

The Economic Cost of Alcohol Abuse in New Mexico, 2007

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The economic costs associated with alcohol abuse in New Mexico in 2007 amounted to an estimated \$2.8 billion or more than \$1,400 for every person in the state.

This estimate represents an 11% increase in both total and per capita costs over the costs reported previously for 2006.¹ This increase was the result of an 11% increase in New Mexico's alcohol-related death rate, from 48.8 deaths per 100,000 in 2006 to 54.2 deaths per 100,000 in 2007.

The distribution of these costs by category is shown in the table below. The majority, 72 percent, of the costs associated with alcohol abuse were the result of lost productivity (\$1.9 billion). Most of these lost productivity costs were due to alcohol-related illnesses and premature deaths. Healthcare expenditures for the medical consequences of alcohol use and for the prevention and treatment of alcohol use disorders accounted for 16 percent of the costs (\$462 million); and 12 percent of the costs (\$323 million) resulted from other impacts on society, including property and administrative costs associated with alcohol-related fires and motor vehicle crashes; social welfare administration costs; and various criminal justice system costs associated with alcohol-related crime.

The methods used to generate this estimate were described in the 2006 report referenced below.

If you have any further questions regarding this cost estimate contact Jim Roeber of the Epidemiology and Response Division, New Mexico Department of Health at Jim.Roeber@state.nm.us, or 505-476-1757.

References:

1. Roeber, J (2009) The Human and Economic Cost of Alcohol Abuse in New Mexico, 2006. New Mexico Epidemiology Report, 2009(10). Available at: <http://nmhealth.org/ERD/HealthData/SubstanceAbuse/ER%20Alcohol%20related%20costs%20112309.pdf>.
NOTE: This reference describes the methodology used to generate this cost estimate, which was derived from previous reports by the NIAAA (Harwood, 2000) and ECONorthwest (Whelan et al, 2008).

Table: Economic Costs of Alcohol Abuse, New Mexico, 2007

Cost Component	Costs (\$ in Millions)*	Percent of Costs
Health Care Costs		
Alcohol-related prevention and treatment services	\$83	3%
Medical consequences of alcohol consumption	\$379	14%
	\$462	16%
Productivity Costs (Lost Earnings)		
Lost future earnings due to premature alcohol-related deaths	\$559	20%
Lost earnings due to alcohol-related illness	\$1,342	48%
Lost earnings due to alcohol-related crime (incarceration and victimization)	\$118	4%
	\$2,019	72%
Other Social Costs		
Crimes -- criminal justice and property damage	\$84	3%
Social welfare program administration	\$8	0%
Motor vehicle crashes -- property damage	\$220	8%
Fires -- property damage	\$11	0%
	\$323	12%
Total Costs	\$2,805	100%

* 2007 dollars