher prices can lead to lower use and appear to be even more effective for males,

African Americans, Hispanics, and lower income smokers,^{6,9-10} the U.S. Surgeon General,¹¹ the President’s Cancer Panel,¹² and the Institute of Medicine¹³ have recommended utilizing tobacco excise taxes as part of a comprehensive strategy to reduce tobacco use. Raising tobacco excise taxes at both the state¹⁴ and federal levels¹⁵ can be effective at reducing tobacco use among youth and at generating revenues to fund tobacco prevention and cessation programs.

Study Overview

The findings from this brief were derived from the Bridging the Gap Community Obesity Measures Project (BTG-COMP) data. The research team identifies local policy and environmental factors that are likely determinants of health outcomes and collects, analyzes and shares data about these characteristics. In this study, data were collected from 6,998 BTG-COMP retail stores that sold food and tobacco products located within school enrollment zones for nationally representative cross sectional samples of 8th, 10th, and 12th grade students attending traditional public schools in the continental U.S. in 2010, 2011, and 2012. Retail outlets were classified as supermarkets (sell fresh meat and have 2+ service counters and/or have 4+ cash registers), grocery stores (sell fresh meat and do not meet the supermarket criteria), convenience stores (do not sell fresh meat and sell a selection of staple groceries often including milk), drug stores (do not sell fresh meat and sell prescription and OTC medication), tobacco stores, liquor stores, or other stores that sold beverages and snacks (e.g. small discount, ethnic, and general merchandise). For this study, neighborhoods around schools were classified by race/ethnicity quartiles based on the proportion of white,

African American, and Hispanic population (i.e., low, near low, near high, high). Prices of regular size (85mm or King/Regular) packs of Marlboro Red, Newport, and the cheapest cigarette pack were gathered.

Suggested Citation

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About Tobacconomics

Tobacconomics is a collaboration of leading researchers who have been studying the economics of tobacco control policy for nearly 30 years. The team is dedicated to helping researchers, advocates and policymakers access the latest and best research about what’s working—or not working—to curb tobacco consumption and the impact it has on our economy. As a program of the University of Illinois at Chicago, Tobacconomics is not affiliated with any tobacco manufacturer. Visit www.tobacconomics.org or follow us on Twitter www.twitter.com/tobacconomics.

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Endnotes

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