

2008 Performance Measures of the Maine Economic Growth Council

ECONOMY

Prosperity

- ⊖ 1. Per Capita Personal Income
- ⊖ 2. Gross Domestic Product
- ⊖ 3. Employment
- ⊖ 4. Multiple Job Holding

Business Innovation

- ⊖ 5. Research and Development Expenditures
- ⊖ 6. International Exports
- ⊖ 7. High Speed Internet Subscribers
- + ★ 8. New Business Starts
- ⊖ 9. Manufacturing Productivity

Skilled and Educated Workers

- ⊖ 10. Higher Degree Attainment

Business Climate

- + 11. Cost of Doing Business
- ⊖ 12. Cost of Health Care
- ⊖ 13. Cost of Energy
- ⊖ 14. State and Local Tax Burden
- ⊖ 15. Transportation Infrastructure
- ⊖ 16. On-the-job Injuries and Illnesses (Reported)

COMMUNITY

Civic Assets

- ⊖ 17. Affordable Housing

Disparities

- ⊖ 18. Poverty
- ⊖ 19. Gender Income Disparity

Health and Safety

- ⊖ 20. Chronic Disease
- ⊖ ★ 21. Health Insurance Coverage

ENVIRONMENT

Preservation

- + ★ 22. Conservation Lands

Stewardship

- + ★ 23. Sustainable Forest Lands

Access

- ⊖ 24. Population of Service Center Communities

682

- A) Projected Career Homers For Manny Ramirez
- B) Total **Pounds** Lost On “The Biggest Loser” This Season
- C) Scallops Shucked On An Average Day In Eastport
- D) None of The Above

\$682 is the cost per resident, or \$900 million in total, to combat alcohol and drug abuse in Maine.



\$900 Million: the 2005 estimated annual cost of substance abuse in Maine: Who's got the Tab?

Mortality (681 deaths resulting in 15,747 years of potential life lost)	\$204.2M
Drug & Alcohol Related Crime	\$214.5M
Medical Care	\$186.8M
Morbidity (adverse effects of substance abuse measured as economic cost)	\$155.6M
Child/Social Welfare	106.7M
Alcohol-Related Motor Vehicle Accidents	\$48.4M
Substance Abuse Treatment	\$25.2M
Cost of Fires	\$9.2M
Social Welfare Administration	\$2.2M

Source: Maine Office of Substance Abuse: Cost of Alcohol And Drug Abuse In Maine 2005 Report

That's \$3,410 a year for
a family of five

Or.....

- ✓ Nearly 3 months of mortgage payments
- ✓ 23 weeks of groceries
- ✓ 15 credit hours at the University of Maine

67% Of HR Professionals Surveyed Cite Substance Abuse As A Major Issue Threatening Their Company

Significant Problems Due To Employee Substance Abuse
Absenteeism
Reduced Productivity
Lack of Trustworthiness
Negative Impact on Company's Reputation
Missed Deadlines
Increased Health Care costs
Unpredictable & Defensive Interpersonal Relations

Alcohol Abuse: A Common Problem For Employers

Heavy Alcohol Use By Industry	%
Construction	17.8
Installation/Maintenance /Repair	14.7
Food Preparation/Serving	12.1
Transportation/Moving	11.2
Sales	10.2
Production	9.7
Building & Grounds/Cleaning	9.5
Farming/Fishing/Forestry	9.5
Protective Service	8.7
Engineering/Architecture	8.3
Management	7.9
Arts/Entertainment/Media	7.5
Office & Administrative Support	6.9
Financial	6.2
Computer Science	5.9
Legal	5.9
Personal Care & Service	5.4
Life/Physical & Social Sciences	5.3
Healthcare	3.9
Education	3.7
Community & Social Services	2.8

Source: United States Department of Health & Human Services

Why Should Your Business Care About Substance Abuse?

- **Increased overhead costs raising labor rates**
 - Increased healthcare costs on all employees to address effects of alcohol
 - Higher rates of absenteeism among alcohol abusers
 - Not the most common, but contribute to the most time lost
 - Alcohol/substance abuse programs increase cost
 - Increased State and Federal tax rates to fund abuse programs
 - Potential liability in wrongful death or negligence cases

Why Should Your Business Care About Substance Abuse?

- **Employee productivity reduced**
 - Presenteeism; Employees present at work, but not mentally engaged
 - Increased risk of accidents in the workplace by alcohol abusers
 - Influence on other workers and the morale of the workplace
 - Impact of alcohol/drug abuse on life outside of work
 - Often leads to domestic violence, OUI: potential jail time

Impact At BIW

- **Challenge: Balance of assisting and disciplining employees that abuse alcohol**
 - Abuse knows no demographic boundaries
- **Impact on health insurance**
 - Estimated \$200,000 health care cost are alcohol-related
 - Largest single percentage of Employee Assistance Program referrals (13%) are alcohol-related

Impact At BIW

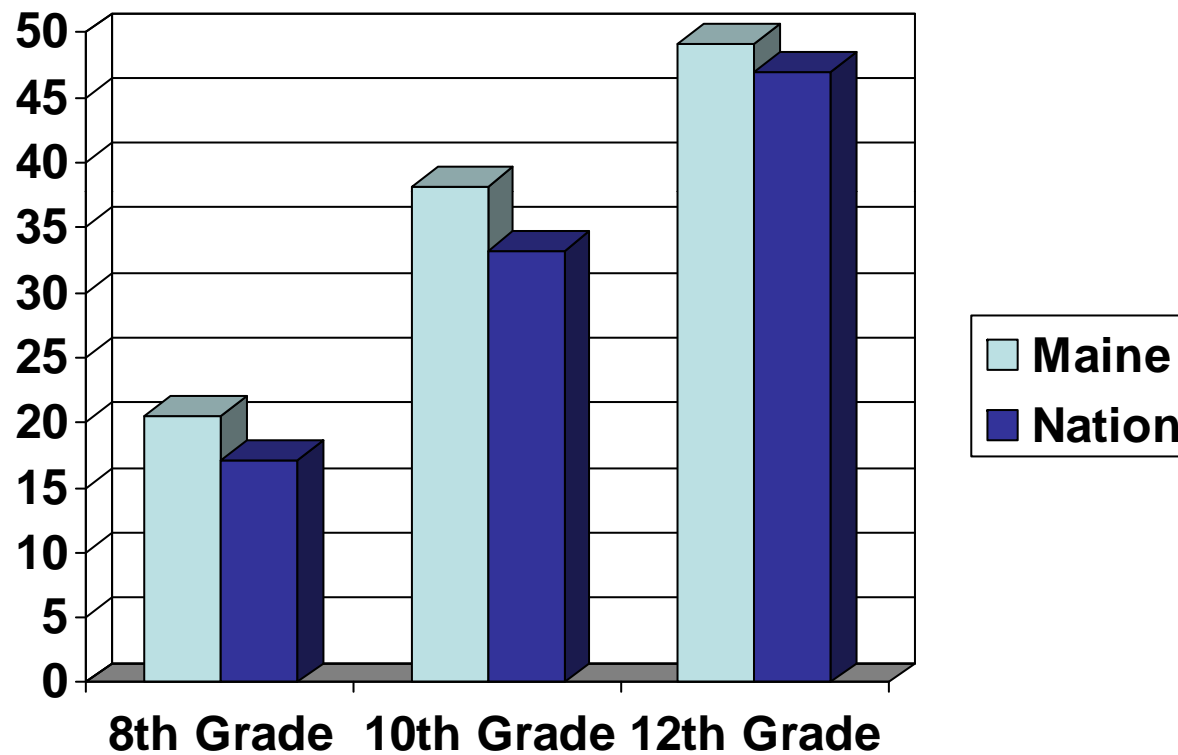
- **Building healthy ways**
 - Healthy vending
 - Walking paths to encourage exercise
 - Smoking cessation program
- **Few initiatives in place to reduce alcohol use**
 - Requires major culture/behavior change
 - Obtain metrics to better understand patterns of alcohol abuse to minimize impact on company performance

Looking Ahead

Future workforce

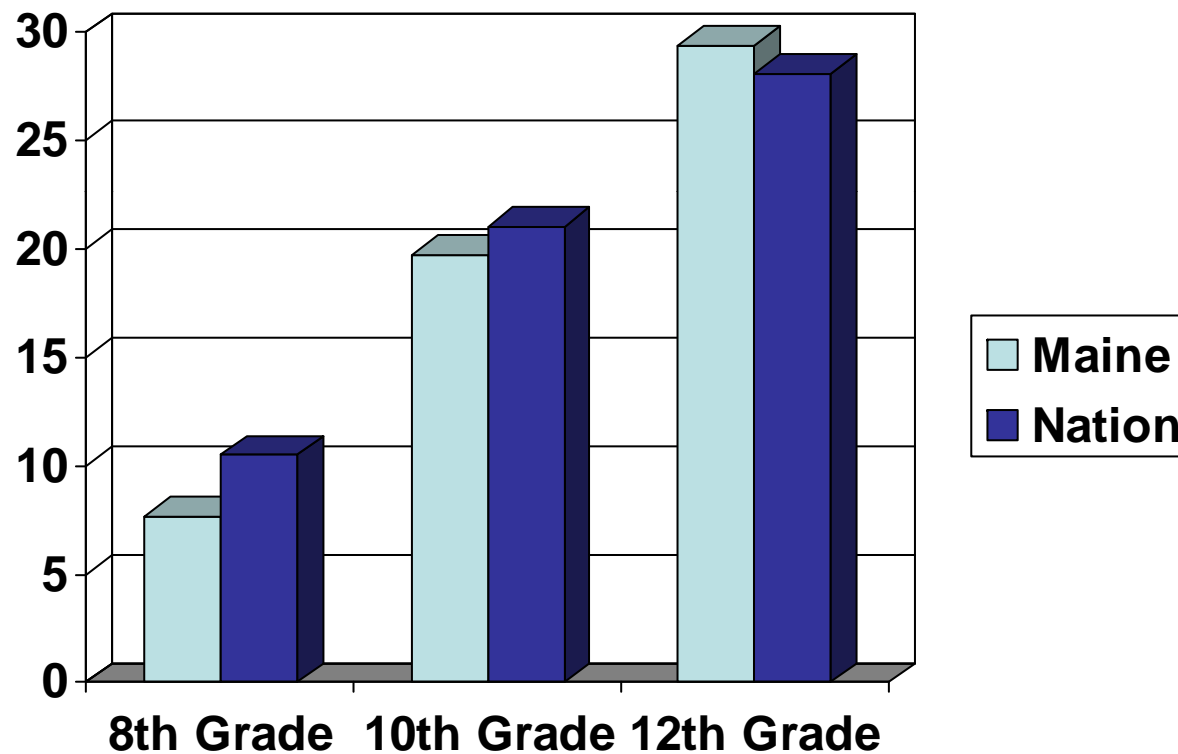
- Average age 46
- BIW requires technically trained shipbuilders and engineers to be competitive and successful
- Most BIW craftsman grew up in Maine
- Need to understand the effects of alcohol on Maine's youth

Alcohol Use Among Maine Youth Exceeds National Rate



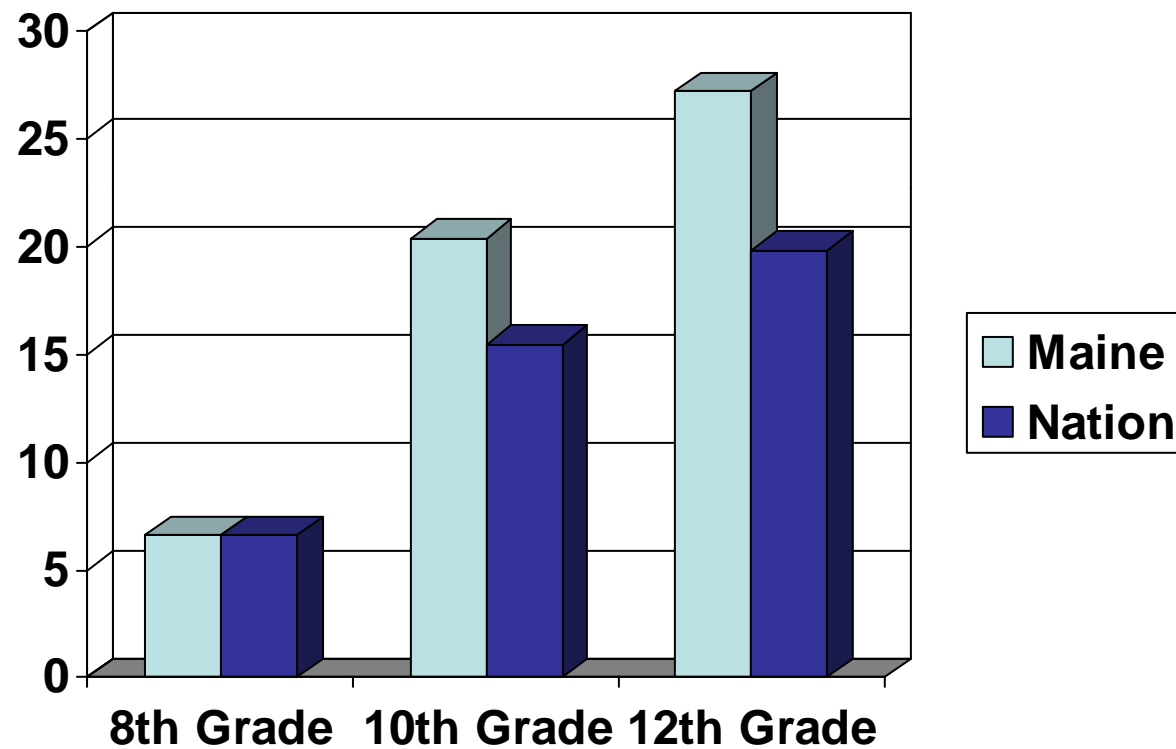
Source: Maine Youth Drug and Alcohol Use Survey

Binge Drinking By Maine High School Seniors Exceeds National Rate

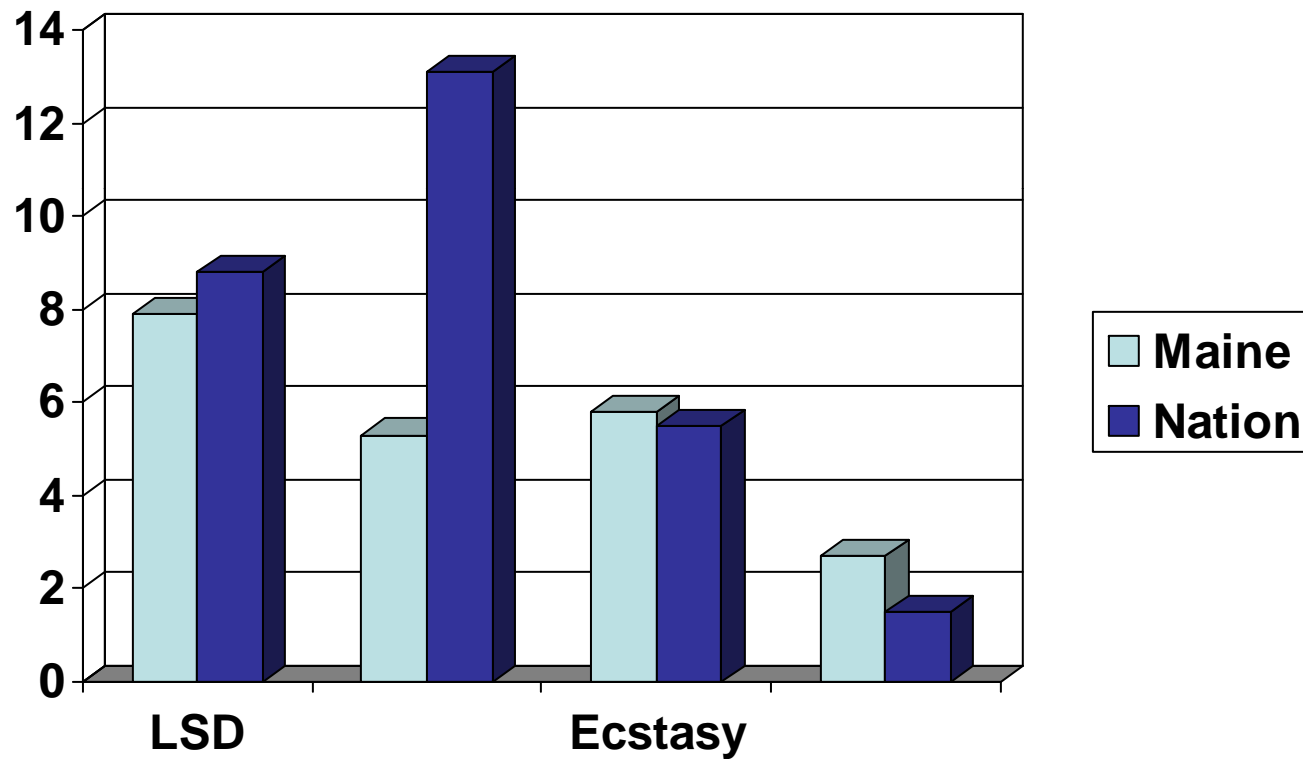


Source: Maine Youth Drug and Alcohol Use Survey

Marijuana Use By Maine Youth Is Higher Than National Average



Heroin Use By Maine High School Seniors Is Double The National Average



Washington County Kids Exceed The Maine Average

- Between 2002 and 2003 youth arrests for liquor violations increased 24.2%
- In 2004, youths in grades 11 and 12 reported that 79% drink alcohol and 46% smoke marijuana.
- Grade 10 binge drinking was 20% by Grade 12 binge drinking increases to 32%

Source: Maine Youth Drug and Alcohol Use Survey

*In Androscoggin County nearly sixty-four percent of the respondents in the survey of non-collegiate 18-25 year olds reported drinking in the previous thirty days, and **on average they consumed 6.6 drinks in one sitting.***

Source: Healthy Androscoggin Survey

There Are Steps That Can Help Businesses Today While Protecting Our Future Workforce

- Early Childhood/K-12 Prevention Programs
- Wellness Programs
- Legislative Action
- Building a Proactive Company Culture

Prevention Programs Reduce Impact of Substance Abuse In Youth

- High-Quality Early Care and Education Lessens Likelihood of Drug & Alcohol Abuse
- Establish Awareness Programs for Primary Grades K-5 Such as “Kids Consortium” Statewide
- Broaden Awareness Programs for Middle School & High Schools
- Incorporate “Natural Helpers” Peer Programs Into High Schools Statewide
- Initiate Instructional Programs For Parents Such as “Guiding Good Choices” Statewide

Statewide Policy Opportunities

- Strong Leadership to Raise Awareness
- Improve School Curriculum to Include Prevention
- Develop Coordinated School Health
- Increase Funding for Prevention
- Increase Funding for Treatment
- Increase Tax on Alcohol
- Ban Sale of Alcohol in Some Settings

Worksite Wellness

What Employers Can Do

- Adopt HR policy and guidelines to prohibit alcohol and drug use while at work
- Eliminate corporate reimbursement of alcohol from travel expense reports
- Eliminate company sponsored events that include alcohol
- Begin to measure productivity costs associated with alcohol and drug use: absenteeism and presenteeism.
- CEO and management team work together to communicate cost related to alcohol and drugs to all employees.

5 Steps Companies Can Take To Proactively Address Employee Substance Abuse

- Recognize the extent of addiction in your workplace
- Create a company culture that supports treatment and recovery by eliminating company sponsored events that include alcohol
- Eliminate corporate reimbursement of alcohol from travel expense reports
- Balance work-life concerns with the hope of treatment and recovery
- Have confidentiality and respect be the core of your policy

What Else Can **You** Do?

- Talk about the problem
- Learn about tools you have as an employer
- Organize a workplace wellness program
- Educate your family about the costs: social and employment
- Learn about what programs are in your community and in your schools
- Ask your legislator what they are doing to help
- Support legislation to deal with the problem at the front end



***“That’ll
be \$682***

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***So who’s
got the
tab?”***