

## The Power of Substance Abuse Prevention: Why Invest in Prevention

There is no disputing the devastating effect that substance abuse can have on personal and family life. In addition to the human toll, there are other social costs related to addiction. Consider how addiction contributes to common social problems like family violence, crime and homelessness. The municipal and community resources used to address issues aggravated and intensified by substance abuse are many. The growing impact is seen in the budgets of public health departments, policing agencies, schools, healthcare providers and community-based organizations. Assessing the magnitude and breadth of costs associated with addiction expands our collective understanding of how to comprehensively address social ills. And, it provides a powerful and compelling reason to invest in substance abuse prevention.

Given today's economic conditions, it is critical to measure the worth of programs, services and policies that stand to reduce the costly effects of substance abuse. The purpose of this document is to provide an overview of the cost-effective and valuable role that substance abuse prevention plays in mitigating the harmful, and costly consequences of substance abuse.

### *The High Cost of Substance Abuse on Public Resources*

A recent report by the National Center of Addiction and Substance Abuse (CASA) at Columbia University quantifies the fiscal costs that governments take on as a result of substance abuse. In their study, CASA reports that governments are spending nearly 16% of their budgets addressing the negative consequences of substance abuse and addiction. Nearly all of the money (95.6%) is used to respond to what is referred to as the "burden of substance abuse and addiction."

Described in terms relevant to individuals, the per capita cost for Californians is \$545 annually. This

16%

% % % %

A large national study of government expenditures reports that **16% of government budgets** are used to address the negative consequences of substance abuse and addiction.

(source: National Center of Addiction and Substance Abuse at Columbia University)

represents costs that are spread across the social fabric including, hospitals, the juvenile justice system, schools and health care. Schools, for example, are spending an estimated \$5.9 billion (2005) responding to youth substance abuse issues.<sup>i</sup>

### *The Cost of Investing in Prevention Pales in Comparison to Paying for Consequences*

Currently, for every federal and state dollar spent on managing the consequences of substance abuse and addiction, 1.9 cents is spent on preventing and treating the problem--**with less than one-fourth of that going to prevention.**<sup>ii</sup> In terms of dollars, for every \$1 dollar spent on prevention and treatment directly, the government is spending almost \$60 in public programs that respond to the consequences of substance abuse. The following chart from research by the National Center on Addiction and Substance Abuse (2005) shows the nearly \$230 Million that the federal government expends on the consequences of substance abuse and addiction as opposed to preventing and treating the problem. Healthcare is

*"If the negative consequences of substance abuse and addiction were its own budget category, it would rank second behind elementary and secondary education. States spend more on substance abuse and addiction than they spend on Medicaid, higher education, transportation or justice."*

a noticily high percentage as those expenditures account for Medicare and Medicaid (Medi-Cal in CA) that are largely passed down to states.

## THE COST-BENEFITS OF INVESTING IN SUBSTANCE ABUSE PREVENTION PROGRAMS

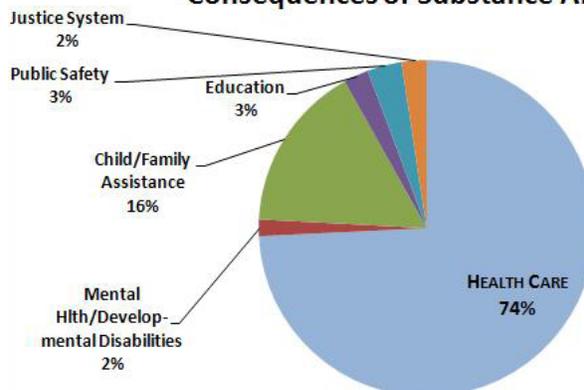
When resources are limited, it is critical to invest them wisely. For California, the current economy is in distress, and investing in cost-effective approaches is a necessity. Over the past decade, there have been considerable advances in the number and quality of studies examining the cost savings and cost-benefits of substance abuse prevention approaches. Several cost-benefit studies have yielded similar findings. **Multiple studies indicate that every dollar spent on prevention results in an average of \$10 in long-term savings.**<sup>iii</sup> Depending on the study and the approach examined, cost-savings have ranged from \$2 to \$20 dollars for every dollar spent on prevention.

Not all prevention approaches have a good return on investment, but the majority of well implemented, evidence-based prevention approaches yield a cost-benefit savings to society. Cost indicators, data elements, and type of prevention strategy vary by study; however, findings consistently demonstrate a 2 to 1 cost-benefit ratio.

## SUBSTANCE ABUSE PREVENTION PROGRAMS, A WELL ESTABLISHED BODY OF RESEARCH

Research on the effectiveness of prevention programs, practices and policies has advanced significantly over the past two decades and is now well established. In the early 80's, prevention research focused on the general question of whether or not substance abuse prevention works. During the 80's and 90's, numerous federally funded applied research studies, independently funded studies, and several meta-analytic studies firmly documented that prevention works. Since

Spending by Federal Programs on Consequences of Substance Abuse



that point, attention has turned to identifying more specific types of prevention strategies, and also the development of guiding prevention principles. Over the last decade, SAMHSA's National Registry of Evidence-based Programs and Practices has compiled a library of over 100 interventions that have been proven-effective based on high standards of scientific rigor.

### The Importance of Selecting the Right Strategy

Prevention research has added a greater understanding of what contributes to abuse, what happens as a consequence, as well as the frequency, to whom, and under what conditions abuse occurs. This has helped to better define prevention interventions, and the settings and conditions under which they are optimally offered.

The Center for Substance Abuse and Prevention (CSAP) emphasizes the importance of taking into account the relevance and appropriateness of prevention approaches to address the needs identified for the individual and target community. Selecting the most relevant and appropriate strategy is a critical component in determining the effectiveness of the prevention approach.

## PREVENTION, A PLACE TO BEGIN ON THE CONTINUUM

Substance abuse prevention does not work in isolation, but rather functions along side a continuum of efforts that included treatment and recovery

support. Substance abuse disorders do not develop overnight and services and interventions are necessarily different based on how much, when and under what circumstances and duration one abuses substances. The reality is that prevention may be effective and appropriate for the vast majority of people, but some will need treatment and recovery services. In this way, prevention services, which have greater access to more individuals, can create an important bridge for those in need of more intensive treatment and rehabilitation services. Through the use of prevention strategies, such as screening and brief intervention, prevention providers can identify those individuals who need a referral for treatment assessment. Furthermore, providers can facilitate a referral for an assessment by knowing which organizations and individuals do assessment, when, how much it will cost, and by offering help in making the initial call as well as following up with the individual referred.

**\$10**

\$ \$ \$

Multiple studies indicate that every dollar spent on substance abuse prevention results in an average of **\$10 in long-term savings**.

## SUMMARY

- Governments are spending approximately 16% of their fiscal resources on addressing the negative consequences of substance abuse and addiction.
- For every federal and state dollar spent on managing the consequences of substance abuse and addiction, 1.9 cents is spent on

preventing and treating the problem--**with less than one-fourth of that going to prevention.**

- Investing in prevention is a cost-effective way to maximize limited resources. Prevention represents a long-term investment rather than an on-going expenditure.
- While not all prevention approaches maximize the cost return, on average every \$1 spent on prevention represents a \$10 long-term cost savings.
- The research on the effectiveness of prevention has been firmly established over the past two decades. Investing in evidence-based prevention practices further ensures the return on investment.
- Selecting the right prevention approach that fits with the needs of individuals and their community, and matches the resources and capacity of those involved, is a critical component in ensuring effectiveness.
- Investing in comprehensive, multi-strategy, long-term prevention approaches yields a greater return on the investment.

<sup>I</sup> Center on Addiction and Substance Abuse (2005)

<sup>II</sup> Center of Addiction and Substance Abuse (May, 2009)

<sup>III</sup> Aos, S., P. Phipps, R. Barnoski, and A. Lieb. (2001). *The comparative costs and benefits of programs to reduce crime*. Olympia: Washington State Institute for Public Policy.

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