

# CBS Money Watch

## How to become a millionaire: Quit smoking

By AIMEE PICCHI MONEYWATCH *January 20, 2015, 4:02 PM*

With this week marking Tobacco Free Awareness Week, there's a startling new statistic that smokers may want to take note of: After a lifetime of lighting up, smokers on average will burn through **\$1.4 million in personal costs**. That outlay represents spending on cigarettes, smokers' own costs for medical treatment, and lower wages, according to an analysis from financial site WalletHub. The biggest portion of the costs are related to buying tobacco, which amount to \$1.03 million on average after a lifetime of smoking.

Not all states are created equal, the survey found. In states where taxes on cigarettes are lower, which includes many of the Southern states, the lifetime cost of buying cigarettes was significantly lower than the country's average. Overall, the price of a pack has been going up as states. The federal government also raised taxes to deter people from lighting up, as well as to fund prevention and quitting programs.

Quitting "saves you the money of not buying a pack, but you don't realize how much you are saving in health care and insurance premiums," said WalletHub spokeswoman Jill Gonzalez. "That is really what will impact people, seeing all of these prices added together."

To determine the cost of buying tobacco, WalletHub considered the per-price pack in each state and projected the expense if each smoker bought one pack a day starting at age 18, when smoking is legal, until they reached 69 years old, which is the average age of death for smokers. It then calculated the amount of return that smoker would have earned if they had invested their cigarette money in the S&P 500 instead.

The tobacco costs were highest in Alaska at \$1.55 million, given that the state's **per-pack prices are among the steepest** in the U.S. After adding in lower wages and higher health care costs, Alaskan smokers incur costs of \$2.03 million across their lifetimes, the highest in the country.

Smokers tend to earn less money than non-smokers, while also incurring loss of income due to absenteeism and smoking-related health problems, WalletHub noted.

While smokers may be subjected to workplace bias, there's also a link between

smoking and lower education levels. About 42 percent of Americans with only GED diplomas smoke, compared with 9.1 percent of those with college degrees, according to the Centers for Disease Control and Prevention. At the same time, college grads earn median weekly income of \$1,108, or about 70 percent more than those with only high school degrees.

After Alaska, 10 states with the highest smoking costs are: Connecticut (\$1.99 million); New York (\$1.98 million); Massachusetts (\$1.98 million); Rhode Island (\$1.95 million); New Jersey (\$1.87 million); Hawaii (\$1.85 million); Washington, D.C. (\$1.75 million); Vermont (\$1.74 million); and Washington (\$1.67 million).

The 10 states where the least financial impact from smoking are: South Carolina (\$1.1 million); West Virginia (\$1.1 million); Kentucky (\$1.1 million); Mississippi (\$1.15 million); Georgia (\$1.15 million); Tennessee (\$1.17 million); Alabama (\$1.18 million); Missouri (\$1.18 million); North Carolina (\$1.19 million); and Louisiana (\$1.2 million).

<http://www.cbsnews.com/news/what-are-the-financial-costs-of-smoking/>