

Bars, restaurants see no significant employment change under smoking bans in two cities

June 29 2010, by Emily Caldwell

The passage of smoking bans in two large Minnesota cities was not associated with job losses at bars and may in fact have contributed to higher employment in restaurants, according to new research.

The study is the first to examine the economic effects of clean indoor air policies on bars and restaurants as independent types of businesses, the researchers said. Consistent with previous published studies of the economic impact of smoking bans, this analysis did not find significant economic effects on the hospitality industry as a whole.

In both Minneapolis and St. Paul, the policies were associated with an increase of at least 3 percent in employment at restaurants over a 2 ½-year span following adoption of a local clean indoor air policy. Employment in Minneapolis bars increased more than 5 percent after passage of that city's [smoking ban](#), while in St. Paul, bar employment had a nonsignificant decrease of 1 percent - a decrease that cannot be statistically distinguished from zero, or no change in employment.

The researchers noted that the broad look at total bar and restaurant employment at the city level over time means that this study is not able to describe potential changes at the neighborhood or individual business level. Opponents to smoking bans have argued against enactment of these policies with predictions of large revenue losses, worker layoffs and business closures in the hospitality industry, and at bars in particular

because of known correlations between drinking and [tobacco use](#).

Proponents of such policies say smoking bans promote a healthful workplace atmosphere for workers and patrons. According to the U.S. Department of Health and Human Services, exposure to secondhand smoke increases nonsmokers' risks of developing lung cancer, heart disease, respiratory conditions and other diseases.

"These clean indoor air policies are designed to protect workers from exposure to secondhand smoke," said Elizabeth Klein, assistant professor of [health behavior](#) and health promotion at Ohio State University and lead author of the study.

"We are evaluating business employment because employment is an objective measure of the overall economic health of these businesses. What we have found is that there isn't a significant economic effect for bars, and in fact for restaurants, there is some positive change in employment. These findings underscore that nothing economically catastrophic happened for bars or restaurants in the Twin Cities as a result of banning smoking in these environments."

The research is published in the July/August issue of the *Journal of Public Health Management Practice*.

All of this research examines employment trends before Minnesota adopted a comprehensive statewide clean indoor air policy in late 2007. A comprehensive citywide smoking ban - covering virtually all workplaces - took effect on March 31, 2005 in Minneapolis and on March 31, 2006 in St. Paul. For a year before that, St. Paul operated under a partial smoking ban that exempted bars.

Klein and colleagues used what is called an interrupted time series analysis to evaluate short- and long-term effects of these new policies.

They examined a five-year period between January 2003 and December 2007 to monitor employment levels in bars and restaurants before and after enactment of the smoking bans in these two cities.

"It is difficult to find an appropriate comparison between one city with a clean indoor air policy and another city without a policy, so we used this model to look at what was going on in each community before adoption of the policies and what happened after that. This design allows for each city to serve as its own comparison group," Klein said.

The researchers also accounted for employment in the rest of the hospitality industry - minus restaurants and bars - over the same time period as a way to account for general economic conditions that might have been an additional influence on bar and restaurant employment.

The researchers obtained employment figures from the Minnesota Department of Employment and Economic Development, to which businesses are required by law to report the total number of individuals they employ each month.

In Minneapolis, the comprehensive smoking ban was associated with a 3 percent gradual permanent increase in employment at restaurants and an increase of between 5 percent and 6 percent employment in bars. The estimated change in the rest of the hospitality industry, when compared with either bars or restaurants, was a 1 percent or smaller increase in employment.

In St. Paul, the clean indoor air policy was associated with a 4 percent increase in restaurant employment. Bars, which were not subject to the smoking ban until a year later than restaurants in that city, saw a 1 percent or smaller decrease in employment after the smoking ban took effect in bars. When subject to statistical analysis, that decrease was no different from no effect at all.

For the rest of the hospitality industry in St. Paul, the partial smoking ban was associated with an almost 12 percent increase in employment. The comprehensive clean indoor air policy adopted a year later was associated with a reduction in hospitality employment of 13 percent, but this decrease was not significant by statistical standards. Klein said no clear explanation exists for this decrease, but an ongoing investigation into the economic effects of the statewide Minnesota smoking ban adopted in late 2007 can evaluate if other regions of the state experienced similar trends.

As part of monitoring other economic conditions, Klein accounted for the potential influence of a National Hockey League 2004-05 season-long strike on employment at bars and restaurants in St. Paul, home to the Minnesota Wild. The strike was associated with a nonsignificant drop in bar and restaurant employment of less than 1 percent.

The researchers did note that the employment figures act as a headcount of the total number of people employed but do not differentiate between part-time and full-time jobs held. And while revenues are another strong indicator of the economic health of businesses, reliable revenue data would not be available frequently enough to allow for a monthly analysis.

Klein said that these findings are consistent with previous research that has examined the economic effects of smoking bans on bars and restaurants in California and in cities in Canada and Australia. It also reinforces her own findings published in 2009 that suggested that exempting bars from community smoking bans made no economic difference in terms of preserving bar employment. That study examined employment trends over three years in eight Minnesota cities with different types of clean indoor air policies and two cities with no laws restricting smoking.

While the Midwestern United States has been slower to adopt clean

indoor air policies than have coastal states, Klein said this first detailed look at the economic effects of smoking bans on bars in the Midwest might encourage more communities and states in the region to consider adopting the policies.

"These results show there is a null or a slightly positive effect on [employment](#) with these policies," Klein said. "In this case, it appears that the unintended consequences of local clean [indoor air](#) policies may have had a positive, albeit small, economic benefit for hospitality businesses."

Provided by The Ohio State University

Citation: Bars, restaurants see no significant employment change under smoking bans in two cities (2010, June 29) retrieved 25 April 2024 from <https://phys.org/news/2010-06-bars-restaurants-significant-employment-cities.html>

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