



# INSPIRING A NEW GENERATION

WITH THE TRUTH ABOUT SMOKING,  
VAPING AND ADDICTION

**2019 ANNUAL REPORT**

 **truth  
initiative**  
INSPIRING  
TOBACCO-FREE  
LIVES

# TABLE OF CONTENTS

**03**

LETTER FROM THE CEO & PRESIDENT

**06**

YOUTH & YOUNG ADULT PUBLIC EDUCATION

**15**

RESEARCH & POLICY

**21**

COMMUNITY & YOUTH ENGAGEMENT

**29**

INNOVATIONS TO QUIT SMOKING & VAPING

**36**

FINANCIAL STATEMENTS & BOARD OF DIRECTORS

# LETTER FROM CEO & PRESIDENT ROBIN KOVAL



As we share Truth Initiative's 2019 annual report highlighting key accomplishments, the fight for our nation's health has never been more important. The country continues to grapple with the COVID-19 global pandemic, an unprecedented public health crisis that will have longstanding impacts on nearly every facet of our lives — including the way we think about and understand the near- and long-term risks of tobacco. The Centers for Disease Control and Prevention has named smoking a risk factor for developing complications from COVID-19, which attacks the lungs, and the severity of the disease among younger age groups has caused many health leaders, including the Surgeon General, to sound the alarm that vaping may make young people more vulnerable to negative effects of the virus. While we await more specific information on the connection between smoking, vaping and COVID-19, there is growing evidence that e-cigarette use can harm lung and heart health and that these products are by no means “safe.”

The global pandemic has added new urgency to our work and unwavering commitment to make tobacco use a thing of the past. We are pleased to share the significant progress we made in 2019, detailed in this report: **Inspiring a new generation with the truth about smoking, vaping and nicotine addiction.**

Our **truth**<sup>®</sup> campaign is working harder than ever with record levels of engagement, and even more importantly, evidence that our anti-vape message is producing change at a population level. The number of young people enlisted in our youth activism efforts on the ground is also growing, with 770,000 people who have raised their hands to be part of our mission. Our Truth Initiative Schroeder Institute researchers are making significant contributions to the vaping and e-cigarette evidence base, and we are sought-after thought leaders in forming tobacco control policy regarding new tobacco products, including the role of flavors, marketing tactics, and the need for strong regulatory action. Our proprietary research has been cited extensively, including in JUUL litigation by the states, as well as at Congressional hearings, where our youth

activists also showed up in full force with bright #DITCHJUUL and #DITCHVAPE shirts. And we are very proud that as of this writing over 168,000 young people have enrolled in This is Quitting, our first-of-its-kind quit vaping program. We launched this free and anonymous program in January 2019 in response to the growing number of very frustrated young people who were looking for help to quit vaping. Early findings published in Nicotine & Tobacco Research show that the program is working – 61% of respondents indicated they had reduced or stopped using e-cigarettes at a two-week follow up assessment and we now have a robust randomized trial study in the field with results expected this fall.

Our mission to achieve a culture where all youth and young adults reject tobacco faced many challenges in 2019 – an intensifying youth vaping culture, limited scientific research on the health effects of e-cigarettes, the failure of federal regulators to fully enforce the

law, an emboldened industry – and we confronted them all head on.

The youth e-cigarette epidemic drove overall youth tobacco use to its highest levels in nearly two decades, as current e-cigarette use more than doubled among high school students (from 11.7% to 27.5%) and tripled among middle school students (from 3.3% to 10.5%) from 2017 to 2019. Altogether, more than 5.3 million kids now use e-cigarettes and they're not simply experimenting – 34% of high school and 18% of middle school users are frequent users, signaling a serious nicotine addiction crisis. Flavored products, including mint and menthol, continue to fuel the epidemic and new federal policy on flavored e-cigarettes is woefully deficient, with many loopholes that leave flavors like cotton candy and gummy bear on the market. We know that it is on us to harness the power of our resources, influence and talent to turn the tide on this latest threat.

**Because of our work, we are seeing the beginnings of a shift in young people's attitudes toward e-cigarettes.**

For these efforts, *Fast Company* named Truth Initiative one of the

World's 50 Most Innovative Companies, as well as a Top 10 Non-Profit Organization. And because of our work, we are seeing the beginnings of a shift in young people's attitudes toward e-cigarettes. Early research results from our youth vaping prevention campaigns show that young people who are aware of the **truth** campaign are significantly more knowledgeable about vaping risks, have more anti-industry sentiments and find vaping less appealing and socially acceptable.



We are also leaders in exposing the pervasive renormalization of tobacco imagery in culture and entertainment with our second report on tobacco in streaming content, "Smoking on Demand." To put it bluntly, video content has become the new tobacco commercial. And, while we have much work to do to reverse this trend, as a result of our pressure, Netflix announced in 2019 that it would eliminate tobacco in youth-rated programming going forward and that it plans to cut back on depictions across the board.

The robust research from our Truth Initiative Schroeder Institute covered other important issues, including tobacco use disparities in the U.S. For our second report on Tobacco Nation — a term we coined for a collection of U.S. states in the South and Midwest with smoking rates that exceed that of many less-developed countries — we continued to highlight disparities in need of policy solutions. We also presented the case for a strong Tobacco 21 policy in all communities across the U.S. with our in-depth policy resource on the topic, and were pleased to see 2019 end with a new federal policy in place.

Because we know our **truth** campaign needs to happen on both a mass population and local level, we are also very proud of the advances this year in our community and youth engagement programs. Our Tobacco/Vape-free College Program reached the major milestone of protecting over 1 million students, staff and faculty in 2019 (now 1.1 million and counting). We also enlisted our largest cohort of youth activists ever who led programs and events throughout the year, including our National Day of Action, where people rallied outside JUUL's Washington, D.C. office and in 100 events across the country, reaching over 68,000 young people.

In addition to our innovative This Is Quitting youth quit-vaping text program, our adult-targeted digital cessation efforts continued to make big strides, helping nearly 1 million individuals on their quitting


journey. The EX Program, designed for employers, health systems and health plans, is now being used by 51 clients, including our largest to date — a major health plan serving millions of members to be announced and launched in FY21. We have also secured an important partnership with the global health and wellbeing company Virgin Pulse.

Our commitment to providing youth prevention and public education expertise to the opioid epidemic remains steadfast. With our Emmy-winning *The Truth About Opioids* effort, we continue to implement a powerful youth and young adult opioid misuse prevention, education and anti-stigma campaign. Research shows that our efforts are already starting to make a difference. Data from our evaluation in Rhode Island, a pilot market, and published in the *Journal of Public Health Management and Practice* revealed that the campaign significantly increased opioid misuse awareness and anti-stigma sentiments, as well as prompted intentions to seek and share information about its risks. Building on this initial success, phase two of *The Truth About Opioids* expanded our research pilot into four additional markets detailed in this report. Early data are also promising, and we expect to report outcomes in fall 2020.

As our work in 2019 showed, our commitment to achieving a culture where all youth and young adults reject tobacco never wavers in the face of big challenges and it never will. Our talented staff, dedicated board of directors and vital partners are proud of the success we achieved thus far in our fight for a healthy future for the next generation. At a time when protecting health is more important than ever, you can count on Truth Initiative to **inspire people with the truth about smoking, vaping and addiction**, all in the pursuit of saving lives.



Robin Koval, CEO and President



**YOUTH & YOUNG  
ADULT PUBLIC  
EDUCATION**

Inspiring a new  
generation with the truth



**Young people know and trust the truth brand, which has 80% awareness among the target audience.**

Our award-winning **truth** youth and young adult prevention and education campaign was on the frontlines of the youth vaping epidemic in 2019, all while continuing to drive down combustible tobacco use and help combat the nation's opioid crisis by sharing our expertise in youth prevention and education. Young people know and trust the **truth** brand, which has 80% awareness among the target audience.

Youth vaping showed no signs of slowing down in 2019, with current e-cigarette use more than doubling among high school students to 27.5% and tripling among middle school students to 10.5% from 2017 to 2019. As the FDA failed to fully regulate the products and companies continued deceptively marketing them, **truth** empowered young people with the facts to make informed decisions and influence their peers to do the same. Our multi-platform campaigns exposed the truth about e-cigarettes and the companies behind them and helped enroll more than 168,000 young people in This is Quitting, our first-of-its kind quit vaping text message program. And now we know what a difference these efforts are making. Early results from our youth vaping prevention campaigns show that **young people who are aware of the truth campaign are significantly more knowledgeable about vaping risks, have more anti-industry sentiments and find vaping less appealing and socially acceptable.**



## THE TRUTH ABOUT E-CIGARETTES

No one knows all the short- or long-term health effects of e-cigarettes like JUUL, meaning the millions of young people who vape are essentially treated like [human test subjects for the tobacco industry](#). Launched during the 2019 MTV Video Music Awards, our “Tested on Humans” campaign featured animal influencers, including the massively popular social media celebrity Doug the Pug, taking on the industry and speaking out about how vaping companies shouldn’t experiment on humans. The timing of the campaign coincided with a national surge in cases of e-cigarette, or vaping, product use-associated lung injury (EVALI), which underscored the importance of our message.

“Tested on Humans,” which generated over 367 million video views from August to December, emphasized that JUUL and other e-cigarettes remain unregulated and are exposing an entire generation to the risk of nicotine addiction. Covered in People magazine, Pop Sugar, NowThis and many other major outlets, it directly confronted the role JUUL and other e-cigarette manufacturers have played in fueling the youth vaping epidemic. It also addressed misconceptions about e-cigarettes, giving young people the facts and information to make informed decisions.



**“Tested on Humans,” generated over 367 million video views.**





As awareness of the health risks of vaping increased in 2019, we witnessed a nascent movement among young people to quit vaping. Young people started sharing on social media that they hated experiencing addiction and felt that it wasn't what they signed up for — they began to share stories of how they were destroying their devices to help them quit. Building on that cultural momentum, **truth** introduced [“Ready to Ditch JUUL,”](#) a series of videos featuring young people ditching their JUULs and destroying their vaping products in creative ways. One notable element of this effort included our partnership with social media influencers and the highly popular TikTok platform to challenge young people to creatively “ditch their JUUL” and share their video with others. As of this writing, our #ThisIsQuitting TikTok challenges have amassed 11.6 billion views. Equally as important, our “Ready to Ditch JUUL” effort has helped drive over 168,000 young people to enroll in “This Is Quitting,” our text-based quit vaping program.

## STAYING HOME TO SAVE LIVES

As orders to stay home spread across the country to try to contain the coronavirus pandemic, we knew it was important to use our **truth** platform and clout with our young audience to keep them safe and engage them to do their part and practice social distancing. We launched the #WerkItFromHome challenge on TikTok to do just that. The challenge prompted young people to put on their most outlandish home-dwelling ensemble — like using their bedspread as a cape or their cat as a scarf — and strut their stuff down a pretend catwalk to RuPaul's famous tune, “Supermodel.” It creatively encouraged young people to stay home to flatten the curve while celebrating the must-have fashion looks from their cozy quarantine closets. As of this writing, the #WerkItFromHome challenge has generated more than 5.2 billion views and has helped to generate powerful goodwill for the **truth** brand and further cemented our role as a partner and advocate for young people.

## FLAVORED TOBACCO PRODUCTS

Given 97% of all youth who vape use flavored e-cigarettes, **truth** continued to call out the tobacco industry for targeting young people with flavored tobacco products.

**truth** created three videos specifically for use by youth- and young adult-serving organizations, available to them free of charge, to spread the facts and dangers associated with flavored and menthol tobacco products. Organizations across the country have used these videos, sharing them with their communities online and on screens like closed circuit TV systems on college campuses.

Focusing on the fact that 81% of youth who have ever used e-cigarettes started with flavors, [“Sweet Clouds”](#) exposes how Big Tobacco uses flavors to sugarcoat and mask the risks of e-cigarette use. Another video, [“Burn Through,”](#) focuses on how the tobacco industry uses fruit flavors in products like little cigars to attract youth and disguise the 3,000 other dangerous chemicals in their products. We also shared [“Making Menthol Black,”](#) a hard-hitting expose of the tobacco industry’s manipulation of the black community. Alongside these videos, **truth** shared images and social media content with local organizations to expand the impact of our campaigns.





## THE FINAL RIDE:

## TRUTH AND THE VANS WARPED TOUR

Summer 2019 marked the end of the road for the Vans Warped Tour and for our participation in the popular music festival. For 19 years, the iconic bright orange **truth** truck and its riders danced their way across the country, shared facts about tobacco and inspired concertgoers to join the generation that ends smoking for good. Through games, giveaways, contests and live music, they urged young people to use their voices to speak out against Big Tobacco.

This last year with Vans Warped Tour included 35 stops and interactions with thousands of young people. Over the last 19 years, **truth** has impacted more than 1 million young people as part of the tour. **truth** was even included in the tour's tribute video to mark the final year of the festival — Forever Warped: 25 Years of Vans Warped Tour — and voted best merchandise on the tour. During those years on the road, the teen cigarette smoking rate dropped from 23% to less than 4%.

Our in-person **truth** experiences went beyond the Warped Tour in 2019. We continued to interact with young people at other major festivals and tours across the country. In 2019, we participated in various Afropunk music and cultural festivals on the east coast, High School Nation tour stops, and Pride events around the U.S. Of course, our in-person experiential programs are now on hold due to the COVID-19 pandemic and we are actively re-imagining this work with the opportunity to scale the experiences through digital-centric platforms. We have a host of wonderful partners working with us to ensure our reach and impact continues to build momentum during social distancing. Our first-ever virtual event took place on May 15, celebrating our activism leaders with a virtual graduation event through the HerCampus platform.

## PARTNERSHIPS WITH YOUTH-FOCUSED BRANDS

We have a long track record of producing original content that influences culture through strategic partnerships with major national media brands. In 2019, we produced content to spread the facts about vaping.



### Chuggin' on Clouds

With College Humor, **truth** produced a video set in a rap recording session sharing the facts about JUUL's high nicotine content and questioning whether vaping is cool — or is it too cliché to “chug on clouds” all day?



### You Torch 'Bro?

**truth** refreshed its Webby Award-winning popular spoof video produced with the Onion — a satirical news piece investigating and exposing the ridiculous side of a hot new trend among young people.

## GAME-CHANGING CULTURE: GEARS OF WAR

In response to our initiative to remove tobacco from pop culture, Gears of War, the highly popular video game, announced in 2019 that the release of the newest series, Gears 5, would not include smoking imagery. The decision, as reported in *Variety*, was influenced by our continued conversations with the game developer, The Coalition, and Turner's [ELeague](#) esports division about making the change. The Gears 5 launch broke records for the biggest launch of any Xbox Games Studios release this generation, attracting 3 million players in the first weekend alone. **truth** was a part of the first esports tournament for Gears 5, which allowed **truth** to connect with this highly engaged youth audience by working with

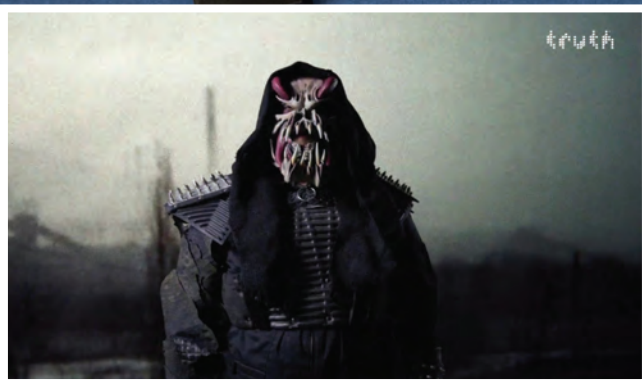


top gaming influencer, Blaze. **truth** created two long-form content pieces with Blaze that told his personal struggle with smoking and applauded Gears for removing smoking imagery from the game. These segments aired during the Gears 5 ELeague tournament on TBS and online.



## E-CIGARETTES AND THE ENVIRONMENT

Discarded e-cigarettes can leave behind hazardous e-waste and plastic waste, compounding the already huge environmental problems related to tobacco products. Cigarette butts have been cited as the most littered item in the world for decades. E-cigarette cartridges, including JUUL pods, are single-use products that contain plastic, electronic and chemical waste and many of them may also end up as litter. The increasingly popular disposable single-use e-cigarettes are even worse. To draw attention to the issue, truth released a heavy metal music video called, “[H\\*ckin Metal](#),” that hammered home the environmental risks of using e-cigarettes, which can leak heavy metals and residual nicotine into the environment.



## TRUTH MERCHANDISE STORE

We weren't voted “Best Merchandise” on the Vans Warped Tour for nothing – our **truth** t-shirts, fanny packs, hats, pins and more have always been hot items during our limited giveaways at events and tour stops. Now, those events aren't the only way people can get some of our best gear. To meet demand, we launched our online **truth [merchandise store](#)**, which offers several products, from sunglasses with orange lenses to t-shirts spreading facts about tobacco use. In our first year, we surpassed our annual sales goal by 12% in just eight months and are finding that those who visit the store spend 29% more time on the site getting our life-saving message.



## THE TRUTH ABOUT OPIOIDS

Our second year of lending youth prevention and public education expertise to the opioid epidemic through our award-winning *The Truth About Opioids* campaign showed that our efforts are already starting to make a difference. Data from our Rhode Island test market published in the *Journal of Public Health Management and Practice* revealed that the campaign raised awareness of opioid misuse, created a greater likelihood that young people will talk about opioid use, seek and share information about its risks, and increased anti-stigma sentiment.

Truth Initiative began confronting the opioid epidemic in 2018 because of the recognition and credibility of the **truth** brand among youth and young adults and its record of success in tobacco prevention. The reasons for the crisis are complex and we cannot tackle all of it, but we can make an impact by focusing on youth education and prevention — the model that has proven successful for **truth**.



Following the success of our initial national campaign and the pilot in Rhode Island, **truth** expanded *The Truth About Opioids* in 2019 with the launch of “Best Day,” which focuses on common circumstances young people experience that can inadvertently lead to opioid misuse and its potentially deadly consequences. We expanded our geography for the effort to four markets

with high prescription and overdose rates — Fort Wayne, IN; Greensboro, NC; Knoxville, TN, and Rhode Island. *The Truth About Opioids* highlights the fact that opioid dependence can occur after just five days — a fact based on Centers for Disease Control and Prevention data — and directs people to [thetruth.com](http://thetruth.com) to access more information and a treatment locator powered by the Substance Abuse and Mental Health Services Administration.

Major corporate partnerships helped expand the impact of “Best Day.” The videos aired as ads on the NFL Network and a partnership with Fortune 500 company Leidos, which contributed to fund the research behind *The Truth About Opioids*, was highlighted at Opioid Awareness Night at the Washington Capitals hockey game in front of 20,000 fans. *The Truth About Opioids* also continues to receive major media attention, including a feature in The New York Times Fixes column, “Weaponizing truth against opioids.”

Early data from our markets indicate the campaign is achieving targeted awareness levels and performing as it did in Rhode Island Year 1 to shift key attitudes. We will report the full outcome of our test in fall 2020 and hope this will build a case for future external funding for expansion of the program.

The background features a collage of US dollar bills and rolled-up documents. The bills are partially unrolled, showing details like the portrait of Benjamin Franklin, the words 'SERVE NOTE', and the number '215 J'. The rolled-up documents are tied with white bands. The entire scene is overlaid with a semi-transparent teal color.

# RESEARCH & POLICY

Ground-breaking research,  
grounded in science



Our work to inspire a new generation to reject smoking, vaping and nicotine is grounded in science. While research has always been the foundation of Truth Initiative, it was more important than ever in 2019 as we filled critical knowledge gaps, especially related to e-cigarettes. Our in-depth studies and policy analyses made us sought-after thought leaders, helping inform policymakers, media, public health advocates and the general public. It also supported regulatory and legal action – that’s why our research was cited last year in Congressional hearings on the youth e-cigarette epidemic and in the growing litigation against JUUL for the key role the company has played in igniting and fanning the flames of the youth e-cigarette epidemic.

In 2019, Truth Initiative Schroeder Institute published 38 articles in leading academic journals, such as the *Journal of the American Medical Association – Pediatrics*, *Tobacco Control* and *American Journal of Preventative Medicine*. We produced 52 online resources on timely topics and made them widely available to our partners and the public and gave dozens of conference presentations. Our policy team, which submitted in-depth comments on nine regulatory agency plans, continues to be sought-after authorities on the most effective ways to protect communities. We constantly evaluate our public education and prevention work with rigorous metrics – and they show our efforts are working.

All along the way, our ground-breaking scientific research and analysis turn heads and inform the future. Our 2019 research and policy work was covered by major media outlets, including USA Today, The New York Times, U.S. World and News Report, Reuters and many more.



## LEADING RESEARCH ON THE YOUTH E-CIGARETTE EPIDEMIC

Youth are using tobacco at rates unseen in almost two decades due to the epidemic increase in e-cigarette use. The 2019 National Youth Tobacco Survey shows that 31.2% of high school students and 12.5% of middle school students — a total of 6.2 million young people — are using some type of tobacco product. This is the highest rate among high school students in 19 years.

Research by Truth Initiative uncovered alarming information about e-cigarettes to help inform efforts to combat youth use, including:

- Use of JUUL vaping devices doubled among young people aged 18 to 20 and more than tripled among those aged 21 to 24 between 2018 and 2019.
- Average nicotine concentration in e-cigarettes sold in U.S. retailers more than doubled from 2013 to 2018, according to a study with the CDC.
- Most of JUUL's Twitter followers are underage and more than half of Instagram posts about JUUL are youth- and lifestyle-focused.
- Fewer than half of teachers and administrators (47.3%) could accurately identify a picture of the most popular e-cigarette JUUL in late 2018, as the crisis was intensifying. When it comes to parents, 1 in 3 did not recognize a picture of JUUL.
- Three-quarters of parents of middle and high schoolers support banning flavored e-cigarettes.
- Of the 15% of adult tobacco users who have tried JUUL, only about one-third used the product to quit smoking.

# 1 in 3

parents could not identify a picture of JUUL

# 2x

increase in the average e-cigarette nicotine concentration from 2013 to 2018



**Use of JUUL vaping devices doubled among young people aged 18 to 20 between 2018 and 2019.**

Truth Initiative has continued to play a leading role in shaping policy around e-cigarettes. In May 2019, a federal judge ruled that the FDA acted illegally when it delayed the deadline for e-cigarette manufacturers to submit pre-marketing authorization (PMTA) applications to 2022 in response to a lawsuit we filed with seven public health and medical groups to compel the agency to act. The deadline is now September 9, 2020 for e-cigarette manufacturers to submit their products to the FDA for review if they want to keep them on the market. Truth Initiative drafted recommendations outlining factors the agency should consider during its first review of e-cigarettes, including ensuring that manufacturers provide sufficient information about current youth use of the product and the likelihood of future youth use and strongly urging transparency to the public of the process.

With 56 other organizations, we signed a letter to President Donald Trump to express strong support for the administration's September 2019 proposal to remove flavored e-cigarettes from the market. Sadly, the resulting policy was a far cry from the original plan and left menthol pod products and all e-juice flavors on the market, as well as flavored disposable e-cigarettes. Not surprisingly, our data show that young people quickly switched their preference to new, unregulated (and illegal) products, such as Puff Bar and Stif and Njoy, illustrating that nothing short of a regulation that completely eliminates flavors will fully address the problem. As federal regulations fall short, our research and policy work continues to add to the evidence base demonstrating the need for more complete and rapid regulatory action.

## BIG TOBACCO 2.0

With electronic products like e-cigarettes and heat-not-burn devices, Big Tobacco is attempting to overhaul its reputation and position itself as working alongside public health. In the report "Spinning a New Tobacco Industry," Truth Initiative exposes the industry's tactics to rebrand its public image and maintain its bottom line. Through a combination of strategies — including expanding its product portfolio, marketing new products to youth and young adults who have rejected cigarettes, working to improve industry reputation among influential audiences and the general public, and cultivating influence with policy makers and lobbying against tobacco control policies — the industry is aggressively growing its market base among youth and young adults. On an optimistic note, our research for this project showed that so far the industry has yet to convince the American public that it has turned over a new leaf. According to a Truth Initiative survey, the majority of Americans strongly distrust the tobacco industry, with more than 70% viewing tobacco, vaping and e-cigarette companies unfavorably and many saying regulations on vaping and tobacco are too weak. We plan to continue this project in the coming year to make sure the trend continues in the right direction.



## IN-DEPTH RESEARCH AND ANALYSIS

The fact sheets and resources Truth Initiative produced in 2019 helped inform policies, made headline news and brought emerging issues to the forefront. They covered topics such as smoking imagery in pop culture, tobacco use disparities and Tobacco 21.



## TOBACCO IN POP CULTURE

Tobacco imagery on screens and in pop culture — including TV, streaming, video games, movies and social media — contributes to the normalization of tobacco use by portraying it as popular, glamorous, rebellious and edgy. In a follow-up to our first report on smoking in streaming content in 2018, Truth Initiative released “While You Were Streaming: Smoking on Demand,” which showed tobacco depictions in youth-rated streaming content rose by more than 379%, and overall, 92% of the shows analyzed contained images of tobacco, up from 79% in the previous season. Netflix, the most popular streaming network among young people, continues to be the worst offender, with triple the number of tobacco instances (866) in 2019 compared with the prior year’s data. The research, which was covered extensively, including in a USA Today [exclusive](#) and on [Ellen, is succeeding at putting pressure on the industry](#). As a result of our work, Netflix announced in 2019 that it would eliminate tobacco in youth-rated programming going forward and that it plans to cut back on depictions across the board. While it remains to be seen if the company will live up to these promises, we are starting to make progress on this important issue.

## TOBACCO USE DISPARITIES

For our second report on Tobacco Nation — a term we coined for a collection of U.S. states in the South and Midwest with smoking rates that exceed not only the national average, but that of many countries with the highest smoking rates in

the world — we continued to highlight disparities in need of strong tobacco control policy solutions. These states share not only higher tobacco use, but poorer health outcomes and a similar set of challenges — lack of income, infrastructure and health care resources — compounded by a lack of tobacco control policies. “Tobacco Nation: An Ongoing Crisis,” was covered in a U.S. News and World Report feature, “In ‘Tobacco Nation,’ Smoking Stubbornly Persists.”

## TOBACCO 21

Policies to raise the minimum age to purchase tobacco products to 21 took off in 2019. Six states adopted policies in just the first four months of the year and, by December, Congress had passed a federal Tobacco 21 law. Truth Initiative provided an important resource on the topic that not only broke down the importance of the policies, but analyzed what makes an effective policy with “Action needed: Strong Tobacco 21 policies.”

We produced more than two dozen other fact sheets and policy resources, including state fact sheets, resources on tobacco taxes and tobacco in pharmacies, and an analysis of how flavored tobacco products are marketed. In addition, the policy team submitted nine regulatory comments on topics including strategies to help young people quit, tobacco-use disparities among adults, and the elimination of state laws that preempt stronger local tobacco control policies. We also shared our work at invited lectures at the CDC and the Interagency Committee on Smoking and Health.



## 2019 HIGHLIGHTS: A SELECTION OF PEER-REVIEWED PUBLICATIONS

Truth Initiative covered some of the most important topics in tobacco control with the publication of 38 peer-reviewed research articles in 2019, including:

“Building Capacity to Implement Tobacco-Free Policies in College and University Settings with Underserved Populations” *Tobacco Prevention & Cessation*

“JUUL in School: Teacher and Administrator Awareness of E-Cigarettes and JUUL in U.S. Middle and High Schools” *Health Promotion Practice*

“A Content Analysis of Tobacco in TV Streaming Shows Popular Among Youth and Young Adults” *Tobacco Control*

“JUUL Use and Reasons for Initiation Among Adult Smokers” *Tobacco Control*

“Association of Flavored Tobacco Use With Tobacco Initiation and Subsequent Use Among U.S. Youth and Adults, 2013-2015” *JAMA Netw Open*

“What Pediatric Providers Need to Know About JUUL and Other E-Cigarettes” *Journal of Medical Practice Management*

“Characteristics and Reach Equity of Policies Restricting Flavored Tobacco Product Sales in the U.S.” *Health Promotion Practice*

“Characterising JUUL-related Posts on Instagram” *Tobacco Control*

“Patterns of Nicotine Concentration in Electronic Cigarettes Sold in the United States, 2013-2018” *Drug and Alcohol Dependence*

“Longitudinal Response to Restrictions on Menthol Cigarettes Among Young Adult U.S. Menthol Smokers, 2011-2016” *American Journal of Public Health*

“Parents’ Awareness and Perceptions of JUUL and Other E-Cigarettes” *AJPM*

“Pro-Tobacco Marketing and Anti-Tobacco Campaigns Aimed at Vulnerable Populations: A Review of the Literature” *Tobacco Induced Diseases*

“Longitudinal Response to Restrictions on Menthol Cigarettes Among Young Adult U.S. Menthol Smokers, 2011-2016” *American Journal of Public Health*

“Nicotine Perceptions – Tobacco Users Response to Potential Reduced Nicotine Cigarette Policy” *Tobacco Regulatory Science*

“Support for E-Cigarette and Tobacco Marketing Policies Among Parents of Adolescents” *Nicotine and Tobacco Research*

**TOBACCO USE  
KILLS 1,300 AMERICANS  
EACH DAY.**

**#NOTHAPPYORHEALTHY**

**COMMUNITY  
& YOUTH  
ENGAGEMENT**

**On the ground, online and  
on campuses nationwide**



Our Community and Youth Engagement program amplifies the impact of our **truth** campaign with online and on-the-ground action, youth leadership development, and creative partnerships and grants. Empowered with the truth, our young activists take direct action on our issues to make a positive impact, especially in communities of color and among low-income populations where tobacco use is significantly higher. We inspire, educate and mobilize these young leaders, as well as coalitions and organizations, to act nationally and in their communities to end tobacco use in all forms, including e-cigarettes. In 2019, we trained more young leaders, awarded more grants and scholarships, and powered more on-the-ground action than ever before.

A hallmark event of the year was our National Day of Action in October, which included a headline event with nearly 100 people protesting outside JUUL's Washington, D.C. office, and more than 100 additional events taking place — with over 68,000 participants — in campuses and communities across the country. We held e-cigarette companies and lawmakers accountable, coming out in full force with bright #DITCHJUUL and #DITCHVAPE shirts to attend multiple hearings on Capitol Hill investigating the youth e-cigarette epidemic and meeting with members of Congress. After the event, which received widespread local media attention and national coverage in [NPR](#), [TODAY](#), [Bloomberg](#), and [Yahoo Finance](#), youth activists visited the White House to talk with first lady Melania Trump and Health and Human Services Secretary Alex Azar about the youth e-cigarette use epidemic.

With our [Tobacco/Vape-Free College Program](#), we helped campuses across the country institute tobacco- and vape-free policies and surpassed 1 million students, faculty and staff members protected through the program (now 1.1 million and counting). We also enlisted our largest cohort of youth activists ever and held large-scale training events to equip them with the tools needed to make change in their communities.

## TOBACCO/VAPE-FREE COLLEGES

This year marked a major milestone in our Tobacco/Vape-Free College Program, which since 2015 has worked with hundreds of schools with an emphasis on minority-serving academic institutions, community colleges and women's colleges to help them become tobacco-free. In 2019, we surpassed 1 million people protected through the program and are now up to 1.1 million and counting. That includes the students, staff and faculty members at 117 colleges that have fully implemented their 100% tobacco-free campus policy.

Our college grant program provides grants and training to help schools enact these strong tobacco-free policies. With 98% of smokers starting before age 26, college campuses are critical to preventing young adults from starting tobacco use, aiding current smokers in quitting and reducing exposure to secondhand smoke for all. The recent surge in youth e-cigarette use has made it even more important for schools to adopt policies and ensure those policies include e-cigarette use. Support for 100% tobacco-free policies on college campuses has skyrocketed in recent years. The number of college and universities with 100% smoke-free or tobacco-free policies tripled, from 446 campuses in 2010 to 2,487 campuses in 2020.

In addition to training and financial support, our **truth** college tour also visited four California colleges as part of our efforts to help college campuses advocate for, adopt and implement tobacco-free policies. The program has received support from **Be The First**, CVS Health's five-year, \$50 million initiative to deliver the nation's first tobacco-free generation.

# 1.1M

**student, faculty  
and staff members**

are now protected through the work of Truth Initiative's Tobacco/Vape-free College Program

# 117

**colleges  
& universities**

have fully implemented their 100% tobacco-free campus policy





## TRAINING YOUTH ACTIVISTS

Our network of activists amplify **truth** with on-the-ground impact. Truth Initiative programs train young people to act in their communities as Community Leaders, College Leaders and Ambassadors.

**Ambassadors:** Young adults who have previous experience with tobacco control advocacy receive support to create and promote projects that mobilize their peers to inspire tobacco-free communities.

**College Leaders:** Students at colleges and universities who undergo training in tobacco prevention campaigns and leadership development to educate and organize their peers and build a movement to become a tobacco-free campus with our Tobacco/Vape-free College Program.

**Community Leaders:** Young adults who are trained to educate and mobilize youth and young adults in their communities on local and national tobacco control issues in our areas of focus — Atlanta, Nashville and Indianapolis.

In 2019, we engaged this network of 100 activists with training and support throughout the year, including hosting our first-ever collective convening with all program participants in April 2019 in Crystal City, Virginia, outside Washington, DC. Activists gathered to spend three days learning strategies and skills to educate and engage their peers on the most important issues in tobacco control. Activists also participated in three regional **truth** action summits throughout the year in Los Angeles, Little Rock and Cincinnati. With their training, these activists led events across the country and participated in national Truth Initiative activism efforts. For 2020, we are shifting to digital-centered trainings and actively planning virtual youth activism convenings to continue engaging and supporting our leaders in a safe way.







## AMBASSADORS IN ACTION

Our 2019 cohort of 12 truth Ambassadors ranged in age from 19 to 25 and represented 11 states. They spent the year in an immersive leadership program that equipped them to execute local advocacy projects to address some of today's most critical smoke- and tobacco-related topics, including social justice, initiation, the environment, smoke-free places and more.

Here is what some of them had to say about their projects and the program:

**"I empowered my peers to make healthier choices through awareness, representation and entertainment. Being part of a community that was built on passionate people eager to help others make healthier choices was valuable to me."**

*—Gianna Darville, Tennessee, who created an educational video series called Pretty Ugly Truth*

**"Public speaking doesn't come naturally to me, but the Ambassador program helped me face some fears and stay honest with myself. I learn to talk through what I felt at all stages of use, and more importantly the logic behind my decision to quit."**

*—Matt Murphy, Massachusetts, an ex-JUUL user who developed a public speaking tour about his experiences with addiction and quitting*

**"I established park signs with the mayor that supported a smoke-free park and got to choose their location."**

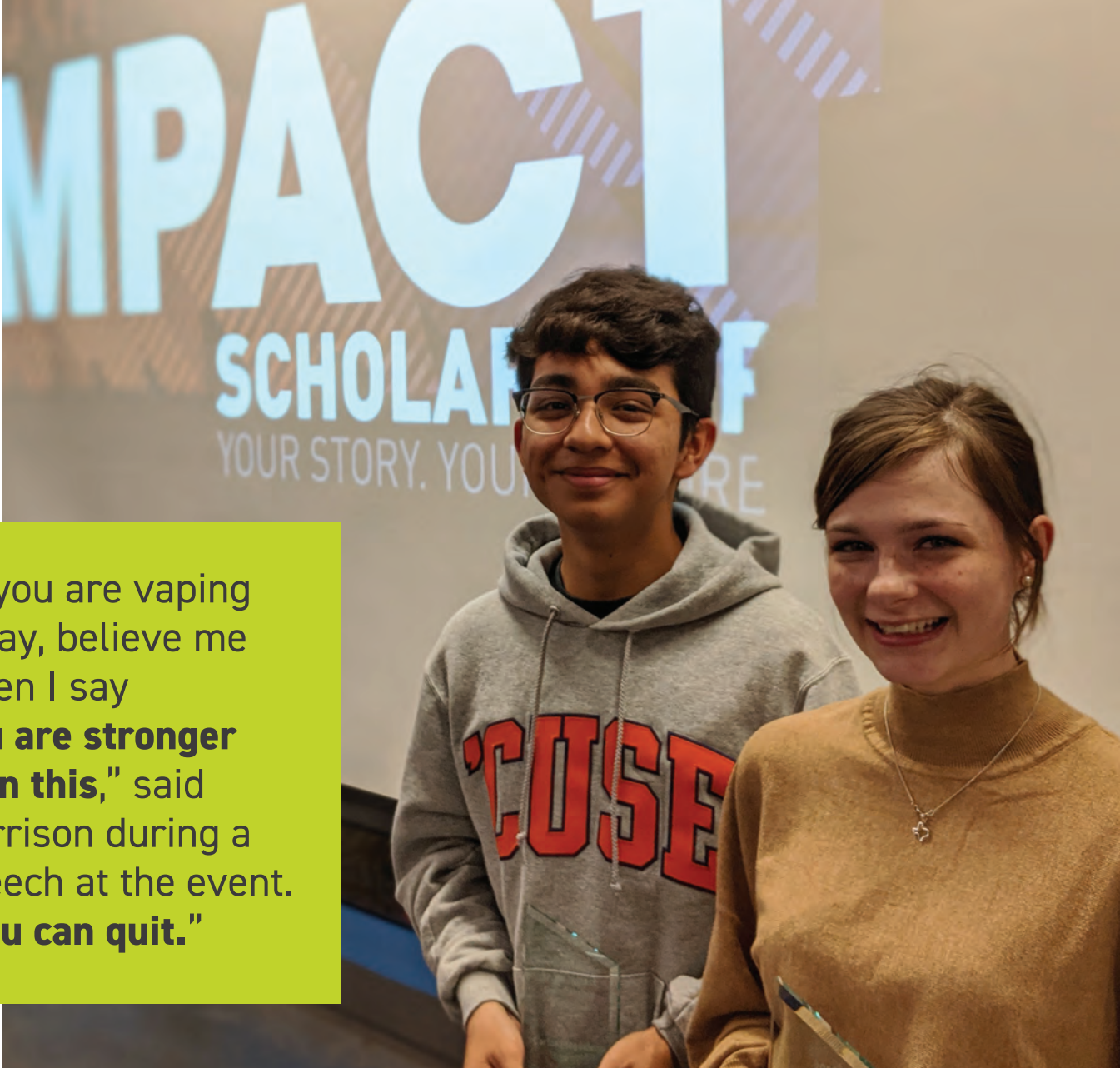
*—Oscar Sanchez, Texas, who worked with peers on a strategy to pass park ordinances*

**"I had the opportunity to develop, train and define activism and establish leadership styles."**

*—Sarah Ryan, Massachusetts, who produced a youth activism guide "Fight the Flavor: A youth activist's guide to addressing the e-cigarette epidemic"*

**"I created a space and outlet for my community to learn more about tobacco control."**

*—Sheryl Mcfadden, New York, who developed and led a painting event at Hampton University with art focusing on healthy choices*



“If you are vaping today, believe me when I say **you are stronger than this,**” said Harrison during a speech at the event. **“You can quit.”**

## TRUTH IMPACT SCHOLARSHIP

Two young tobacco control activists received the first-ever **truth** Impact Scholarship in 2019 for speaking out about the harms of e-cigarettes. The inaugural winners of the \$10,000 and \$5,000 scholarship were Ally Harrison of Baytown, Texas and Carlos Magdaleno of Santa Ana, California.

Harrison, 18, is a former vaper-turned-activist who started using e-cigarettes when she was a freshman in high school. After more than four years of vaping, she is now nicotine-free, and tells her story about her experience with e-cigarettes to help others quit or not start vaping at all. Carlos Magdaleno, 18, from Santa Ana, California, first became interested in tobacco control after seeing many of his peers become addicted to nicotine and is committed to work that inspires tobacco-free living, especially through his aspiring filmmaking career. Both winners participated in the National Day of Action.

## ON-THE-GROUND ACTION

Truth Initiative activists led events across the country, including our National Day of Action and hundreds of local events.

### NATIONAL DAY OF ACTION

A protest outside JUUL's Washington, D.C., office kicked off more than 100 events across the country with thousands of young people rallying for their peers to ditch JUUL and for the FDA to remove flavored e-cigarettes, including mint and menthol, and do its job of regulating the products. Youth activists followed the protest by participating in a listening session at the White House and meeting with dozens of Congressional offices, including those of Speaker Nancy Pelosi and Representative Raja Krishnamoorthi, and Senators Dick Durbin and Mitch McConnell.



Amid chants of “lives over profits,” “we are not for sale,” and “JUUL is getting richer, while we’re getting sicker,” young activists, including former vapers, spoke out against the giant e-cigarette maker and its history of targeting youth with its marketing and kid-friendly flavors.

The National Day of Action followed the **truth** campaign, **“Tested on Humans”** that highlights how little is known about the long-term effects of e-cigarettes, which remain unregulated, exposing an entire generation to the risk of nicotine addiction and allowing them to be treated like human guinea pigs.

At a listening session at the White House following the event, activists answered questions from the first lady about their personal experiences with vaping, including e-cigarette use in schools.





### TRUTH ON CAPITOL HILL

Our young activists were a major presence at three Congressional hearings on the youth e-cigarette epidemic, drawing attention to the need to hold e-cigarette makers and national leaders accountable.

The House Committee on Oversight and Reform held a two-part congressional hearing in July to examine JUUL's role in the epidemic that provided, with the company's own testimony and documents, startling evidence of its use of Big Tobacco's tactics to target young people. The House Committee on Oversight and Investigations of the Committee on Energy and Commerce held a separate hearing in February to examine e-cigarette manufacturers' impact on public health. At that hearing, chief executives of major e-cigarette companies admitted, under oath, that their products can lead to nicotine addiction and that they do not know all the harmful health effects of nicotine, a fact featured in the **truth** campaign "Tested on Humans."

More than a dozen young activists were present at both hearings, seated directly behind tobacco executives in bright #DITCHVAPE shirts. Following the hearings, they talked with reporters and visited Congress members' offices to speak about the youth e-cigarette epidemic.

### TOBACCO-FREE PHARMACIES

Truth Initiative continued its series of activism efforts aimed at getting pharmacies to stop selling tobacco. In January 2020, Truth Initiative brought young activists to the annual Walgreens shareholders meeting for the fourth time to directly ask executives about eliminating tobacco products from its stores and continue to pressure the pharmacy chain. Almost 17,000 young people signed a **truth** petition supporting tobacco-free pharmacies in 2019 and for the past two years, **Truth Initiative has also brought pharmacists to lend their voices** to the issue and make the message clear: tobacco products do not belong in pharmacies.





**INNOVATIONS  
TO QUIT  
SMOKING &  
VAPING**

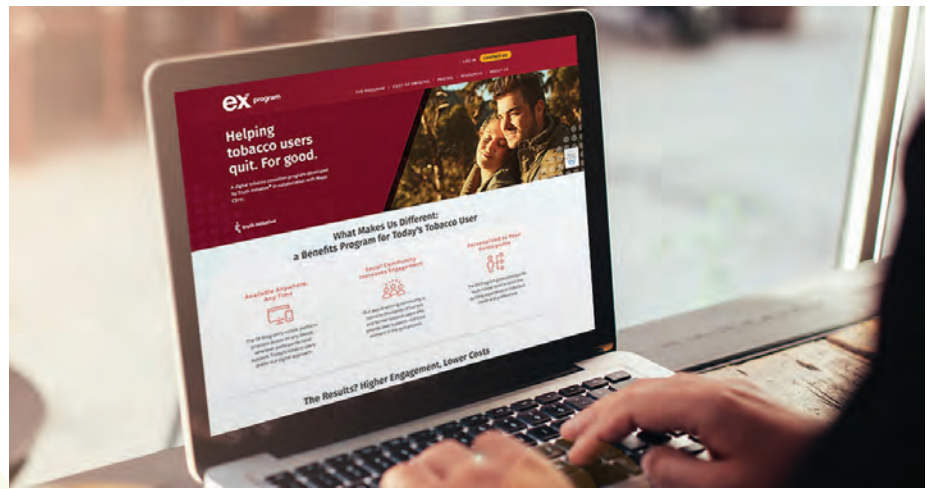
Digital cessation  
programs that save lives



Truth Initiative delivers powerful programs that help people quit tobacco and nicotine for good. Backed by science, our proven-effective quit programs have empowered over a million people on their journeys to quit. We continue to expand and optimize these evidence-based resources to give people the best support available to quit smoking, vaping, dipping or chewing tobacco. This work contributed to Fast Company naming Truth Initiative one of the world's 50 most innovative companies and a top 10 non-profit organization.

Last year, we met an urgent demand to stem the youth e-cigarette epidemic by helping young people quit vaping, multiplied our impact by partnering with organizations serving millions of people, and broke new ground in quitting research. Our first-of-its-kind quit vaping program (This is Quitting), a free and anonymous text message program created with input from young people who have successfully or attempted to quit vaping, enrolled more 100,000 people in its first year alone (and now over 168,000 users and counting), and saw an explosion of new users after it was featured in its first truth campaign, "Ready to Ditch JUUL." Early findings published in *Nicotine & Tobacco Research* show that the program is working — 61% of respondents indicated they had reduced or stopped using e-cigarettes at a two-week follow up assessment. Building on this data, we launched the first-ever vaping cessation randomized trial in December, funded with support from a CVS Health Foundation grant, to comprehensively evaluate the program and provide critical information about quitting.

**168K+**  
enrolled in our  
quit vaping program  
**This is Quitting**



The EX Program, our enterprise digital tobacco cessation program designed for employers, health systems and health plans to offer to their employees and members, continues to be a market leader in the health and wellness industry. The EX Program now has 51 clients spanning a range of industries, from healthcare to engineering to agriculture, including large employers like BAE Systems, LAZ Parking and Mapfre Insurance. It also brought on the largest client to date: a major health plan serving millions of members to be announced and launched in FY21. EX Program also continues to build out their partnership network, coming together with Virgin Pulse, the largest global wellbeing platform.



Consistent with our public health mission, we continue to deliver the freely available BecomeAnEX ('EX') cessation program to tens of thousands of tobacco users throughout the U.S. Now 12 years old, EX boasts the largest and longest running online community for tobacco cessation and has helped more than 800,000 people through its proven suite of interactive digital tools. Research has shown that following the EX plan quadruples a tobacco user's chance of quitting.



Throughout the year, our National Institutes of Health-funded research yielded important findings that we shared in peer-reviewed manuscripts and at two Truth Initiative Kenneth E. Warner Series events that drew thousands of participants: ["Quitting in the Age of Vaping"](#) and ["Quitting Tobacco for Good: How Digital Cessation Programs Are Making an Impact in Communities, Workplaces and Beyond."](#) We also disseminated our work through dozens of webinars and conference presentations to advance the science on how digital programs can help people of all ages tobacco for good.



## THIS IS QUITTING

More than 5.3 million kids now use e-cigarettes and they aren't just experimenting: 1.6 million middle and high school students reported that they vape at least 20 days a month, signaling a growing youth addiction crisis.

A Truth Initiative survey from 2019 revealed that almost half of 15- to 24-year-olds who vape said they wanted to quit using e-cigarettes as a 2020 resolution, and more than half (54.5%) of middle and high school students who currently use e-cigarettes reported seriously thinking about quitting, according to the 2019 National Youth Tobacco Survey. Our free and anonymous text message program

This is Quitting is meeting this critical need and generating promising results. As enrollment soared past 100,000 at the program's one-year anniversary, we launched the first national randomized trial on youth vaping cessation. The study, supported by a CVS Health Foundation grant, builds on promising preliminary data to evaluate the effectiveness of the program and provide essential information for combatting the youth e-cigarette epidemic. Throughout the program's first year, This is Quitting was featured in major national outlets, including the Today Show, NPR, Mashable and Healthline, among many others.

In addition to directly providing young vapers with free support, This is Quitting partners with state and local governments, schools, health plans and other youth-serving organizations to customize the program for their unique populations. This is Quitting now has contracts with 19 partners who receive customized, co-branded versions and reporting about enrollment and engagement. As leaders in this field, we hosted ["Quitting in the Age of Vaping,"](#) a Warner Series webinar with Innovations digital cessation experts; high school student, former vaper and **truth** finisher Luka Kinnard; and youth addiction expert Dr. Susanne Tanski. Nearly 1,000 participants tuned into the discussion.

**Almost half of 15- to 24-year-olds who vape said they wanted to quit using e-cigarettes as a 2020 resolution.**



## THIS IS QUITTING TESTIMONIALS

This is Quitting users receive interactive daily text messages offering encouragement, empathy, motivation, tips and advice tailored by age group to give appropriate recommendations about quitting. Here's what some young users have said about the program:

**They are cool, they make me feel as if I'm not alone in this journey.**

—Anonymous, teen

**It expresses the emotions of quitting from other people.**

—domlussier, teen

**They're not super in your face. They serve as a quick "hey don't do the thing you're thinking about right now."**

—Cole, teen

**They remind me there's no room to turn back to something harmful.**

—Meredith, young adult

**They make it seem like there is a way out of addiction.**

—Chase, teen

**They're the one thing rooting for me to quit.**

—EG, teen

**They encourage me not to JUUL, they offer alternatives when I get a craving. I started going to the gym and working out instead of JUULing.**

—Scarlett, young adult

## EX PROGRAM

The EX Program, developed in collaboration with Mayo Clinic, builds on the popular quit tools and online community from EX to deliver an enterprise-level experience that includes personalized, digital coaching and medication support from tobacco treatment specialists for tobacco users, as well as full-service marketing and promotional support and robust analytics for clients.

In 2019, the EX Program experienced a 260% year-over-year growth in users and developed and rolled out new features, including enhanced content for quitting smokeless tobacco, resources for adults who want to quit vaping, and tailored support for parents of young e-cigarette users. Through the EX Program, parents can sign up for daily text messages to understand vaping and nicotine addiction, how to recognize it, and advice on how to help their child quit. Parents can also access one-on-one live chat support, making it easy to connect with treatment experts who have a deep level of knowledge and experience in the addiction world to inform their guidance. The EX Program also connects parents to online communities of current and former e-cigarette users to help them understand what their loved ones are going through during their journey to quit.



The EX Program established Truth Initiative as a major player in workplace wellness, receiving coverage in prominent industry media, including Employee Benefit News, Talent Management & HR, Human Resource Executive and Workforce. Coverage included Truth Initiative [research](#) showing that vaping in the workplace is a much bigger concern than many employers recognize, especially for those who don't vape. For example, 63% of Truth Initiative survey respondents said vaping in the workplace bothered them and more than half (55%) of non-vapers agreed that vaping in the workplace decreases productivity for those who do not vape. The findings suggest that companies should add vaping to no-smoking workplace policies.

The Warner Series webinar [“Quitting Tobacco for Good: How Digital Cessation Programs Are Making an Impact in Communities, Workplaces and Beyond”](#) addressed how innovative, evidence-based quitting interventions like the EX Program are providing powerful support and unprecedented results for the more than 40 million adults in the U.S. who still use tobacco. Truth Initiative leaders Dr. Amanda Graham and Jennifer Gendron were joined by Dr. Corrine Graffunder, director of the CDC Office on Smoking and Health, Dr. Michael Burke, clinical coordinator for the Mayo Clinic Nicotine Dependence Center and Dr. David Price, director of Mission Services/ Medical Ethics at Mercy Medical Center. Journalist Maggie Fox moderated the discussion, which was livestreamed to over 1,000 participants.

# AWARDS

While the true measure of success is the lives saved, we are proud that Truth Initiative continues to receive recognitions for our creativity, innovation and efficacy. Below is a selection of awards we received during 2019 and the beginning of 2020.



**Fast Company** — Top 50 World's Most Innovative Companies, Top 10 Most Innovative Not-for-profit organizations

**Campaign US Power of Purpose** — won for Treatment Box

**The ANDYs** — won gold in Idea (plus Social Good incremental) for Treatment Box

**Halo Award** - Gold in Health for The Truth About Opioids

**Art Director's Club** — won silver in Experiential Design — Single Spatial Design for Treatment Box

**Hermes Creative Awards** — won gold in Television placement for Text-to-quit and honorable mention in Online placement for Text-to-quit

**Shorty Awards** — won gold in Integrated Campaign for *The Truth About Opioids*, silver in Best Social Activism for Not Happy or Healthy, gold in Best in Pre-Roll for Safer ≠ Safe, and gold in Medium-Length Video for Better Butts

**Shorty Awards for Social Good** — won in Media Partnership category for Chuggin on Clouds, won gold in Public Health category for Treatment Box

**AICP Next** — won in Next Innovation for Treatment Box

**Effies** — won bronze in Sustained Success for Be the generation that ends smoking

**Webby Awards** — honoree in Public Service & Activism for You Torch, Bro?

**Daytime Emmys** — won in Outstanding Special Class — Short Format Daytime Program for Treatment Box

**ANA's REGGIE Awards** — won bronze in Experiential Marketing (Budget Under \$1M) for truth x BIGS and won gold in Experiential Marketing (Budget Under \$1M) for truth zombie rally

**Advertising Research Foundation David Ogilvy Awards** — won gold in Government, Public Service and Non-Profit for *The Truth About Opioids*

**Alliance for Workplace Excellence** — won Health & Wellness Seal of Approval, Workplace Excellence Seal of Approval and Health & Wellness Trailblazer Award

**Adventist HealthCare** — won LifeWork Strategies Flu Fighter Award

**2019 goDCgo Employer Ambassador Awards** — won Gold Ambassador

**Society of Behavioral Medicine** — won Jessie Gruman Award for Health Engagement

**2019 Hatch Awards** — won bronze for Cause Related Non-Profit Website





MOORE  
R

NANCY BROWN  
VICE CH

DOUG PETERSON

RASSETT, MD, MPH

# FINANCIALS & BOARD OF DIRECTORS

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CTOR

ROBIN KOVAL  
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STEVE OYER  
DIRECTOR

THE HONORABLE  
GINA RAIMONDO  
DIRECTOR

# TRUTH INITIATIVE FOUNDATION

## BALANCE SHEETS

JUNE 30, 2019 AND 2018 (IN THOUSANDS)

| <b>ASSETS</b>                 |    | <b>2019</b> |    | <b>2018</b> |
|-------------------------------|----|-------------|----|-------------|
| Cash and cash equivalents     | \$ | 122,090     | \$ | 117,004     |
| Investments                   |    | 792,313     |    | 842,898     |
| Accrued interest receivable   |    | 281         |    | 287         |
| Grants receivable             |    | 247         |    | 342         |
| Prepaid expenses              |    | 1,621       |    | 1,612       |
| Trades to be settled          |    | 353         |    | 24          |
| Property and equipment, net   |    | 5,055       |    | 6,551       |
| 1724 Mass. Ave. building, net |    | –           |    | 23,617      |
| Other assets                  |    | 427         |    | 141         |
| Total                         | \$ | 922,387     | \$ | 992,476     |

### LIABILITIES AND NET ASSETS

|   |           |                |           |                |
|---|-----------|----------------|-----------|----------------|
| Liabilities:                              |           |                |           |                |
| Accounts payable and accrued expenses     | \$        | 10,268         | \$        | 17,513         |
| Liability on interest rate swap agreement |           | 4,972          |           | 3,439          |
| Loan payable                              |           | 60,000         |           | 60,000         |
| Deferred rent                             |           | 4,547          |           | 4,952          |
| Deferred revenue                          |           | 82             |           | 241            |
| Refundable advance                        |           | 522            |           | 1,202          |
| Other liabilities                         |           | 1,571          |           | 1,191          |
| Total liabilities                         | \$        | 81,917         | \$        | 88,538         |
| Net assets without donor restrictions     |           | 840,470        |           | 903,938        |
| <b>TOTAL LIABILITIES AND NET ASSETS</b>   | <b>\$</b> | <b>922,387</b> | <b>\$</b> | <b>992,476</b> |

# TRUTH INITIATIVE FOUNDATION

## STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2019 AND 2018 (IN THOUSANDS)

| <b>REVENUE AND SUPPORT</b>                   |           | <b>2019</b>    |    | <b>2018</b> |
|--|-----------|----------------|----|-------------|
| Rental income                                | \$        | 185            | \$ | 2,417       |
| Sponsored projects and other income          |           | 4,176          |    | 2,905       |
| Investment income, net of fees               |           | 24,907         |    | 72,510      |
| Gain on sale of 1724 Mass. Ave. building     |           | 8,817          |    | -           |
| Settlement proceeds:                         |           |                |    |             |
| Public education                             |           | 131            |    | 148         |
| Total revenue and support                    | \$        | 38,216         | \$ | 77,980      |
| <br>   |           |                |    |             |
| <b>EXPENSES</b>                              |           |                |    |             |
| Program expenses:                            |           |                |    |             |
| Counter-marketing and public education       | \$        | 61,219         | \$ | 71,688      |
| Communications                               |           | 4,724          |    | 4,777       |
| Truth Initiative Schroeder Institute         |           | 10,115         |    | 8,431       |
| Innovations                                  |           | 6,423          |    | 5,323       |
| Community and youth engagement               |           | 4,313          |    | 4,409       |
| Program grants                               |           | 1,820          |    | 3,972       |
| Other programs                               |           | 1,143          |    | 1,127       |
|  | \$        | 89,757         | \$ | 99,727      |
| Supporting services:                         |           |                |    |             |
| General and administrative                   | \$        | 11,669         | \$ | 9,792       |
| Building expenses                            |           | 258            |    | 1,128       |
| <b>TOTAL EXPENSES</b>                        | \$        | 101,684        | \$ | 110,647     |
| Change in net assets                         | \$        | (63,468)       | \$ | (32,667)    |
| <br>   |           |                |    |             |
| <b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b> |           |                |    |             |
| Beginning                                    | \$        | 903,938        | \$ | 936,605     |
| Ending                                       | <b>\$</b> | <b>840,470</b> | \$ | 903,938     |

# TRUTH INITIATIVE FOUNDATION

## STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2019 AND 2018 (IN THOUSANDS)

| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>  |    | <b>2019</b> |    | <b>2018</b> |
|---|----|-------------|----|-------------|
| Change in net assets  | \$ | (63,468)    | \$ | (32,667)    |
| Adjustments to reconcile change in net assets to net cash used in operating activities: |    |             |    |             |
| Realized and unrealized gain on investments   | \$ | (13,871)    | \$ | (60,055)    |
| Other investment gain   |    | (1,628)     |    | (5,217)     |
| Depreciation  |    | 1,805       |    | 2,214       |
| Gain on sale of 1724 Mass. Ave. building  |    | (8,817)     |    | -           |
| Change in interest rate swap agreement  |    | 1,488       |    | (1,228)     |
| Deferred rent   |    | (405)       |    | (358)       |
| Changes in assets and liabilities:  |    |             |    |             |
| (Increase) decrease in:   |    |             |    |             |
| Accrued interest receivable   |    | 6           |    | (25)        |
| Grants receivable   |    | 95          |    | 425         |
| Prepaid expenses  |    | (9)         |    | (672)       |
| Trades to be settled  |    | (329)       |    | 782         |
| Other assets  |    | (286)       |    | 177         |
| Increase (decrease) in:   |    |             |    |             |
| Account payable and accrued expenses  |    | (7,245)     |    | 6,404       |
| Deferred revenue  |    | (159)       |    | 212         |
| Refundable advance  |    | (680)       |    | 989         |
| Other liabilities   |    | 380         |    | 82          |
| Net cash used in operating activities   | \$ | (93,123)    | \$ | (88,937)    |

# TRUTH INITIATIVE FOUNDATION

## STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2019 AND 2018 (IN THOUSANDS)

| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>              | <b>2019</b> | <b>2018</b> |
|---|-------------|-------------|
| Proceeds from sale of building                            | \$ 32,384   | \$ -        |
| Purchase of property and equipment                        | (259)       | (1,052)     |
| Proceeds from sale of investments                         | 285,357     | 214,524     |
| Purchases of investments                                  | (219,273)   | (136,910)   |
| Net cash provided by investing activities                 | \$ 98,209   | \$ 76,562   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>              |             |             |
| Draws on line of credit                                   | \$ -        | \$ -        |
| Net cash provided by financing activities                 | -           | -           |
| Net (decrease) increase in cash and cash equivalents      | \$ 5,086    | \$ (12,375) |
| <b>CASH AND CASH EQUIVALENTS:</b>                         |             |             |
| Beginning   | \$ 117,004  | \$ 129,379  |
| Ending  | \$ 122,090  | \$ 117,004  |
| <b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:</b> |             |             |
| Cash paid for interest                                    | \$ 1,606    | \$ 1,718    |
| Cash paid for income taxes                                | \$ 47       | \$ 26       |



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AS OF DECEMBER 2019

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Concord, NC

## **ANGELA PUESCHELL (YOUTH BOARD LIAISON)**

University of South Florida  
Tampa, FL

## **THE HONORABLE GARY R. HERBERT (SERVED 09/10-09/19)**

Governor of Utah  
Salt Lake City, UT

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AS OF DECEMBER 2019

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CEO and President

## **ERIC ASCHE**

Chief Marketing and Strategy Officer

## **DERRICK BUTTS**

Chief Information and Cybersecurity Officer, IT

## **DAVE DOBBINS**

Chief Operating Officer

## **ROBERT FALK**

General Counsel

## **AMANDA GRAHAM**

Chief of Innovations

## **TRICIA KENNEY**

Chief Communications Officer

## **ANTHONY O'TOOLE**

Executive Vice President and Chief Financial and Investment Officer

## **ANNA SPRIGGS**

Chief of Human Resources and Administration

## **AMY TAYLOR**

Chief of Community Engagement

## **DONNA VALLONE**

Chief Research Officer, Truth Initiative Schroeder Institute





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