Preventing a Marijuana Industry from Targeting Children: What can we learn from alcohol?

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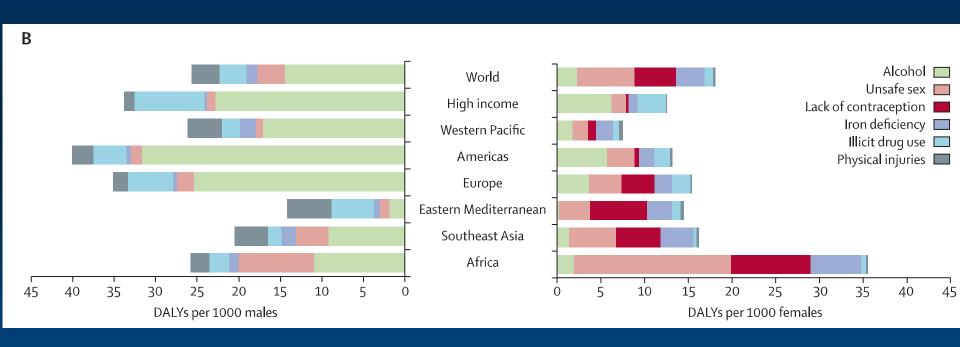
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How States Can Protect Children from Legal Marijuana
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Alcohol's role in the global burden of disease for 15-24 year-olds worldwide







Youth Drinking: The Problem

- Alcohol is the number one drug problem among young people. (MTF)
- In 2011, 9.7 million U.S. young people ages 12-20 (25.1%) reported drinking in the past month, and 6.1 million reported binge drinking (15.8.0%). (NSDUH)
- Every day, 4,500 kids under age 16 start drinking. (NSDUH)
- Every year more than 4,700 people under age 21 die from alcohol-related causes. (CDC ARDI)
- The earlier young people begin drinking, the worse the consequences are likely to be.





Youth Drinking: The consequences

- Young people who begin drinking before age 15 are five times more likely to develop alcohol problems later in life than those who wait until they are 21. (OSG)
- They are:
 - Four times more likely to develop alcohol dependence (Grant & Dawson, 1997)
 - Six times more likely to be in a physical fight after drinking;
 - More than six times more likely to be in a motor vehicle crash because of drinking;
 - Almost five times more likely to suffer from other unintentional injuries after drinking. (Hingson et al, 2009)

Alcohol and health in the U.S.

- Third leading actual cause of death
- 80,000 deaths per year
- Leading drug problem among young people
- Related to more than 200 disease categories
- NOT an ordinary commodity





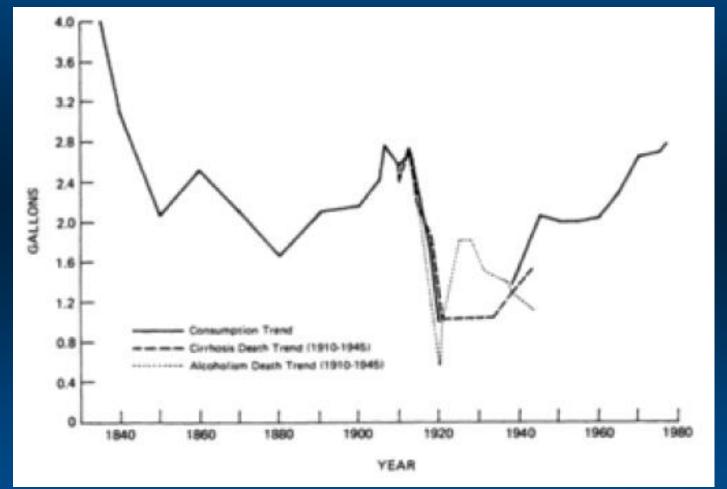
Lesson 1

- Marijuana is not an ordinary commodity.
 - The "market" is suited to ordinary commodities.
 - The "market" will not regulate marijuana in a way that is healthy for young people.
 - Research will be needed to demonstrate continually and clearly how marijuana is not an ordinary commodity – and in particular, the toll of marijuana use on young people.
 - A marijuana control system needs to be carefully planned and maintained.





History Lesson: U.S. per capita consumption, cirrhosis, and alcoholism death rates, drinking age population







Source: NAS 1981

Prohibition and the tax problem

- 1910 alcohol taxes bring \$208 million (\$4.5 billion in 2010 dollars) to federal government alone – total federal receipts were \$676 million
- Thus, alcohol brought in ~31% of federal revenues prior to Prohibition
- 1921-1928 income taxes increase by 165 percent to pick up slack (Kyvig 1974)
- "Failure of Prohibition" is partly fiscal
- Post-Prohibition federal government devolves authority to states, keeps alcohol policy in Treasury Department only





Lesson 2

- Don't let governments get drunk on the revenues.
 - The best place for marijuana regulation is NOT the treasury or fiscal department.
 - Marijuana needs to be regulated by medical/public health authorities.
 - Tax income from marijuana needs to be secondary and incidental, and not central, to the regulation of marijuana.





Towards Repeal

- 1929 crash of stock market
- AF of L argues repeal would have a "soothing effect" on the working man
- 1932 John D. Rockefeller comes out for repeal; Sloan follows soon afterward; FDR endorses repeal in acceptance speech
- 1933 21st Amendment repeal passes Congress and 36 states to become law
- 1934 alcohol excise taxes are 9.5% of federal revenues





After Repeal

- 1905 1907: Committee of Fifty put together by Rockefeller – argued presciently that prohibition would not work, based on experiences thus far in cities and counties:
 - "The public have seen the law defied, a whole generation of habitual law breakers schooled in evasion and shamelessness, courts ineffective through fluctuations of policy, delays, perjuries, negligencies and other miscarriages of justice, officers of the law double-faced and mercenary..."





Rockefeller plan

- "If the new system is not rooted in what the people of each state sincerely desire at this moment, it makes no difference how logical and complete it may appear as a statute it cannot succeed." (Fosdick and Scott, quoted in Levine 1983)
- Criticism story of the dog that would not go outdoors, but instead slinks under the bed – owner says sternly, "Very well, go under the bed. I will be obeyed!"





Rockefeller plan

- Model legislation for two kinds of state systems:
 - State-run monopolies (modeled on Scandinavia, Canada) for retail sale for off-premises consumption of alcohol above 3.2%
 - License system (modeled in English license system)
 giving single non-partisan board appointed by the
 governor statewide authority to issue liquor licenses
 and regulate industry
- Model legislation very influential





Key elements of US alcohol control system

- High taxes
 - Control on economic availability
- Producer self-restraint in marketing
 - Control on social availability
- License or monopoly systems
 - Control on physical availability





Lesson 3

- Build a control system based on the three "best buys":
 - Control of economic availability
 - Control of social availability
 - Control of physical availability





Alcohol taxes and public health

- In this respect, alcohol is an ordinary commodity:
 - People increase their drinking when prices are lowered, and decrease their consumption when prices rise.
 - Adolescents and problem drinkers are no exception to this rule.
 - Increased alcoholic beverage taxes and prices are related to reductions in alcohol-related problems.





Public health goals: alcohol taxation

- Equalize based on alcohol content
- Index for inflation
- Set minimum price





Implementation failure: Economic availability

Federal alcohol taxes fail to keep up with inflation

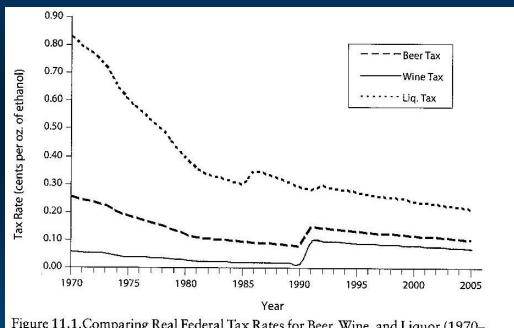


Figure 11.1. Comparing Real Federal Tax Rates for Beer, Wine, and Liquor (1970–2005).

Note: Nominal tax rates converted to cents per ounce of included ethanol and converted to 2005 dollar values using the CPI.

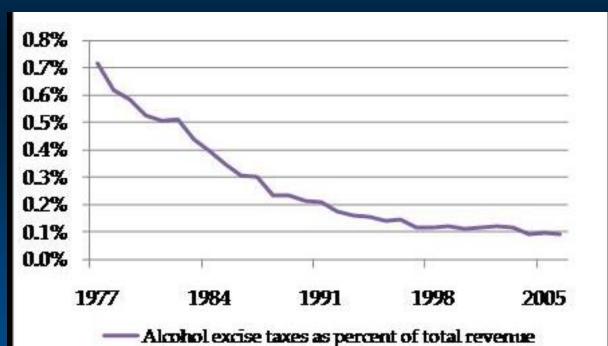




Implementation failure: Economic availability

 State alcohol taxes "poorly performing revenue source"

Maryland alcohol tax revenues, 1977-2006





The result

- Off-premise, beer is cheaper than water, orange juice, milk and soda
- On-premise, alcohol is widely discounted (happy hours, ladies' nights, etc.)
- Every year alcohol becomes more economically available





Implementation failure: Social availability

- Alcohol advertising in the U.S. is self-regulated
- Alcohol is a \$1 trillion industry globally, heavily concentrated among a few large companies
- Alcohol companies spend approximately \$4 billion per year on marketing in the U.S.
 - They claim advertising has no relationship to consumption
 - They claim self-regulation works because there are few complaints
 - The Beer Institute Complaint Review Board has never found an ad in violation of its Code





Lesson 4

- Control the size and power of the industry
 - Alcohol companies spent \$20 million on lobbying at the federal level in 2010 alone
 - They have one lobbyist for every two members of Congress
 - Alcohol companies gave \$150 million to state political campaigns from 2001-2010





The Beginning







Developing Brand Loyalty at an Early Age



"Diageo rolled out Smirnoff Ice in the US market...it suddenly put the once-stodgy Smirnoff name on the tips of millions of echo boomers' tongues" – (Impact, May 15, 2003)

Echo Boomers:

- > Americans born from 1980-1995
- > 8 23 years old in 2003







"The beauty of this category is that it brings in new drinkers, people who really don't like the taste of beer."

Marlene Coulis
Director of New Products
Anheuser-Busch Co.
Advertising Age
April 22, 2002



Who are "New Drinkers"?



Average age of first use of alcoholic beverages among 12-17 year olds, 2004: 14.4 years old.

Every day, 4,500 young people Under age 16 start drinking.





How popular are alcopops among kids?

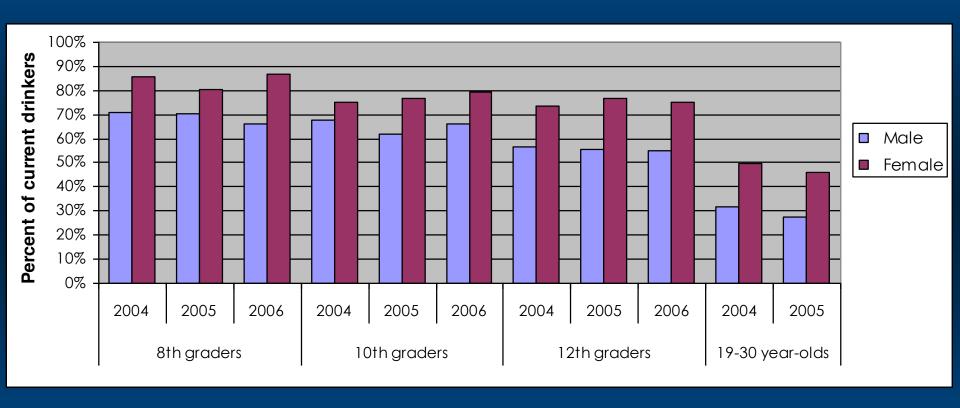
- Most popular with the youngest drinkers.
- 78% of current 8th grade drinkers (past 30 days) drank alcopops in the past 30 days.
- 71% of current 10th grade drinkers (past 30 days) drank alcopops in the past 30 days.
- 65% of current 12th grade drinkers (past 30 days) drank alcopops in the past 30 days.

MRNOFF ICE Premium Mait Bevera

 42% of current drinkers, age 19 to 30, drank alcopops in the past 30 days.

Source: MTF 2004

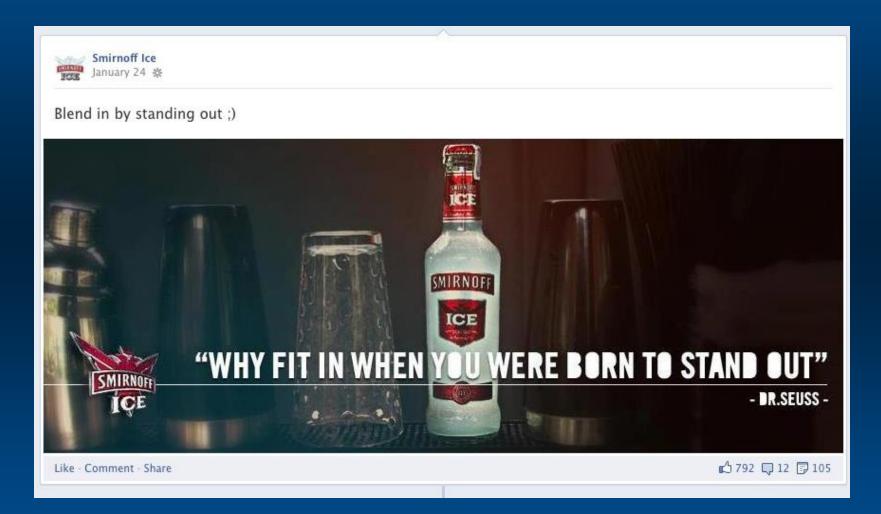
Alcopops most popular with females in every age group







Alcopop marketing today







An offshoot...









Alcohol industry self-regulation

 Distilled Spirits Council of the United States (DISCUS) Code:

Beverage alcohol advertising and marketing materials should not contain any lewd or indecent images or language







Beer Institute Advertising and Marketing Code

Models and actors employed to appear in beer advertising and marketing materials should be a minimum of 25 years old, substantiated by proper identification, and should reasonably appear to be over 21 years of age.





AGE: 21

NICKNAME: JESS

DRINK: MILLER LITE

HOMETOWN: OVIEDO, FL

SPECIALIST LOCATION: ORLANDO

FAVORITE LOCAL TRADITION:

SPRINT SPLASH AT UFC

FAVORITE LOCAL BAR/TRADITION:

WALL STREET

FAVORITE SPORT: FLOOR HOCKE



"Beverage alcohol advertising and marketing materials should not contain any lewd or indecent images or language."











DISCUS Code of Responsible Practices

Beverage alcohol advertising and marketing materials should not contain the name of or depict Santa Claus.









Brand photos on Captain Morgan Facebook Page





Alcohol industry self-regulation

DISCUS code

Beverage alcohol
 advertising and marketing
 materials should not depict
 situations where beverage
 alcohol is being consumed
 excessively or in an
 irresponsible manner.

 "Limit" is at least four times the U.S. dietary guideline for women.







All natural and organic



Natural vodka





Natural beer





Vodka from soy – gluten-free!





Organic tequila







Natural tequila





Natural "binge in a can"





"Binge in a can" with natural Brazilian healing powers





Fitness friendly





A personal trainer from Holland





Antioxidant beer





MateVe

"Beer plus" - a smart choice







"Full speed" beer







A diet drink





A "smart choice" beer – only 95 calories







HOME

فالمأنو

SELECT

THE SELECT STORY SELECT ON SCREEN CONNECT WITH SELECT SELECT

THE LIGHTEST BEER WORLD.

INTRODUCING A LIGHT GOLDEN LAGER THAT DELIVERS CRISP REFRESHMENT WITHOUT THE GUILT. SELECT. 55.

DRINK:	CALORIES
Select 55	55
Coors Light	102
Miller Lite	96
MGD64	64
White Wine (4,1 oz)	113
Margarita (3.3 oz)	153
Martini (2.2 oz)	135

WAYS TO BURN 55 CALORIES:

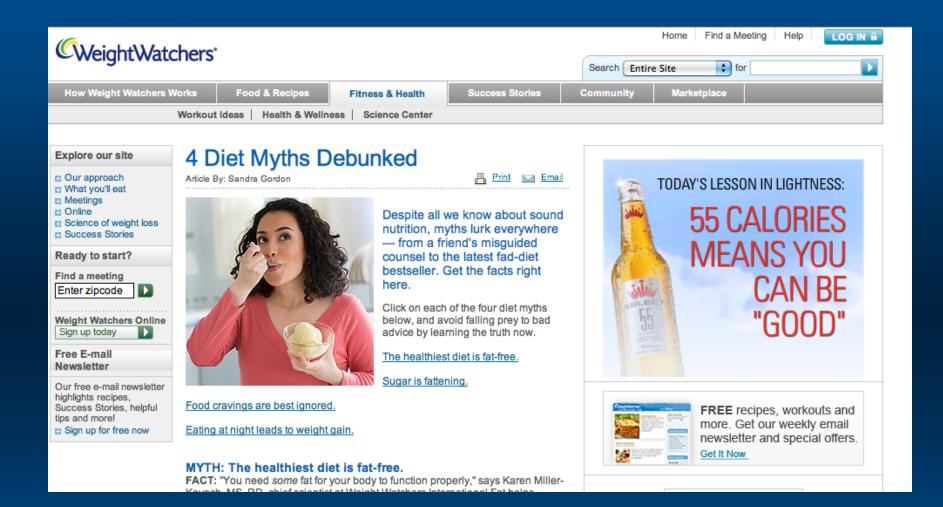
- · Bargain Shopping: 20 minutes
- . Dancing with Friends: 11 minutes
- . Mowing the Lawn: 9 minutes
- . Watching Reality TV: 49 minutes
- · Napping on the Couch: 54 minutes
- · Painting a Room: 17 minutes
- . Surfing the Web: 33 minutes

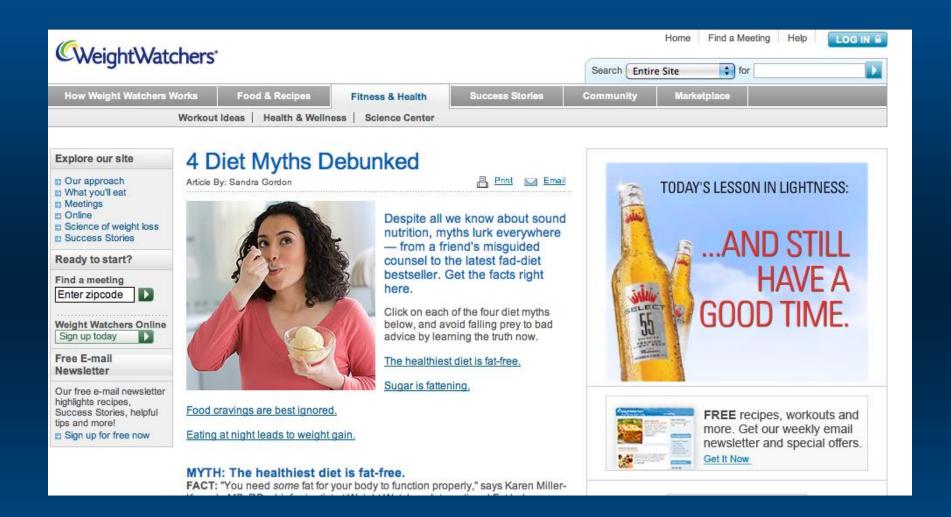
Sourier: calorisperhour.com/based on a weight of 150bs.)

55 CALORIES



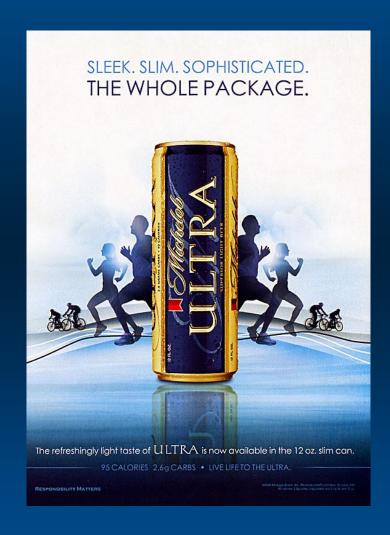








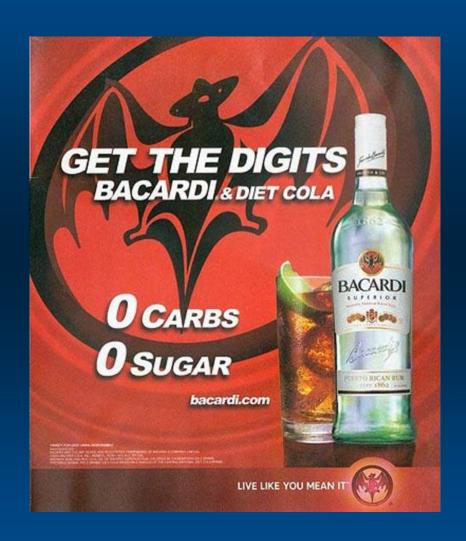
Even the can is slim





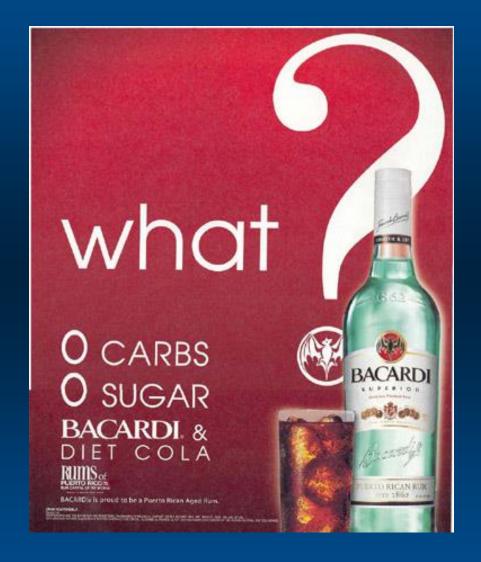


No carbs – even better





No carbs - no question



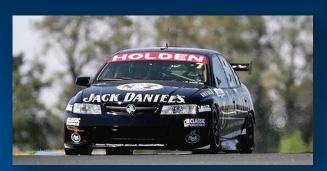




Addressing Alcohol's Appeal to Youth: Alcohol Advertising

• ≥14 longitudinal studies

- Followed groups of young people over time, monitoring alcohol marketing exposure and drinking behavior
- Link increased exposure to alcohol advertising and marketing is associated with drinking initiation and increased consumption, even after controlling for other variables









Alcohol Marketing A Major Risk Factor for Underage Drinking

- Forms of alcohol advertising and marketing that predict drinking onset among youth
 - Alcohol advertisements in magazines
 - Beer advertisements on television
 - Alcohol advertisements on radio
 - Alcohol advertisements on billboards
 - In-store beer displays and sports concessions
 - Alcohol use in movies
 - Ownership of alcohol promotional items







CAMY: a new form of surveillance

- Use industry standard tools:
 - -Audience research
 - Nielsen TV: age 2+, national and local markets
 - Mediamark Research (magazines): age 12+, national
 - Arbitron Radio: age 6+, local
 - Occurrence/Competitive tracking
 - Nielsen Monitor Plus
 - Brand tracking
 - Impact Databank



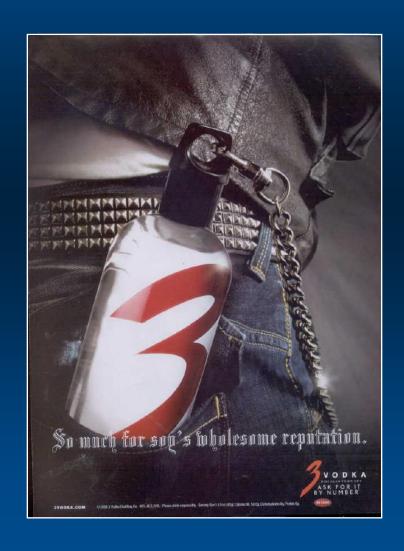


Youth exposure to alcohol advertising: magazines

In 2008, compared to adults 21 and over, youth ages 12-20 saw per capita...

- 10% more beer ads
- 16% more ads for alcopops
- 73% fewer wine ads

The overwhelming majority of youth exposure – 78% - came from ads placed in magazines with disproportionate youth audiences.



Radio 2009

- Analysis of alcohol advertisements placed on radio in the 75 local markets for which data were available. Key findings include:
 - One in eleven (9%) of placements were on programming in violation of the industry's 30 percent standard.
 - These advertisements generated 18 percent of youth exposure to alcohol advertising.
 - Three brands (Bud Light, Coors Light, and Miller Lite) placed close to half of the noncompliant ads.
 - Close to one-third (32%) of advertising placements occurred when proportionately more youth were listening than adults age 21 and above.
 - These overexposing ads generated more than half of youth exposure to radio advertising for alcohol in 2009.





Youth Exposure to Alcohol Ads on U.S. Television

- In 2009, 315,581 alcohol product commercials appeared on U.S. television.
- Underage youth ages 12-20 were more likely than legalage adults on a per capita basis to have seen 67,656 of them, or about 21%.
- These ads accounted for more than 44% of youth exposure to alcohol advertising on television.
- From 2001 to 2009 the number of television alcohol ads seen by the average 12 to 20 year-old increased by 69%, from 217 per year to 366 per year. (FREQUENCY)





Youth Exposure to Alcohol Ads on U.S. Television, cont.

- Much of this increase was in distilled spirits ads, especially on cable TV.
- By 2004, the alcohol industry had adopted tighter ad placement standards to shield youth from exposure to their advertising. Nonetheless:
 - Between 2004 and 2009, youth exposure to alcohol advertising on television actually grew at a *faster* than that of adults ages 21 and above, as well as that of young adults ages 21 to 34.
 - This finding shows the ineffectiveness of the industry's selfregulatory guidelines.





Importance of Monitoring at Brand Level

A small percentage of alcohol brands is responsible for half of youth exposure

Medium	Year	Total number of brands advertising	Brands responsible for half of youth exposure
Magazines	2008	333	16 (5%)
Television	2009	151	12 (8%)
Radio	2009	77	3 (4%)





ABRAND RESULTS

Top 10 brands by: gender

Rank	Male (%)	Female (%)
1	Bud Light (28.1)	Bud Light (27.7)
2	Budweiser (17.0)	Smirnoff Malt Beverages (22.7)
3	Jack Daniels Whiskeys (14.2)	Mikes (14.4)
4	Coors Light (13.7)	Smirnoff Vodkas (13.3)
5	Heineken (13.2)	Bud (12.2)
6	Captain Morgan Rums (13.1)	Coors Light (11.7)
7	Smirnoff Vodkas (12.2)	Absolut Vodkas (11.3)
8	Smirnoff Malt Beverages (11.6)	Corona Extra (11.2)
9	Corona Extra (11.3)	Bacardi Malt Beverages (10.3)
10	Blue Moon (10.2)	Jose Cuervo Tequilas (9.5)









Youth Exposure Growing Faster Than Adult





Implementation failure: Social availability

Summary:

- Product development is regulated by the Treasury Department (see Lesson 2)
- Alcohol marketing abounds
- Advertisers police themselves
- Codes are vague and enforcement is rare





Summary of the Evidence

Targeting Requirement	Requirement Met?
Age 18-20 Exposure = Age 21-24 Exposure?	True in 4 of 7 years (since 2008)
Comparable products do not target?	True wine avoids age 18-20 exposure
Alternative schedules can be created	True Age 18-20 exposure could be reduced by as much as 50% without any impact on age 21-24 exposure

Evidence of targeting is strong based on Lockyer v. Reynolds criteria





Lesson 5

- Ban the marketing
 - Marketing of medicines is more tightly regulated – there is precedent
 - Once the Mad Men get hold of marijuana, the floodgates will open and the tide will be difficult to turn.
 - Get out now while you can!





Physical availability: License systems

- Three main provisions:
 - State licensing of alcohol producers, distributors and retailers controls entry into industry, maintains retail standards of operation
 - "Tied-house" restrictions prevent vertical integration of the industry by outlawing retail establishments owned or controlled by producers
 - "Fair trade" provisions discourage intemperate consumption and "disorderly" marketing conditions by permitting producers to set price of their products, in theory preventing price competition at retail





Implementation failure: Physical availability

- Monopoly states
 - Washington State and Costco
 - Pennsylvania current debate





Lesson 6

- Create and safeguard state-run monopolies
 - Production
 - Wholesale
 - Retail
 - Placed under control of health authorities (see Lesson 2)





Implementation failure: Physical availability

- Maryland license state
 - Control devolved to local licensing boards, appointed by the Governor
 - Audit of Baltimore liquor board in April:
 - Baltimore Sun editorial: "Liquor boards are traditional dumping grounds for political patronage, and there are all sorts of opportunities for mischief and favoritism. But Baltimore's liquor board exists on a level of incompetence that is likely unparalleled in Maryland."





Audit findings

- Failed to document that new outlets were at least 300 feet from schools or churches
- Prematurely closed half of the 311 test complaints filed by auditors
- Inspects haphazardly:
 - 96 license holders inspected 8 or more times in a year
 - 202 not inspected at all in a year
 - No inspector met internal quota of 4 inspections/day
 - Tess Monaghan's father???





State audit of Baltimore City Liquor Board

Table 3	
Number of Inspections Completed By Inspec	tor
September 1, 2010 to August 31, 2011	

The first blood of the first fill and a first plant of the fill blood of the first				
Inspector (Note)	Number of Inspections Completed	Difference From OLA Estimated Workload (872 per Year)	Percentage of Estimated Workload Not Completed	
Inspector 1	41	831	95%	
Inspector 2	41	831	95%	
Inspector 3	116	756	87%	
Inspector 4	197	675	77%	
Inspector 7	296	576	66%	
Inspector 9	387	485	56%	
Inspector 11	419	453	52%	
Inspector 5	428	444	51%	
Inspector 6	430	442	51%	
Inspector 8	436	436	50%	
Inspector 10	474	398	46%	
Inspector 12	512	360	41%	
Totals	3,777	6,687	64%	

Source: OLA compiled database

Note: Inspections completed do not include inspections performed by part-time inspectors, investigators, and a former inspector. As a result, the total inspections in Table 3 (3,777) is less than the 4,169 total routine inspections completed, according to our compiled database.





Number/Density of Alcohol Outlets

Outlet overconcentration:

A key public health and safety concern



Increased alcohol availability

Increased alcohol consumption

Increased public health/safety problems





When the # of alcohol outlets increases...





So do the problems:

- violence/crime ¹
- sexually transmitted infections ²
- noise 3
- injuries 4
- property damage 5







City-specific Findings



- Philadelphia: increased risk of being shot in an assault in an area of high alcohol outlet availability¹⁰
- Couloise Bourbon
- New Orleans: 10% rise in density → 5.8% rise in gonorrhea rates¹¹
- California: # off-premise outlets associated with rates of child abuse, # bars associated with rates of child neglect¹²
 - Sacramento: each additional off-premise outlet associated with 4% increase in IPV-related police calls, and 3% increase in IPV-related crime reports¹³
- Minneapolis: neighborhoods with highest density also have highest density of criminal violence¹⁴
- Washington, DC: # alcohol outlets in a census tract related to robbery, assault, and sexual offense¹⁵
 - Assaultive violence increases 4% for each additional outlet









Minorities and outlet density

- Among urban census tracts, higher outlet density is found in areas with greater poverty, lower education levels, and more minority residents¹⁶
- More alcohol outlets and alcohol advertisements are found in low-income minority communities¹⁷
- Study of urban zip codes:
 - Blacks face higher density than whites
 - Minorities in lower-income neighborhoods have more liquor stores
 - Minority youth have more liquor stores in their neighborhoods¹⁸





Lesson 7

- Fund robust policy research portfolio on marijuana experiments
 - Alcohol research money goes primarily to "addiction" research – addiction affects only 4 percent of the population
 - Policy studies are critical for testing effectiveness of and defending controls





Implementation Organize **▶** Build Coalitions **▶** Advocate

Artwork courtesy of Jenny Anderson

Lesson 8

- Support a social/popular movement for control
 - The industry has money we need numbers
 - Biggest gains worldwide on alcohol have come through social movements
 - "Just folks" need opportunities to weigh in, have voices at the table about effects of the experiments





Lessons Summary

- 1. Marijuana is not an ordinary commodity.
- 2. Don't let governments get drunk on the revenues.
- 3. Build a control system based on the three "best buys."
- 4. Control the size and power of the industry.
- 5. Ban the marketing.
- 6. Create and safeguard state-run monopolies.
- 7. Fund a robust policy research portfolio on the marijuana experiments.
- 8. Support a social/popular movement for marijuana control.







TOGETHER, we can make a difference!

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