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Commentary

A Beer Tax Won't Reduce The Clap

Trevor Butterworth, 10.16.09, 8:20 PM ET

In the history of medicine, nothing has been used so widely and to so little effect as *Hirudo Medicinalis*--better known as the leech. For two millennia, leeches were used to balance the [humors](#)--or to drain the patient of "excess" blood and other substances thought to be the cause of most of humanity's physical and mental ailments. In a similar vein, some doctors and public health advocates are turning to a modern equivalent of the leech--taxes--in order to draw "excess" money from going to "unhealthy" activities, thereby reducing disease and balancing health care spending.

Recently, taxes on sugary sodas have been [hailed](#) as a painless way to tackle obesity, despite the absence of proof that the taxes would actually achieve this goal. Now the latest advice for "leeching" America comes from Dr. Lloyd I. Sederer, medical director for the New York State Office of Mental Health, and Dr. Eric Goplerud, director of the Center for Integrated Behavioral Health Policy at George Washington University. Writing in the *Washington Post*, they [argue](#) that imposing heavy taxes on alcohol would both reduce the harmful effects of heavy drinking and help pay for health reform. The logic is that if teens drink less, they'll have less unprotected sex, reducing their exposure to sexually transmitted diseases.

More to the point--because arguments about tax policy really do need a little sexing up to get people's attention--they claim that a tax increase of "3 cents per beer would cut youth gonorrhea by 9%."

This particular claim comes from a nine-year-old [study](#) from the Centers for Disease Control that generated massive media coverage, not all of it favorable--the *Washington Post* at the time called it "a loony assertion"--and, interestingly, a crucial bit of backtracking by the CDC: "We said higher taxes could reduce the rate. We didn't say they would," protested Harrell Chesson, the study's lead author.

The caveat was due to two factors: There was no uniform method of collecting gonorrhea infection data across the 36 states in the study and possible confounding issues, such as community norms regarding alcohol consumption and sexual behavior, were not figured into the analysis. These "could," the authors noted, have led to "substantial bias" in their findings. But there was another, broader and more obvious factor complicating their analysis.

If you delve into the CDC trend [data](#) for sexually transmitted diseases, you find that the gonorrhea rate, paralleling the sexual revolution, [skyrocketed](#) in the U.S. from 1965 to 1975, going from 169.5 cases per 100,000 to 461 cases per 100,000. Then the rate plummeted by 74% to 120 cases per 100,000 by 1997 (which is roughly the level it's stayed at since).

In the [actual paper](#), as it was later published in the *Journal of Law and Economics* in 2000, the authors look at gonorrhea and beer tax data from 1981 to 1995 and focus on the impact on gonorrhea rates from a doubling of the excise tax on beer in 1991. "It is an important validation of our hypothesis," they write, "that this major national tax increase be associated with a corresponding nationwide reduction in STD rates in 1991 as compared to 1990."

In other words, they took a small slice of a large and long decline in gonorrhea rates and found that a period where there was a relatively steeper descent correlated with the tax increase. Of course, they note, this "in no way proves" that the increased excise duty led to a reduction in gonorrhea, but the findings "are at least consistent with the assertion that alcohol tax increases can reduce STD rates."

But when you step back and look at the overall 22-year downward trend, you also see a nearly comparable rate of decline in both 1992 and 1996 without any alcohol tax increase, which is consistent with the assertion that tax increases did not, in fact, reduce STD rates.

The pertinent question is, what other factors might have driven gonorrhea rates down? The obvious answer is that people

began to respond to the emergence of AIDS by practicing safer sex in greater numbers. With AIDS a sexually transmitted disease became, for the first time in generations, a death sentence.

At the same time, there's a [mass](#) of survey data showing, for instance, that while teenage sexual activity increased significantly between 1975 and 1988, there wasn't a corresponding relative increase in the conception rate--which suggests that teens were actually being truthful when they told researchers that they were practicing safe sex more often. There is also a marked [increase](#) in the use of condoms by sexually active teenagers from 1991 on, which is consonant with greater awareness of the threat of AIDS and the fraught public debates as to whether public schools should distribute condoms--all hot media topics in the early 1990s.

So it is far from unreasonable to conclude that the steepest decline in gonorrhea rates between 1991 and 1993 had more to do with increased awareness of the dangers of unprotected sex than the sobering effects of an extra 2.7 cents on 12 ounces of beer. As for teens having unprotected sex after drinking or taking drugs, research data buried by the Kaiser Family Foundation, but [uncovered](#) by sociologist Mike Males, showed that only 5% of sexually active high school students admitted to doing so. Perhaps respondents in the survey were being coy, but the finding indicates that teens were not relying on booze as an aphrodisiac.

A weak argument isn't the only problem with Sederer's and Goplerud's casual use of data. Perhaps even more perplexing is that their belief in the prospects of alcohol taxes as a cure rests on the claim that underage drinkers account for 20% of all "spirits" consumed in the U.S. If we assume that they mean all alcohol (not just distilled spirits, i.e., liquor), the origin of this particular factoid becomes clear: a 2003 report by the Center on Addiction and Substance Abuse (CASA), published in the *Journal of the American Medical Association*.

But CASA has an [abysmal record](#) for accurate research and has been rebuked by various government agencies for overstating claims about alcohol and drug use. In this case, the 20% figure was created by blending two different data sets: The first, from the Department of Health, was used to determine the amount of alcohol consumed, while the second, from the Centers for Disease Control, was used to determine what percentage of underage drinkers were drinking.

By combining these two, the authors estimated the consumption of underage drinkers. The problem? If the kids who admitted to drinking in the first survey were also heavier-than-average drinkers, then blending the data with the second survey would grossly overestimate the amount of alcohol consumed by underage drinkers. In addition, to find the percentage of the total, the authors also needed to know what adult drinkers were drinking, and for that figure, they used a *third* survey, also conducted by the CDC, that relied on phone interviews to determine the prevalence of drinking--the very method they claimed underestimated youth drinking in the Department of Health study. They then went back to the Department of Health data to determine the amount. But if the third survey also underestimated adult drinking, the conclusion would be a disproportionately large amount of alcohol attributed to youth drinking.

Confused? You should be: data sets from different survey methodologies, like types of alcoholic drinks, shouldn't be mixed.

By contrast, SAMHSA data pointed to those from ages 12 to 20 drinking 11.4% of the total alcohol consumed in the U.S., with those from ages 18 to 20 accounting for the bulk of that consumption. This number is, of course, much less compelling than underage drinkers accounting for 20% of all booze. The latest [data](#) from the agency shows that teen drinking is declining and that only a third of underage drinkers are paying for the alcohol they consume, which further complicates the idea that they will respond rationally to economic disincentives to drink.

All of which brings us to the irrational exuberance that taxes seem to inspire in public health experts. What is the incentive behind advocating tax increases on the basis of such dismal data? Is it really a baleful admission of defeat--that all the health education in the world won't engineer a change in American behavior? Is it a punitive rebuke to Americans for squandering their money on making themselves fat, drunk and diseased--and a message that they need to be financially leached to rebalance their humors? Or is it a way of talking about the truly unpalatable: raising money, directly and unambiguously, from the public to finance health care? Whatever the motivation, sound public policy requires health experts to practice what they preach, and that means sobering up in regard to the miraculously curative possibilities offered by taxes; in this case, they are not going to do the job of a condom.

Trevor Butterworth is editor of [STATS.org](#), an affiliate of George Mason University, which looks at how numbers are used in public policy and the media.

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