

## *Substance Abuse Prevention in Workplaces is Good Business*

### **The Substance Abuse Costs to Society and Workplaces Are Huge**

- ◆ A new study of 1992 data estimates the economic costs to society of substance abuse at \$246 billion for that year, and \$276 billion projected for 1995. Alcohol-related lost productivity alone accounted for two-thirds of the total alcohol cost. Drug-related crime accounted for over half of the total drug costs.<sup>1</sup> Workplaces take the brunt in lost/poor performance, accidents, and crime.
- ◆ Alcoholism alone accounts for 500 million lost workdays each year.<sup>2</sup> Casual drinkers, in aggregate, account for far more incidents of absenteeism, tardiness, and poor quality of work than those regarded as alcohol dependent.<sup>2A</sup>
- ◆ Between 20 and 40 percent of all general hospital patients are admitted for complications related to alcoholism and other forms of substance abuse.<sup>3</sup>
- ◆ The human costs to the individual, family, and community are incalculable.

### **Substance Abuse Is a Workplace Problem**

- ◆ Today, almost 73 percent of all current drug users ages 18–49 are full- or part-time employed – more than 8.3 million workers.<sup>4</sup>
- ◆ About 7 percent of full-time workers use illicit drugs (6.3m), and about 7 percent are heavy drinkers.<sup>5</sup>
- ◆ About 1.2 million full-time workers both abuse illicit drugs and are heavy alcohol users.<sup>5A</sup>
- ◆ The highest rate of illicit drug abuse and heavy alcohol use is among 18–25 year olds, males, Caucasian, and those with less than a high school education.<sup>5B</sup>

- ◆ In a survey of five work sites, 18 percent of persons who drank alcohol and 12 percent of illicit drug users reported that their performance at work had declined due to alcohol or drug use.<sup>6</sup>
- ◆ Between 44–80 percent of young adults ages 16–17 work during the year. Those working more than 20 hours per week are at high risk for substance abuse and injury.<sup>7</sup> With our youth entering the workforce in greater numbers, this is a significant issue for workplaces to address.

### **We Know Prevention, Early Identification, Intervention, and Treatment Work**

In operation for more than 12 years, the **Drug-Free Federal Workplace**, Executive Order 12564, September 15, 1986, established model comprehensive drug-free workplace programs, specifically as a demand reduction Presidential Initiative. These programs have been implemented in 120 Federal agencies, with 1.8 million employees, and the Mandatory Guidelines for Federal Workplace Drug-Testing Programs have also been adopted by the Department of Transportation and the Nuclear Regulatory Commission for their regulated industries. As the Nation's largest employer, the Federal program has continued to provide leadership by example. We use the most recent positive drug test rate as one proxy measure for current workplace drug use. For Federal job applicants and employees, the positive rate is one-tenth of the national average, or only 0.5 percent,<sup>8</sup> compared to 5.0 percent for other workplaces nationally.<sup>8A, 8B</sup>

The available data suggest that comprehensive drug-free workplace programs also work for non-Federal public and private sector employers. The national trend in the percent of positive drug tests among

workers has decreased significantly from 18.1 percent in 1987, to 5.0 percent for 1997.<sup>9,9A</sup> Periodic surveys of households and employers both identify employers with larger workforces (25-99, 100-499, and 500 or more employees) as more likely to incorporate drug-free workplace policies, information, access to EAPs, and drug testing, with about 50 percent lower positive drug test rates, and about 75 percent fewer self-admitted current drug users, compared to smaller employers (1-24).<sup>10, 11</sup> Perhaps even more important for all employers to consider, is that **current drug users are far less likely to apply for a job where they know that pre-employment or random drug-testing is used.**<sup>12</sup>

- ◆ Prevention in the workplace helps non-users from starting and users from increasing their dependence on illegal drugs and alcohol.<sup>13</sup>
- ◆ Workplaces provide an ideal opportunity to influence individual behavior and community norms. Clear and consistent substance abuse policies and drug education efforts create an aware and informed workforce which can significantly reduce drug and alcohol abuse in workplaces, and through the employees, reach their families and the communities in which they live.<sup>14</sup>
- ◆ Clear and consistent messages of no use and the consequences of use are crucial. The realistic, credible threat of job loss, can sometimes be more potent than the potential loss of family or friends, and create a “sentinel awareness” in an applicant or worker subject to drug testing.<sup>15</sup>
- ◆ Referrals to treatment and support for employees who want to change their behavior are key. Employee Assistance Programs (EAPs) offer a wide range of services, are increasingly being used by employers, and reflect cost differences related to the quantity and qualities of services, the size and type of industry, and region of the United States. Internal EAPs are generally more costly than external EAPs (1995 mean cost per employee for internal \$27.69 vs. \$22.19 for external).<sup>16</sup>
- ◆ Goetzel, Juday, and Ozminkowski reviewed findings across 21 studies related to return on investment (ROI) conducted by employers and their managed care providers. These ROI studies assessed the efficacy of corporate health and productivity programs. All of the programs

reported a positive ROI, ranging from \$1.49 to \$13 per dollar spent on the program. It is noteworthy that the mental health program showed one of the highest ROIs.<sup>17</sup>

## Parenting IS Prevention

- ◆ Research clearly demonstrates that parental involvement is key in preventing children from engaging in substance abuse. Because parents spend a great deal of time at the worksite, this is a logical place to incorporate substance abuse prevention efforts.
- ◆ Workplace-based prevention strategies must first help parents as employees, and then help parents become aware of their role in preventing children from engaging in drug abuse and empower parents with education in prevention methods and skills.
- ◆ Evidence shows that not only parents benefit as they learn to balance career and family needs and reduce their stress at work and home, but employers also benefit by increased employee productivity and other measurable outcomes.

## Large and Small Companies Are Tackling the Problem Successfully

### *Prevention is Good Business*

Jeffery Thompson, M.D., comments, “as a medical director [of Weyerhaeuser], I’d like to think that I’m looking after 32,000 [employees] — but when it really comes down to it, my customer is the business. And I need to service that business and serve it well. So this program is in place to offer assurance that we are doing the best possible job to decrease our substance abuse rates in corporate America — through education, community involvement, and improving access to resources.”<sup>17</sup>

### *If You Don’t Care, They Won’t Care*

“People need to feel you care about them before they care about you and your business.” That’s one of the reasons David Butler, President of Patriarch, Inc., a building and maintenance services company in Baltimore, Maryland, initiated a substance abuse policy that includes an EAP. “Workers know this is a drug-free company. Just knowing the policy is there keeps drug users out. Without a policy, you jeopardize clients, company reputation, and future contracts.”<sup>18</sup>

### **Substance Abuse Programs Are Cost Effective**

Harold Green refers to the substance abuse program at Chamberlain Contractors, a small Maryland company with 75 employees, as a “profit center.” The company has seen significant reductions in workers’ compensation costs because there are fewer accidents and fewer claims. Green says he spends about \$7,500 each year, or \$36 per employee, and estimates that savings are in excess of \$120,000 annually in decreased worker’s compensation and insurance premiums alone.<sup>19</sup>

### **Large Companies See Big Savings**

The McDonnell Douglas EAP estimated saving \$5.1 million due to fewer days missed from work, lower turnover, and lower medical claims of employees, spouses, and dependents.<sup>20</sup>

After the Gillette Company initiated an EAP, their inpatient substance abuse treatment costs went down by 75 percent.<sup>21</sup>

### **Managed Care is a Good Partner for Workplaces**

Joseph Hullett, M.D., Medical Director of ValuOptions, Western Region, remarks that, “employers have championed a new mind set which favors incorporating workplace issues and associated costs into the [managed care] mental health and substance abuse benefit program ....The next generation of care management models considers not only clinical issues, but also workplace and lifestyle issues to effectively reduce total costs-not just direct costs.”<sup>23</sup>

### **Parent Training in Workplaces Makes An Impact**

After attending a parenting program conducted in the workplace, a father of five sons from Cincinnati, Ohio, reports: “Since we attended the workshop, our son has really come around, and his grades are consistently good. The younger boys haven’t gone through any rough spots, and I think it’s due in large part to what we’re doing at home.”

### **There Are More Opportunities for Prevention in Workplaces Beyond Today’s Drug-Free Workplace**

Getting the right message to more small employers, community redevelopment, welfare to work, health care and wellness, criminal justice reform, job training, better integrating highly vulnerable young adults into the workforce, parents, and mentoring are just a few of

the other important areas where prevention and workplaces come together. The roles of employers, employees, and collective bargaining units can and should be mutually strengthened when addressing substance abuse prevention. Learning, sharing, and striving to improve what we say, do, and teach, must become our mutual goal. How can you help? How can we help each other?

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## Endnote

Information about the \$246 billion productivity estimate in the first bullet can be found at <http://www.nida.nih.gov/EconomicCosts/Chapter1.html#1.1>

The economic cost to society from alcohol and drug abuse was an estimated \$246 billion in 1992. Alcohol abuse and alcoholism cost an estimated \$148 billion, while drug abuse and dependence cost an estimated \$98 billion. When adjusted for inflation and population growth, the alcohol estimates for 1992 are very similar to cost estimates produced over the past 20 years, and the drug estimates demonstrate a steady and strong pattern of increase. The current estimates are significantly greater than the most recent detailed estimates developed for 1985 for alcohol and for drugs (Rice et al., 1990) — 42 percent higher for alcohol and 50 percent greater for drugs over and above increases due to population growth and inflation. Between 1985 and 1992, inflation accounted for about 37.5 percent and population growth for 7.1 percent increases. An estimated \$82 billion in lost potential productivity was attributed to alcohol and drug abuse in 1992 (\$67.7 billion and \$14.2 billion, respectively). This accrued in the form of work not performed — including household tasks — and was measured in terms of lost earnings and household productivity. These costs were primarily borne by the drug or alcohol abusers and by those with whom they lived. About \$1 billion was for victims of fetal alcohol syndrome who had survived to adulthood and experienced mental impairment. This study has not attempted to estimate the burden of drug and alcohol problems on work sites or employers, nor should the estimates in this study be interpreted in this manner.

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