



Underage Drinking: A profitable Path to Addiction

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"It is reckless for our society to rely on an industry with such an enormous financial interest in alcohol consumption by children, teens, alcoholics and alcohol abusers to curb such drinking. Self regulation by the alcohol industry is a delusion that ensnares too many children and teens."

- Joseph A. Califano, Jr., CASA'S chairman and president and former U.S. Secretary of Health, Education and Welfare, May 1, 2006

Several years ago I coined a phrase that captured my frustration about many of the current programs designed to prevent underage drinking. "Holding young people solely responsible for underage drinking is like holding fish responsible for dying in a polluted stream." Since then my quote has become a rallying cry for many community-based efforts working to reduce youth alcohol use by changing the alcohol environment in which young people grow up and make choices. The "fish quote" has even been immortalized on a beautiful poster complete with original art depicting fish swimming among discarded bottles and cans. The sentiment clearly struck a chord with many who are committed to protecting young people from the harms caused by drinking. But, while I still believe it is a mistake to blame the victims, it is long past time to point a finger at the real guilty party. Young people do not produce, promote or profit from underage drinking, but the alcohol industry *certainly* does.

New research published in the American Medical Association's *Archives of Pediatrics & Adolescent Medicine* (May 2006) placed short-term cash value of underage drinking at \$22.5 billion in

2001. According to the study, underage consumers account for a whopping 17.5% of total expenditures for alcohol. Putting aside health and safety considerations, no industry can disregard a market that accounts for such a significant percentage of its sales. But the alcohol industry's dirty little secret has even greater implications because those who initiate drinking before age of 15 years are 4 times likelier to become alcohol dependent than those who do not drink before age 21.

In other words, if you make, distribute or sell alcoholic beverages you experience long-term benefits from underage drinking because those who initiate drinking at an early age are more likely to become heavy, chronic consumers. The persistence of industry marketing efforts that target young people – despite increasing evidence that alcohol promotion increases underage drinking and condemnation from parents, public health and law enforcement – makes a lot more sense when you recognize that this is the sub-population from which the industry gets its *best* consumers.

Marketing experts have long noted that attracting a young consumer to a brand is like building an annuity for the future. Until now we didn't know what an investment in youth oriented marketing might be worth for alcohol producers who establish brand loyalty with young drinkers. But the same research cited above has estimated the long-term commercial value of underage drinking at \$25.8 billion for 2001. This figure represents the contribution of underage drinking to maintaining consumption among adult drinkers with alcohol abuse and dependence as defined by the

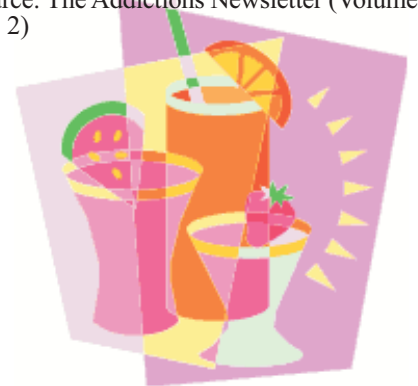
Diagnostic and Statistical Manual of Mental Disorders, Fourth Edition (*DSM-IV*).



Taken together the combined value of sales of illegal underage drinking and adult pathological drinking is \$48.3 billion, or 37.5% of consumer expenditures for alcohol in 2001.

In 2003, the National Research Council's Institute of Medicine published a landmark report entitled *Reducing Underage Drinking: A Collective Responsibility*. The IOM report, which estimated the national annual cost of underage drinking at \$53 billion, called for changes that would reduce youth access to alcohol by increasing alcohol excise taxes (especially on beer). The IOM report also recommended that "alcohol companies, and commercial media should refrain from marketing practices (including product design, advertising, and promotional techniques) that have substantial underage appeal and should take reasonable precautions in the time, place, and manner of placement and promotion to reduce youthful exposure to other alcohol advertising and marketing activity."

Source: The Addictions Newsletter (Volume 13, No. 2)



Published by the International Centre
for Youth Gambling Problems and High-Risk Behaviors
McGill University

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