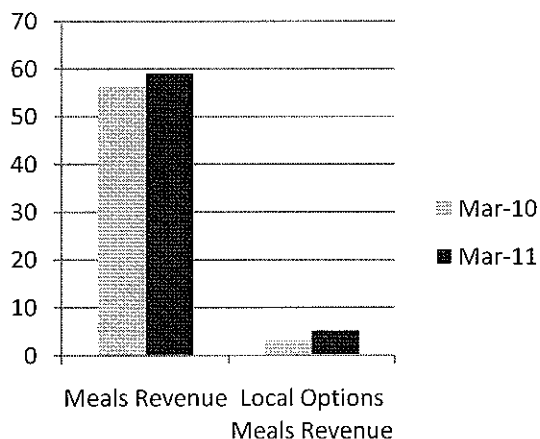


DOES THE PRESCRIPTION DRUG GIFT BAN LAW HURT MASSACHUSETTS RESTAURANTS?

THE ISSUE: An undisclosed portion of the pharmaceutical industry's budget goes towards drug marketing, mostly to physicians, which can influence brand selection and prescription rates. A recent survey in the *New England Journal of Medicine* says 94% of physicians have received gifts or payments from the industry. AARP believes we must protect the Massachusetts Prescription Gift Ban law because voluntary industry codes have proved to be insufficient in curbing these trends – the costs of which are passed on to consumers. (Source: *NEJM*, April 26, 2007; 356 (17):1742)

Massachusetts meals revenue collections are up. According to the Department of Revenue, March 2011 meals revenues increased by more than \$2.8 million over March 2010.¹

Massachusetts local options meals revenue collections are up. According to the Department of Revenue, March 2011 local options meals revenues increased by more than \$2 million compared to March 2010.²



¹ Commonwealth of Massachusetts, Department of Revenue, Monthly Report of Collections and Refunds, March 2011, Fiscal Year 2011, Net Collections – Table A

² Commonwealth of Massachusetts, Department of Revenue, Monthly Report of Collections and Refunds, March 2011, Fiscal Year 2011, Net Collections – Table A

The restaurant industry is poised for a comeback. According to the National Restaurant Association, aggregate sales will increase 3.6% over 2010.³

High unemployment fueled restaurant traffic decline in 2009. High and rising unemployment and thrifty consumers, especially households with children, contributed to the industry's decline.⁴

Fine dining declines in 2009 were nationwide; not triggered by the prescription gift ban law. Fine dining sales fell 16 percent in 2009 compared to 2008, and according to Technomic, a foodservice consulting firm, a further 9 percent decline in 2010 was expected. The trend was fueled by the overall economic downturn, increasingly more casual customer preferences and the potential to get gourmet food at other venues.⁵

³ National Restaurant Association, News Release, Restaurant Industry Sales Turn Positive in 2011 after Three Tough Years, National Restaurant Association's 2011 Restaurant Industry Forecast reveals economic, workforce, consumer and menu trends, February 1, 2011

⁴ Hospitality Trends, "U.S. Restaurant Traffic Decline Steepest in 28 Years (July 20, 2009);

<http://www.htrends.com/article40014.html.html>.

⁵ Allen, Robin Lee, Nation's Restaurant News, "Fine Food is Not Just For White-Tablecloth Restaurants Anymore", (November 15, 2009), <http://www.nrn.com/article/fine-food-not-just-white-tablecloth-restaurants-anymore>.

