

Excellence in Prevention – descriptions of the prevention programs and strategies with the greatest evidence of success

Name of Program/Strategy: Economic Interventions (Increasing Taxes)

Report Contents

1. Overview and description
 2. Implementation considerations (if available)
 3. Descriptive information
 4. Outcomes
 5. Cost effectiveness report (Washington State Institute of Public Policy – if available)
 6. Washington State results (from Performance Based Prevention System (PBPS) – if available)
 7. Who is using this program/strategy
 8. Study populations
 9. Quality of studies
 10. Readiness for Dissemination
 11. Costs (if available)
 12. Contacts for more information
-

1. Overview and description

Increasing excise taxes on alcohol is another type of policy that affects price. Using national samples of youth, several studies indicate that raising alcohol excise taxes may have large effects in reducing youth drinking. Tax increases may influence not only consumption, but also other alcohol-related outcomes, and youth again appear to be more price responsive than adults in terms of these outcomes.

2. Implementation considerations (if available)

3. Descriptive information

Areas of Interest	Substance abuse prevention
--------------------------	----------------------------

Excellence in Prevention – descriptions of the prevention programs and strategies with the greatest evidence of success

Outcomes	
Outcome Categories	Alcohol
Ages	
Gender	Male Female
Races/Ethnicities	American Indian or Alaska Native Asian Black or African American Hispanic or Latino White Race/ethnicity unspecified
Settings	
Geographic Locations	Urban Suburban Rural and/or frontier Tribal
Implementation History	
NIH Funding/CER Studies	
Adaptations	
Adverse Effects	
IOM Prevention Categories	Universal

4. Outcomes

Scientific Evidence

Higher beer taxes are associated with less frequent drinking among 16- to 21-year olds (Coate & Grossman, 1988; Grossman et al., 1994); effects of tax increases are stronger among frequent and fairly frequent drinkers than among infrequent drinkers, which lends support to this strategy as a means to reduce higher risk drinking patterns among youth.

Students who went to high school in states that had higher taxes and higher MLDA were more likely to graduate from college (Cook and Moore, 1993).

Excellence in Prevention – descriptions of the prevention programs and strategies with the greatest evidence of success

Using a nationally representative sample of college students, indexing the federal beer tax to the rate of inflation since 1951 could lead to a 15 percent reduction in drinking participation among underage women, and a 17 percent and 21 percent reduction in high-risk drinking among underage women and women over 21, respectively (Chaloupka and Wechsler, 1996).

Increased costs appear to reduce drinking and driving among youth more than among adults (Chaloupka, Saffer, & Grossman, 1993).

A 10 percent increase in alcohol price is estimated to result in 7 percent less drinking and driving among all men and over 8 percent among all women. Price effects were even greater among young men by 13 percent and young women by 21 percent (Kenkel, 1993).

Price increases would reduce motor vehicle accident fatalities among 18-20 year olds (Dee, 1999; Dee and Evans, 2001).

Increasing taxation on alcohol in the US to keep pace with inflation is estimated to lead to a 19 percent reduction in heavy drinking by youth and a 6 percent reduction in high risk drinking (Laixuthai & Chaloupka, 1993).

Substantial reductions in drinking and driving and alcohol-related traffic fatalities also have been associated with price or tax increases across all beverages (Saffer & Grossman, 1987a). Increasing the price of beer (typically the preferred beverage of youth) to keep pace with inflation is specifically estimated to reduce youth drinking by 9 percent and heavy drinking by 20 percent (Laixuthai & Chaloupka, 1993).

In contrast to these studies, however, recent research has found no evidence for the effects of taxation and price on alcohol consumption and alcohol-related traffic fatalities, either among youth or in the general population (Dee, 1999; Young & Likens, 2000).

- 5. Cost effectiveness report (Washington State Institute of Public Policy – if available)**
- 6. Washington State results (from Performance Based Prevention System (PBPS) – if available)**
- 7. Who is using this program/strategy**

Washington Counties	Oregon Counties
---------------------	-----------------

Excellence in Prevention – descriptions of the prevention programs and strategies with the greatest evidence of success

--	--

8. Study populations

9. Quality of studies

The documents below were reviewed for Quality of Research. The research point of contact can provide information regarding the studies reviewed and the availability of additional materials, including those from more recent studies that may have been conducted.

References

Chaloupka, F. J., Saffer, H., & Grossman, M. (1993). Alcohol-control policies and motor-vehicle fatalities. *Journal of Legal Studies*, 22(1), 161-186.

Chaloupka, F. J., & Wechsler, H. (1996). Binge drinking in college: The impact of price, availability, and alcohol control policies. *Contemporary Economic Policy*, 14(4), 112-124.

Coate, D., & Grossman, M. (1988). Effects of alcoholic beverages prices and legal drinking ages on youth alcohol use. *Journal of Law and Economics*, 31, 145-171.

Cook, P. J., & Moore, M. J. (1993). Drinking and schooling. *Journal of Health Economics*, 12, 411-429.

Dee, T. S. (1999). State alcohol policies, teen drinking and traffic accidents. *Journal of Public Economics*, 72(2), 289-315.

Dee, T. S., & Evans, W. N. (2001). Teens and traffic safety. In J. Gruber (Ed.), *Risky behavior among youth: An economic perspective* pp. 121-165). Chicago: University of Chicago Press.

Grossman, M., Chaloupka, F. J., Saffer, H., & Laixuthai, A. (1994). Effects of alcohol price policy on youth: A summary of economic research. *Journal of Research on Adolescence*, 4(2), 347-364.

Kenkel, D. S. (1993). Drinking, driving and deterrence: The effectiveness and social costs of alternative policies. *Journal of Law and Economics*, 36(2), 877-913.

Laixuthai, A., & Chaloupka, F. J. (1993). Youth alcohol use and public policy. *Contemporary Policy Issues*, 11(4), 70-81.

Saffer, H., & Grossman, M. (1987a). Beer taxes, the legal drinking age, and youth motor vehicle fatalities. *Journal of Legal Studies*, 16, 351-374.

Young, D. J., & Likens, T. W. (2000). Alcohol regulation and auto fatalities. *International Review of Law and Economics*, 20, 107-126.

10. Readiness for Dissemination

Excellence in Prevention – descriptions of the prevention programs and strategies with the greatest evidence of success

11. Costs (if available)

12. Contacts

Alcohol Justice (formerly Marin Institute)
24 Belvedere St.
San Rafael, CA 94901
(415) 456-5692

Learn More by Visiting: <http://www.alcoholjustice.org/>