

## **Financial Costs of Substance Use Addiction**

Many people do not realize the true cost of addiction because it can be such a slow drain on a person's finances, career, relationships, and quality of life. Although it is impossible to put a dollar amount on the total cost of addiction, living with an addiction can be expensive. The economic side effects of addiction can impact a person's financial health for many years due to several factors, including:

**Money Spent:** The actual cost of buying substances adds up fast. The following information is based on an inexpensive six-pack of beer. Other forms of alcohol can cost significantly more.

Six Pack of Beer Purchased Weekly:	Weekly Cost:	Monthly Cost:	Annual Cost:	Cost in 10 Years:	Cost in 20 Years:
One	\$5.79	\$23.16	\$277.92	\$2,779.20	\$5,558.40
Two	\$11.58	\$46.32	\$555.84	\$5,558.40	\$11,116.80
Three	\$17.37	\$69.48	\$833.76	\$8,337.60	\$16,675.20

**Loss of Productivity:** Substance use dependency is associated with increased absenteeism from work, fewer promotions, and increased risk of unemployment. In this way, addiction can lead to lower incomes, job loss, and greater financial stress.

**Lifestyle Changes:** The time spent buying and using drugs, recuperating from drug use, and repeating this cycle of substance dependency could be spent on other aspects of a person's life. For example, learning new skills to increase job opportunities, exercising to take better care of one's health, or simply spending quality time with friends and family. Addiction can change one's lifestyle significantly and cost a person valuable time.

**Illness:** Drug and alcohol dependency can often result in illness, increased risk of injury, and/or higher medical bills that are either directly or indirectly related to addiction. Substance use disorders can also result in long-term loss of earning capacity due to illness, disability, and/or medical costs.

**Insurance:** A person who is struggling with addiction may have to pay more for car insurance or health insurance. The average person struggling with an addiction is charged with 1.4 DUIs, which

can result in increased car insurance rates (up to 300%), if not outright cancellation. DUIs can also lead to the suspension of a person's driver's license, which can make it difficult to apply for a job or loan or open a bank account. Comorbidity, illness, and injury caused by intoxication further increase the cost of insurance, which can leave an individual and/or their family more susceptible to higher medical bills.

**Legal Bills:** DUI's, arrest warrants and other legal problems may occur when a person is battling an addiction. These costs can add up significantly over time.

**Loss of Earned Income:** Substance use issues are strongly correlated with dropping out of high school or college, which can create a lifelong loss of earned income. In addition, Social Security and retirement benefits are correlated to earned income, so the loss of annual earnings can impact retirement and public benefits.

**General Money Problems:** Late bills, higher interest rates, and bad credit scores are also common problems when a person is struggling with a substance use disorder. These types of financial problems can occur when money that could go toward paying bills or debts goes toward buying the addictive substance instead. Accidents and higher insurance rates can also increase expenses and affect a person's chances of buying a car or qualifying for a mortgage. Not only does this hurt the person suffering from the addiction, it can impact the lives of partners, parents, siblings, and children for years to come.

**Note:** Addiction can pose a real threat to a person's financial future. The sooner treatment begins, the better the chance for success. Early intervention reduces the risk of illness, injury, increased legal and insurance rates, and can allow for the completion of educational, professional, and personal goals. The cost of treatment amounts to very little in the big picture. When the total impact is calculated, treatment costs often add up to only a few weeks or months of the cost of the addiction.<sup>104</sup>

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<sup>104</sup> Original material from Peerlink National Technical Assistance Center.

## **Financial Costs of Gambling Addictions**

The most obvious costs of problem gambling are the expenses associated with gambling activities, such as sports betting, online gambling, lotteries, horse tracks, and casinos. Other economic side effects of problem gambling can include:

**Increased Debt:** Compulsive gambling results in a destructive “snowball effect” on finances. The average person receiving treatment for compulsive gambling is over \$30,000 in debt from gambling activities alone.

Many individuals who gamble max-out their credit cards and open up new lines of credit in order to fund their gambling. This increased debt frequently results in ruined credit, because anytime a person opens up a new credit card or charges it to more than 30% of its limit, their credit drops as a result. If a person has multiple lines of credit that are maxed out, they probably will also have difficulty making minimum payments. People struggling with gambling addictions frequently use money set aside for bills and paying off debts on gambling.

**Higher Chance of Bankruptcy and Foreclosure:** Individuals struggling with gambling addictions have a much higher chance of filing for bankruptcy. In Ontario, an estimated 20% of people with gambling addictions file for bankruptcy, while the overall bankruptcy rate is just 0.4%. People who struggle with compulsive gambling are also more likely to default on their mortgages and foreclose on their homes.

**Recovery Costs:** People who struggle with gambling addictions and decide to seek treatment can face thousands of dollars in recovery costs, from outpatient treatment with a counselor to the higher costs of an inpatient treatment facility. Yet without treatment, people struggling with compulsive gambling are more likely to relapse. Gambling recovery costs are much less in the bigger picture than the costs of not receiving treatment.

If you think you have lost control over your gambling or have developed an addiction, you can contact local resources for gambling addiction or call Gamblers Anonymous at 1-888-GA-HELPS.<sup>105</sup> To find help and resources in your state for problem gambling recovery, visit: <https://www.ncpgambling.org/help-treatment/help-by-state/>

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