

2.9 Drug-Free Workplaces



How Does Substance Abuse Affect a Company's Bottom Line?

The annual cost of substance abuse in the workplace is estimated in the billions of dollars each year and, in Maine alone, it is over half a billion dollars. In today's economy, employers are looking for ways to reduce costs, including healthcare costs, and to at least maintain, if not increase the output of goods and services. Low productivity, workplace injuries, low employee morale, employee illnesses, and poor company image are some of the effects that substance abuse can have on the workplace and can eventually affect the bottom line. Studies have shown that preventing problematic substance use can be an important component in helping reduce both the social and economic costs of substance abuse.

The Maine Office of Substance Abuse, Department of Behavioral and Developmental Services report *The Economic Costs of Alcohol and Drug Abuse in Maine, 2000* stated, "The total estimated annual cost of substance abuse in Maine was \$618 million." If divided by Maine's 2000 Census population count, that's \$484 for every man, woman, and child in Maine. The report also stated the cost of lost productivity in Maine was estimated at \$69.8 million (72%) attributed to alcohol abuse, and \$27.6 million (28%) attributed to drug abuse. The highest cost related to substance abuse disease, \$28.6 million, is due to alcohol disorders among males ages 25–44. Total costs related to lost productivity in 2000 were an estimated \$97.4 million and represented 16% of the total cost of substance abuse in Maine.

Small businesses are greatly disadvantaged when it comes to drugs and alcohol in the workplace. In Maine, small businesses (50 employees and under) make up more than 90% of the workforce. Small businesses are less likely than large companies to have programs in place to combat the problem, yet they are more likely to be the "employer-of-choice" for illicit drug users. Individuals who can't adhere to a Drug-Free Workplace Policy seek employment at precisely those businesses that don't have one, and the cost of just one error caused by an impaired employee can devastate a small company.

On average, a construction company in Maine with ten employees will have one employee with an alcohol problem. George Washington University's Ensuring Solutions Alcohol Cost Calculator has determined the cost of an alcohol problem to this company:

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Likely number of work days lost to sickness, injury, and absence because of problem drinking:	2 days
Cost of lost days:	\$306
Likely alcohol-related healthcare costs:	\$3,188
Emergency department and hospital costs:	\$669
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Total Cost:	\$4,163

The cost of a drug problem is similar, if not more expensive, due to possible legal ramifications for the employee using illicit substances or abusing prescription drugs. Add on the average cost of \$7,000 for a business to replace an employee, and the cost increases.

What can small businesses do to protect their business investment and their employees against the impact of workplace substance abuse?

The United States Department of Labor's *Working Partners for an Alcohol and Drug-Free Workplace* suggests using a broad-based program that generally includes the following five components:

1. Drug-Free Workplace Policy
2. Supervisor Training
3. Employee Education
4. Employee Assistance
5. Drug Testing

Although employers may not choose to include all five components, it is recommended that all be explored and considered when developing a drug-free program.

Drug-Free Workplace Programs make good business sense. These programs help lower recruitment and training costs and worker's compensation costs which result in fewer work-related accidents. Data on cost savings of Employee Assistance Programs (EAPs) alone shows that, for every dollar spent in preventing problems, there can be a fifteen-dollar savings in dealing with the consequences of performance problems. Drug-Free Workplace Programs can save employers money due to fewer absences, lower turnover, and lower medical claims of employees. These programs also send the message throughout the company, "This company cares about me and my family. This is a good place to work." Employees who feel valued at work are happier and more productive. The following pages provide success stories, resources, and tools for preventing and managing substance abuse issues in the workplace.