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Smoking Ban Has Minimal Effect on Overall Income of Bars, Taverns

OLYMPIA, Wash., June 11, 2007 — The Initiative 901 smoking ban that began in December 2005 appears to have had minimal effect on the overall income of bars and taverns.

Their gross business income increased 0.3 percent during 2006, compared to 1.1 percent average annual growth from 2002 through 2005.

While income from gambling activities declined, it was offset by growth in taxable retail sales of food and drink. Taxable sales grew 3.6 percent in 2006, compared to 2.1 percent average annual retail sales growth for 2002 through 2005.

Although the Department has not attempted to establish a cause-and-effect relationship between the ban and business revenues, the numbers suggest that bars and taverns may have lost some smokers, but gained customers drawn to a smoke-free environment. While some drinking places may have been hard hit by the ban, overall the industry appears to have been able to adapt.

The same couldn't be said for gambling establishments, whose gross income dropped 9.8 percent during 2006. However, business income for this sector already was in recent decline, dropping 8.6 percent in 2004 and 5 percent in 2005 after a 19.5 percent gain in 2003.

Restaurants didn't appear to be affected by the smoking ban because 80 percent of them already were smoke free before the ban took effect. The taxable retail sales of full-service restaurants increased 9.1 percent in 2006, compared to 8.3 percent average growth for 2002 through 2005.

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