

A photograph of four diverse teenagers walking on a suburban street. From left to right: a young man with glasses in a maroon shirt and dark pants; a young woman in a yellow shirt and white overalls with sunglasses on her head; a young woman in a yellow shirt and blue jeans; and a young man in a blue t-shirt, a bucket hat, and khaki shorts. They are all smiling and appear to be in a casual conversation. The background shows a residential street with houses and trees.

PHILIP MORRIS USA  
YOUTH SMOKING PREVENTION

Philip Morris USA Youth Smoking Prevention

Responsible Marketing

Our Approach: Positive Youth Development

Parent Communications

Grant Programs

Youth Access Prevention

Public Policy

Research

Resources & Contact Information

**"The tobacco settlement agreement fundamentally changed the way cigarettes are advertised, promoted and sold in the U.S. and has impacted every aspect of PM USA's marketing practices."**

Nancy Lund, Senior Vice President, Marketing, Philip Morris USA



**At PM USA, we demonstrate our commitment to responsibly marketing our products to adult smokers by developing and implementing programs that comply with both the letter and the spirit of the laws, rules and agreements that govern our business practices.**

#### **Tobacco Settlement Agreements**

The Master Settlement Agreement (MSA) is an accord reached in 1998 between the state Attorneys General of 46 states, five U.S. territories, the District of Columbia and America's major tobacco companies concerning the advertising, marketing and promotion of tobacco products. The MSA was signed after four prior agreements were entered by the major manufacturers with the states of Florida, Minnesota, Mississippi and Texas.

The MSA:

- Bans the use of cartoons, as defined in the agreement, in advertising.
- Prohibits most forms of outdoor brand advertising, such as billboards.
- Bans most forms of transit brand advertisements, such as those on buses and taxis.
- Prohibits paying for product placement in movies, television shows, other performances or video games, with limited exceptions.
- Bans distribution to the general public of branded merchandise, such as caps and shirts.
- Bans the distribution of free samples of tobacco products, except in Adult-Only Facilities.

#### **PM USA Marketing Practices**

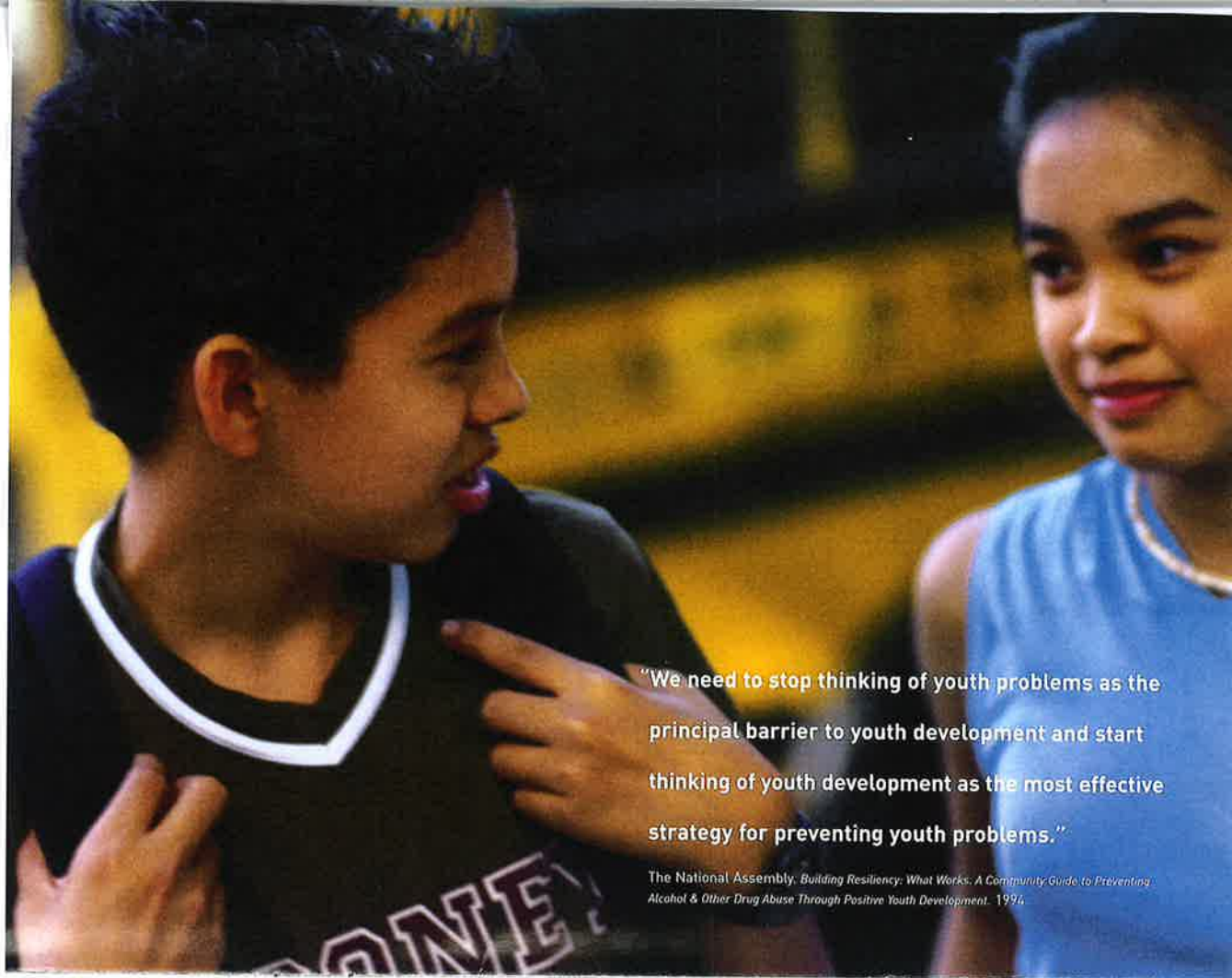
At PM USA, we have our own internal responsible marketing standards that govern our advertising, marketing and promotional practices. Prior to the MSA, PM USA voluntarily ceased the distribution of our cigarettes through direct mail and limited our direct mail marketing efforts to only smokers 21 years of age or older who have requested information and certified their smoker status and age.

We strictly comply with the MSA and, in many cases, our marketing standards go beyond what the MSA requires. We believe that going over and above what's required by the MSA is an essential component of being a responsible marketer of tobacco products.

In the spirit of the MSA, we made it our goal to lower the overall profile of our tobacco advertising. Since 1999, our actions have included:

- Voluntarily adopting youth readership standards for magazine advertising proposed by the FDA in 1996.
- Voluntarily discontinuing brand advertising on the back of all magazine covers in 2000.
- Voluntarily decreasing annual magazine advertising spending by more than 50% from 1999 through 2001.
- Limiting the display of brand advertising at retail stores to reduce the overall profile of the Company's cigarette advertising.
- Limiting our brand-name endorsement to a single sponsorship in any 12-month period. We will voluntarily discontinue our brand sponsorship of auto racing by December 1, 2006.

For more information on the MSA and PM USA's responsible marketing practices, please visit [www.philipmorrisusa.com/responsible\\_marketing](http://www.philipmorrisusa.com/responsible_marketing)



**"We need to stop thinking of youth problems as the principal barrier to youth development and start thinking of youth development as the most effective strategy for preventing youth problems."**

The National Assembly, *Building Resiliency: What Works: A Community Guide to Preventing Alcohol & Other Drug Abuse Through Positive Youth Development*, 1996.

**PM USA YSP supports positive youth development to help prevent youth smoking and build kids' resilience and ability to become socially, morally, emotionally and physically competent and successful.**

**Positive Youth Development**

Experts believe there is no single reason why kids smoke and point instead to a combination of societal, environmental and personal factors that contribute to a young person's decision to engage in or avoid risky behaviors, including smoking.

Positive youth development (PYD) builds resolve and resiliency in young people by surrounding them with positive messages and positive influences, enhancing their personal strengths and enabling them to resist risky behaviors, such as smoking. PYD provides the foundation for developing and shaping attitudes, behaviors and skills that enable children to become socially, morally, emotionally and physically competent and successful.

PM USA YSP commits significant efforts and resources to support programs that foster positive youth development in young people. These initiatives build protective factors into kids' lives, such as positive adult relationships and access to structured after-school activities. These programs also address risk factors that contribute to youth smoking and other risky behaviors by minimizing kids' exposure to negative peer pressure and access to risky products.

PM USA YSP focuses its efforts on supporting comprehensive programs to help prevent youth smoking. However, recognizing that some kids do smoke, PM USA YSP also supports youth smoking cessation programs to help kids quit.



We believe effective youth smoking prevention requires not only business policies and practices to help discourage youth smoking, but also proactive efforts to support youth smoking prevention and positive youth development. As a company, PM USA is working to do both.



**“Parents are the single most important influence on children’s decision to smoke, drink or use drugs, yet many parents do not fully understand the extent of their influence.”**

*The National Center on Addiction and Substance Abuse at Columbia University, Malignant Neglect: Substance Abuse and America’s Schools, New York, New York, September 2001.*

**Because parents play such an important role in their children’s lives, PM USA YSP produces communications that provide information to help parents effectively talk with their children about not smoking and avoiding other risky behaviors.**

**The Parent Resource Center**

PM USA YSP has created the Parent Resource Center, an online information source with practical tips and tools from parenting and child development experts to help parents talk to kids about not smoking and avoiding other risky behaviors. Advice on raising resilient kids and enhancing the impact of conversations with them is provided on the website by the following child development and parenting experts<sup>1</sup>:



- Charles Flatter, Ph.D.
- Robert Brooks, Ph.D., Harvard Medical School.
- Sam Goldstein, Ph.D., University of Utah.
- Lawrence Kutner, Ph.D., Harvard Medical School.

<sup>1</sup>The organizations affiliated with these experts are listed for identification purposes only. This does not imply the individual organization’s endorsement.

**Raising kids who don’t smoke Brochure Series**

Developed with a group of parenting and youth experts led by Dr. Lawrence Kutner, the *Raising kids who don’t smoke* brochures are designed to generate awareness of youth smoking prevention among parents and also to increase the frequency and quality of the conversations parents have with their kids.



Each brochure concentrates on a specific issue relevant to kids’ lives and also provides information on the health effects of smoking, tips for discussing not smoking, helping children resist peer pressure, and many other topics.

The free brochures are available nationally, through retail and magazine inserts, and at [www.philipmorrisusa.com/ysp](http://www.philipmorrisusa.com/ysp).



**“Talk. They’ll Listen.” Advertising**

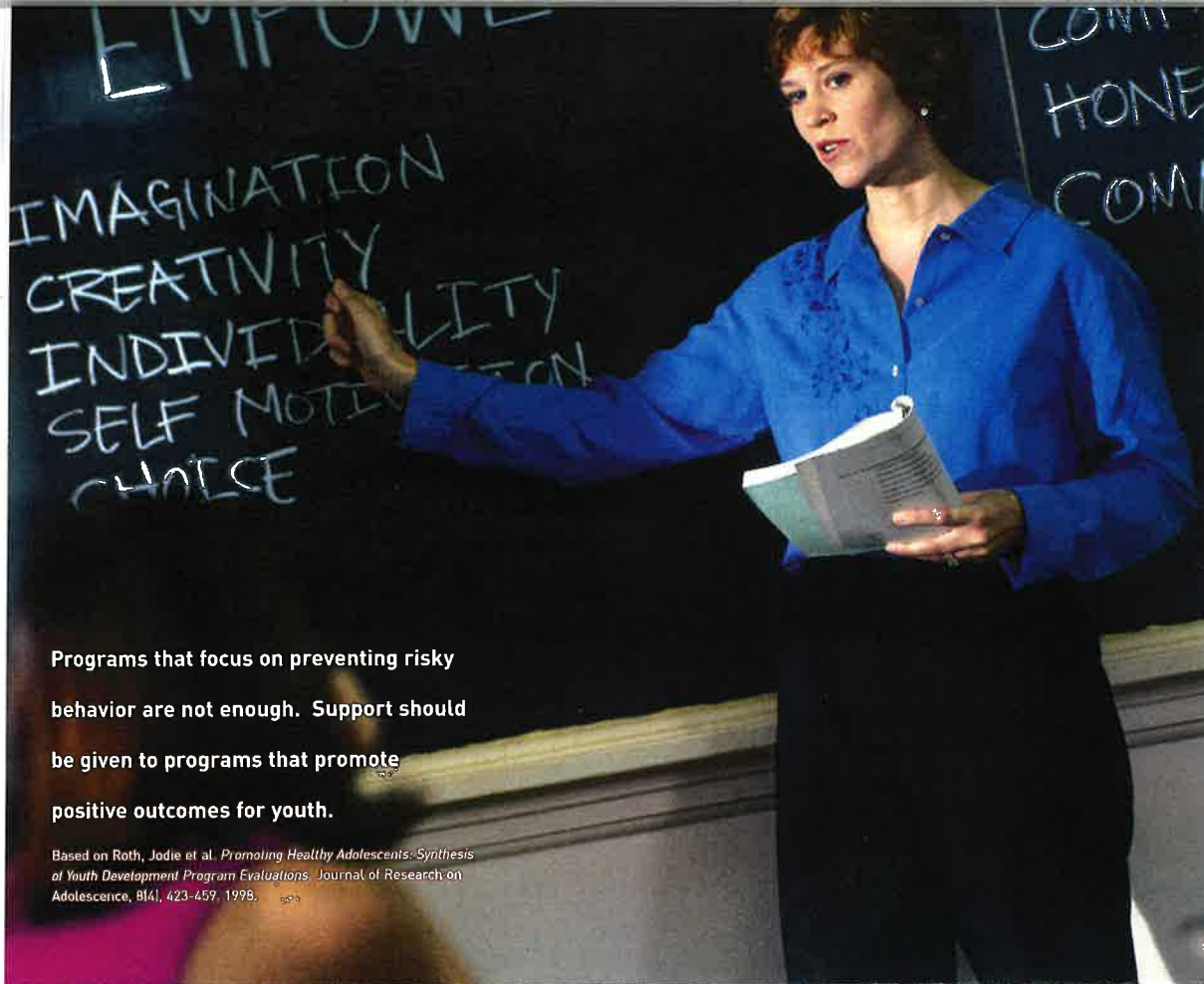
Recognizing that parents are one of the most significant influences in determining whether or not their children smoke, PM USA YSP has created television and print advertising for parents, themed “Talk. They’ll Listen.” The goal of this campaign, using common parenting experiences, is to remind parents to:

- Stay involved in their kids’ lives. Research shows that kids who have positive relationships with their parents are much less likely to engage in risky behaviors.
- Keep talking to their kids about not smoking. While many parents do address the issue of not smoking with their kids, these conversations have the greatest impact when there is an ongoing dialog.

In 2002, PM USA YSP’s television and print ads reached more than 95% of the adult audience (ages 35–54) an average of 30 times. After viewing “Talk. They’ll Listen,” television advertising, 40% of parents who have children ages 10–17 reported that they had a conversation with their child about not smoking.\*

\*PM USA YSP, *Parent Advertising Tracking Study*, October 2002.

To access PM USA YSP’s parent resources, please visit [www.philipmorrisusa.com/ysp](http://www.philipmorrisusa.com/ysp), or call 1-866-HELP-TALK (1-866-435-7825).



**Programs that focus on preventing risky behavior are not enough. Support should be given to programs that promote positive outcomes for youth.**

Based on Roth, Jodie et al. *Promoting Healthy Adolescents: Synthesis of Youth Development Program Evaluations*. Journal of Research on Adolescence, 8(4), 423-459, 1998.

**Since 1999, PM USA YSP has provided over \$85 million in grants to schools and youth serving organizations to support youth smoking prevention and positive youth development programs, as well as youth smoking cessation programs.**

In 2002, we provided grants to more than 100 organizations to support life skills education programs, sports and physical fitness activities, mentoring relationships, youth smoking prevention and youth smoking cessation programs, reaching approximately 1 million kids. The following programs are examples of the types of school-based and non-school hour programs PM USA YSP supports through our Grant Program.



**LifeSkills Training**  
LifeSkills Training is a three-year, in-school, classroom-based substance abuse prevention and competency enhancement program recognized by the Centers for Disease Control as effective in preventing youth smoking.

Over the past four years, PM USA YSP grants have enabled school districts in 18 states to provide the LifeSkills Training program to more than 480,000 middle school students.

**National 4-H Council**

PM USA YSP provided seed funding and continues to fund the National 4-H Council to independently develop, implement and evaluate *Health Rocks!*, a nationwide life skills curriculum with an emphasis on youth smoking prevention. To date, more than 20,000 kids have been involved in *Health Rocks!*.



**Women's Sports Foundation**

With the support of PM USA YSP, the Women's Sports Foundation has developed the *GoGirlGo* Project. The project, which involves some of the country's most respected women athletes, is dedicated to the development and funding of girls' sports programs that combine athletic skill instruction and programming with the delivery of life skills education to support positive youth development. The project focuses on reducing risky behaviors that threaten the health and social advancement potential of girls.



**Mentoring Partnership of Minnesota**

PM USA YSP has provided a grant to the Mentoring Partnership of Minnesota to create nationwide curricula to reduce risky youth behaviors, including smoking, through the development of meaningful adult relationships with children. *What's the Connection?* curricula have information and activities for both the mentor and mentee designed to help mentors talk about these risky behaviors, including smoking, in a manner appropriate to the mentored child.



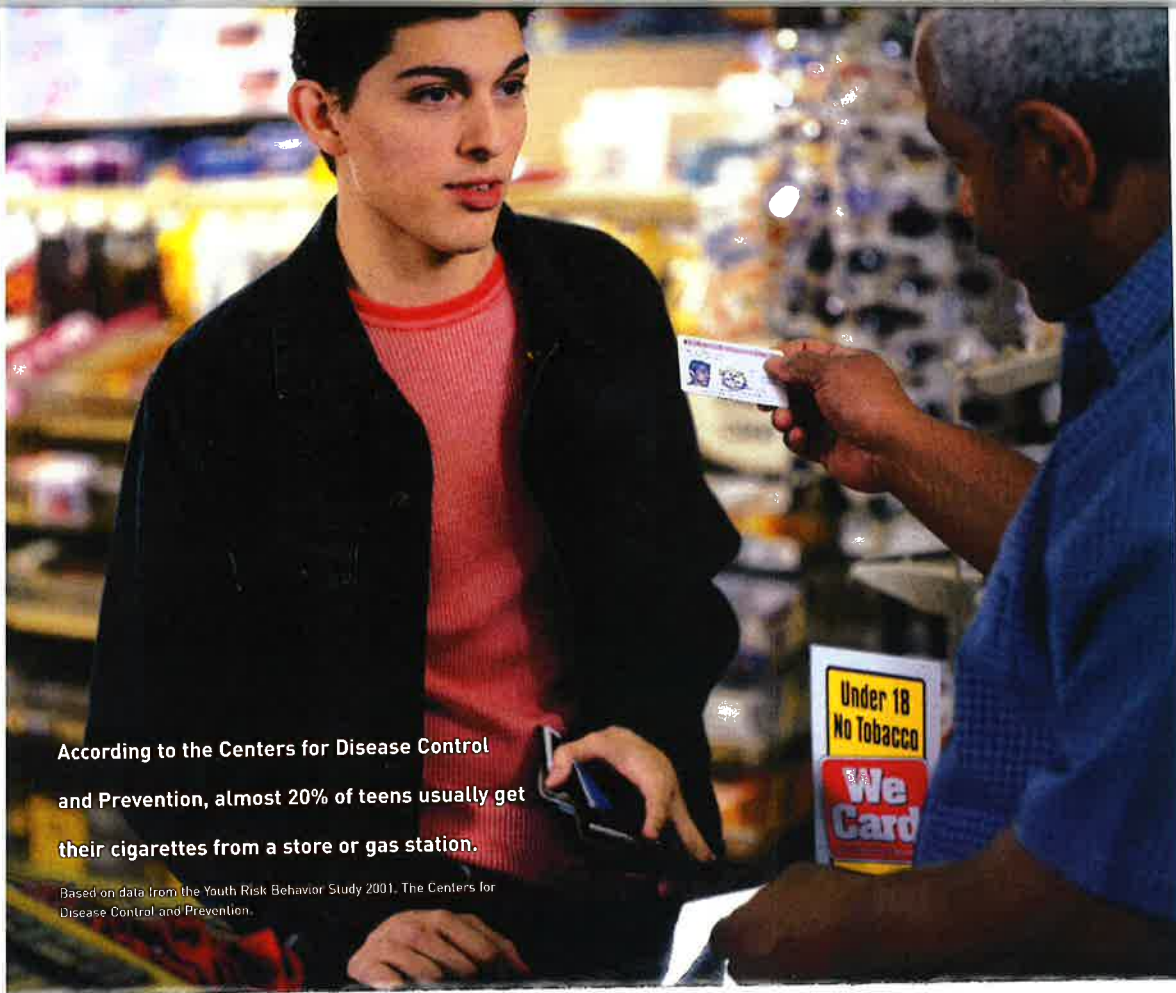
**The Caron Foundation**

PM USA YSP has provided a grant to the Caron Foundation for the implementation of Ending Nicotine Dependency (E.N.D.), a comprehensive, youth tobacco cessation program developed by the Utah Department of Health. The Caron Foundation currently implements E.N.D. in 120 locations and has developed a cartoon character, Stinky Lee™, in order to promote the program to teens.



Stinky Lee is a registered trademark of the Caron Foundation.

For more information on PM USA YSP's grant programs, please visit [www.philipmorrisusa.com/policies\\_practices/ysp/programs\\_we\\_support.asp](http://www.philipmorrisusa.com/policies_practices/ysp/programs_we_support.asp)



According to the Centers for Disease Control and Prevention, almost 20% of teens usually get their cigarettes from a store or gas station.

Based on data from the Youth Risk Behavior Study 2001. The Centers for Disease Control and Prevention.

PM USA believes that preventing youth access to cigarettes is a critical component in addressing the issue of youth smoking, and we focus on retailer education and communication programs to help keep cigarettes out of the reach of kids.



#### We Card: Retail Compliance Training and Education

As a member and major supporter of the Coalition for Responsible Tobacco Retailing, PM USA supports the *We Card* retail education and training program to help retailers prevent the illegal sale of tobacco products to minors.

*We Card* offers retailers free training seminars, in-store signs, stickers and posters, as well as educational materials. *We Card* also promotes a store policy that requires customers who appear to be under 27 years of age to present a government-issued photo ID for tobacco purchases.

Since the launch of the *We Card* program in 1995, the Coalition has sponsored over 1,400 live training seminars where more than 69,000 retailers were trained and distributed more than 900,000 *We Card* training and resource kits to retailers nationwide.

#### Where do teens usually get cigarettes?

Among high school students under age 18 who smoked a cigarette on one or more of the 30 days preceding the survey.



\*Chart created by PM USA YSP based on data from the Youth Risk Behavior Study 2001, a national survey of high school students conducted by the Centers for Disease Control and Prevention.

#### Third-Party Purchasers

According to the 2001 Youth Risk Behavior Study by the CDC\*, an increasing number of kids who smoke report that they usually obtain their cigarettes from sources other than personally purchasing them in retail stores. PM USA is working with retailers to post in-store signage that reminds adults not to buy cigarettes for kids.



\*Based on data from the Youth Risk Behavior Study 2001. The Centers for Disease Control and Prevention.

#### Retail and Wholesale Merchandising Initiatives

Through the *Retail Leaders* merchandising program, PM USA offers added incentives to retailers to further limit youth access to cigarettes while lowering the overall profile of PM USA's tobacco advertising, including:

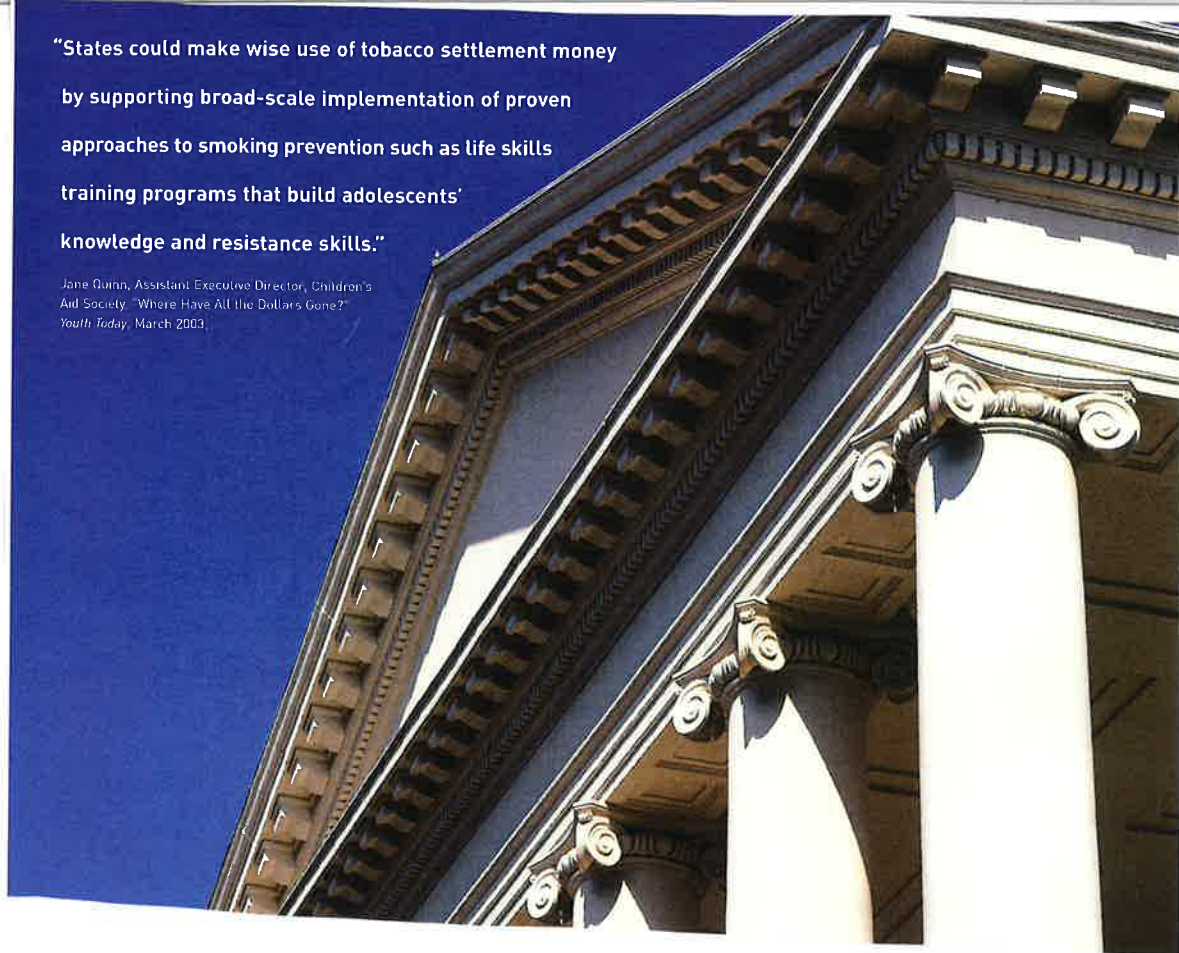
- Clerk-assisted sales of all cigarette brands (not just PM USA brands).
- Providing *We Card* or equivalent training for employees who sell cigarettes and certifying once a year that this training has occurred.
- Posting *We Card* or equivalent signage at both the point of entry and point of sale.
- Maintaining at least one *We Card* or equivalent age verification tool at the point of purchase.
- Displaying in a prominent location PM USA YSP signs that read, "Don't buy cigarettes for kids" to encourage adults not to buy cigarettes for minors.

In addition to engaging retailers, PM USA also works with wholesalers to help prevent youth smoking. Through PM USA's *Wholesale Leaders* initiative, wholesalers receive *We Card* education, distribute *We Card* order forms to new stores prior to opening, regularly include the *We Card* logo and contact information on their mailings, and certify their compliance with these measures.

For more information on PM USA YSP's youth access prevention, please visit [www.philipmorrisusa.com/policies\\_practices/ysp/youth\\_access\\_prevention.asp](http://www.philipmorrisusa.com/policies_practices/ysp/youth_access_prevention.asp)

“States could make wise use of tobacco settlement money by supporting broad-scale implementation of proven approaches to smoking prevention such as life skills training programs that build adolescents’ knowledge and resistance skills.”

Jane Quinn, Assistant Executive Director, Children’s Aid Society. “Where Have All the Dollars Gone?” *Youth Today*, March 2003.



**PM USA believes there is an opportunity to more effectively prevent youth smoking through legislation and increased use of the states’ tobacco settlement agreement funds in order to expand youth smoking prevention and positive youth development programs.**

**Youth Access Prevention Legislation**

Despite the efforts of many to prevent youth access to cigarettes, the illegal sale of tobacco to minors remains an issue. The Center for Substance Abuse Prevention (CSAP) oversees the implementation of the Synar Amendment, which requires all 50 states and 9 jurisdictions to have laws prohibiting the sale and distribution of tobacco products to minors and enforce those laws effectively. According to 2002 Synar state-reported data\*, 41 states met their 2002 objective by not exceeding the maximum sales-to-minors target rate set for their state by CSAP. All states and jurisdictions are to achieve a maximum sales-to-minors rate of no greater than 20 percent by the end of 2003.

To help prevent youth access to cigarettes, PM USA supports state legislation that would:

- Require clerk-assisted tobacco purchases.
- Impose tougher penalties for retailers who sell cigarettes to minors, sell tobacco without a license, fail to post minimum-age-to-purchase signage and make out-of-package sales.
- Support random, unannounced inspections coordinated by a single, designated agency that also collects and reports data about youth access prevention enforcement activities.
- Impose civil penalties for adults who buy cigarettes for kids and for kids who buy, possess or use tobacco products.

Currently, 41 states have at least half of such legislative measures in place.

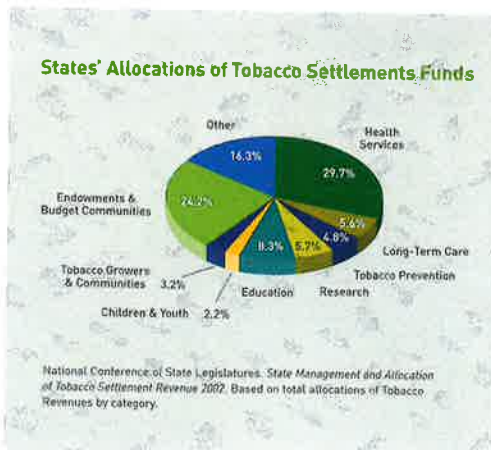
\*Substance Abuse and Mental Health Services Administration. *State Synar Non-Compliance Rate Table, FFY 1996 - FFY 2002*. 2002.

**Tobacco Settlement Agreements Funds**

The tobacco settlement agreements include the Master Settlement Agreement (MSA), signed in 1998, and four prior agreements entered by the major tobacco manufacturers with the states of Florida, Minnesota, Mississippi and Texas. These agreements provided state legislators with an unprecedented opportunity to dedicate a significant portion of each state’s settlement funds to youth smoking prevention. However, according to a report by the National Conference of State Legislatures\*, only 5 percent of the funds from the tobacco settlement agreements have been spent on smoking prevention overall, including youth smoking prevention.

We support increased use of these funds to assist youth smoking prevention and positive youth development programs that will help prevent youth smoking in communities and states.

\*National Conference of State Legislatures. *State Management and Allocation of Tobacco Settlement Revenue 2002*. 2002.



For more information on youth access prevention legislation, please visit [www.philipmorrisusa.com/policies\\_practices/legislation\\_regulation/prevent\\_youth\\_access.asp](http://www.philipmorrisusa.com/policies_practices/legislation_regulation/prevent_youth_access.asp)



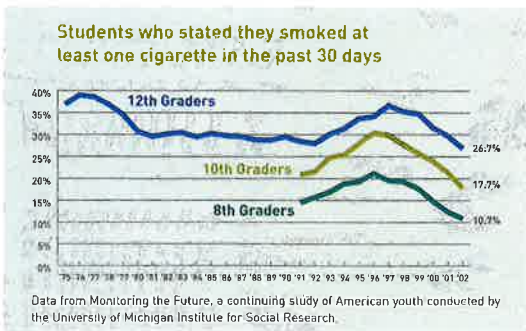
"The Youth Smoking Prevention department uses an array of information and research to guide our youth smoking prevention efforts."

Jeanne Bonhomme, Director of Research, Youth Smoking Prevention, Philip Morris USA

PM USA YSP is engaged in ongoing research that allows our department to identify programs and communications that may work best to help prevent youth smoking, and also stay up-to-date on the latest thinking and developments in the fields of youth smoking prevention and positive youth development.

#### Monitoring the Future study

PM USA YSP relies on the Monitoring the Future (MTF) study as the benchmark for understanding long-term youth smoking trends in the United States. MTF is conducted by the University of Michigan Institute for Social Research and tracks national smoking rates among 8th, 10th and 12th grade students on an annual basis. Data from MTF are widely used by policy makers, the public health community and researchers to measure the prevalence of, and monitor trends in, youth smoking.



#### The Teenage Attitudes and Behavior Study

In addition to MTF and other third-party surveys, PM USA YSP relies on the Teenage Attitudes and Behavior Study (TABs) as a critical component of our research. TABs is a comprehensive and ongoing survey of 11 to 17 year-olds conducted by an independent research firm on behalf of PM USA YSP. Approximately 20,000 telephone interviews with youth are completed each year with the permission of the parent or guardian of each respondent.

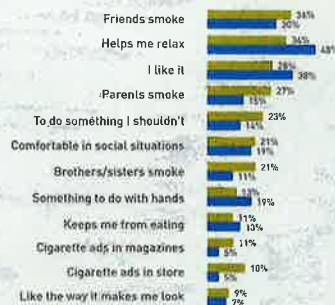
TABs surveys youth about a broad range of topic areas including their activities, interests, attitudes about themselves, parents and school, and cigarette smoking behavior. Because the TABs survey is continuous, it may serve as an early indicator of changes in youth smoking rates and attitudes. It also enables PM USA YSP to understand what may differentiate youth who don't smoke from those who do, providing key insights into what types of messages and programs may be effective in preventing youth smoking.

#### Key Findings from TABs

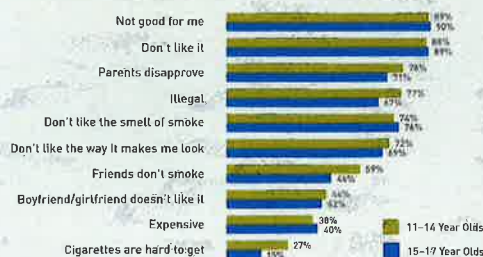
Similar to youth smoking trends observed in MTF, TABs data indicate that the prevalence of past 30-day smoking among youth aged 11 to 17 has declined from 1999 to 2002 across age, gender and racial/ethnic groups. TABs data also suggest that certain factors may influence youth smoking behavior:

- Kids who have a positive relationship with their parents may be less likely to smoke.
- Kids who participate in structured activities, such as sports, may be less likely to smoke.
- Kids who perform better academically may be less likely to smoke.

#### Reasons Why Kids Currently Smoke\*



#### Reasons Why Kids Currently Don't Smoke\*



\*Percent responding 5 or 4 on a 5-point scale (5= Agree completely and 1= Do not agree at all).

Based on TABs 2002 data.

For more information on TABs, please visit [www.philipmorrisusa.com/ysp/tabs](http://www.philipmorrisusa.com/ysp/tabs)





**“At PM USA YSP, we recognize that we are a part of the solution in preventing youth smoking. We welcome the opportunity to work with others who share our goal of preventing youth smoking and promoting positive youth development.”**

Howard A. Willard III, Senior Vice President, Youth Smoking Prevention, Philip Morris USA

### More Information

For information about the youth smoking prevention and positive youth development programs that are mentioned in this brochure, please visit the following websites:

- LifeSkills Training  
[www.lifeskillstraining.com](http://www.lifeskillstraining.com)
- Health Rocks!  
[www.healthrocks.org](http://www.healthrocks.org)
- E.N.D.  
[www.caron.org](http://www.caron.org)
- GoGirlGo  
[www.gogirlgo.com](http://www.gogirlgo.com)
- Mentoring Partnership of Minnesota  
[www.mentoringworks.org](http://www.mentoringworks.org)
- Coalition for Responsible Tobacco Retailing  
[www.wecard.org](http://www.wecard.org)

### Other Resources

For more information on youth tobacco use and youth smoking prevention, please visit:

- The American Legacy Foundation  
[www.americanlegacy.org](http://www.americanlegacy.org)
- The American Lung Association  
[www.lungusa.org](http://www.lungusa.org)
- The Campaign for Tobacco-Free Kids  
[www.tobaccofreekids.org](http://www.tobaccofreekids.org)
- The Centers for Disease Control and Prevention  
[www.cdc.gov](http://www.cdc.gov)
- The Center for Substance Abuse Prevention  
[www.prevention.samhsa.gov](http://www.prevention.samhsa.gov)
- The National Cancer Institute: Tobacco Control Research Branch  
[www.tobaccocontrol.cancer.gov](http://www.tobaccocontrol.cancer.gov)
- The Robert Wood Johnson Foundation  
[www.rwjf.org](http://www.rwjf.org)

For more information on PM USA's business practices, policies and programs to help prevent youth smoking, as well as our Youth Smoking Prevention department, please visit [www.philipmorrisusa.com](http://www.philipmorrisusa.com)

### Contact Us

PM USA YSP welcomes your feedback on all of our initiatives. If you would like to communicate with us about:

- PM USA's approach to youth smoking prevention, please contact:  
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# PHILIP MORRIS USA

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## **YOUTH SMOKING PREVENTION**

To learn more, visit our website at  
[www.philipmorrisusa.com/ysp](http://www.philipmorrisusa.com/ysp)

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