

THE METH PROJECT

Economic Study Estimates Meth Abuse Costs the U.S. \$23.4 Billion

Washington, D.C.—February 4, 2009—A RAND Corporation study released today, “The Economic Cost of Methamphetamine Use in the United States, 2005,” estimates the national cost of Meth abuse is \$23.4 billion. The study represents the first time that a comprehensive assessment of the annual costs of methamphetamine abuse has been analyzed on a national scale.

“The RAND study is a crucial step forward in drug research, and is the first time we have been able to quantify the cost of Meth use for both the user and society as a whole” said Rick Rawson, Ph.D., Associate Director of UCLA Integrated Substance Abuse Programs. “While the \$23 billion dollar figure for 2005 is staggering, in my opinion, this study provides a conservative estimate of the financial impact Meth has on the U.S. each year.”

The study found that Meth use imposes a significant and disproportionate burden on both individuals and society in money spent on treatment, healthcare, and foster care services, as well as the costs of crime and lost productivity associated with the drug. Law enforcement and the criminal justice system bear some of the greatest financial burden, making up more than 15%—\$4 billion—of the total annual cost. Lawmakers in recent years have passed legislation that makes it more difficult for Meth producers to buy the components needed to make the drug, but even in light of these efforts, 47% of county sheriffs in 2007 reported that Meth remains their #1 drug problem.¹

“Our goal in sponsoring this study was to provide a definitive economic cost estimate of the Meth problem that legislators and regulators can consider while establishing social priorities,” said Tom Siebel, founder and chairman of the Meth Project. “This appears to be a preventable problem. The significant economic and human costs of Meth use can be avoided.”

The U.S. Department of Justice continues to report that an overwhelming majority (68%) of state and local agencies in the 20 western states say Meth is their greatest drug threat. Communities with high levels of Meth addiction experience significant increases in crime and spend more on social services, corrections, unemployment pools, workers' compensation, and healthcare.

“Meth is a scourge. It ruins families, friends—tears lives apart. As this study shows, there is a huge economic toll, as well,” said Montana’s senior U.S. Senator Max Baucus. “That’s why I’ve fought so hard for funding to help with Meth prevention, treatment and rehabilitation. I’ve also secured much-needed funding for our law enforcement officials who help fight Meth. I’ll continue to work together with my colleagues in Congress to secure funding to help stamp out Meth once and for all.”

The RAND study found that methamphetamine places a significant economic burden on society when compared to other illicit drugs. In addition to funds spent on crime and criminal justice programs associated with Meth use, \$905 million is spent on foster care and \$646 million is spent on lost productivity due to absenteeism, incarceration, unemployment, and other employer costs attributable to Meth use in the U.S.

¹ National Association of Counties, Research Division, “The Meth Epidemic: The Changing Demographics of Methamphetamine.” 2007.

According to the RAND study, \$712 million was spent on treatment and hospital care for Meth users in the U.S. in 2005. Additionally, the study found that nearly two-thirds of the economic costs of methamphetamine use result from the burden of addiction, and the nearly 900 premature deaths among users. Using data from the 2007 National Survey of Drug Use and Health, SAMHSA Treatment Episode Data Set, and the economic models developed in RAND's "Economic Cost of Methamphetamine Use in the United States, 2005," the best estimated cost of Meth use in 2007 is \$26.5 billion.

The study confirms what many treatment and healthcare providers understand about the nature of methamphetamine. Meth is one of the most highly addictive substances and consumes a tremendous amount of resources to aid in recovery and treatment.

The Meth Project has launched large-scale research-based prevention campaigns—including public service messaging and public outreach programs—in several states throughout the nation and achieved significant results. Montana and Arizona, the first two states to launch Meth Project prevention campaigns in 2005 and 2007, respectively, have each seen a 45% decrease in teen Meth use after two years of the Meth Project campaign.^{2,3}

The Meth Project launched in 2005 as a private-sector response to a significant social problem. Cited by the White House as a model for national prevention programs, the Meth Project has been deployed in five states, with an additional three states expected to adopt the model in 2009.

For further information or to read the full RAND report please visit www.methproject.org.

About the Meth Project

The Meth Project is a national non-profit organization headquartered in Palo Alto, California, aimed at significantly reducing Meth use through public service messaging, public policy, and community outreach. The Montana Meth Project, Arizona Meth Project, Idaho Meth Project, Illinois Meth Project, Wyoming Meth Project, and other state affiliates implement the Meth Project prevention programs in their respective states. The Meth Project is a project of the Thomas and Stacey Siebel Foundation. For more information, visit www.methproject.org.

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² Montana Office of Public Instruction, "2007 Montana Youth Risk Behavior Survey." September 2007.

³ Arizona Criminal Justice Commission, "Arizona Youth Survey." 2008.

**RAND Corporation Report:
“The Economic Cost of Methamphetamine Use in the United States”**

Key Findings

Findings from the RAND Corporation’s “The Economic Cost of Methamphetamine Use in the United States” represent the first rigorous attempt to calculate the cost methamphetamine use imposes on individuals and society at the national level. The report estimates the annual total cost to the U.S. is \$23.4 billion.

The RAND study found that methamphetamine use imposes a significant and disproportionate burden on both individuals and society in money spent on treatment, healthcare, and foster care services, as well as the costs of crime and lost productivity associated with the drug. For the complete report, please visit www.methproject.org.

Estimated Cost of Methamphetamine Use in the U.S. (in millions of dollars)

Cost	Lower Bound	Best Estimate	Upper Bound
Drug treatment	299.4	545.5	1,070.9
Health care	116.3	351.3	611.2
Intangibles/ premature death	12,513.7	16,624.9	28,548.6
Productivity	379.4	687.0	1,054.9
Crime and criminal justice	2,578.0	4,209.8	15,740.9
Child endangerment	311.9	904.6	1,165.7
Production/ environment	38.6	61.4	88.7
Total	\$16,237.3	\$23,384.4	\$48,280.9

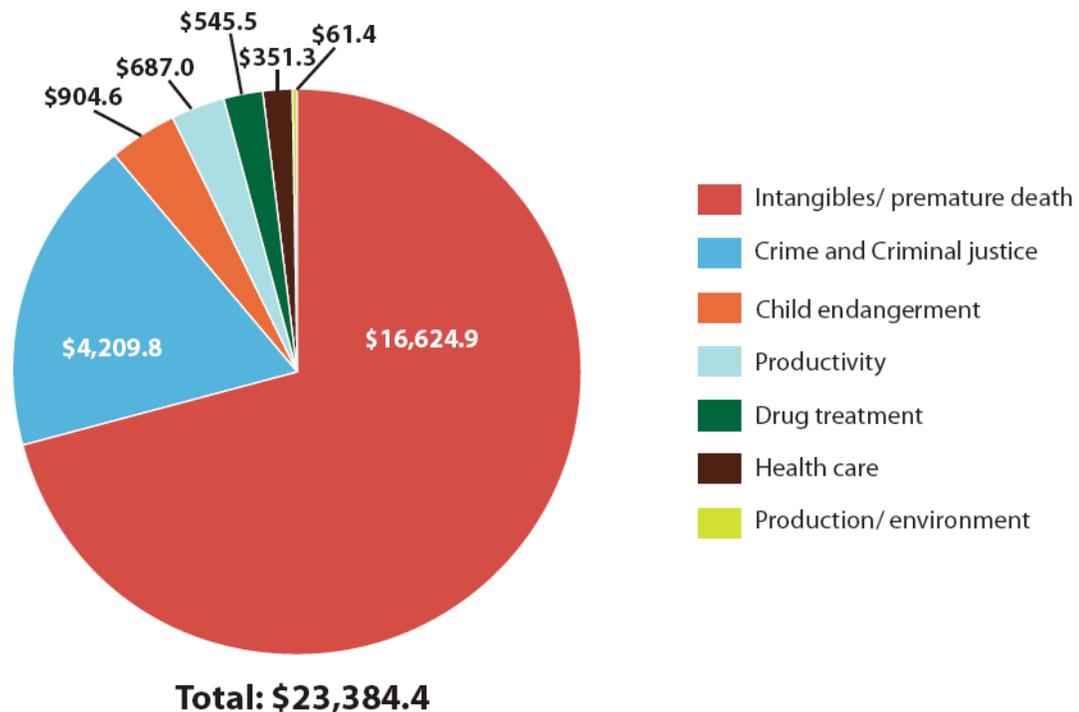
Source: RAND, The Economic Cost of Methamphetamine Use In the United States, 2005

Crime and Criminal Justice

Crimes attributable to Meth use, as well as criminal justice costs associated with enforcing Meth laws represent the second largest category of costs at \$4.2 billion.

- Methamphetamine-specific offenses, including processing offenders for possession and sale of Meth, represent over half of the criminal justice costs, totaling \$2.4 billion.
- Meth-induced violent and property crime represent an additional \$1.76 billion in costs.

Estimated Cost of Methamphetamine Use in the U.S. (in millions of dollars)



Source: RAND, *The Economic Cost of Methamphetamine Use in the United States, 2005*

Health Care and Drug Treatment

Costs including health services used in the treatment of medical conditions attributed to or exacerbated by Meth use, and Meth treatment delivered in general, short-stay hospitals and the specialty treatment sector are approximately \$900 million.

- \$545 million for treatment admissions, of which \$491 million is in the community-based specialty treatment sector.
- Methamphetamine use results in approximately \$351 million in additional health costs.

Child Endangerment

Meth-related child endangerment costs, including the burden on the foster care system due to parental involvement with Meth are approximately \$905 million.

- The largest contributor to these costs is the medical, mental and quality of life losses suffered by children (\$502 million) and the cost to the foster care system (\$403 million).
- These estimates are limited to children who are removed from their homes by the foster-care system, so these costs are likely an underestimate of the full burden of Meth abuse.

Decreased Productivity

Costs associated with productivity losses represent another substantial category of costs with a best estimate of \$687 million.

- Productivity losses are due to absenteeism (\$275 million), incarceration (\$305 million), lower probability of working among Meth users (\$63 million) and the cost of employer Meth attributed drug testing (\$44 million).
- The study estimates that approximately 126,091 members of the workforce in the U.S. are working Meth users who use Meth at least once a week.

Premature Death and Qualitative Impact on the User

The RAND study considers the intangible costs associated with premature death caused by Meth abuse and the health burden of Meth addiction

- The estimated cost of premature death due to Meth abuse is approximately \$4 billion.
- The intangible health burden associated with methamphetamine use is nearly \$12.6 billion.