

A conversation with David Jernigan, August 6, 2014

Participants

- David Jernigan, PhD — Director, Center on Alcohol Marketing and Youth; Associate Professor, Johns Hopkins University Bloomberg School of Public Health
- Alexander Berger — Senior Research Analyst, GiveWell

Note: These notes were compiled by GiveWell and give an overview of the major points made by Professor Jernigan.

Summary

GiveWell spoke with Professor David Jernigan of the Center on Alcohol Marketing and Youth (CAMY) as part of the Open Philanthropy Project's investigation into alcohol policy. Topics discussed included:

- Background on alcohol and public health.
- The most effective means of reducing harms associated with alcohol consumption.
- Alcohol policy reform efforts, both in the US and globally.
- CAMY and other groups working in this area.

Background on alcohol and public health

Excessive alcohol consumption is a major public health problem in the US and a growing problem around the world. In the US, roughly 4% of the population were alcohol-dependent in the past 12 months. Nearly a quarter (22.9%) of the population reported binge drinking in the last 30 days, but as many as 90% of these would not qualify for a diagnosis of alcohol dependence. These binge drinkers cause the vast majority of alcohol-related harm. Professor Jernigan and others advocate population-level interventions to reduce excessive alcohol use.

Alcohol is quickly becoming a prominent public health concern in lower-income countries, particularly those with traditionally low levels of alcohol consumption. As global incomes have risen in recent years, and alcohol companies attempt to expand their markets, global alcohol consumption has increased. The toll of this development is particularly striking in middle-income countries. Across the Americas, about 9% of male mortality and 14% of years of life lost to death or disability (DALYs) are caused by alcohol consumption; in the past year, approximately 19% of male DALYs were caused by alcohol, while in Brazil nearly 18% result from alcohol use. Alcohol use is the leading cause of death and disability for young males ages 15-29 in every region of the world except the Middle East, and for young females 15-19 in the Americas and the wealthy countries.

Tom Frieden, Director of the Center for Disease Control and Prevention (CDC), addressed the problem of alcohol policy at an alcohol policy conference in 2013. Dr. Frieden said that

when he began his tenure at the CDC, he initiated an investigation into gaps between public health research and the policy actions taken in response to the research. They found that alcohol policy was the area with the largest gap.

Alcohol tax policy has changed dramatically over the course of the history of the US. Prior to prohibition, alcohol taxes accounted for as much as 30% of the federal government's revenue. After prohibition ended, these taxes represented 9% of federal revenues. Today, they raise only about 0.4% of federal revenues.

Alcohol policy reform

At present, there are very few resources available to alcohol policy reform advocates. Most large foundations are not currently funding alcohol policy reform efforts. Although the Robert Wood Johnson Foundation (RWJF) funded such work in the 1990s, it has since ceased making targeted grants in this area.

How to limit the public health impact of alcohol consumption

The World Health Organization's (WHO) global strategy to reduce harmful use of alcohol identifies ten areas for national action on alcohol policy. Of these, Professor Jernigan emphasizes the three areas that research has shown are the most effective and cost-effective.

1. **Price** – Alcohol is a luxury product and studies repeatedly show that the more expensive it is, the less people consume. Price increases can be achieved either via tax hikes or through restrictions on “happy hours” and other promotional discounts.
2. **Physical Availability** – Restrictions on the availability of alcohol are effective. This can take the form of prohibition or more limited measures such as age limitations and restrictions on permitted hours of sale. When the Brazilian city of Diadema changed the required closing hour for bars from 4am to 11pm, the murder rate fell by nearly 50%. Any change in permitted hours of sale two or more hours in either direction has a measurable effect on alcohol consumption and associated public health impacts. Additionally, the research supporting a minimum drinking age of 21 and the strict enforcement of age restrictions is particularly strong.
3. **Marketing** – Research on the effectiveness of marketing restrictions is not as strong as that on price or availability, partly due to the impracticality of using traditional experimental designs to study the effect of marketing on alcohol consumption. However, it seems likely that marketing affects the drinking decisions of young people and of people in low-income countries where alcohol use has traditionally been lower. Fifteen longitudinal studies of children's alcohol consumption over time indicate that marketing plays a role in the decision to start drinking and increases the amount consumed.

The WHO published the second edition of *Alcohol: No Ordinary Commodity*, a compendium of research on alcohol policy, in 2010.

The Center on Alcohol Marketing and Youth

CAMY does not only work on "marketing" narrowly construed: since the CDC began funding CAMY in 2009, they have also conducted research on, e.g., the impact of state alcohol tax increases.

The CDC funded the creation of a guide on alcohol excise taxes by CAMY which will be published soon, as well as the development of case studies of successful efforts to raise alcohol taxes in Illinois, Maryland, and Massachusetts. (In Massachusetts, the state legislature approved an alcohol tax increase but the measure was overturned at the ballot box.)

CAMY also delivers training and other services to reform advocates in multiple states.

In addition to its reports and other publications, CAMY has headed a collaborative that produced digital tools that model the impacts of alcohol tax increases. These tools address concerns about the effect of tax increases, including:

- **What is the effect on employment?** – Using the Regional Economic Models, Inc (REMI) model of the US economy, the collaborative predicts that alcohol tax increases would increase jobs on net despite the loss of jobs in alcohol-related industries because money that would have been spent on alcohol would be diverted to more labor-intensive segments of the economy.
- **Who pays higher taxes?** – The collaborative has modeled the effect of an alcohol tax increase on all fifty states. In the case of Maryland, the model suggested that moderate drinkers (roughly 35% of the population) would see their tax payments increase by \$11.83 per person per year. The 40% of people that do not buy alcohol would not see any tax increase. Heavy drinkers would pay the vast majority of the projected \$75 million increase in annual revenues.

Current state policy reform efforts

Every year, reform advocates attempt to increase alcohol taxes in 20-30 states. Invariably, the vast majority of these efforts fail. Advocates for increased alcohol taxes may have more success by following the models of other successful alcohol reform campaigns. Two particularly successful recent campaigns were:

1. **Illinois (2009)** – Governor Pat Quinn supported the alcohol tax increase in order to help pay for infrastructure projects. This approach required a powerful governor willing to expend political capital to spearhead a reform effort. The main impetus seemed to be a revenue increase rather than a public health rationale.
2. **Maryland (2011)** – This campaign combined a strong public health message with a broad-based statewide coalition. Although the campaign originally sought an increase of ten cents per drink and ended up with a sales tax increase of 3 percent (equivalent to roughly five cents per drink), it was a dramatic success in a state that had not raised its alcohol tax since 1955. Campaigners built a coalition comprising

1,200 groups that supported the reform effort for two and a half years. The support of health care access proponents was particularly vital to the coalition. The campaign distributed candidate resolutions, getting candidates for office to commit to a position on the tax increase prior to the election. The bill ultimately passed in the final hours of the legislative session despite vociferous objections from opponents. In support of the campaign, CAMY developed two detailed reports on public health and economic effects of an alcohol tax increase in Maryland, engaged the media and answered arguments made by the alcohol industry. The polling and messaging work that CAMY helped with was important to the campaign's success.

Results of alcohol tax increases

Early studies of the impact of alcohol tax increases in Maryland indicate that the 3% sales tax increase caused a 2% decline in alcohol consumption. This result is consistent with the predictions of previous work on the price elasticity of alcohol consumption. Studies have not yet been completed on the ancillary effects in Maryland, but a high-quality study in Illinois shows that alcohol tax increases contributed to substantially reduced sexually transmitted disease (STD) rates.

The campaign in Maryland cost less than \$1 million, not including the large amount of time donated to the cause by Professor Jernigan and others, and has produced a \$75 million annual increase in state revenues in addition to public health benefits.

Future efforts at the state level

There are currently credible efforts in Ohio, Texas, and New Mexico seeking alcohol tax increases. Of these campaigns, the effort in Ohio appears to have the highest chance of success. Professor Jernigan and CAMY are assisting these efforts, but the campaigns are under-funded and there are no resources for follow-up work after CAMY's initial training for organizers. He and one of the organizers from the Maryland campaign have made the rounds of foundations trying to find funding for Ohio and other campaigns, with limited success.

If three to five states were to raise alcohol taxes, the resulting observable benefits to public health might provide the basis for a nationwide wave of increases similar to what occurred after the first several states altered their tobacco tax policies.

Many of the organizations providing funding for healthcare campaigns are focusing their efforts on defending the Affordable Care Act (ACA). Alcohol tax increases could be used to help fund expanded healthcare access in ACA-friendly states. This may be a way to combine existing healthcare efforts with alcohol policy reform.

Federal alcohol research and policy

There are several federal agencies and programs working on alcohol policy.

- **CDC** – The CDC has a \$2.3 million per year line item in the federal budget for alcohol-related work, some of which it does internally and some of which it grants or contracts out.
- **National Institute on Alcohol Abuse and Alcoholism (NIAAA)** – An arm of the NIH devoted to alcohol research. It spends the overwhelming majority of its research dollars on bench science investigating the neurological and biological basis of addiction.
- **Substance Abuse and Mental Health Services Administration (SAMHSA)** – SAMHSA's Center for Substance Abuse Prevention (CSAP) works to prevent and reduce the abuse of illegal drugs, alcohol, and tobacco. SAMHSA's work in this area centers on its Drug-Free Communities (DFC) Support Program.
- **Sober Truth on Preventing Underage Drinking (STOP) Act** – A 2006 bill authorizing \$18 million for work on underage drinking. The most that has been appropriated in any single year has been \$11 million; the bill's authorization expired in 2009 but appropriations have continued.

Global alcohol policy efforts

The field of global alcohol policy reform has even fewer resources than alcohol policy reform in the US.

After the global burden of disease (GBD) estimate of the harm caused by alcohol was completed, the WHO began to focus more attention on alcohol policy reform. The WHO global strategy, which passed the World Health Assembly in 2010, translated the GBD results into a program of public health action.

Some global reform efforts are more advanced than others. For example, South Africa is considering a blanket ban on alcohol advertising, and Professor Jernigan is supporting officials in South Africa's Ministry of Health by providing them with the most recent research results on this topic. Finland just passed new restrictions on alcohol advertising in public and in social media. However, other countries are only just beginning to examine their alcohol policies.

Other groups working on alcohol policy

In the US

- **Community Anti-Drug Coalitions of America (CADCA)** – An umbrella group that represents roughly 3,000 local coalitions working on alcohol and drug policy across the country.
- **Alcohol Justice** – Formerly the Marin Institute, an advocacy group founded by Professor Jernigan, James Mosher, and Michael Sparks in 1987 as one of three major projects funded by the Buck Trust.
- **US Alcohol Policy Alliance** – A nascent effort to build an independent coalition of state level coalitions on alcohol policy.

- **Paso Del Norte Health Foundation** – Paso Del Norte is currently funding an effort by Professor Jernigan, Mr. Mosher, and Mr. Sparks to create an intensive training and technical assistance project in the Las Cruces-El Paso-Ciudad Juarez region.
- **Mothers Against Drunk Driving (MADD)** – MADD maintains a legislative presence in Washington DC and in state capitals, where its number one legislative priority is ignition interlock systems as a means for combatting drunk driving.

Globally

- **International Organization of Good Templars (IOGT)** – A large temperance foundation based in Sweden, it provides funding for projects mixing service and policy in a number of low- and middle-income countries around the world.
- **FORUT** – A Norwegian organization working on development, primarily in Africa. It has an alcohol and drug group that works on this in development terms.
- **Global Alcohol Policy Alliance (GAPA)** – An independent organization focused on alcohol policy worldwide with a diverse board that includes members from all inhabited continents. It is an entirely volunteer organization with no core funding. Its primary work is supporting a major biannual international conference that brings together researchers and figures from civil society to discuss alcohol policy issues.

Supporters of increased regulation and/or taxation of alcohol

- Socially conservative Republicans
- Democrats committed to reducing health problems, particularly among young people
- Some faith communities
- Public health organizations
- Some, but not all, health care access organizations
- American Academy of Pediatrics

Opposition to increased regulation and taxation of alcohol

The alcohol industry is aware that alcohol tax increases will decrease consumption. Fighting these increases is a top priority for them, and they donated \$150 million to state legislators between 2000 and 2010. In addition to the alcohol industry, opponents to increased regulation and taxation of alcohol include pro-business Republicans and libertarians.

Other people and groups for GiveWell to speak to

- Diane Riibe – US Alcohol Policy Alliance.

- Michael Sparks, MA – Co-founder of the Marin Institute.
- James Mosher, JD – Co-founder of the Marin Institute.
- Jon Law – President of the Paso Del Norte Health Foundation.

All GiveWell conversations are available at <http://www.givewell.org/conversations>