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**RAND STUDY ESTIMATES THAT METHAMPHETAMINE USE
COST THE U.S. ABOUT \$23 BILLION IN 2005**

The economic cost of methamphetamine use in the United States reached \$23.4 billion in 2005, including the burden of addiction, premature death, drug treatment and many other aspects of the drug, according to a new RAND Corporation study.

The RAND study is the first effort to construct a comprehensive national assessment of the costs of the methamphetamine problem in the United States.

“Our findings show that the economic burden of methamphetamine abuse is substantial,” said Nancy Nicosia, the study’s lead author and an economist at RAND, a nonprofit research organization.

Although methamphetamine causes some unique harms, the study finds that many of the primary issues that account for the burden of methamphetamine use are similar to those identified in economic assessments of other illicit drugs.

Given the uncertainty in estimating the costs of methamphetamine use, researchers created a range of estimates. The lowest estimate for the cost of methamphetamine use in 2005 was \$16.2 billion, while \$48.3 billion was the highest estimate. Researchers’ best estimate of the overall economic burden of methamphetamine use is \$23.4 billion

The study was sponsored by the Meth Project Foundation, a nonprofit group dedicated to reducing first-time methamphetamine use. Additional support was provided by the National Institute on Drug Abuse.

“We commissioned this study to provide decision makers with the best possible estimate of the financial burden that methamphetamine use places on the American public,” said Tom Siebel, founder and chairman of the Meth Project. “This is the first comprehensive economic impact study ever to be conducted with the rigor of a traditional cost of illness study, applied specifically to methamphetamine. It provides a conservative estimate of the total cost of meth, and it reinforces the need to invest in serious prevention programs that work.”

The RAND analysis found that nearly two-thirds of the economic costs caused by methamphetamine use resulted from the burden of addiction and an estimated 900 premature deaths among users in 2005. The burden of addiction was measured by quantifying the impact of the lower quality of life experienced by those addicted to the drug.

Crime and criminal justice expenses account for the second-largest category of economic costs, according to researchers. These costs include the burden of arresting and incarcerating drug offenders, as well as the costs of additional non-drug crimes caused by methamphetamine use, such as thefts committed to support a drug habit.

Other costs that significantly contribute to the RAND estimate include lost productivity, the expense of removing children from their parents' homes because of methamphetamine use and spending for drug treatment.

One new category of cost captured in the analysis is the expense associated with the production of methamphetamine. Producing methamphetamine requires toxic chemicals that can result in fire, explosions and other events. The resulting costs include the injuries suffered by emergency personnel and other victims, and efforts to clean up the hazardous waste generated by the production process.

Researchers caution that their estimates are in some cases based on an emerging understanding of methamphetamine's role in these harms and should be further refined as understanding of these issues matures. The RAND report also identifies costs that cannot yet be adequately quantified.

“Estimates of the economic costs of illicit drug use can highlight the consequences of illegal drug use on our society and focus attention on the primary drivers of those costs,” Nicosia said. “But more work is needed to identify areas where interventions to reduce these harms could prove most effective.”

Methamphetamine is a highly addictive substance that can be taken orally, injected, snorted or smoked. While national surveys suggest that methamphetamine use is far from common, there is evidence that the harms of methamphetamine may be concentrated in certain regions. One indicator of the problem locally is treatment admissions. Methamphetamine was the primary drug of abuse in 59 percent of the treatment admissions in Hawaii in 2004 and accounted for 38 percent of such admissions in Arizona in 2004.

The report, “The Economic Costs of Methamphetamine Use in the United States - 2005,” is available at www.rand.org. Other authors of the report are Rosalie Liccardo Pacula, Beau Kilmer, Russell Lundberg and James Chiesa.

The RAND Drug Policy Research Center is a joint project of RAND Health and the RAND Safety and Justice program within RAND Infrastructure, Safety, and Environment. The goal of the RAND Drug Policy Research Center is to provide a firm, empirical foundation upon which sound drug policies can be built.

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