Household Monthly Alcohol Purchases After Washington's Privatization of Liquor

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Abstract
Thirteen states limit alcohol purchases to state-run stores. Washington was among these states until 2011, when voters passed Initiative 1183, which privatized liquor sales and imposed taxes and fees on them. As a result, the number of retail sites increased dramatically, and the cost of liquor went up. The authors compared the amount of alcohol purchased by households in Washington metropolitan areas to the amount purchased by households in 10 states that retained monopoly control of alcohol sales, before and after privatization.

Keywords
liquor, privatization, alcohol

Disciplines
Economics | Food Studies | Health Economics | Regional Economics | Substance Abuse and Addiction

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**MONTHLY CHANGES BY ALCOHOL TYPE**

- **82% increase** (6.3 oz) in **liquor** purchases
- **12% increase** (6.9 oz) in **beer** purchases
- **no significant change** in **wine** purchases
- **26% increase** (2.1 oz) in total **ethanol content** from all alcohol types

**MONTHLY CHANGES BY PRIOR PURCHASING**

<table>
<thead>
<tr>
<th>Prior Purchasing Level</th>
<th>Low (2 adults, &gt;10 drink purchases/week)</th>
<th>Moderate (2 adults, 11-21 drink purchases/week)</th>
<th>High (2 adults, &gt;21 drink purchases/week)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquor purchases</td>
<td>↑ 7.5 oz</td>
<td>no significant change</td>
<td>no significant change</td>
</tr>
<tr>
<td>Ethanol purchases</td>
<td>↑ 4.8 oz</td>
<td>↑ 4.5 oz</td>
<td>↓ 7.2 oz</td>
</tr>
</tbody>
</table>

In the first two and half years, Washington’s privatization of liquor sales was associated with increases in metropolitan households’ liquor and ethanol purchases, increasing liquor purchases by about one drink per week. The growth was concentrated in households that purchased low and moderate amounts of alcohol prior to privatization, possibly due to the convenience of more retail outlets. In contrast, due to higher retail prices, privatization may have reduced overall ethanol purchases in households that purchased high amounts of alcohol before privatization. Other states contemplating privatization should consider the public health implications of these outcomes.