



TOPIC

Taxing Legal Drugs (Alcohol, Tobacco, and Marijuana) to Reduce Youth Use

PROBLEM

Underage use of drugs and alcohol is directly linked with traffic fatalities, unsafe sex, violence, and suicide. Despite the risks these substances pose to adolescents' health, education, and life prospects, they remain alarmingly easy for teens to access.

Youth cannot legally purchase alcohol or tobacco, but many outlets sell to them anyway. Taxing these products, however, can directly affect decisions by young people to use these substances.

SOLUTIONS



Higher taxes on legal drugs show strong evidence of reducing consumption among adults. They may also reduce youth use indirectly by reducing the quantity of drugs purchased legally by adults and diverted to youth use.



Raising taxes on drugs and alcohol will likely deter youth from purchasing and abusing these substances, because they are particularly price-sensitive.

CONCLUSION

Higher taxes on alcohol and tobacco reduce youth use. Although this effect has not yet been confirmed for legalized cannabis because it is newer, the same pattern will very likely hold.



KEY POLICY EVIDENCE

Price more strongly influences young people's propensity to smoke than it does adults', according to studies of discount coupons and other methods that lower the cost of tobacco.

Across age groups, doubling the alcohol tax reduces alcohol-related mortality by an average of 35%, traffic crash deaths by 11%, sexually transmitted disease by 6%, violence by 2%, and crime by 1.4%, according to studies conducted in 2009.

A 10% increase in alcohol prices resulted in a 5% reduction of drinking, these studies also concluded.

Increased taxes on alcohol are associated with lower alcohol consumption and fewer binge drinking episodes among youth.

Higher prices for marijuana (aka "cannabis") also reduce youth use. Therefore, higher taxes on legalized recreational cannabis probably reduce the likelihood of youth use, although this has not yet been directly studied.



Youth are particularly price sensitive. If we can raise the price of tobacco products or alcohol products or marijuana then we are going to reduce not only their access but their willingness to buy them. At a population level, taxes are one of the best levers that we have."

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