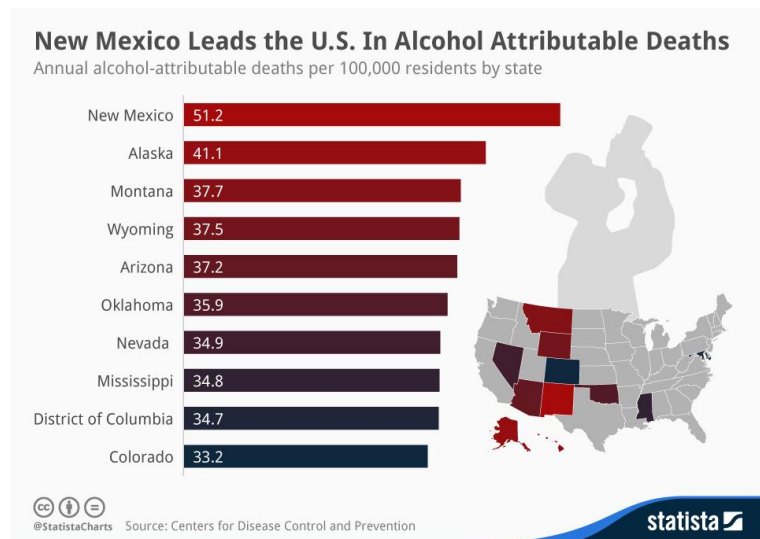


Higher Alcohol Prices: Public Health Impacts

Excessive Drinking Causes Serious Health Problems in New Mexico

For more than two decades, **New Mexico has had the highest rate of alcohol-attributable deaths** in the nation.¹

- In 2014, almost 1,300 New Mexicans died from diseases and injuries related to alcohol.²
- Alcohol is the leading cause of death among working-age adults, ages 20-64, with 1 out of every 6 deaths in this age group attributed to alcohol.³
- An estimated 128 of New Mexico’s cancer deaths can be attributed to alcohol consumption each year, including 37 deaths from female breast cancer.⁴
- Despite progress in reducing DWI deaths over the past 25 years⁵, the rate of alcohol-attributed deaths rose by 27%, double the current national rate --59.6 deaths per 100,000 pop in NM (2014) vs. 27.9 deaths in US (2013).⁶



In addition to death, excessive drinking causes many other health and social harms:

- *Domestic violence, child abuse, assaults*
- *Property damage, theft and other crime*
- *Chronic disease, such as cancer and cirrhosis of the liver*
- *Injuries from nonfatal crashes and falls*
- *Family disruption*
- *Underage drinking*

Excessive Alcohol Use Cost New Mexico \$2.2 Billion in 2010⁷

The sources of these costs include:

- Law enforcement and medical first responders
- Productivity: lost workdays
- Medical care, including Medicaid costs
- Health insurance
- Property damage

Alcohol Consumption is Price Sensitive – Higher Prices Lead to Lower Consumption

One of the most fundamental laws of economics connects the price of a product to the demand for that product. Despite perceptions that people will drink alcohol no matter what it costs, this economic law has been shown to be true for alcohol consumption.⁸ Increases in the price of alcohol reduce alcohol consumption and its many adverse effects. The higher the price of alcohol, the less alcohol people will drink.



Price matters when people shop for alcohol.

What are impacts that might be achieved if a drink cost 25 cents more in New Mexico?⁹

Health Effects

10% decrease in overall alcohol consumption, saving at least 52 lives each year as well as 12,678 cases of injury and illness

Underage Drinking

13% decrease in drinking preventing 7,150 NM youth from drinking alcohol and 4,680 youth from binge drinking

Violence and Crime

Reduction of over 300 acts of violence each year

Alcohol Abuse and Dependence

Prevent 12,375 cases alcohol dependence/abuse

DWI Fatalities

10% decrease in deaths related to motor vehicle crashes = 12 lives

Evidence-Based Strategies that Raise Alcohol Prices

1. Higher Alcohol Taxes

According to the CDC Community Guide, raising alcohol taxes is considered to be the most effective strategy for reducing the harms associated with excessive drinking.¹⁰

- Alcohol excise taxes have not been raised since 1993 in New Mexico. Since these taxes are a fixed amount by volume, the impact of these taxes is substantially less than when they were first introduced due to inflation.
- New Mexico's local and state governments pay \$793,500,000 to subsidize excessive drinking costs due to extra police, court cases, detention and medical care. Current alcohol excise taxes cover only 5% of costs.⁹
- In 2015, 52% of New Mexican adults reported not drinking in the past 30 days.¹¹ This group still pays \$400 a year in taxes to cover costs created by excessive drinking. Higher alcohol taxes shift the burden of these costs to those who drink.
- An alcohol tax could provide funds for expanding alcohol prevention and treatment programs, reimbursing cities and counties for the costs of alcohol-related harms and supporting Medicaid expansion.

2. Minimum Pricing for Alcohol

Alcohol is more affordable today relative to other products, especially when purchased at supermarkets or discount stores. Increases in the minimum price of alcohol have been shown to substantially reduce alcohol consumption and alcohol-related mortality.^{12, 13}

- Many nations, including Canadian provinces, set the lowest price for which an alcoholic drink can be sold.
- Below-cost selling of alcohol is one way that retailers promote greater alcohol sales. A ban on selling alcohol at less than cost is another option to maintain alcohol prices.¹⁴

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