

ECONOMIC COSTS OF SUBSTANCE ABUSE

The Introduction to the *Status Report* alluded to the significant role of substance abuse in contributing to conditions that stifle personal potential. Economic studies have been conducted to assess the costs associated with alcohol and drug abuse. These studies have cited lost productivity as major impacts. Besides long-term opportunity losses, alcohol and drug abuse problems require huge financial outlays by society—both individually and collectively. These expenditures pay for substance abuse related medical conditions, fetal alcohol spectrum disorders and other adverse birth conditions, property damage, insurance, criminal justice and social services programs, substance abuse treatment, and other costs.

The charts on page C-1 illustrate the costs of alcohol abuse, drug abuse, and smoking identified in nationwide studies. In 1998, alcohol abuse generated costs estimated at \$184.6 billion annually in the United States. These were comprised of expenditures of \$50.43 billion and lost productivity of \$134.21 billion. Major expenditures included health care costs of \$26.34 billion—\$7.47 billion for alcohol services and \$18.87 billion for medical treatment of alcohol related health problems. Other outlays totaled \$24.09 billion including \$15.74 billion for property damage caused by intoxicated drivers, \$1.54 billion for fire damage related to intoxication, and \$6.33 billion for alcohol-related crime. The productivity losses included lost earnings due to alcohol related illnesses, premature deaths, and alcohol related crime. Illnesses accounted for \$87.62 billion while lost earnings amounted to an estimated \$36.50 billion, including \$8.59 billion due to alcohol related traffic crash deaths. Alcohol related motor vehicle crash injuries and deaths had a total economic cost of \$24.34 billion in 1998 and an immeasurable personal impact on victims and families. Alcohol related crime expenditures and lost productivity totaled \$16.41 billion annually.

Drug abuse has similarly large economic costs. In 2002, the estimated national costs to society for drug abuse totaled \$180.8 billion. Drug related expenditures included \$15.84 billion for substance abuse treatment and health care and \$36.41 billion for law enforcement, criminal justice, and welfare. Productivity losses of crime victims reached \$128.56 billion.

Missouri's portion of the alcohol and drug related costs were not determined in the nationwide economic studies. Missouri has 1.95 percent of the total U.S. population. However, the State has 2.13 percent of the nation's adolescents and adults with alcohol or illicit drug dependence or abuse, according to 2005 and 2006 data from the National Survey on Drug Use and Health (NSDUH). Missouri has a larger portion—2.25 percent—with alcohol dependence or abuse than the 1.88 percent with drug dependence or abuse. Based on census figures and the prevalence rates, the Missouri Division of Alcohol and Drug Abuse estimates the State's portion of the economic cost of alcohol abuse (in 1998 dollars) is \$3.88 billion per year. Similarly, Missouri's estimated cost of drug abuse (in 2002 dollars) is \$3.46 billion annually.

A recent report from the Centers for Disease Control and Prevention titled *Sustaining State Programs for Tobacco Control: Data Highlights 2006* provides smoking related cost estimates for each State in 2004. Nationwide medical costs for smoking were \$96.8 billion, and productivity losses due to smoking were \$97.7 billion. Missouri's annual costs were \$2.14 billion for medical expenditures—including \$532 million in direct Medicaid payments—and \$2.42 billion in lost productivity. These combined costs were 2.34 percent of the U.S. smoking related costs and proportional to smoking prevalence estimates. The 2005 and 2006 NSDUH data indicate Missouri has an estimated 1,427,000 cigarette smokers—2.34 percent of the U.S. total of 61,048,500.