

live well, work well

Health and wellness tips for your work, home and life—brought to you by Benefit Management Solutions Inc..

The Cost of Smoking

How much are you willing to spend and lose to light up?

According to MSNmoney.com, the costs of smoking can skyrocket fast due to insurance costs, dry cleaning bills and countless other expenses. Plus, smoking could even cost you your job!

The most startling statistic: A 40-year-old professional who quits smoking and puts the amount of money he/she spent on cigarettes into a 401(k) account could realistically save almost \$250,000 (earning 9 percent) by the time he/she is 70 years old.¹ Now think about that question again... how much are you willing to pay to light up?

Here are some of the ways in which smokers lose out financially as compared to those who choose not to light up:

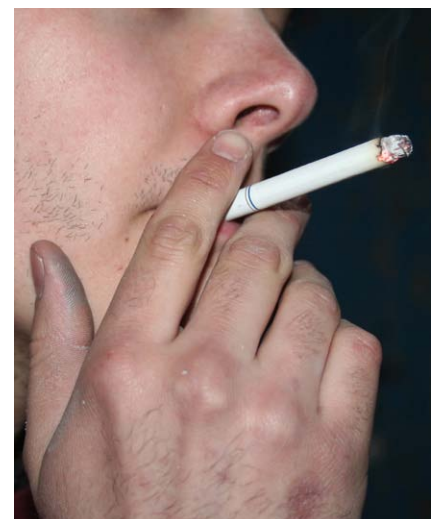
- Cost of purchasing cigarettes and smoking-related materials (lighters, ashtray, etc.)
 - The average cost of a pack of cigarettes is

\$5.00.² Multiply that by a pack per day – that is \$35 per week and \$1,820 per year.

- Insurance (health, life, property, etc.)
 - Using Budgetlife.com, a 20-year term life insurance policy of \$500,000 would cost a nonsmoking, generally healthy 44-year-old man \$1,110 in annual premiums, but would cost \$2,571 for the same man if he smoked a pack of cigarettes per day.
 - Nonsmoking homeowners generally receive a 10 percent discount off their homeowner's insurance. In the insurance industry, smoking equals a greater chance of burning down a house.
- Resale value of cars is lower due to damage (odor and burn damage)
 - It costs roughly \$150 for a thorough car cleaning.
 - Dealers will knock down the trade-in value of a more

expensive car by at least \$1,000 because of damage due to smoking.

- Resale value of homes is lower due to damage (burn damage, odor in carpeting, window treatments, etc.)
 - To clean carpet, it costs about 28 cents per square foot. Multiply that number by the number of square feet in a home and that's a big expense.
 - The smell of cigarettes turns off many buyers, causing the house to sit on the market a lot longer than others. This will cause the seller to lose money on



- taxes, mortgage payments, realtor fees, etc. while waiting for the house to sell.
- Dry cleaning
 - Teeth cleaning and/or whitening
 - Loss of wages
 - Many studies suggest that smokers earn between four and 11 percent less than nonsmokers because they are perceived as less attractive and not as successful.
 - Less pension and Social Security benefits
 - If a smoker dies before age 65, he/she will not collect Social Security, despite paying into it for years.
 - Losing out on a job opportunity or current employment because of a refusal to quit smoking
 - Weyco, a Michigan-based benefits administration company, fired employees for not submitting to a breath test after instituting a no-smoking policy for its employees. Both employees and their spouses were tested at the company and were issued an \$80-per-
- month charge for failed tests.
- Alaska Airlines will not hire anyone without a nicotine test first.
 - Union Pacific Railroad Company will not hire smokers, period.
 - Kalamazoo Community College in Michigan will not hire smokers for full-time positions at either of their two campuses.

A Financial Incentive to Quit

With all the money you're spending on your smoking habit, just think of what else you could do with that money if you didn't smoke! You could invest for your retirement, pay bills, go on vacation, or reward yourself some other way.

Sources:

¹ "The high cost of smoking" - MSNMoney.com

² <http://tobaccofreekids.org/research/factsheets/pdf/0099.pdf>

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