

Cost Benefit Analysis

Drug and Alcohol Prevention Programs - Industrial Code Rule 60

The Role of Drug and Alcohol Prevention Programs

Drug and Alcohol Prevention programs cut down on the causes of substance abuse in the workplace, such as:

- workplace culture
- social control
- alienation
- occupational stress
- access to drugs

You can prevent workplace substance abuse. If you make workers aware of how drug and alcohol abuse affects their job performance, it:

- improves worker safety and health
- lowers workers compensation costs
- boosts productivity and market competitiveness

Employers can get even better results when they also offer proper resources or help.

Alcohol and Drug Abuse at Work

More than 60% of adults know people who have gone to work under the influence of drugs or alcohol.¹

Most of the nation's roughly 16.4 million current illicit drug users hold full-time jobs. This figure comes from the Substance Abuse and Mental Health Services Administration (SAMHSA). The National Institute on Drug Abuse (NIDA) agrees with the SAMHSA findings. They report that, as far back as June 1990, 70% of all adult illegal drug users held jobs. The SAMHSA study² shows that substance use can pose major risks to the health and productivity of workers.

About 15 million heavy alcohol users hold full-time jobs². More than 14% of Americans working full- and part-time report heavy drinking. Heavy drinking is five or more drinks on five or more days in the past 30 days. Of the 11.2 million heavy drinkers in 1997, 30% (3.3 million) were also illicit drug users.³

Up to 47% of industrial injuries and up to 40% of industrial deaths can be traced to alcohol.⁴

¹ "Addiction in the Workplace Survey." October 22, 1996. Hazelden Foundation. Center City, MN.

² "Worker Substance Use and Workplace Policies and Programs." <http://www.oas.samhsa.gov/work2k7/work.pdf>

³ National Household Survey on Drug Abuse. August 1998. U.S. Department of Health and Human Services. Rockville, MD.

⁴ Bernstein, M., and J.J. Mahoney. "Management Perspectives on Alcoholism." *Occupational Medicine* (1989).

Costs and Workplace Impact of Substance Abuse

The economic and human costs of drug and alcohol use are shocking. Many studies show that substance abuse has a negative effect on the workplace. It lowers productivity and causes:

- more accidents
- more absences
- higher turnover
- higher medical costs

These statistics show the impact of substance abuse at work:

- The National Institute of Health reported in 1992 that alcohol and drug abuse cost the U.S. economy \$246 billion.
 - A 1990 study found that problems caused by the use of alcohol and other drugs cost American businesses about \$81.6 billion (in 1990 dollars) in lost productivity.
 - These costs were due to premature death (\$37 billion) and illness (\$44 billion).
 - 86% of these combined costs were credited to drinking⁵.
- According to the Ohio Bureau of Workers Compensation, up to 47% of industrial injuries and 40% of industrial deaths can be traced to alcohol and other drugs.
 - Users are 3 - 4 times more likely to be involved in workplace accidents
 - Users are 5 times more likely to file a workers' compensation claim
 - In 2007, the average cost per workplace injury was \$43,000⁶
- According to results of a NIDA-sponsored survey, drug-using employees are:
 - 2.2 times more likely to ask for early dismissal or time off
 - 2.5 times more likely to be absent eight days or more
 - 3 times more likely to be late for work
 - 5 times more likely to file a workers' compensation claim⁷

A survey of callers to the national cocaine helpline showed that:

- 75% reported using drugs on the job.
- 64% said that drugs badly affected their job performance.
- 44% sold drugs to other employees.
- 18% had stolen from co-workers to support their drug habit.⁸

Alcoholism causes roughly 500 million lost workdays each year.⁹

⁵ Substance Abuse and Mental Health Statistics Sourcebook, 5/95, p.3. Substance Abuse and Mental Health Services Administration, U.S. Department of Health and Human Services. Rockville, MD.

⁶ National Safety Council. [*Estimating the Cost of Unintentional Injuries.*](#)

⁷ Backer, T.E. Strategic Planning for Workplace Drug Abuse Programs, p. 4. National Institute on Drug Abuse. Rockville, MD. 1987.

⁸ National Cocaine Helpline. "1-800-COCAINE." Summit, NJ. 1987.

⁹ "Treatment is the Answer: A White Paper on the Cost-Effectiveness of Alcoholism and Drug Dependency Treatment." National Association of Treatment Providers. Laguna Hills, CA. March, 1991.

Return on Investment for Drug and Alcohol Prevention Programs

You can deal with workplace substance abuse successfully by launching well-planned programs. Programs that succeed often include:

- A written policy
- Education and training
- Access to treatment through drug and alcohol prevention programs, such as Employee Assistance Programs (EAPs) or other resources

Studies show that EAPs lower costs and increase productivity. For every dollar invested in an EAP, employers generally save \$5 to \$16.¹⁰ An Abbott Laboratories study reported a 6 to 1 return on dollars spent for an EAP.

In 1995, the average yearly cost of EAP services per eligible employee was \$26.59. This was for internal programs staffed by company employees. The cost was \$21.47 for outside programs from a contractor.¹¹ These costs are less than the cost of hiring and training replacements for workers who are fired due to substance abuse problems.

An employer-sponsored EAP program can reduce:

- Disability costs
- Medical costs
- Pharmacy costs
- Worker's compensation costs¹²

A study showed that when companies offered EAP services, they:

- Avoided work loss in 60% of cases.
- Saved an average of 17 hours per case.
- Showed improved work productivity in 72% of the cases, with an average gain of 43%.¹³

The Ohio Department of Alcohol and Drug Addiction Services did a follow-up survey of 668 substance abuse treatment residents one year after completing treatment. The survey found that:

- Absenteeism decreased by 89%
- Tardiness decreased by 92%
- On-the-job injuries decreased by 57%¹⁴

(Many of these statistics and studies are at:
<http://www.dol.gov/elaws/asp/drugfree/benefits.htm>.)

¹⁰ "What Works: Workplaces Without Drugs." U.S. Department of Labor, (1990).

¹¹ French, M.T., Zarkin, G.A., Bray, J.W., & Hartwell, T.D. "Costs of Employee Assistance Programs: Findings from a National Survey." Research Triangle Institute. Research Triangle Park, NC, 1994).

¹² Watson Wyatt, 2001

¹³ Attridge, M. (2001, August). *Personal and Work Outcomes of Employee Assistance Services*. Presented at the American Psychological Association Annual Meeting. San Francisco, CA.

¹⁴ "Cost Effectiveness System to Measure Drug and Alcohol Treatment Outcomes." Columbus, OH. Comprehensive Assessment Treatment Outcomes Registry (CATOR)/ New Standards, Inc. conducted for the Ohio Department of Alcohol and Drug Addiction Services. 1995.