

PIVOT®

Research Report

Attitudes Toward Tobacco Use in the Workplace

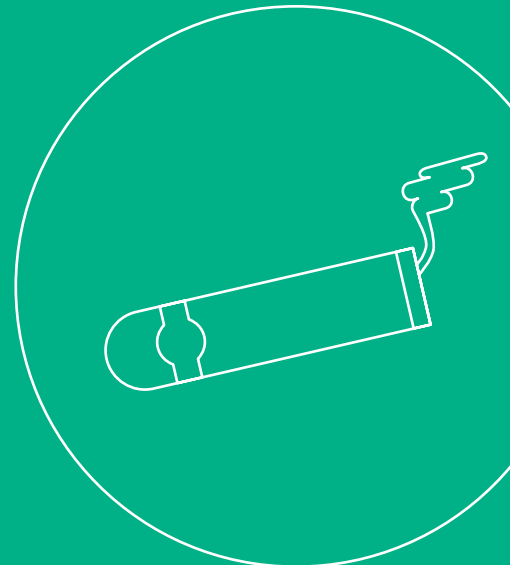
2022 - Benchmark Study

What Benefits Leaders and Their Tobacco-Using Employees Are Saying About Tobacco Use in the Workplace



Tobacco of All Varieties Negatively Impacts Employers and Employees

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Contents

pg.4 **Tobacco Use in the Workplace**

pg.5 **Goals and Methodology**

pg.7 **Why Workplace Tobacco Cessation
Programs Matter**

pg.8 **Five Key Takeaways for Employers**

pg.41 **Leaders Have the Chance
to Take Action**

Tobacco Use in the Workplace

Employee tobacco use is on the rise, driven by the explosion in use of vaporized nicotine (aka vape) and the COVID-19 pandemic. Tobacco costs an employer an extra \$9,000 per tobacco user, per year, due to increased health care claims and decreased productivity. That's **\$18 million per year in excess costs** for a self-insured employer with 10,000 benefits eligible employees.

Employers recognize the negative impact of tobacco to their bottom line and to the health of tobacco-using employees and their families, but there are also negative impacts on the company brand and employees who do not use tobacco. In this report, which surveyed employees in five common industries with surprisingly high smoking prevalences, we found that 96% of your employees who use tobacco, do so while on the job.

Tobacco cessation is a highly effective preventive service like cancer screening, but is not effectively delivered by an employee's physician, health system, and health plan. To fill the gap, employers have stepped up to help employees quit tobacco, just as they have done to help employees manage weight, diabetes, and mental health. In this report, **48% of employers we surveyed rank tobacco cessation in their top three priorities.**

While most employers offer tobacco cessation (telephonic counseling and nicotine replacement therapy), these programs tend to disappoint on engagement, quit outcomes, and employee satisfaction. Modern tobacco cessation programs must be digital for scale and must address smoking (cigarette) cessation as well as vape, smokeless, and the next wave of nicotine products like "heat not burn." In this report, we found that **56% of employees we surveyed who use cigarettes also use vaporized nicotine.**

As experts in the field of tobacco cessation, Pivot conducted this study on tobacco use in the workplace to assist you as a benefits leader in understanding the impact tobacco use has on your company and employees. We approached this from two viewpoints - first from the benefits leader (company) perspective, and then from the tobacco-using employee perspective.

We hope this study will allow you to help your employees quit tobacco...for good.

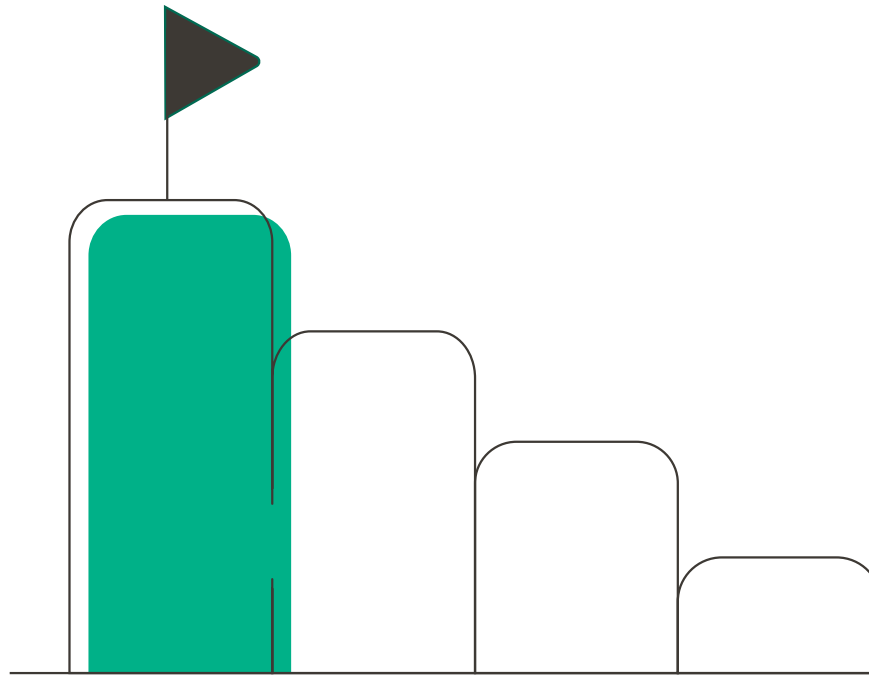


A handwritten signature in black ink that reads "DAVID UTLEY". The signature is stylized with a large, looped 'D' and 'U'.

David S. Utley, M.D.

Founder and CEO, Pivot
utley@pivot.co

Goals and Methodology



In November 2021, Pivot partnered with Dimensional Research to survey employers and employees about their views of tobacco use in the workplace and their company-provided tobacco cessation programs.

The survey included more than 2,000 participants: 530 qualified human resources professionals whose focus was the provision of employee benefits, providing an employer perspective, and 1,525 employees who use at least one form of tobacco on a regular basis. All participants worked in one of five industries with comparatively high rates of tobacco use - construction, hospitality, manufacturing, retail, or transportation - for midsize to large companies (categorized as 3,000-5,000, 5,000-10,000, or more than 10,000 employees). Employee respondents were split equally between the five industries, and almost equally by company size.

Employee participants spanned generations, from Generation Z (under 26) to baby boomers (over 55), and roles ranged from front-line hourly workers to C-suite executives. Both employer and employee participants answered detailed questions on a range of topics, including what companies know about employee tobacco use, whether existing cessation programs are effective, what employee motivations are for quitting tobacco usage, and concerns amongst employees regarding having their manager or company know about their tobacco use.

Goals and Methodology

Research Goal

The primary research goal was to identify and benchmark employer and employee views of tobacco consumption and tobacco cessation programs in the workplace for use in thought leadership programs.

Methodology

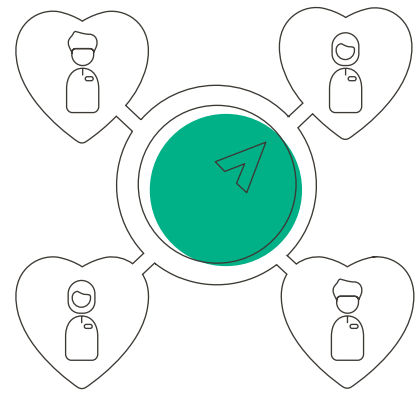
Independent sources of HR professionals and employees who consume tobacco were invited to participate in an online survey. A variety of questions were asked on topics including whether tobacco cessation programs are offered by the employer and their effectiveness. The survey was fielded between November 3 – 18, 2021.

Participants

A total of 530 qualified HR professionals and 1,525 qualified employees who consume tobacco completed the survey. All participants work for midsize to large (categorized as 3,000-5,000, 5,000-10,000, or more than 10,000 employees). companies in retail, transportation, manufacturing, hospitality, or construction industries in the United States.

This research intentionally targets industries that are known to have high rates of tobacco use. The data in this study reflects that subset of the population and does not represent the overall population of tobacco users in the United States.

Why Workplace Tobacco Cessation Programs Matter



The U.S. Surgeon General report in 1964 linked smoking to dozens of deadly disease states like lung cancer and heart disease. Since then, sweeping measures have been implemented to reduce tobacco use, including limitations on advertising, age limits for purchase, tax at the point of sale, warning labels on cigarette packs, bans on indoor smoking, tobacco surcharges for employee health benefits, employer and health plan sponsored tobacco cessation programs, newly approved pharmacotherapy, and many others. The prevalence of tobacco use fell from 42% in 1964 (~80 million U.S. adults) to about 20% today (~50 million U.S. adults).

Despite this progress, tobacco use remains the largest cause of preventable illness, death, health care costs, and lost work productivity. If this is not alarming enough, tobacco use is now on the rise. **In this report, 46% of benefits leaders estimate that the prevalence of tobacco use in their company is between 21% and 50%, while an additional 8% estimated the rate to be greater than 50%!** Vape use in adults is driving part of this resurgence. In this report, 58% of all tobacco users reported regularly using vape, while 56% of cigarette users also use vape. COVID-19 is also prompting more tobacco use. In this report, 19% of respondents started using tobacco for the first time during the pandemic; 17% increased their tobacco use during the pandemic; and 12% had quit prior to 2020 but started using tobacco again during the pandemic.

Benefits leaders know that they must step up to help their employees quit tobacco. Helping employees and their families quit tobacco reduces health care costs, improves workplace productivity, protects the company brand, and helps with retention. In this report, you will learn that 97% of benefits leaders believe that cigarettes and vape are risky and costly to their business and employees. Additionally, 73% of employers will offer a cessation program in 2022 and 21% are evaluating a new program to improve outcomes. Employees are receptive and appreciative of this effort, in that 82% are interested in quitting and 80% feel it's important for their employer to help them.

Benefits leaders should be congratulated in their efforts to combat the crisis caused by tobacco.

Research Report

Five Key

Takeaways for Employers





1

**Tobacco Cessation
Is a Top Priority For
Both Employers and
Employees**

Tobacco Cessation Is a Top Priority For Both Employers and Employees

Employers and employees agree that workplace tobacco cessation programs are important. Overall, tobacco cessation is one of the top three wellness priorities for employers. Not all employers are acutely aware as to how tobacco use negatively impacts additional wellness offering priorities like mental health, counseling, and therapy as well as heart and lung health.

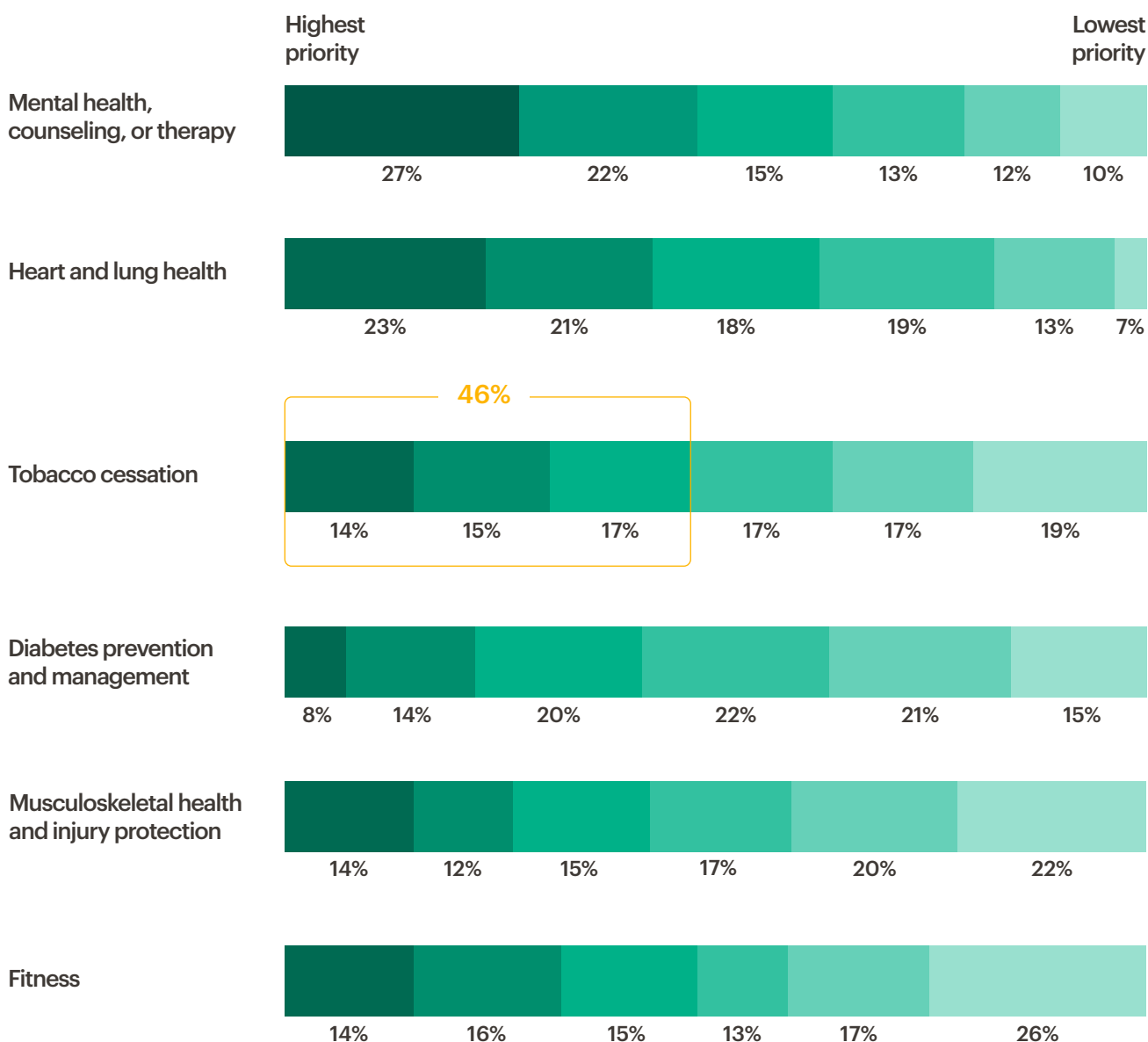
With 97% of surveyed employers concerned about workplace smoking and/or vaping risks and costs, motivation to help employees quit is high. But, there is less agreement on how employers can address such an issue. Around 62% of employers view tobacco use as a chronic health condition best managed by offering accessible, judgment-free healthcare, versus 37% of employers who view it as a problematic employee behavior.

Despite all of this, and contrary to what non-smokers may assume, employees who smoke are highly interested in tobacco cessation benefits, with most reporting that they would be likely to sign up for an employer-sponsored program. Likewise, most employees who don't report having access to an employer-sponsored program wish one was available to them.



Employers consider tobacco cessation a top three priority for 2022. Tobacco cessation also underpins the other two top priorities (mental health and heart/lung health).

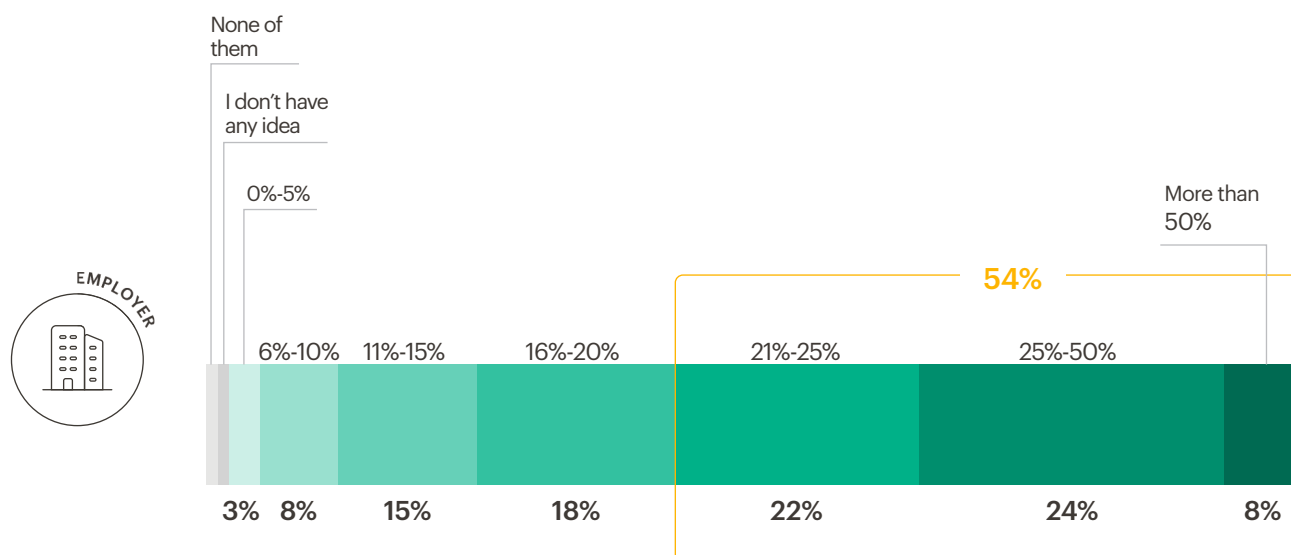
Please rank the following in order of priority within your employee benefits and wellness programs.



46% of employers rank tobacco cessation in their top three priorities for 2022

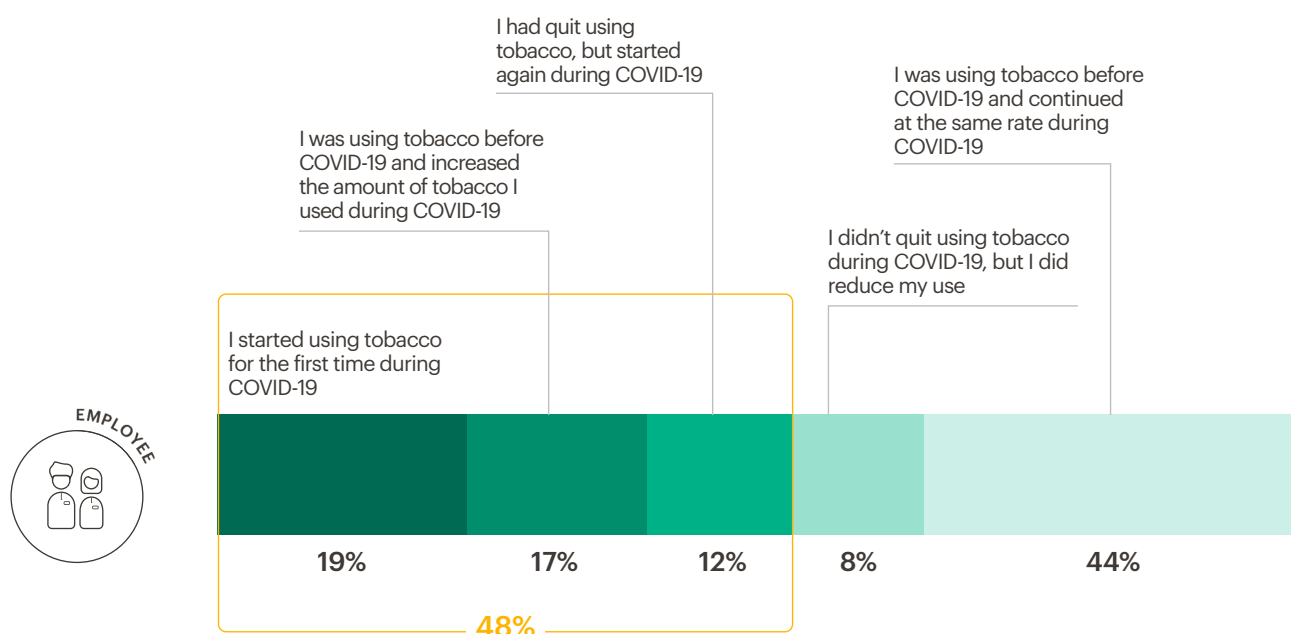
54% of benefits leaders estimate that the prevalence of tobacco use in their company is greater than 21%.

To the best of your knowledge, approximately what percentage of your company employees use tobacco?



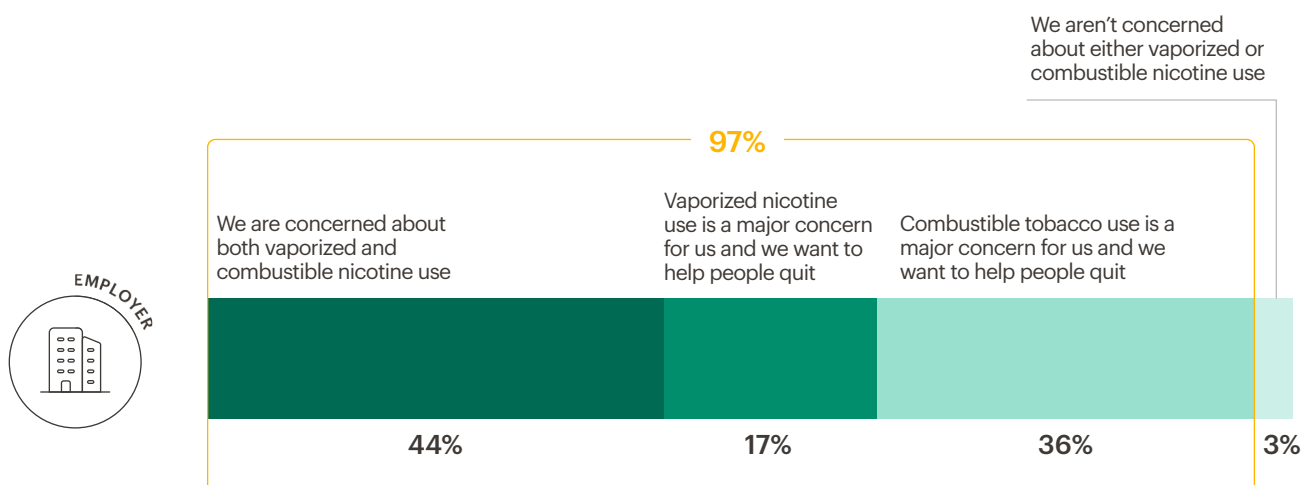
COVID-19 negatively impacted tobacco usage for almost half of employees.

How did your tobacco usage change because of COVID-19?



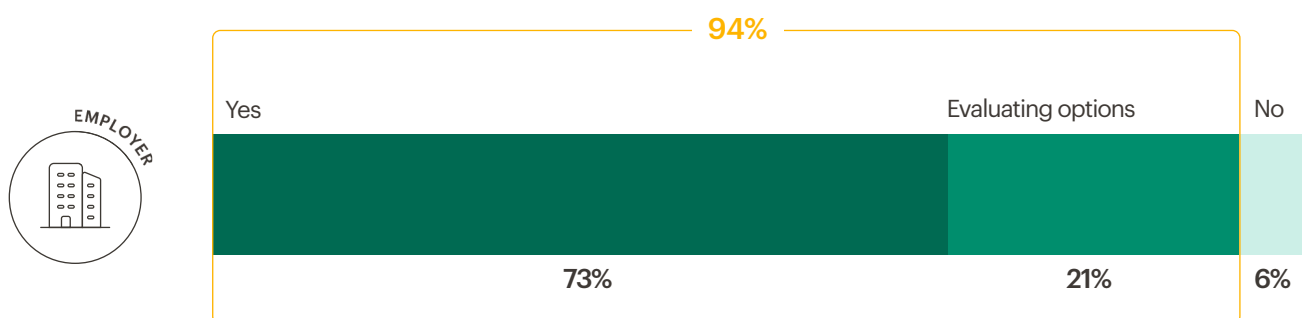
Employers are concerned about both smoking and vaping in the workplace.

Select the statement that is most representative of your company's opinion about the risks and costs of tobacco use in your workplace.



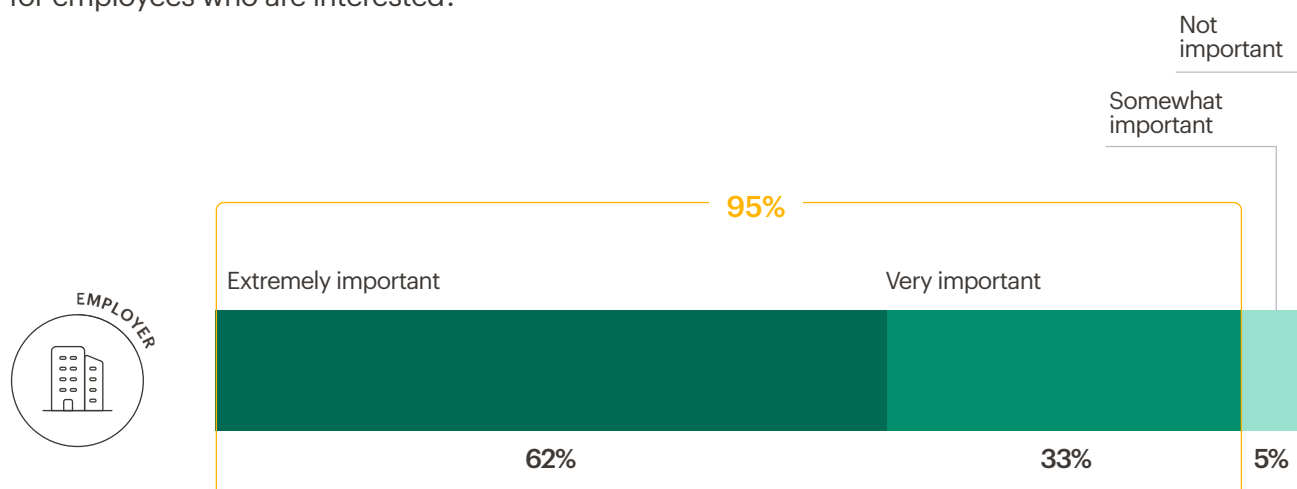
94% of employers intend to offer a tobacco cessation program in 2022.

Will your company offer a tobacco cessation program (any program to help employees quit smoking, chewing, or vaping tobacco) as part of your 2022 employee benefits package?



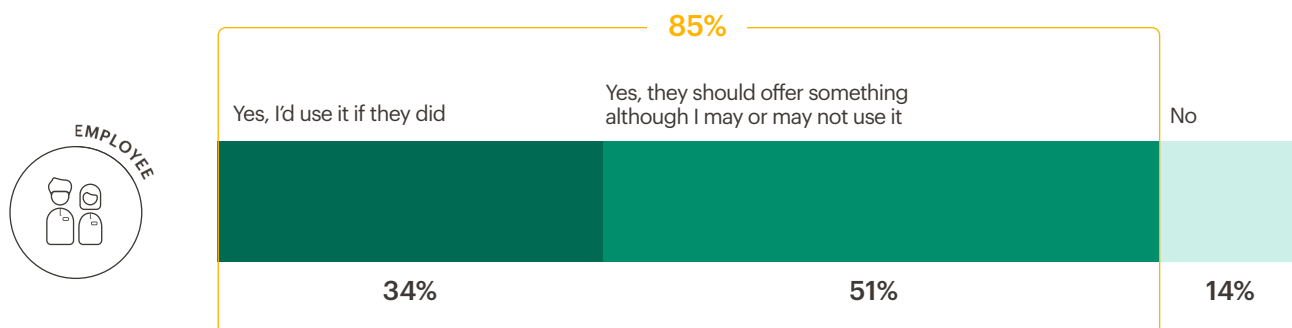
Employers see greater importance in providing tobacco cessation programs at no cost to their employees.

How important is it for your company to offer a no-cost tobacco cessation program for employees who are interested?



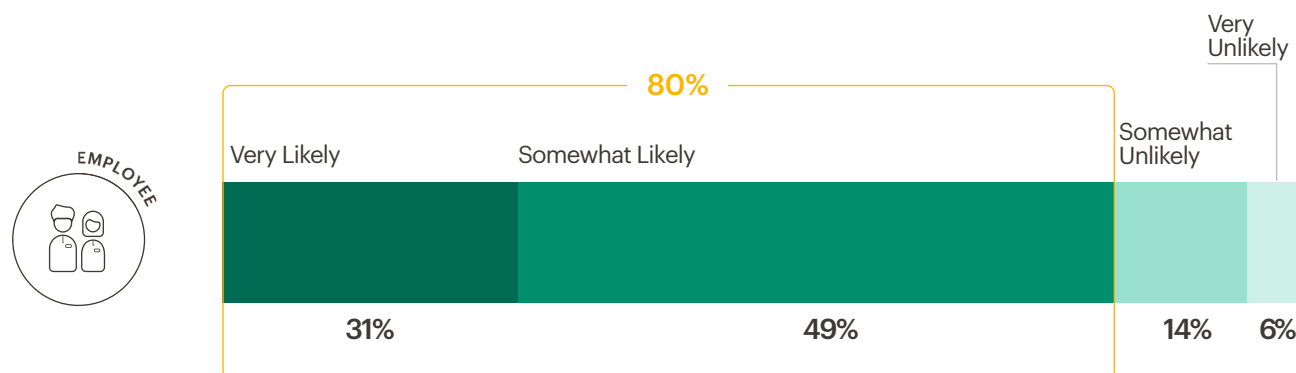
85% of employees who don't have access to an employer-sponsored tobacco cessation program wish one was available.

Do you wish your offered a tobacco cessation program to employees?



80% of employees who use tobacco report they are likely to participate in tobacco cessation programs.

How likely are employees to participate in an employer-provided tobacco cessation program?



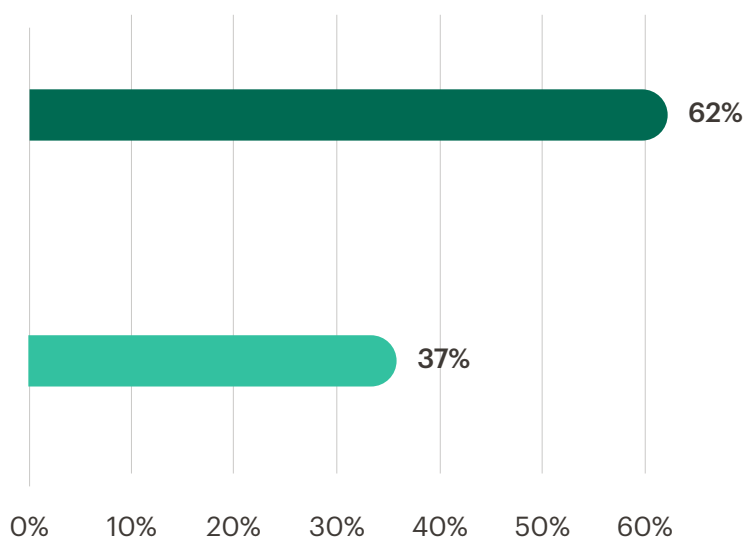
Most employers view tobacco use as a chronic health condition like diabetes or lower back pain, rather than a problematic behavior with adverse business consequences.

Which of the following statements best reflects the attitude of your company's management team towards employees that use tobacco?



Our management team typically understands that tobacco use is a chronic health condition, like diabetes or back pain, that is best managed by offering accessible and non-stigmatizing healthcare services

Our management team typically believes that tobacco use is a problematic employee behavior that has business consequences (increased costs, employee non-productivity, etc.)





2

**Tobacco Use
Negatively
Impacts Employee
Productivity**

Tobacco Use Negatively Impacts Employee Productivity

Nicotine is particularly addictive, making it hard for employees to regulate usage; 87% of surveyed employees who use tobacco use it every single day.

Given how much time employees spend at work, 96% admit to using it at work. Some employees can restrict their usage to only official breaks, but for most employees who smoke, their usage spills over to informal breaks and while actively working.

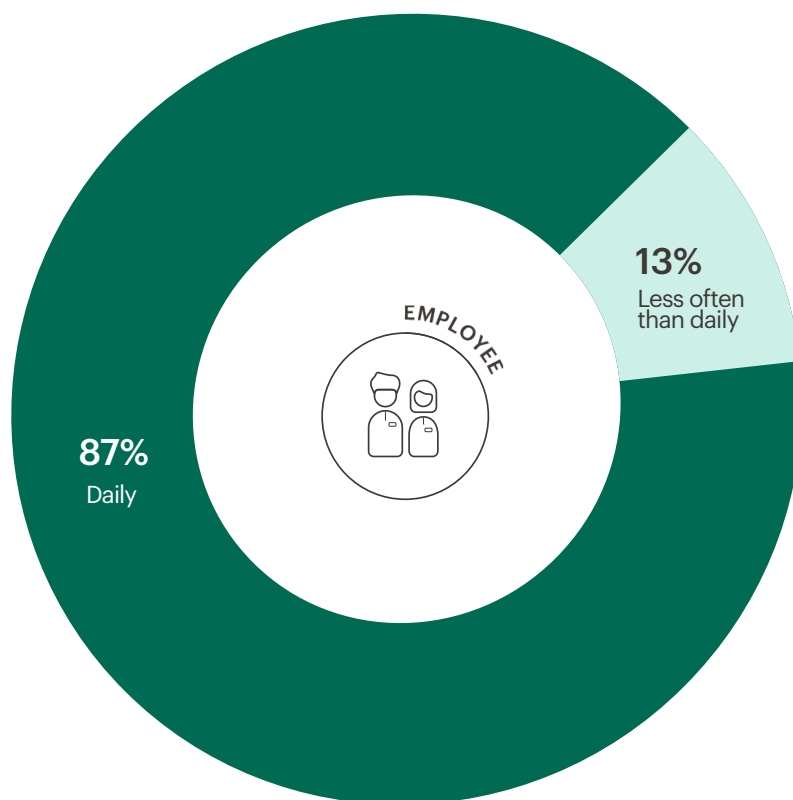
Employees are opportunistic about work locations where they use tobacco: Almost half will take advantage of any convenient location and one in five admit to using tobacco in work-owned vehicles.

According to a 2012 study in the journal *Addiction*, tobacco users take three more sick days per year than non-smokers. Lost time both on and off the job stemming from tobacco use, combined with higher health care expenditures, costs employers an additional \$9,000 per year, per employee, compared to non-tobacco users, according to a 2014 study in *Tobacco Control*.



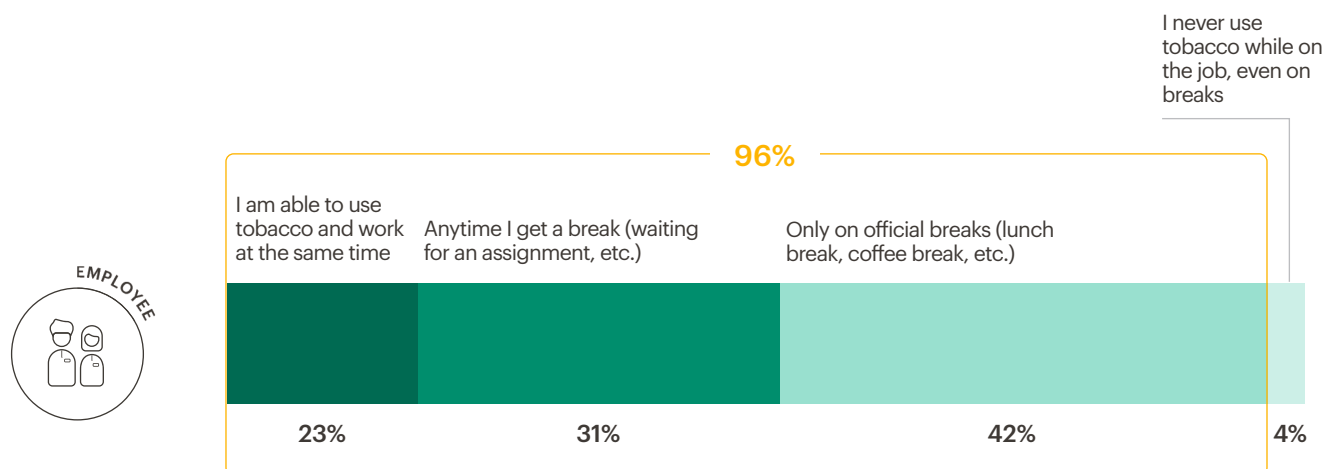
87% of employees who use tobacco, use it daily.

How often do you use tobacco?



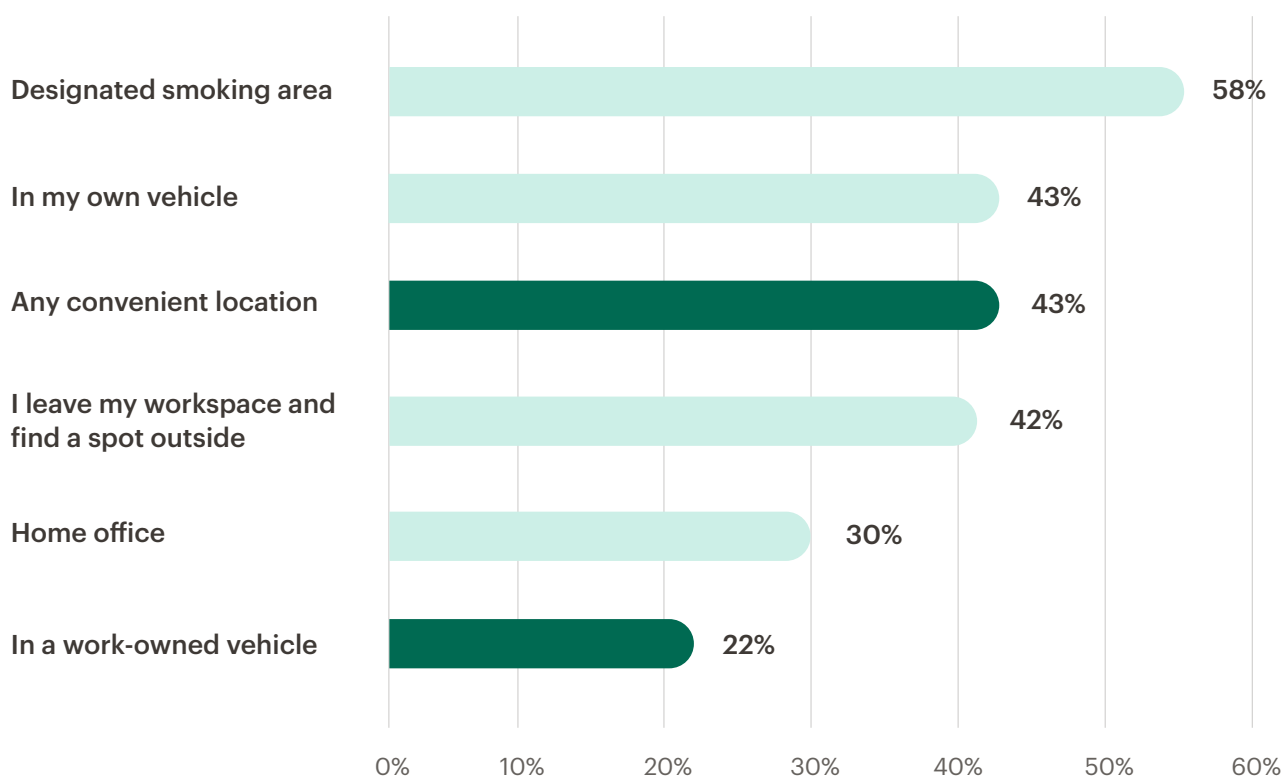
96% of employees who use tobacco, use it on the job.

When do you use tobacco while on the job?



Employees are opportunistic about where they use tobacco.

Where do you use tobacco while working?



Employees use tobacco in areas that are convenient for them. This includes non-designated areas like storefronts and company-owned vehicles.



3

**Your Current Tobacco
Cessation Program
May Be Less Effective
Than You Think**

Your Current Tobacco Cessation Program May Be Less Effective Than You Think

While 93% of employers report that they monitor performance for their tobacco cessation program, the metrics and methodologies that they use vary.

Employers often rank enrollment, engagement, and completion as their top three metrics to determine success, but may be overlooking low rates of annual enrollment each year as an opportunity for improved outcomes.

Employers may also be overlooking leading indicators of success (engagement) in their program such as increased confidence, decreased usage, quit attempts, and sustained periods of abstinence.

Employers report higher levels of program success than their employees do. Despite high employee interest in receiving assistance, only 39% of employees who smoke have participated in a workplace tobacco program.

Employee-deemed program effectiveness was not predicated on quitting tobacco use as much as gaining an understanding that tobacco use and quitting were in their control.



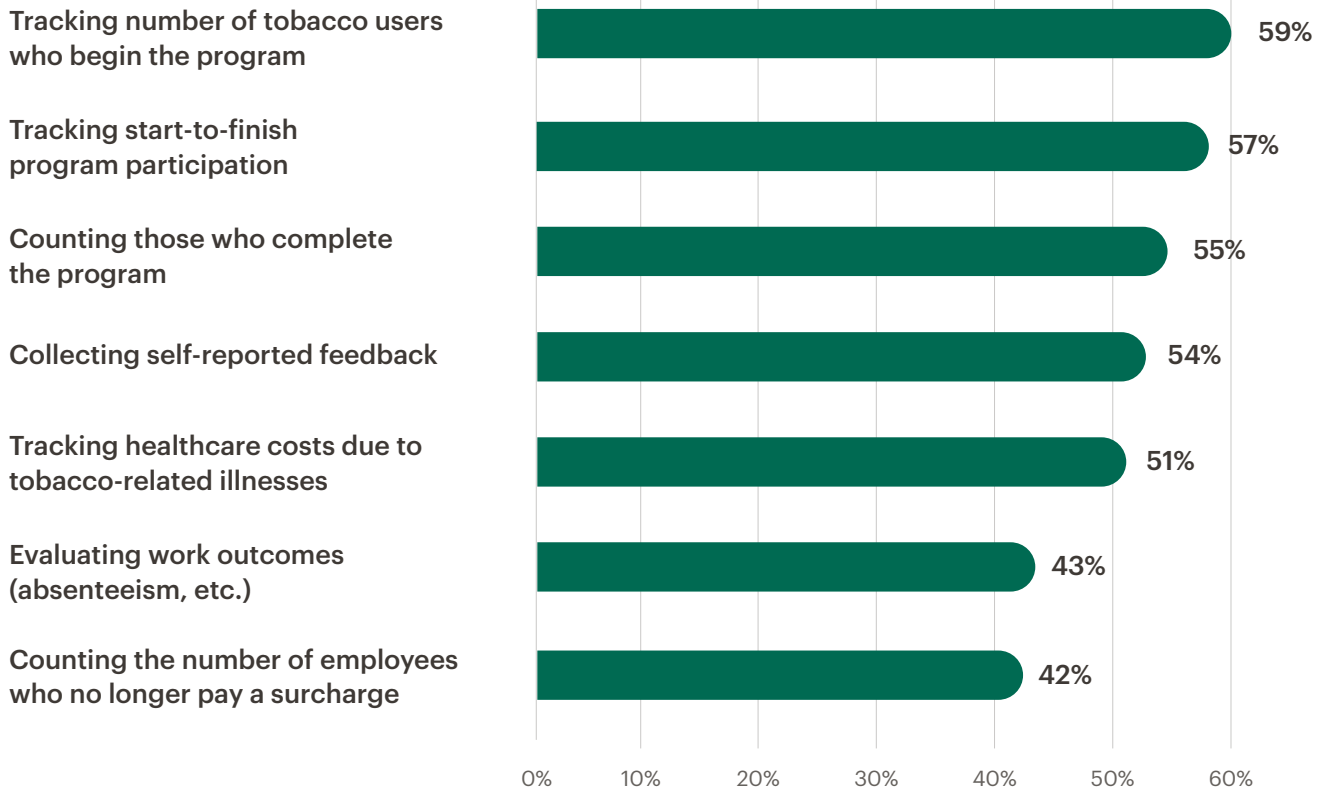
The vast majority of employers monitor the success of their tobacco cessation program.

Does your company monitor the success of tobacco programs?



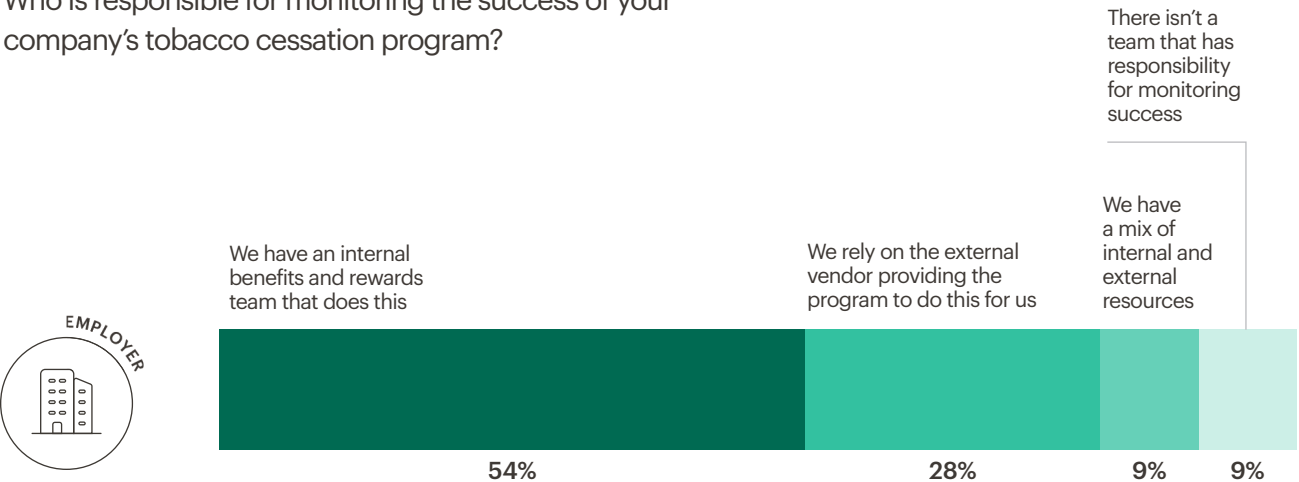
There is very little consistency in measuring the success of tobacco cessation programs.

How does your company measure the success of your tobacco cessation programs?



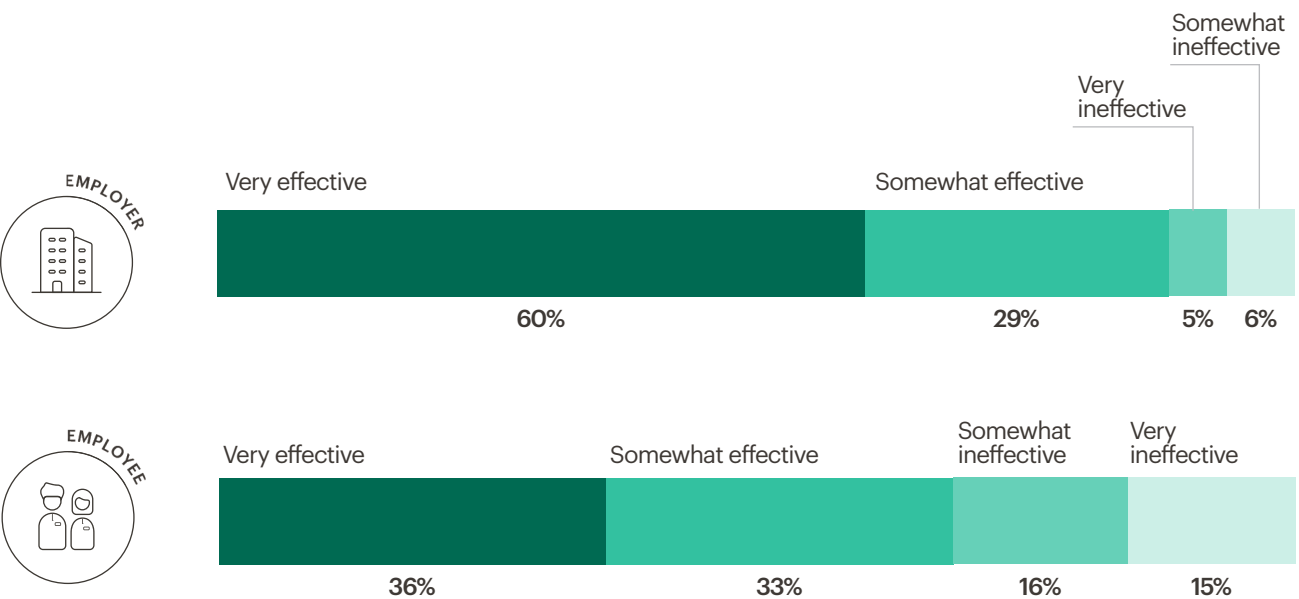
Employers are relying on internal team members to monitor success. These resources may be overtaxed and not properly equipped for the job, however.

Who is responsible for monitoring the success of your company's tobacco cessation program?



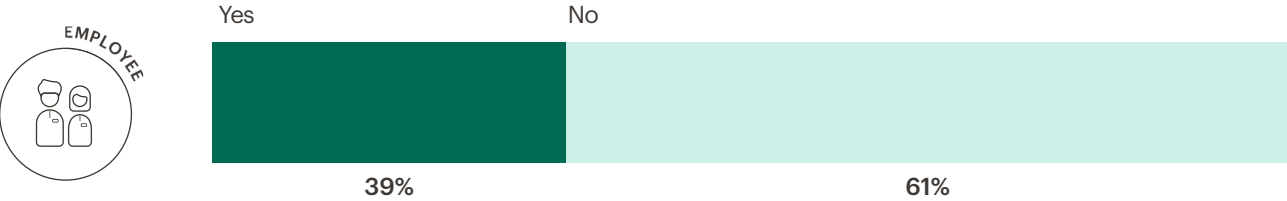
Employers believe that their tobacco cessation programs are more effective than the employees using them.

In your opinion, are your company's tobacco cessation programs effective for employees?



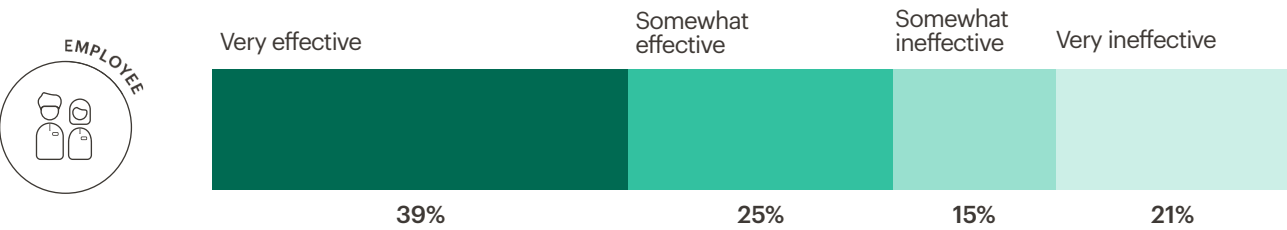
The majority of employees have not used an employer-provided tobacco cessation program.

Have you ever participated in an employer-provided tobacco cessation program?



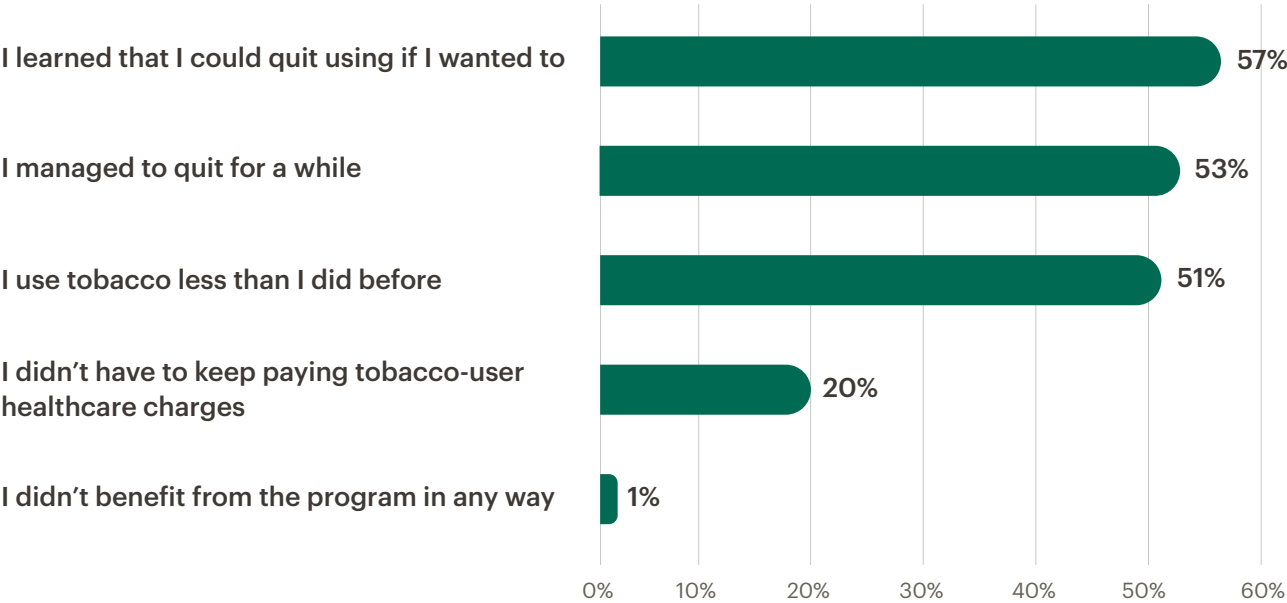
Most employees who participated in an employer-sponsored program before, but are still using tobacco today, believe the program was at least partially effective.

What was your opinion of the tobacco cessation program that you participated in?



Employees found that tobacco cessation programs empowered them to understand that they are in control of their tobacco usage.

How did you benefit from participating in the tobacco cessation program, even if you didn't quit permanently?





4

**Employers and
Employees Have Starkly
Different Views of
Workplace Tobacco
Cessation Programs**

Employers and Employees Have Starkly Different Views of Workplace Tobacco Cessation Programs

Survey results show high employer confidence in their tobacco cessation program effectiveness. An estimated 94% of employers say they offer a tobacco cessation benefit program. Around 97% of employers believe that employees understand the company's cessation benefit fairly well or better.

However, employees have a different perspective – 45% of employees surveyed either don't have access to a program or might have access but don't know it. Employees may simply be unaware that a program exists. Alternatively, 26% of employees who have a program said a lack of understanding about the program keeps them from signing up. Together, the evidence suggests that simply communicating more often and more specific details about tobacco programs offered can increase registrations.

Remember that employee interest in tobacco cessation is generally high: 82% of employees who use tobacco responded that they are somewhat or very interested in quitting. However, barriers other than awareness may keep employees from signing up for employer-sponsored programs, including: lack of confidence in the program's effectiveness, frustration with the tobacco cessation program, concern about judgment, and being treated with less respect. All of these barriers can be addressed by better communication (e.g., highlighting the benefits of assistance, the effectiveness of programs, reducing stigma) and by offering a more compelling tobacco treatment solution (e.g., digital solutions).

Employees are also concerned about being charged more for health insurance. In fact, tobacco surcharges – where employers charge employees who use tobacco more for health insurance – are relatively common – 61% of employers surveyed have a tobacco surcharge.

Tobacco surcharges are intended to motivate tobacco users to sign up for employer-offered tobacco cessation programs. Companies who apply a surcharge are mandated to offer a tobacco cessation program as a reasonable alternative solution to quitting in order to reverse the surcharge. Employees must join the program and participate to a specified level to have the surcharge reversed, but quitting is not required. Employees who continue to use tobacco can elect the reasonable alternative solution year-over-year to continue reversing the surcharge. Employees who quit and self-attest to being tobacco-free will avoid the surcharge in future years.

Surveyed employees who report that their employer has a tobacco surcharge are more than twice as likely to say their company offers a tobacco cessation program. Surcharges increase awareness of program availability for tobacco users.

Surcharges have unintended consequences, and employees may take any of the following actions as a result:

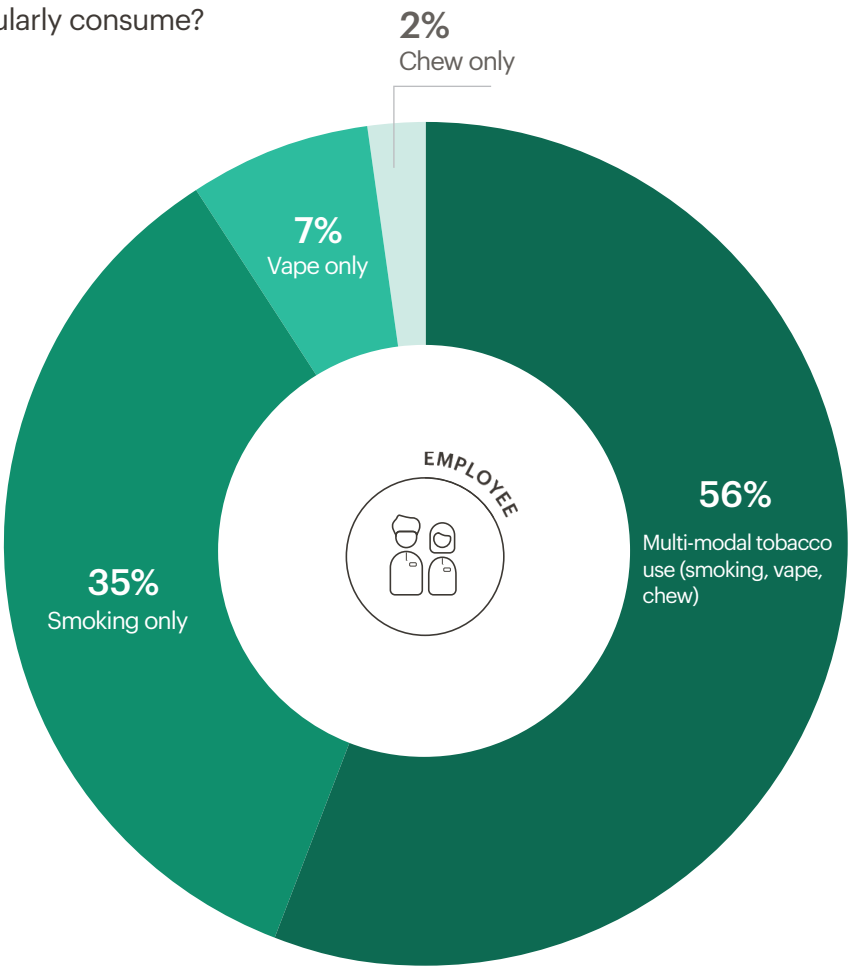
- Hiding their tobacco use status to avoid the surcharge in the first place
- Not signing up for a tobacco cessation program due to fear of triggering a surcharge
- Feeling unfairly targeted by their employer

The proof is in the numbers, with around 69% of surveyed employees responding that they have avoided revealing their tobacco use to their employer. Reasons for hiding tobacco use include not wanting to get hit with a surcharge (33%) and not wanting to be treated differently by their employer (29%).



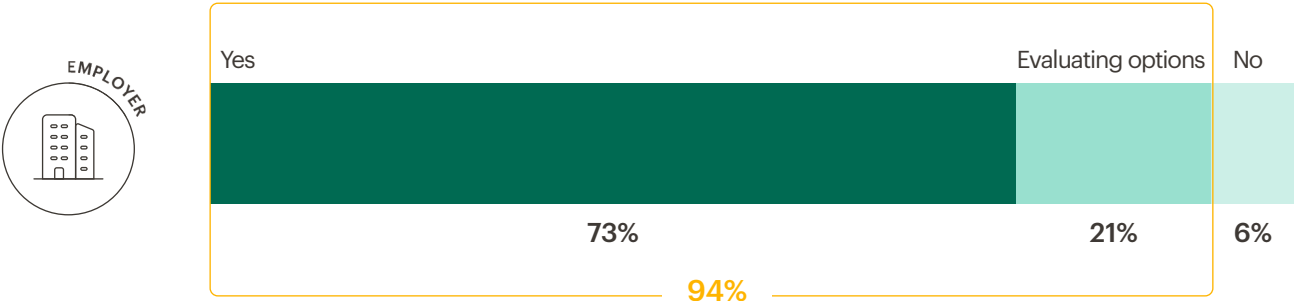
56% of employees use more than one form of tobacco.

Which of the following do you regularly consume?



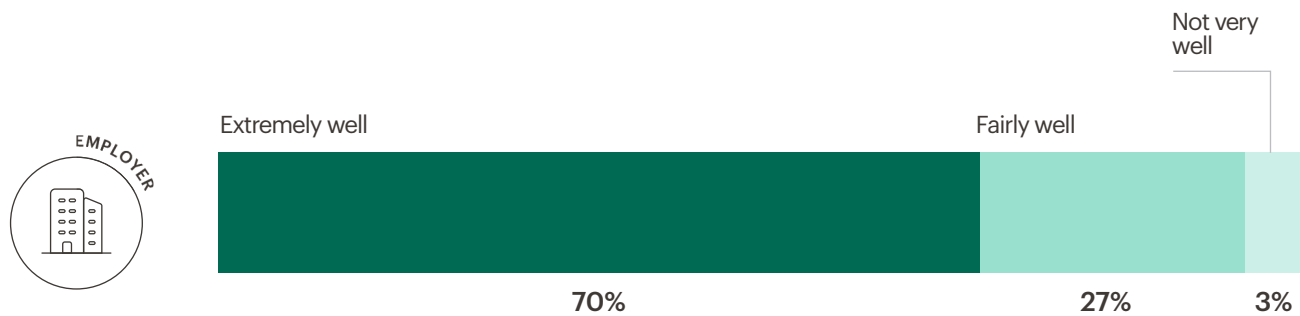
94% of employers will offer a tobacco cessation program in 2022.

Will your company offer a tobacco cessation program (any program to help employees quit smoking, chewing, or vaping tobacco) as part of your 2022 employee benefits package?



Employers believe that employees have a high understanding of the tobacco cessation program and surcharge.

In your opinion, how well does a typical employee understand the details of your tobacco cessation program, including both the way the program works and the benefits to a healthcare surcharge?



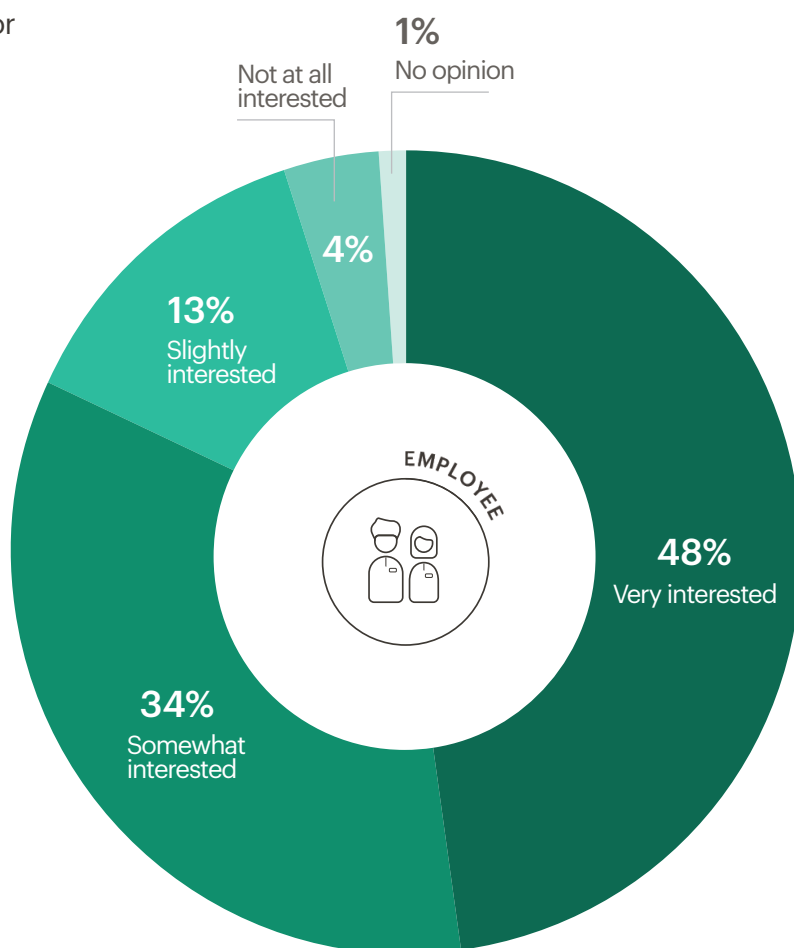
Employees are often unaware that their employer offers a tobacco cessation program as an employee benefit.

Does your company offer a tobacco cessation program (any program to help employees quit smoking, chewing, or vaping tobacco) as part of your employee benefits?



82% of employees who use tobacco responded that they are somewhat or very interested in quitting.

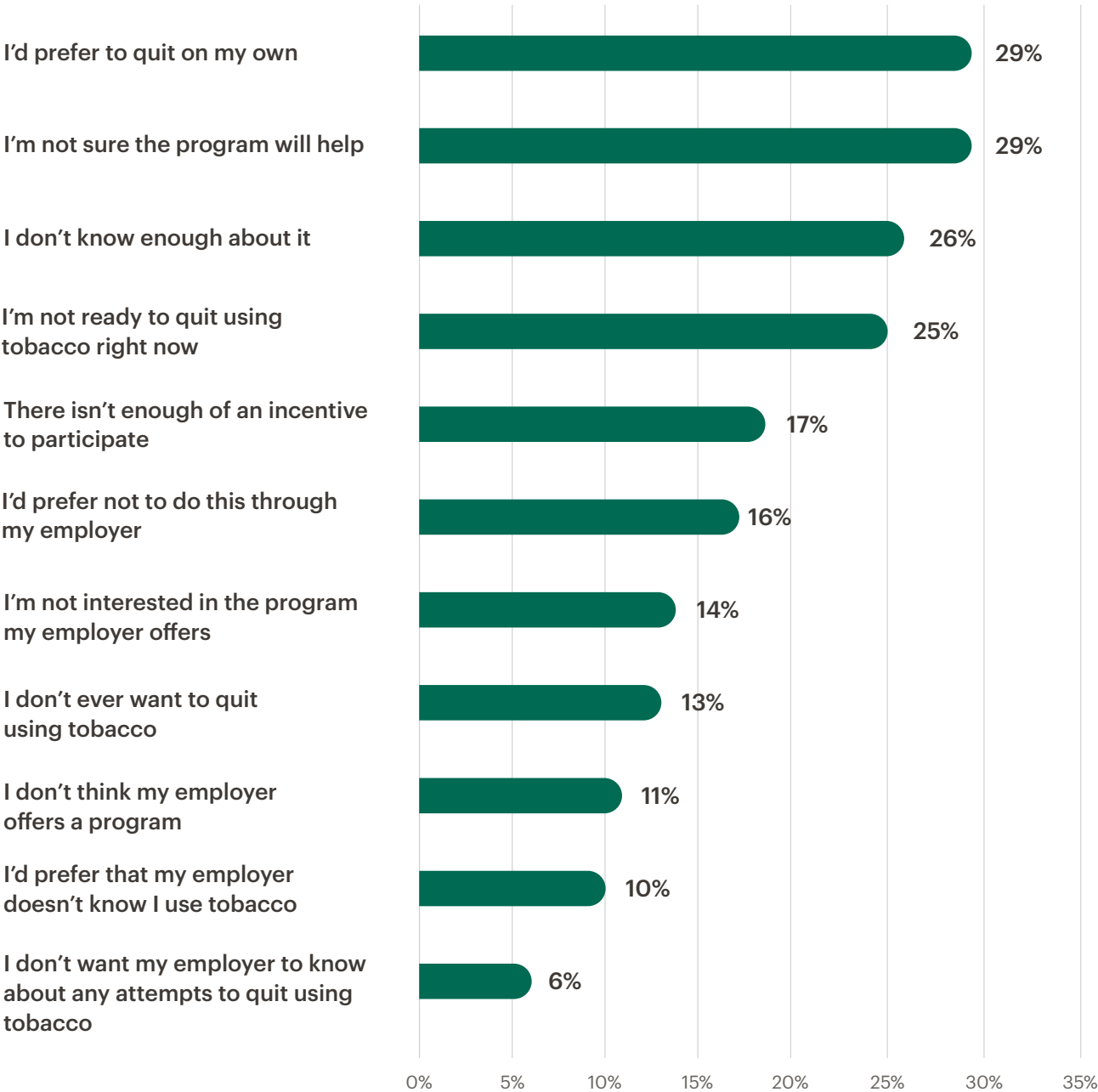
What is your attitude toward quitting or reducing tobacco use?



Top reasons that employees have not participated in their employer’s tobacco cessation program are because they haven’t learned about the benefits of assistance, have doubts about the efficacy of the program, or they simply don’t know enough about what’s offered.



Why have you not participated in your employer’s tobacco cessation program?

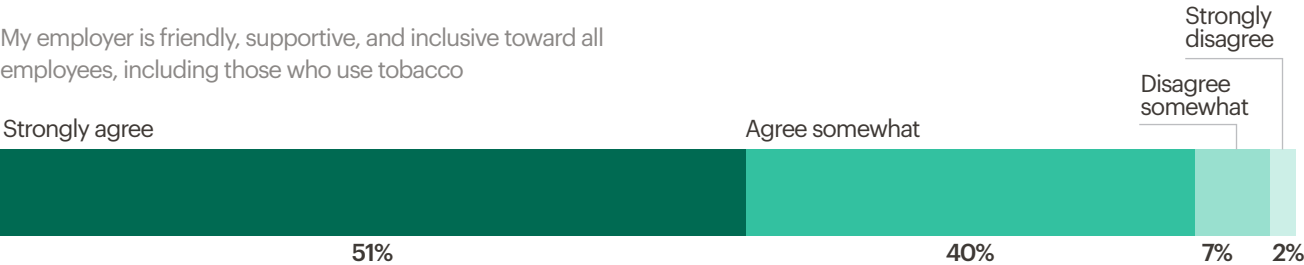


Employees agree that their company is supportive and tobacco cessation program access matters, but 62% find that their company's tobacco cessation program is very frustrating.

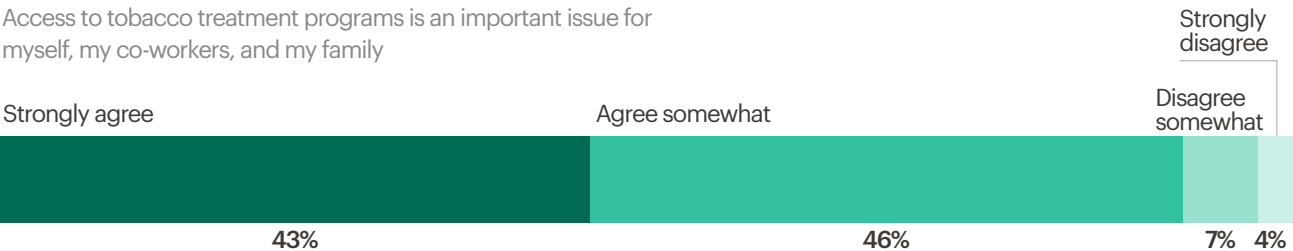


Please indicate your level of agreement with each of the following statements.

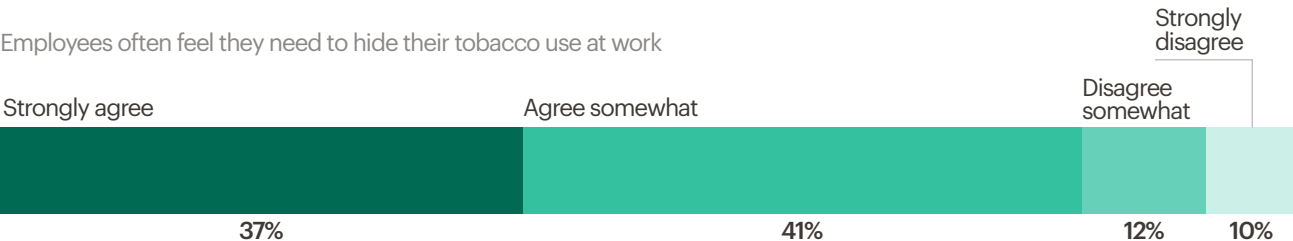
My employer is friendly, supportive, and inclusive toward all employees, including those who use tobacco



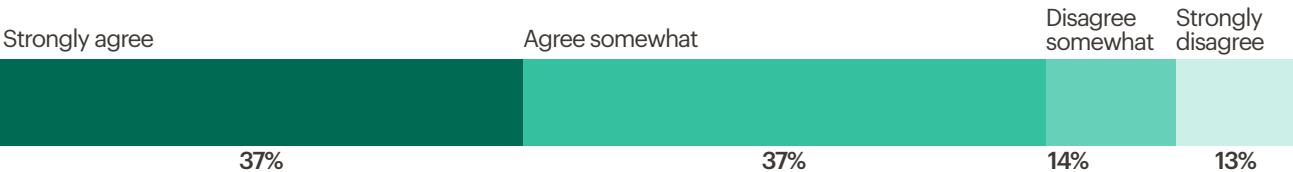
Access to tobacco treatment programs is an important issue for myself, my co-workers, and my family



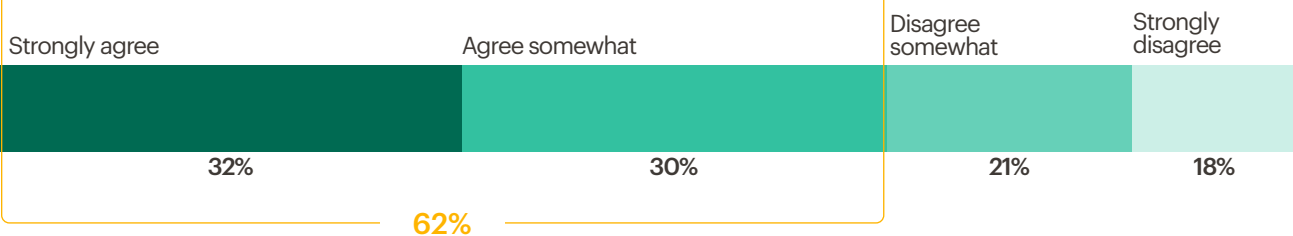
Employees often feel they need to hide their tobacco use at work



At my company, employees who use tobacco products sometimes feel shamed, stigmatized, or unfairly treated

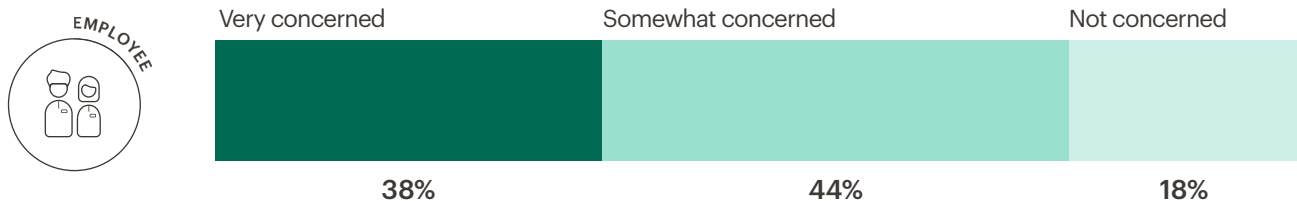


I find my company's tobacco cessation program to be very frustrating



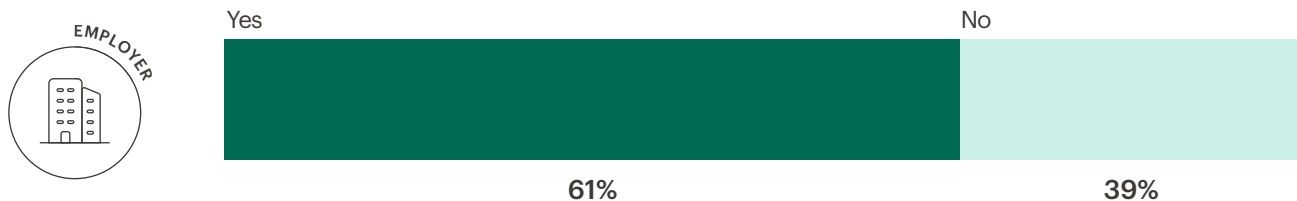
82% of employees have concerns about participating in an employer-provided program.

How concerned are you that participating in an employer-provided tobacco cessation program could have negative impacts (being charged more for health insurance, treated with less respect, etc.)?



Well over half - 61% - of employers charge tobacco users more for healthcare.

Does your company charge employees who use tobacco more for health insurance than they do for employees who do not?





5

**Employers
Know Far Less
About Employee
Tobacco Use Than
They Think**

Employers Know Far Less About Employee Tobacco Use Than They Think

A considerable disconnect exists between what employers think they know about employee tobacco use and reality. Around 95% of employers say that they have information on which employees use tobacco, and 84% feel confident that their information is at least mostly accurate.

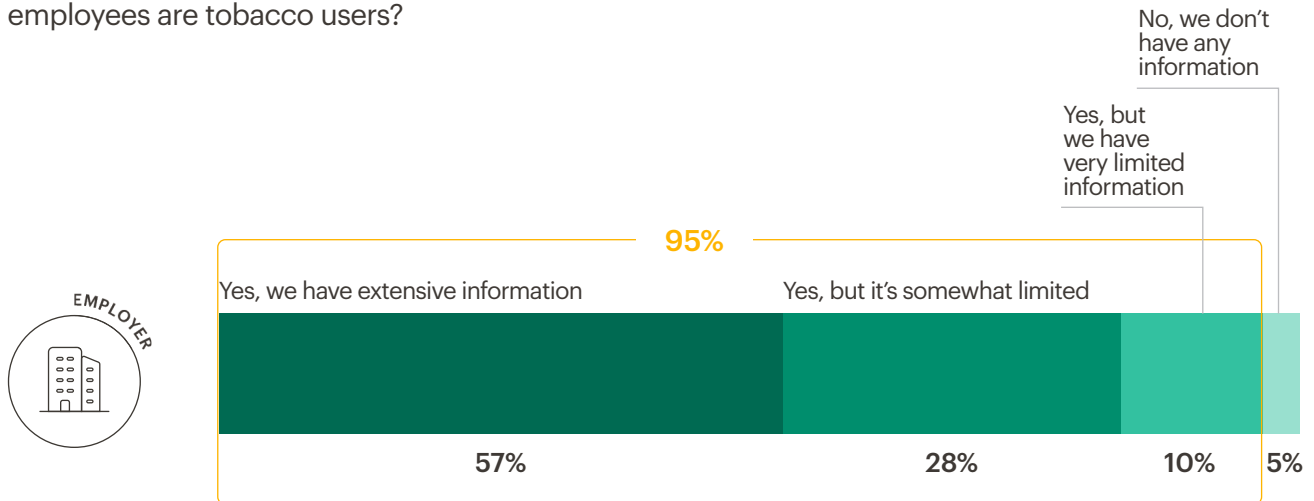
But, an estimated 59% of employers stated that their primary source of employee tobacco use information is self-reported. This data point, paired with employee survey responses, paints a different story that could leave employers feeling less than confident in their assumed knowledge. About 23% of tobacco-using employees say that their company does not know about their tobacco use, and 69% of employees state that they have avoided revealing tobacco use to their employer at least on some occasions.

82% of employees saying that they are at least somewhat concerned about participating in an employer-sponsored tobacco cessation program. This raises the risk that even a well-intentioned cessation program will underperform if specific concerns and stigmas are not addressed.



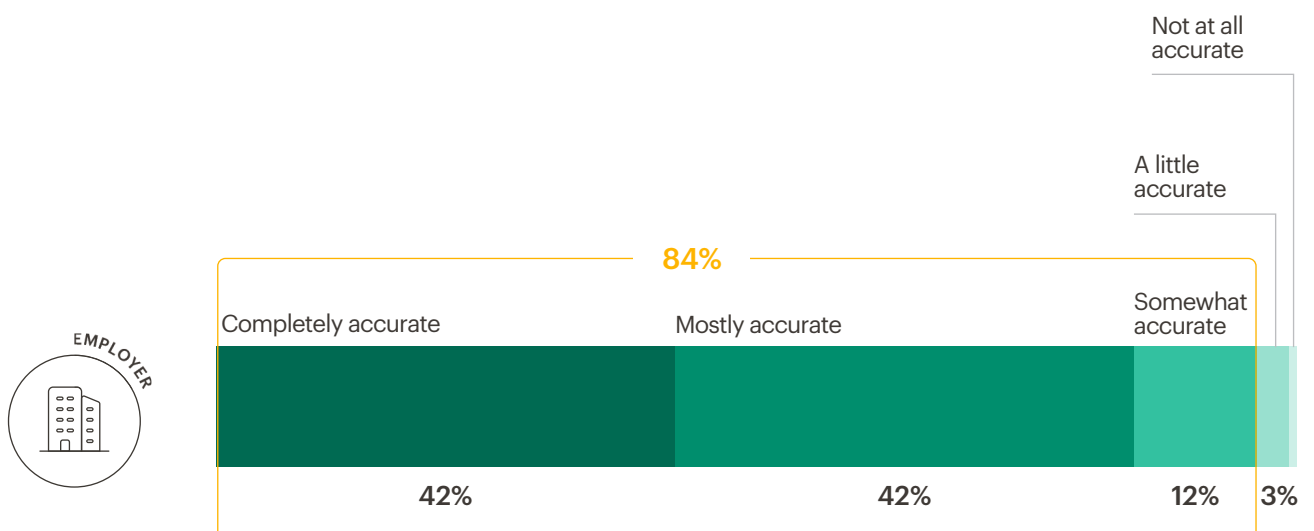
Although 95% of employers say they have information about employee tobacco use, many are aware that the extent of their knowledge is not complete.

Does your company know which employees are tobacco users?



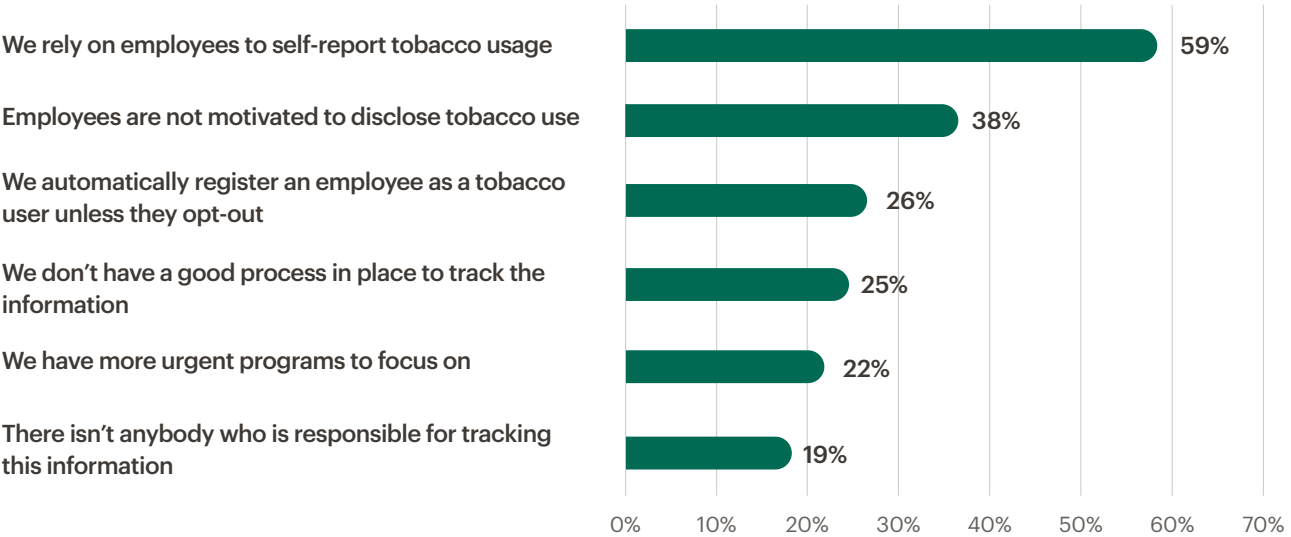
84% of employers feel confident that their information is at least mostly accurate.

In your experience, how accurate is your company's information about employee tobacco use?



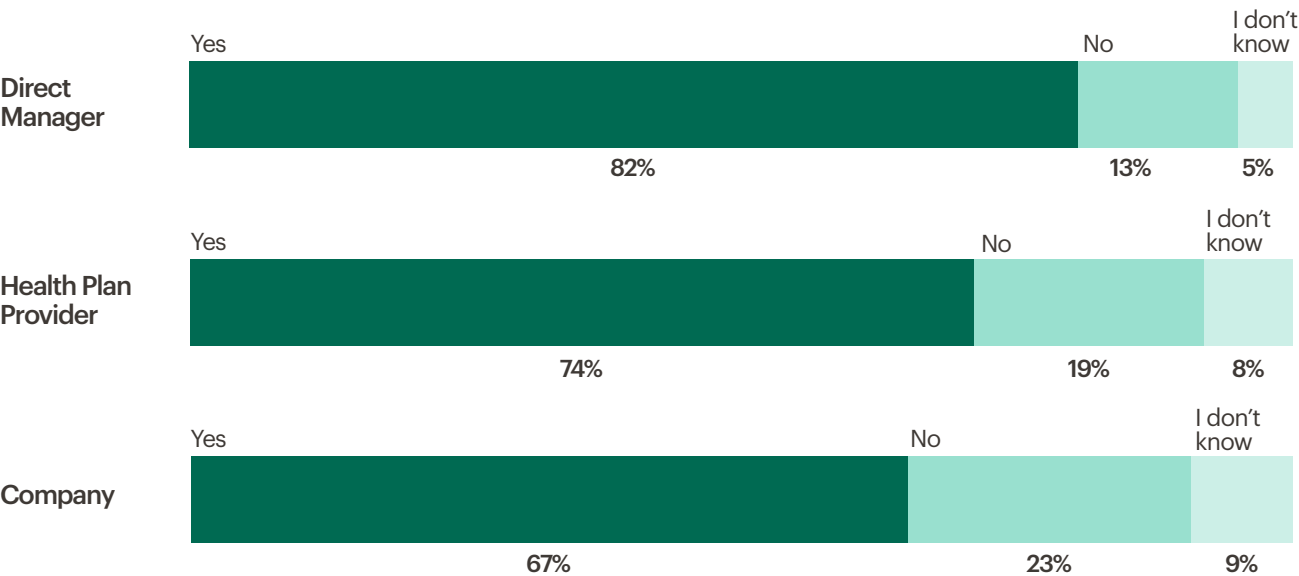
59% of employers rely on employees to self-report tobacco usage.

Why do you think your company’s knowledge about employee tobacco use is not completely accurate?



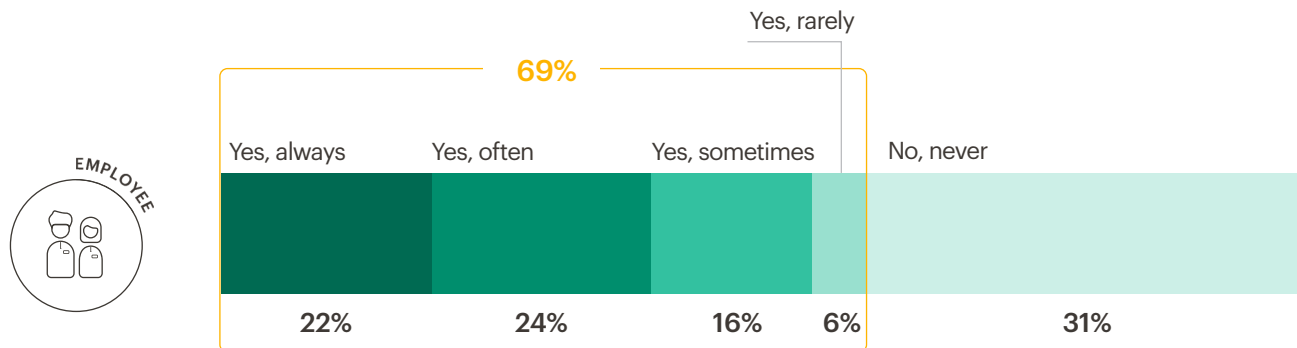
23% of tobacco-using employees say that their company doesn't know about their tobacco use.

Does your direct manager/health plan provider/ company know about your tobacco usage?



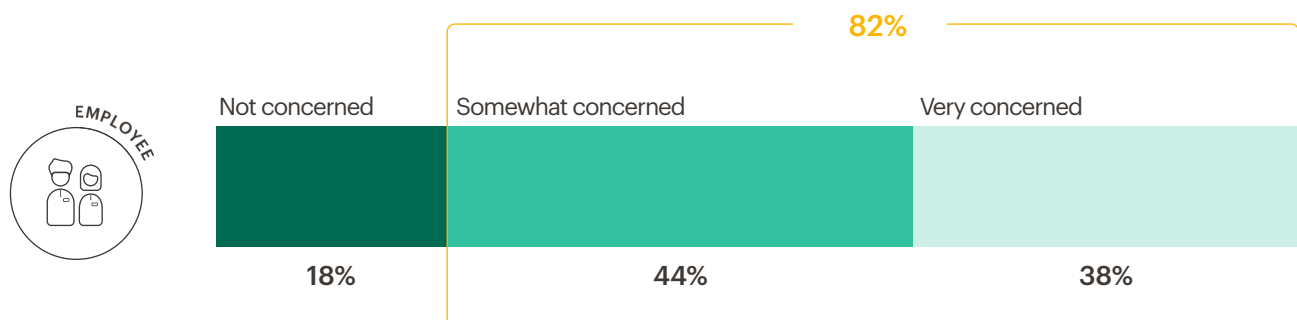
Over two-thirds, or 69%, of employees avoid revealing tobacco use to their employer.

Do you ever avoid revealing your tobacco use to your employer?



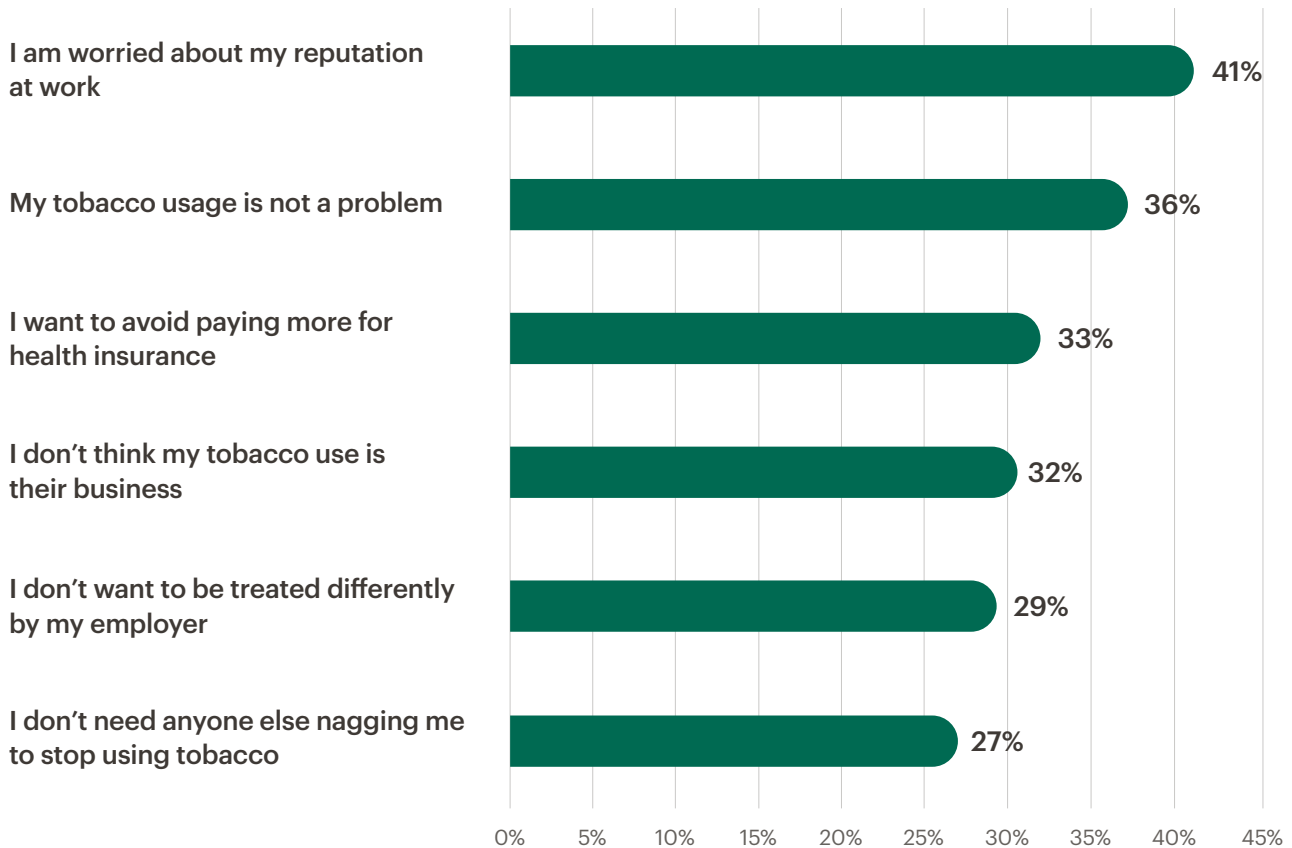
82% of employees have concerns about participating in an employer-provided program.

How concerned are you that participating in an employer-provided tobacco cessation program could have negative impacts (being charged more for health insurance, treated with less respect, etc.)?



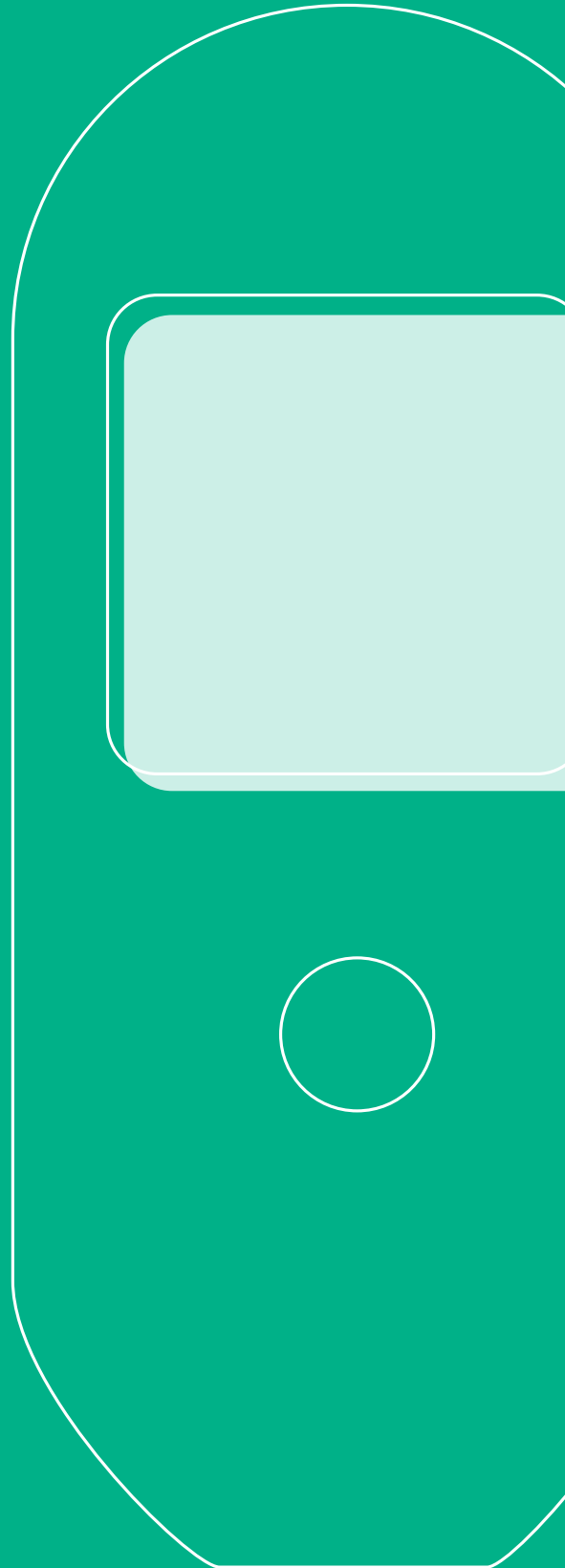
Employees have a variety of reasons for not revealing their tobacco usage at work.

Why do you avoid revealing your tobacco use to your employer?



Benefits Leaders Can Take Action

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1

Invest in a modern scalable tobacco cessation program that works for both your employer and employees.

Specifically, leverage evidence-based solutions aligned with the Health and Human Services guidelines to help employees reduce and quit tobacco use. Old school programs like telephonic coaching and employee assistance programs do not cut it anymore. Instead, choose a tobacco cessation program that uses a mobile interface, tobacco treatment specialist coaches, nicotine replacement, new FDA-cleared device technology, and a supportive community to foster better results. Offer the program throughout the year and do not charge employees or family members for joining. Abandon your tobacco surcharge so that your employees will feel comfortable admitting that they use tobacco and will sign up for your program. Replace the surcharge with incentives for employees who engage in your cessation program.

2

Ensure that your tobacco cessation program addresses all forms of tobacco use and all tobacco users, regardless of their readiness to quit.

There is significant overlap between combustible, vape, and smokeless tobacco use. If an employee happens to use one form, there is a good chance they are using two or even all three forms. But, not all tobacco users are ready to quit. Consider a program that accepts all instead of only those ready to quit, emphasizes motivational interviewing and small wins, and has learning and reduction pathways to enable success prior to quitting. Employees will feel more supported knowing they have non-judgmental support, no matter what type of tobacco they use or where they are in their journey to improve their health.

3

Take the burden off your benefits staff by leveraging a program that includes best-in-class engagement and analytics.

Benefits staff are already stretched thin and are most likely lacking the ability to quickly onboard and launch a new program, foster employee engagement, market effectively, and report on outcomes to ensure a successful tobacco cessation program. Choosing a solution that offers these services eliminates unnecessarily burdensome tasks for benefits employees, making their lives easier while freeing time up for other work.

Pivot is a digital health company that empowers individuals to embrace wellness and enables corporations and health plans to improve their population's health and their business' bottom line. Pivot's first product addresses tobacco use, the leading cause of preventable illness and death in the U.S. Pivot addresses cessation for all forms of tobacco (combustible, vaporized and smokeless) and delivers a mobile app experience complete with tailored behavior change content, pharmacotherapy, an FDA-cleared carbon monoxide (CO) breath sensor, a supportive peer community, and a personal tobacco treatment coach. For more visit www.pivot.co