

CADY CORNER 8/06/09

New Report Says Substance Abuse Costs Governments Nearly \$500 Billion

The detrimental effects and consequences of substance abuse and addiction cost federal, state and local governments at least \$467.7 billion in 2005, according to *Shoveling Up II: The Impact of Substance Abuse on Federal, State and Local Budgets*, a new report released in May by The National Center on Addiction and Substance Abuse (CASA) at Columbia University. Despite this, only 1.9 percent of federal and state spending went to prevention and treatment.

The report, based on three years of research and analysis, is the first ever to assess the costs of tobacco, alcohol and illegal and prescription drug abuse to all levels of government. Using the most conservative assumptions, the study concluded that the federal government spent \$238.2 billion; states, \$135.8 billion; and local governments, \$93.8 billion, in 2005 (the most recent year for which data were available over the course of the study).

“Under any circumstances, spending more than 95 percent of taxpayer dollars on the crime, health care costs, child abuse, domestic violence, homelessness and other consequences of tobacco, alcohol and illegal and prescription drug abuse and addiction, and only two percent to relieve individuals and taxpayers of these burdens, is a reckless misallocation of public funds. In these economic times, such upside-down-cake public policy is unconscionable,” said Joseph A. Califano, Jr., CASA’s Founder and Chair. “It’s past time for this fiscal and human waste to end.”

The report found that the largest amount of federal and state government spending on the burden of substance abuse and addiction—\$207.2 billion, or 58 percent—was for health care (74.1 percent of the federal burden). The second largest amount—\$47 billion, or 13.1 percent—was spent on justice systems, including incarceration, probation, parole, criminal, juvenile and family courts (32.5 percent of the state burden).

CADCA (Community Anti-Drug Coalitions of America) Chairman and CEO, Gen. Arthur Dean issued a statement in response to the report: “The CASA report issued today underscores the critical importance of stopping drug abuse before it starts. But instead of increasing federal commitments to prevention, we are facing reductions. An example is the President’s 2010 budget request which reduces prevention funding by 10.6% overall and zeroes out the State Grants portion of the Safe and Drug-Free Schools and Communities (SDFSC) program. CADCA and many prevention advocates across the country are fighting to save this school-based prevention infrastructure.”

Some of the other key findings in CASA’s report include:

- For every dollar the federal and state governments spent on prevention and treatment, they spent \$59.83 shoveling up the consequences, despite a growing body of scientific evidence confirming the efficacy and cost savings of science-based interventions.
- With respect to children, for every dollar federal and state governments spent on prevention or treatment, they spent \$60.25 shoveling up the consequences of substance abuse and addiction.
- For each dollar in alcohol and tobacco taxes and liquor store revenues that federal and state

governments collect, they spend \$8.95 shoveling up the consequences of substance abuse and addiction.

For more information on the report, visit www.casacolumbia.org.

It is very clear from the above data, that prevention spending is fiscally responsible spending. CADY has built a strong prevention infrastructure, leveraging over two million in grant dollars (since our inception in 2000) through funding from federal, state, county and local governments, and private foundations, to do so. These monies have collectively built a strong prevention infrastructure in the regions we serve – Linwood, Newfound and Pemi-Baker. And the good news is that statistics show that on a local level – prevention is working. The 2007 TAP Survey (Teen Assessment Project) results for Newfound and Plymouth Regional High Schools indicate that each has rates of alcohol use, binge drinking, and marijuana use that are significantly lower than the state rates. Indeed, Plymouth Regional High School has the lowest rates of recent alcohol use (26 percent) and binge drinking (15 percent) of any of the schools for which data were available. At 14 percent, its students’ marijuana use is also among the lowest. *We know that prevention works – and it’s working here*

Every year thousands of New Hampshire youth make a choice—a choice to use or not use alcohol, tobacco, and other drugs. CADY’s job is to help our youth make healthy and safe choices. We serve the communities of Lin-Wood, Newfound, and Pemi-Baker in various capacities with a focus on prevention-based activities designed to prevent and reduce youth alcohol, tobacco, and other drug use. For more information about CADY, our prevention resources, and how to support our local prevention efforts please visit our web site at www.cadyinc.org.

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