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Some Economic Aspects of
Alcohol Problems

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I. Certain Expenditures on Account of Inebriety Compared with Revenues from the Alco- holic-Beverage Industry

INTRODUCTION

IN 1941 the Buffalo Council of Social Agencies (10) reported that the people of that city spent \$162,616 for the handling of 7,280 admissions of alcoholics to three institutions alone—a state hospital, a municipal hospital and the county penitentiary. Among the patients admitted to the local hospital, there were many repeaters. Since the number of repeaters is unknown it is not possible to estimate the cost per alcoholic individual but only per admission because of alcoholism. The report concluded that the treatment given at these institutions was largely ineffective.*

In the present inquiry an attempt is made to arrive at a reasonable estimate of certain annual expenditures due to inebriety in the United States in the year 1940; and to consider these expenditures in relation to the public revenues from the alcoholic beverage industry and to the allocations of certain of these funds. The year 1940 was selected because the best statistics are available for that year. The study is limited to a review and synthesis of scattered information found in a careful search of the literature, and in certain instances some critical evaluation of available sources, hitherto not utilized, has been made.

Only a rough approximation can be secured by this method. The state of present knowledge about costs is such that only the most evident factors could be considered. Further, in some of the categories, considered below, an estimate could be made only as a result of individual assumptions. In other categories, statistical presentations of the annual costs of inebriety cannot be made at all. It has been thought

*Students of alcoholism generally recognize that the "treatment" given is largely ineffective because genuine rehabilitation is seldom attempted. There is little therapy for addiction. Persons confined in institutions usually receive only "custodial care," or they are treated for the bodily diseases associated with inebriety. There are developments, however, which promise better results. These hopeful possibilities will be referred to later in this paper.