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## 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

## Comments

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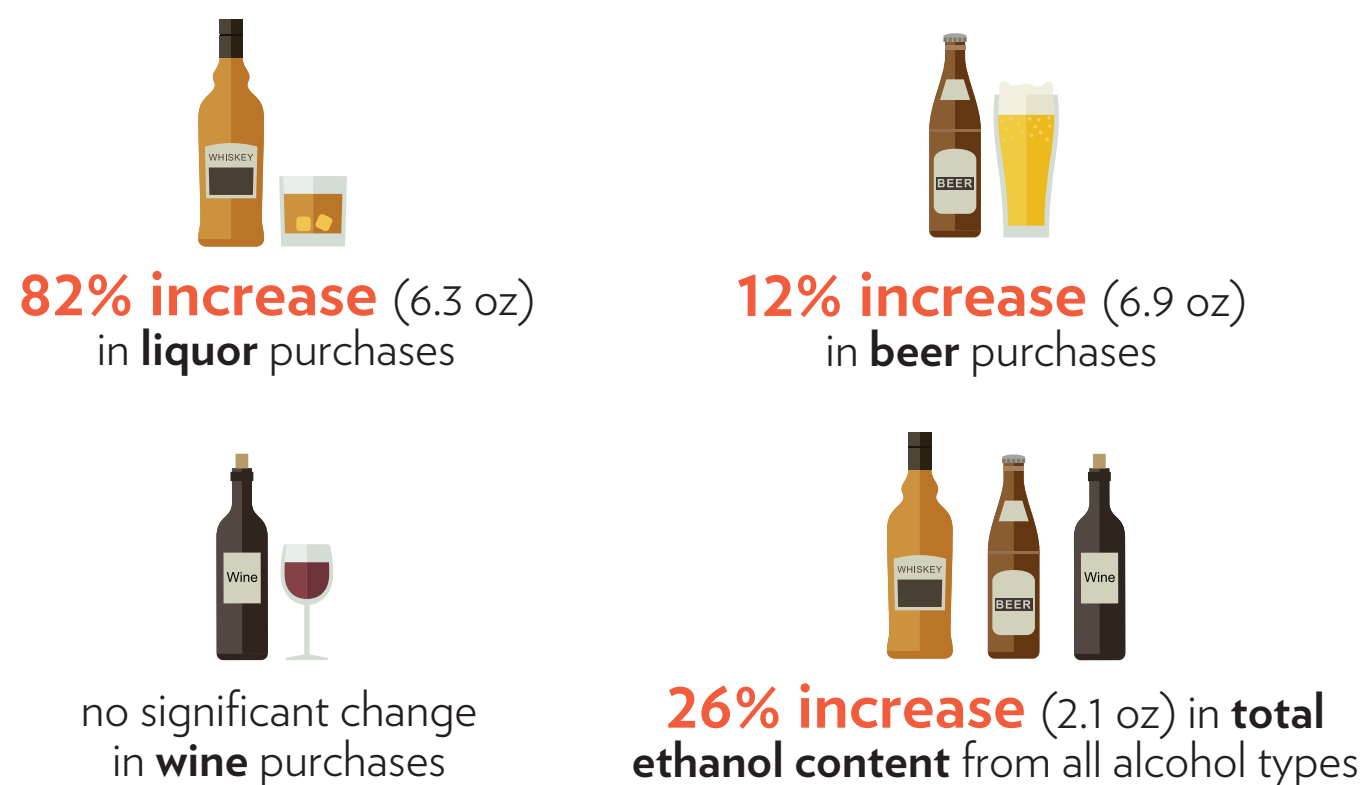
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# HOUSEHOLD MONTHLY ALCOHOL PURCHASES AFTER WASHINGTON'S PRIVATIZATION OF LIQUOR

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. This study examined the effects of Initiative 1183 on households' monthly alcohol purchases. 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 (2010 to 2014).

### Metropolitan households increased alcohol purchases after Initiative 1183

#### MONTHLY CHANGES BY ALCOHOL TYPE



#### MONTHLY CHANGES BY PRIOR PURCHASING

	Low 2 adults, >0-10 drink purchases/week	Moderate 2 adults, 11-21 drink purchases/week	High 2 adults, >21 drink purchases/week
Liquor purchases	↑ 7.5 oz	no significant change	no significant change
Ethanol purchases	↑ 4.8 oz	↑ 4.5 oz	↓ 7.2 oz

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.