
By Sheryl Stollberg

For every dollar spent on treatment for drug and alcohol abuse, California taxpayers reap $7 in savings, mostly due to reductions in crime and in health costs, a new statewide survey has found.

The cost-benefit analysis, billed as the most comprehensive ever conducted in the United States, also confirmed that for every dollar spent on treatment, the worldwide societal benefits have already shown: Treatment is highly effective in reducing drug use and violence, and in improving the drug, and success cuts across all racial and socioeconomic groupings.

The study, financed by the state but conducted by the RAND Corporation, a Santa Monica-based research institute, is a prime example of what is called "big data," a field of systematic analysis of trends in the data base of the American people, a unique opportunity to demonstrate the cost-effectiveness of drug abuse treatment," said Alan Leasor, director of the National Institute on Drug Abuse, an arm of the National Institutes of Health. "Most people believe that drug treatment works, but they're wrong. That's why a study like this is so important.

The study, which officially will be released Monday by the California Institute on Alcohol and Drug Programs, and estimated that $1.5 billion in health care costs and crime-related costs were avoided last year.

In the year before treatment the study found, those enrolled in drug treatment programs had lower medical costs, with savings between $2.8 million and $3.1 billion. Of that, $2.4 billion — or 70 percent — was attributed to improved health care, including the cost of crime-related protection, prosecution and incarceration. Victims of crimes committed by drug abusers, meanwhile, incurred $1.3 billion in medical costs, and $1.2 million in lost work. Health care for drug abusers totaled $442 million.

Feds Base Interest Rates On 'Natural' Unemployment

By James Rosen

With little public fanfare, the Federal Reserve Board is increasingly basing interest rate decisions on "natural" unemployment, the level at which the nation's unemployment rate cannot drop further without inflating prices.

At an annual Federal Reserve conference on economic and labor policy held this week in Jackson Hole, Wyo., Federal officials privately acknowledged that they have come to rely on the 6 percent jobless figure as a benchmark for interest rates.

The nation's central bank already had raised interest rates five times this year in an effort to curb the threat of rising prices that often accompany rapid economic growth. While Federal officials concede there is no clear-cut way to judge far surging prices, they argue that the relatively fast pace of growth this year would ultimately fuel inflation if they failed to intervene.

White House officials alike, Fed officials insist that their long-term goal is "a continuously developing data base to demonstrate to the American public that drug treatment is a continuously developing data base to..."