



## Economics of Addiction

### SBCA Professional Development Workshop

May 23 and May 25, 2023

For more information and to register: <https://www.benefitcostanalysis.org/workshops>

**Description:** Many people across the globe and in all walks of life suffer from addictions to harmful substances and behaviors. Examples include addictions to alcohol, opioids, tobacco, gambling, and even social media. Public policies in response to the societal costs of addiction range from legal prohibitions, taxation, and regulations to prevent or reduce addiction, to harm reduction and treatment to help those suffering from addiction. The methods of benefit-cost analysis can help society make the difficult tradeoffs between these policy approaches. However, the nature of addictive behavior poses special challenges to benefit-cost analysis.

This workshop brings together experts to discuss the theory and practice of conducting benefit-cost analysis of policies and interventions to reduce the societal harm from addictions. The workshop will begin with an overview of economic theories of addiction, including the theory of rational addiction and behavioral economic theories of addiction. After reviewing market failures and other social purposes that justify addiction policy, the workshop will propose a framework for benefit-cost analysis. The second day will discuss worked examples including benefit-cost analyses of nutrition policy nudges, alcohol taxes, tobacco harm reduction regulations, and substance abuse treatment programs.

This workshop is targeted towards benefit-cost analysis practitioners interested in conducting these analyses and policymakers interested in better understanding the strengths and limitations of the analyses they review. Participants are expected to be familiar with the basic principles of benefit-cost analysis. Prior to the workshop, participants will receive a list of optional readings. The workshop itself will consist of a series of presentations and case studies, with ample time for questions and discussion.

#### Instructors



**Donald Kenkel** (organizer) is an Andrew Dickson White Professor in the Department of Economics and the Brooks School of Public Policy at Cornell University. He has a long-standing teaching and research interest in benefit-cost analysis, especially of health policies, and is a former President of the SBCA. He co-authored a 2015 white paper on the benefit-cost analysis of regulations affecting addictive goods, prepared for the Office of the Assistant Secretary for Planning and Evaluation, U.S. Department of Health and Human Services.



**Elizabeth Botkins** is a Senior Economist with the U.S. Food and Drug Administration. She works on a wide variety of topics, including drugs, cosmetics, and medical devices, but spends most of her time analyzing the benefits and costs of tobacco regulations. In 2021, she spent 6 months on detail with the U.S. Office of Management and Budget. Dr. Botkins has a Ph.D. in Agricultural, Environmental, and Development Economics from The Ohio State University



**Aaron Kearsley** is a Senior Economist at the U.S. Department of Health and Human Services within the office of the Assistant Secretary for Planning and Evaluation. He acts as the HHS Departmental lead on benefit-cost analysis. In this role, he reviews regulatory impact analyses for the Department and its agencies prior to publication and develops guidance aimed at standardizing best practices. He was previously a staff economist at U.S. Food and Drug Administration specializing in drug and tobacco regulations.



**David Watkins** is an associate professor in the Division of General Internal Medicine and the Department of Global Health at the University of Washington. His research focuses on health policy implementation and health system development in low- and middle-income countries. For the Disease Control Priorities Project, he is leading several studies related to mental and substance use disorders, including policies that address tobacco and alcohol use. He has a MD from Duke University and an MPH through the Institute for Health Metrics and Evaluation at the University of Washington.