

Shoveling Up II: The Impact of Substance Abuse on Federal, State and Local Budgets

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NEW CASA* REPORT FINDS FEDERAL, STATE AND LOCAL GOVERNMENTS SPEND ALMOST HALF A TRILLION DOLLARS A YEAR ON SUBSTANCE ABUSE AND ADDICTION

OF EVERY FEDERAL AND STATE DOLLAR SPENT, 96 CENTS GOES TO SHOVEL UP WRECKAGE OF ILLNESS, CRIME, SOCIAL ILLS; ONLY 2 CENTS GOES TO PREVENTION AND TREATMENT

WASHINGTON, D.C., May 28, 2009 – 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 287-page report released today by The National Center on Addiction and Substance Abuse (CASA) at Columbia University.

The CASA report found that of \$373.9 billion in federal and state spending, 95.6 percent (\$357.4 billion) went to shovel up the consequences and human wreckage of substance abuse and addiction; only 1.9 percent went to prevention and treatment, 0.4 percent to research, 1.4 percent to taxation and regulation, and 0.7 percent to interdiction.

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 and former U.S. Secretary of Health, Education, and Welfare. “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).

“With health care costs by far the heaviest burden of shoveling up, to attempt health care reform without providing for prevention and treatment of this disease is like trying to make a Reuben sandwich without corned beef and sauerkraut,” said Califano.

The report, conducted with the assistance of a distinguished national advisory commission, follows CASA’s landmark 2001 report [*Shoveling Up: The Impact of Substance Abuse on State Budgets*](#), which was limited to state government. Report Appendices C, D, and E contain individual cost breakdowns for spending by the federal government, 45 states, Washington, D.C., Puerto Rico, local governments, and

three local case studies (a city, Nashville, TN; a county, Multnomah County, OR; a combined city and county, Charlotte and Mecklenberg County, NC).

In an unprecedented effort, CASA looked beyond the narrow categories of spending (prevention, treatment, research, taxation and regulation, and interdiction) to the much larger costs buried in government budgets such as those for substance abuse related spending on health care, criminal, juvenile and family court justice systems, incarceration, child welfare, domestic violence and child abuse, homelessness, mental illness and developmental disabilities. The result is the most comprehensive measure ever undertaken of the impact of substance abuse and addiction spending across all levels of government.

Key Findings

- Of the \$3.3 trillion total federal and state government spending, \$373.9 billion – 11.2 percent, more than one of every ten dollars– was spent on tobacco, alcohol and illegal and prescription drug abuse and addiction and its consequences.
- The federal government spent \$238.2 billion (9.6 percent of its budget) on substance abuse and addiction. If substance abuse and addiction were its own budget category at the federal level, it would rank sixth, behind social security, national defense, income security, Medicare and other health programs including the federal share of Medicaid.
- State governments spent \$135.8 billion (15.7 percent of their budgets) to deal with substance abuse and addiction, up from 13.3 percent in 1998. If substance abuse and addiction were its own state budget category, it would rank second behind spending on elementary and secondary education.
- Local governments spent \$93.8 billion on substance abuse and addiction (9 percent of their budgets), outstripping local spending for transportation and public welfare.[\[1\]](#)
- For every \$100 spent by state governments on substance abuse and addiction, the average spent on prevention, treatment and research was \$2.38; Connecticut spent the most, \$10.39; New Hampshire spent the least, \$0.22.
- 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.

“Despite a significant and growing body of knowledge documenting that addiction is a preventable, treatable and manageable disease, and despite the proven efficacy of prevention and treatment techniques, our nation still looks the other way while substance abuse and addiction cause illness, injury, death and crime, savage our children, overwhelm social service systems, impede education--and slap a heavy and growing tax on our citizens,” said Susan E. Foster, CASA’s Vice President and Director of Policy Research and Analysis.

CASA Call for Action

The report details cost effective methods to reverse these spending patterns and reduce human suffering. To stop the hemorrhage of public funds to shovel up the wreckage of substance abuse and addiction, the CASA report offers specific recommendations in its call for actions by federal, state and local governments in several areas:

- Prevention and early intervention,
- [Treatment](#) and disease management,

- Tax and regulatory policies, and
- Expanded research.

CASA is the only national organization that brings together under one roof all the professional disciplines needed to study and combat all types of substance abuse as they affect all aspects of society. CASA and its staff of more than 50 professionals has issued 68 reports and white papers, published two books, conducted demonstration programs focused on children, families and schools at 233 sites in 88 cities and counties in 35 states, Washington, DC and two Native American reservations, held 18 conferences attended by professionals and others from 49 states, and has been evaluating the effectiveness of drug and alcohol treatment in a variety of programs and drug courts. CASA is the creator of the nationwide initiative *Family Day—A Day to Eat Dinner With Your Children™*—the fourth Monday in September—the 28th in 2009—that promotes parental engagement as a simple and effective way to reduce children’s risk of smoking, drinking and using illegal drugs. In May 2007, CASA’s Chairman Joseph A. Califano, Jr., called for a fundamental shift in the nation’s attitude about substance abuse and addiction with publication of his book, *HIGH SOCIETY: How Substance Abuse Ravages America and What To Do About It*. In August 2009, Mr. Califano’s book, *How to Raise a Drug Free Kid: The Straight Dope for Parents*, will be published by Simon & Schuster’s Touchstone/Fireside Division. For more information visit <http://www.casacolumbia.org/>.

This article is being published to the [Choopersguide website](#) as we are committed to the recovery of individuals who suffer from the [disease of alcoholism and drug addiction](#). Choopers Guide is active in the [recovery advocacy movement in the State of Florida](#). Choopers Guide is an addiction treatment and addiction information resource site with over 30,000 treatment provider listings for treatment programs, methadone clinics, [suboxone doctors](#), [drug and alcohol counselors](#) and [interventionists](#).