

ECONOMIC COSTS OF SUBSTANCE ABUSE

Alcohol and other drug abuse problems generate huge economic costs consisting of financial outlays and long-term opportunity losses. Economic studies are occasionally conducted or updated to quantify these impacts in the United States. The estimated nationwide costs of alcohol abuse were \$184.6 billion per year in 1998 and increasing annually. Components of these costs include productivity losses, medical expenditures, fetal alcohol syndrome, property damage, and criminal justice involvement. State-level costs are not determined in the national studies. Missouri has nearly two percent of the U.S. population. Analysis of the National Survey on Drug Use and Health (NSDUH) for 2004 and 2005 reveals that Missouri has an estimated 427,000 residents with alcohol dependence or abuse—2.3 percent of the 18,665,000 nationwide. Using these figures, Missouri's portion of the economic cost of alcohol abuse is estimated to be in the range of \$3.6 billion to \$4.2 billion annually. Based on the economic study and NSDUH, individuals with alcohol problems generate average annual costs of \$9,897.

The societal economic costs of drug abuse were estimated to be \$180.9 billion in 2002. According to the 2004 and 2005 NSDUH surveys, Missouri has approximately 143,000 residents with illicit drug dependence or abuse compared to 7,065,000 nationwide. By applying the methodology used above for alcohol dependence and abuse, the estimated annual drug abuse cost in Missouri is \$3.5 billion to \$3.7 billion. Productivity losses, especially from drug related crime careers and incarcerations comprise roughly 71 percent of society's drug abuse costs. Another 20 percent are criminal justice expenditures and crime victim losses, and nine percent are health care costs for drug related illnesses. The data indicate that the average cost attributed to individuals with illicit drug dependence or abuse is \$25,591 per year.

Based on the 2004 and 2005 NSDUH, there are an estimated 60,208,000 smokers in the United States and 1,429,000 in Missouri. According to studies by the Centers for Disease Control and Prevention, costs attributed to cigarette smoking reached \$173.8 billion in the United States in 2001. The main components of these costs were smoking related productivity losses and health care expenditures. The economic impact of smoking on Missouri was slightly over \$4 billion, consisting of \$2.35 billion for productivity losses and \$1.67 billion for expenditures. Each smoker generated over \$2,800 in economic costs. Missouri had 2.31 percent of the national economic cost of smoking—almost identical to the state's estimated 2.37 percent of the nation's smokers.