

ISSUE BRIEF #4

Investing in Addiction Treatment Social Costs the U.S. Cannot Afford to Ignore

Right now more than 23 million Americans suffer from alcohol and drug addiction and need treatment; sadly, only one in 10 of them (2.3 million) gets the treatment they need.ⁱ

Treating addiction strengthens our communities and families. Treatment is known to increase productivity, decrease crime, improve family and community situations, reduce demand for public services (from child welfare and family support to public safety), lower health care costs and save lives.ⁱⁱ While addiction-related deaths currently comprise more than 20 percent of the deaths in America every yearⁱⁱⁱ, treatment can help prevent such devastating losses.

Addressing the Addiction Treatment Gap Will Save Money

Treating addiction yields significant, proven positive economic benefits.^{iv} When people are treated for addiction the costs associated with crime, accidents, absenteeism from work, and other areas, are all reduced. In fact, total savings associated with treating addiction can exceed the costs of that treatment by up to 12 to 1.^v

Tight government budgets and continued economic turmoil result in a strong temptation to cut social programs in order to maintain budget discipline. But not all budget cuts result in a cost savings. Investing in effective addiction treatment now enables meaningful cost savings in the future, both short and long-term.

Adding up the Social Costs of Untreated Addiction

Drug addiction alone costs the American economy more than \$180 billion every year; adding in the costs associated with alcohol addiction the costs reach into several hundred billion.^{vi}

Crime

Many people who commit crimes are under the influence of drugs, alcohol or both when arrested^{vii}. Treatment can cut drug use in half, drastically decrease criminal activity, and significantly reduce arrests.^{viii}

And yet, even though we know treatment reduces law enforcement and criminal justice-related costs, federal funding for drug treatment and prevention dropped from 2005 to 2007, while spending on law enforcement increased.^{ix}

- It can cost between \$25,000^x and \$40,000^{xi} to incarcerate someone and \$23,000 to confine them in a Community Corrections Center for a year^{xii}, but can cost only between \$1,000 and \$8,000 for standard outpatient treatment of addiction^{xiii}.
- Residential drug treatment for cocaine is cheaper per year (\$12,467) than probation (\$16,691), or incarceration.^{xiv}

When we know that crime rates decrease with treatment^{xv}, we cannot afford to ignore the gap between those who need treatment and those who get it.

- 60.1 percent of adults arrested for any serious violent or property offense used an illicit drug in the past year.^{xvi}
- 37.2 percent of adults on parole or a supervised release from jail suffer from addiction.^{xvii}
- Methamphetamine use alone costs the U.S. \$4.2 billion in crime and criminal justice costs.^{xviii}

Family and Community

The costs of addiction to our families and communities is undeniable:

- More than 75 percent of reported domestic violence incidents occur while the attacker is under the influence of drugs or alcohol.^{xix}
- An estimated 75 percent of the parents of children in therapeutic foster care have records of substance addiction problems.^{xx}
- An estimated 45 percent of the out-of-home placements for children under two years of age occurred among infants born to mothers using alcohol or other drugs during their pregnancy.^{xxi}
- Methamphetamine use alone costs the U.S. more than \$900 million a year for endangered children put into foster care as a result of parents' use, and \$61 million for injuries and deaths at exploding meth labs and for cleaning up the toxic wastes they produce.^{xxii}

Our workplaces also bear the burden of untreated addiction:

- 92 percent of human resources professionals agree that an effective treatment program increases employee productivity.^{xxiii}
- 67 percent of human resources professionals believe that access to an effective treatment program reduces overall health care costs for employers.^{xxiv}
- 67 percent of human resources professionals believe that untreated drug addiction is one of the most serious issues that companies face, leading to absenteeism, reduced productivity and lack of trust between employees and management.^{xxv}
- Lost productivity due to alcohol use alone costs businesses more than \$130 billion a year.^{xxvi}
- Methamphetamine use is estimated to contribute to \$687 million in lost productivity a year.^{xxvii}

ⁱ 2008 National Survey on Drug Use and Health: National Findings, Department of Health and Human Services, Substance Abuse and Mental Health Services Administration (SAMHSA), Office of Applied Studies (OAS), <http://www.oas.samhsa.gov/nsduh/2k8nsduh/2k8Results.cfm>

ⁱⁱ RAND Drug Policy Research Center, "The Economic Cost of Methamphetamine Use in the United States, 2005," Nancy Nicosia, Rosalie Liccardo Pacula, Beau Kilmer, Russell Lundberg, James Chiesa.

ⁱⁱⁱ Health Affairs, 2005; Congressional Quarterly Researcher, February 9, 2007.

^{iv} "Economic Benefits of Drug Treatment: A Critical Review of the Evidence for Policy Makers," February 2005.

^v National Institutes of Health, National Institutes on Drug Abuse, "NIDA InfoFacts: Treatment Approaches for Drug Addiction." <http://www.nida.nih.gov/infofacts/treatmeth.html>

^{vi} National Institutes of Health, National Institutes on Drug Abuse, "NIDA InfoFacts: Treatment Approaches for Drug Addiction." <http://www.nida.nih.gov/infofacts/treatmeth.html>

^{vii} Substance Abuse: The Nation's Number One Health Problem, February, 2001.

<http://www.rwjf.org/files/publications/other/SubstanceAbuseChartbook.pdf>

^{viii} U.S. Department of Health and Human Services: "The National Treatment Improvement Evaluation Study (NTIES)" – 1997. <http://ncadi.samhsa.gov/govstudy/f027/>

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- ^{ix} Congressional Quarterly Researcher: "Combating Addiction" – February 2007. <http://www.cqpress.com/product/Researcher-Combating-Addiction-v17-6.html>
- ^x Federal Register June 13, 2008. <http://www.thefederalregister.com/d.p/2008-06-13-E8-13265>
- ^{xi} Substance Abuse: The Nation's Number One Health Problem, February, 2001. <http://www.rwjf.org/files/publications/other/SubstanceAbuseChartbook.pdf>
- ^{xii} Federal Register June 13, 2008. <http://www.thefederalregister.com/d.p/2008-06-13-E8-13265>
- ^{xiii} ADSS Cost Study, Office of Applied Studies, July 2003. <http://www.oas.samhsa.gov/2k4/costs/costs.pdf>
- ^{xiv} Substance Abuse: The Nation's Number One Health Problem, February, 2001. <http://www.rwjf.org/files/publications/other/SubstanceAbuseChartbook.pdf>
- ^{xv} "Alternative Cost Offset Models," Washington State Department of Social and Health Research & Data Analysis Division, February 25, 2005.
- ^{xvi} "The NSDUH Report: Illicit Drug Use among Persons Arrested for Serious Crimes," December 2005. <http://www.oas.samhsa.gov/2k5/arrests/arrests.htm>
- ^{xvii} 2007 National Survey on Drug Use and Health: National Findings, Department of Health and Human Services, Substance Abuse and Mental Health Services Administration (SAMHSA), Office of Applied Studies (OAS), <http://www.oas.samhsa.gov/nsduh/2k7nsduh/2k7Results.cfm#Ch7>
- ^{xviii} RAND Drug Policy Research Center, "The Economic Cost of Methamphetamine Use in the United States, 2005," Nancy Nicosia, Rosalie Liccardo Pacula, Beau Kilmer, Russell Lundberg, James Chiesa.
- ^{xix} Substance Abuse: The Nation's Number One Health Problem, February, 2001. <http://www.rwjf.org/files/publications/other/SubstanceAbuseChartbook.pdf>
- ^{xx} "Alternative Cost Offset Models," Washington State Department of Social and Health Research & Data Analysis Division, February 25, 2005.
- ^{xxi} "Alternative Cost Offset Models," Washington State Department of Social and Health Research & Data Analysis Division, February 25, 2005.
- ^{xxii} RAND Drug Policy Research Center, "The Economic Cost of Methamphetamine Use in the United States, 2005," Nancy Nicosia, Rosalie Liccardo Pacula, Beau Kilmer, Russell Lundberg, James Chiesa.
- ^{xxiii} Hazelden Foundation Research – July 2007. <http://www.hazelden.org/web/public/2007workplacesurvey.page>
- ^{xxiv} Hazelden Foundation Research – July 2007. <http://www.hazelden.org/web/public/2007workplacesurvey.page>
- ^{xxv} Hazelden Foundation Research – July 2007. <http://www.hazelden.org/web/public/2007workplacesurvey.page>
- ^{xxvi} "Economic Benefits of Drug Treatment: A Critical Review of the Evidence for Policy Makers," February 2005.
- ^{xxvii} RAND Drug Policy Research Center, "The Economic Cost of Methamphetamine Use in the United States, 2005," Nancy Nicosia, Rosalie Liccardo Pacula, Beau Kilmer, Russell Lundberg, James Chiesa.