



# PUBLIC POLICY & INFORMATION

Promoting Addiction Prevention, Treatment and Recovery Through Advocacy and Education

## POSITION PAPER No. 9/214th Legislature (2010-11)

### ISSUE:

Reclassify alcopops to reflect that the alcohol in them is a distilled spirit and not beer.

### BILL NO.

A-2543 (Angelini)

### NCADD-NJ POSITION:

NCADD-NJ supports this measure in that alcopops have long been miscategorized as beer and have been a conduit to alcohol for countless adolescents. New Jersey’s youth are drinking alcohol at an alarming rate, with almost 39 percent of our middle school students having already consumed alcohol, and 75% of high school students. Tragic health, social and economic problems result from the use of alcohol by youth. Youth are particularly vulnerable to harms associated with alcohol. It not only affects their development but that they experience high rates of alcoholic-related violence, motor vehicle accidents, assaults, homicide, suicide, traumatic injury, drowning, burns, property crime, high risk sex, fetal alcohol syndrome, and alcohol poisoning. Youth who begin to drink alcohol before the age of 15 are seven times more likely to have alcohol related problems later in life than those who wait until they are 21.

Many youth got their introduction to alcohol from alcopops, whose flavor resembles lemonade and other sweet tastes that appeal to youth. Alcopops, which are now wrongly classified as beer (alcopops have no traditional beer or malt characteristics), promote underage drinking by acting as a conduit from soft drinks to alcohol, with approximately 75 percent of the alcohol consumed by youth being alcopops.

Alcopops are marketed to look like familiar drinks to kids. They come in colorful packaging designed to appeal to youth. While the alcohol industry claims that its intended audience is 21 to 30 year olds, most of the magazine, TV, and radio ads are seen by girls 12 to 20 . Females 12-20 were exposed to 95% more magazine ads for alcopops than women over 21 .

Each year, approximately 154,050 youth in New Jersey drink alcopops . Underage drinkers consume 17.3% of all alcohol, but 47% of all alcopops sold. Other findings on annual teenage use of alcopops include:

- 65% of 12th graders have drunk alcopops;
- In New Jersey, the consumption of alcopops by underage drinkers resulted 13 deaths and 9,853 incidents of harm, including traffic accidents, suicides, violence, poisonings and fetal alcohol syndrome, among others ;
- Alcopops being the last alcoholic drink consumed by girls 15-17 rose from 14% to 62%;
- Drinkers 12-20 drink 5 ½ times as many alcopops as adults;
- Nearly 1 in 6 teen girls were sexually active after drinking alcopops;
- 1 out of 4 girls drove or rode in a car with a driver who had drunk alcopops;
- The consequences of youth use of alcopops cost the state almost \$247 million.

Although these products derive much of their alcohol from distilled spirits and are often branded with spirit names, the alcohol industry calls them “flavored malt beverages” because it wants to take advantage of the more favorable tax rates and guidelines for beer, though it does not want them to taste like, look like, or be labeled as beer.

Properly classifying alcopops will have a huge impact on reducing underage drinking. When alcohol costs more, youth drink less, meaning fewer of them die, get into fights or commit sui-



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cide. Properly classifying alcopops can reduce underage consumption of all alcohol by 23% . This bill will serve as a meaningful price disincentive for youth and make alcohol less available to them. Minimally increasing the price of alcopops will have two to four times the impact of other common prevention efforts such as school programs or media campaigns. It will decrease alcohol related traffic fatalities and the number of alcohol related deaths for youth .

Increasing the price of alcopops will reduce youth use of alcohol, but have little effect on adults. Adults will continue to buy alcopops or substitute them for beer. The Office of Legislative services found that pricing alcopops with a \$4.40 tax rate, rather than the \$.12 rate of beer will reduce consumption of alcopops by 15.4% but increase the consumption of beer. Because teens are so price and taste sensitive, youth consuming alcopops will decline more dramatically than adults, and they will not substitute it for beer or any other alcoholic beverage.

In a study regarding young people’s consumption of alcohol, the German government found that not only did consumption of alcopops by youth decrease dramatically after a minimal price rise but so did their consumption of beer, wine and spirits. The study concluded that minimally increasing the price of alcopops decreased the overall consumption of alcohol by youth by 23% and that the reduction in youth alcopops consumption had occurred without substitution to other alcoholic beverage . Thus, the only loss to the alcohol industry by correctly classifying alcopops is the loss of underage drinkers. Adults will continue to buy alcopops or substitute them for beer, increasing the beer consumption in the state.

Reducing consumption of alcopops by youth by just 15.4% translates into saving 20 young lives in a decade and preventing 15,174 incidents of harm, including youth violence, traffic crashes, high risk sex, injury, poisoning and psychosis, suicide attempt, over that same period .

Not only will correctly classifying alcopops save young lives, but it will produce \$15 million, half of which will be deposited into the Alcohol, Education, Rehabilitation and Enforcement Fund (AEREF) to be used to provide much needed addiction treatment and prevention programs; the other half will be deposited in the general fund. Currently, the state spends \$3.8 billion on the consequences of untreated addiction. If the state is to save money in these tough budget times, addiction treatment must be made available The AEREF, which provides treatment money to counties for youth and adults, has not seen a rise since 1992, causing counties to have their treatment dollars exhausted half way through the year and leaving thousands of individuals without access to addiction treatment. Under-funding the AEREF costs the state terribly, not only in terms of human loss, but also in terms of dollars and cents.

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