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Dr. Richard Scribner, active in HopeNetworks, his work with LSU Health Sciences produces a great deal of research on alcohol outlets; he is an expert in the area of alcohol and community impact (fiscal costs). We thank him for this updated Alcohol Costs data.

Subject: Cost of Alcohol Use and Abuse in Louisiana

According to National Institute of Alcoholism and Alcohol Abuse (NIAAA) in their *10th Report to Congress on Alcohol and Health* published in June 2000 the economic cost of alcohol abuse in Louisiana is estimated at \$2.989 billion in 1998¹. The costs are broken down into direct economic costs related to services received and indirect economic costs related loss of productivity and future earnings. The costs for Louisiana are directly proportional to number of US residents that live in Louisiana.

According to the NIAAA the direct economic costs of alcohol abuse in Louisiana total \$814 million. The costs are primarily related to government services in the areas of health care costs and the costs of ancillary services for dealing with alcohol related outcomes. The health care costs in Louisiana total \$120 million for treatment, prevention, and support services and \$305 million for the medical consequences of alcohol consumption. The cost of ancillary services are estimated at \$254 million for motor vehicle crashes, \$102 million for alcohol related crime, \$25 million related to fire destruction, and \$7.8 million for social administration.

The indirect economic costs of alcohol abuse in Louisiana total \$2.166 billion. The costs are related to loss of productivity and loss of future earning due to alcohol related outcomes. The costs related to loss of productivity related to alcohol related illness are estimated at \$1.414 billion. The costs related to loss of future earnings due to premature death are estimated at \$589 million. Finally, the costs related to loss of productivity due to alcohol related crime are estimated at \$163 million.

Most of the direct economic costs related to alcohol abuse represent government services paid by Louisiana taxpayers. Tax equity would require that the alcohol industry pay a significant portion of these costs. Instead alcohol excise taxes paid by the alcohol industry total \$50 million leaving a deficit of approximately \$750 million paid annually by Louisiana taxpayers. Consequently the profits that the alcohol industry enjoys are not linked to the economic costs of alcohol consumption; instead those costs are paid by the taxpayers of Louisiana. To re coup these costs the alcohol excise tax would have to be raised from its current rate of roughly 3 cents per drink to 40 cents a drink (i.e. a 12 ounces of beer, 5 ounces of wine, and 1.5 ounces of liquor).

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¹ *10th Special Report to the U.S. Congress on Alcohol & Health, DHHS. June 2000.*
<http://www.niaaa.nih.gov/publications/10report/chap06c.pdf>