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SUPPLEMENTAL MATERIAL

Fact Sheet – Voters’ Illicit Drug Use and Alcohol Consumption in Lane County

We have found no research on the relationship between the use of both illicit and ~~heavy~~ substances and voting. Below are estimates of the prevalence of illicit drug use, reasonable estimates of the number of voting drug users, alcohol consumption and binge drinking for Lane County. There are easily enough voting illicit drug users to influence the outcome of elections, especially close elections, in Lane County, all of Oregon and probably the U.S. However, it is unknown if they have ever actually swung an election.

Illicit Drugs, Alcohol Use and Binge Drinking

The Federal Substance Abuse and Mental Health Services Administration (SAMHSA) conducts a semi-annual household survey on substance use and mental health status. State level data is available that can be used to estimate the number of recent users of illicit drugs and heavy drinking in Lane County. Oregon typically ranks as one of the highest five states for illicit drug use in the U.S. Here is the average of data from three surveys:

Prevalence of Illicit Drug Use 2002-2004 (percent of population 12 and older)

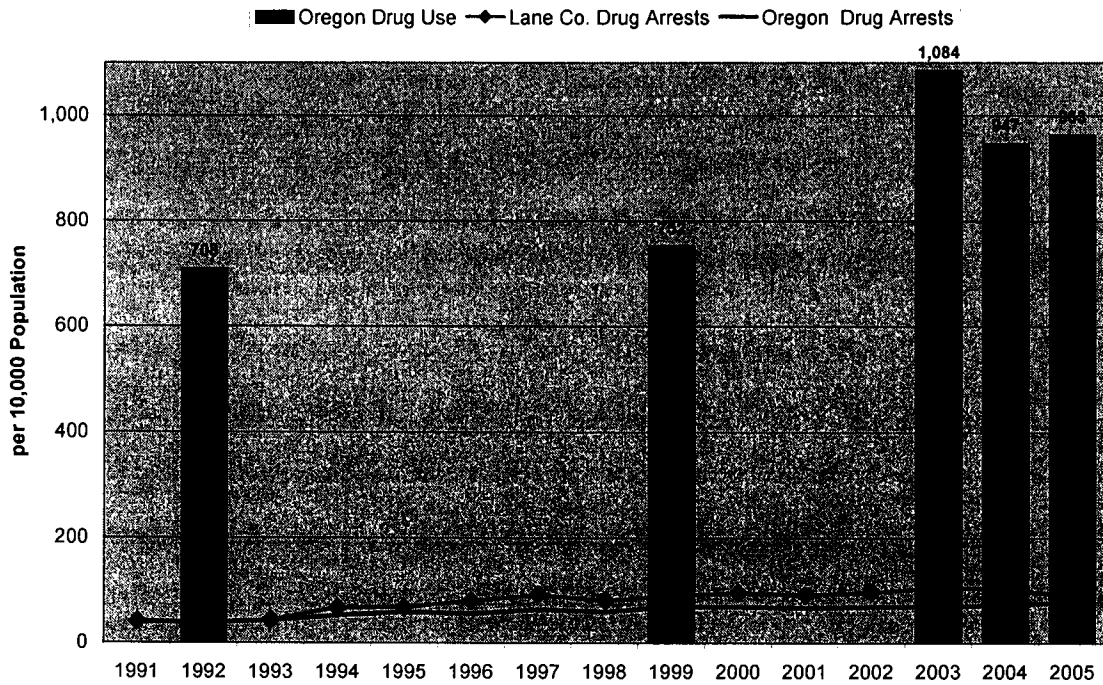
Drug Type	Oregon			US		
	Lifetime Use	Past Year	Past Month	Lifetime Use	Past Year	Past Month
Any Illicit Drug	54%	18%	10%	46%	15%	8%
Marijuana	48%	14%	9%	40%	11%	6%
Other Than MJ	38%	10%	4%	29%	9%	4%
Hallucinogens	22%	3%	0.5%	14%	2%	0.5%
Cocaine	21%	2%	0.5%	15%	3%	0.9%
Meth	10%	1.1%	0.5%	5%	0.7%	0.3%
Heroin	2.3%	0.3%	0.3%	1.6%	0.2%	0.1%

Binge drinking is defined as having five servings of alcohol in a single sitting. The SAMHSA survey reports that 21 percent of Oregonians 12 and older binge drank in the month previous to the surveys. Clearly, drug use and heavy drinking are common. The prevalence of both illicit drug use and binge drinking is highest among 18 to 25 year olds – 24 and 40 percent of that demographic respectively.

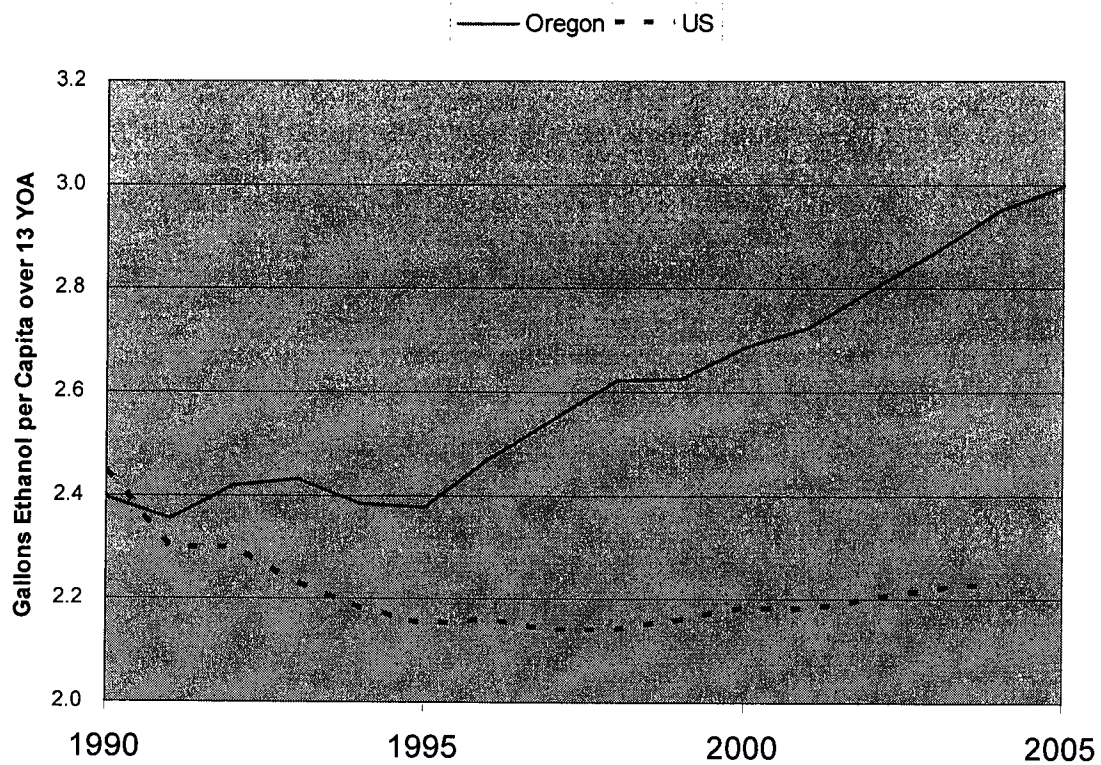
In addition to these high rates of substance use, Oregonians are not happy. Oregon had the third highest rate of major depressive episodes in the U.S. One out of 10 Oregonians had a major depressive episode in 2005 (neighboring Washington had a 1/3rd lower rate).

The long term trends of both SAMSHA survey results and drug arrest rates are well correlated and show that the percentage of illicit drug using Oregon and Lane County residents has increased by over one-third since 1990. Likewise per capita alcohol consumption and binge drinking has increased by one-third since 1990. These trends demonstrate changes in real purchasing power and in values. The cost of the additional alcoholic beverages being consumed now amounts to \$20 to \$50 annually per capita. In Lane County perhaps 1 in 15 illicit drug users are arrested every year. A substantial majority of drug offenses in Lane County are the result of other enforcement actions for traffic or non-drug criminal offenses, so drug arrests are a good indicator of drug trends. The annual cost per capita for the additional illicit drug consumption can not be estimated at this time but very likely exceeds the increase for alcohol. The increased expenditure for alcohol and illicit drug consumption substantially exceeds the \$40 per capita cost of additional public safety taxes voters are willing to approve.

Past Year Illicit Drug Use Rate and Drug Offense Arrest Rate



Alcohol Consumption: Oregon Vs U.S.



Illicit Drug Use and Voting

A series of reasonable but conservative assumptions can be made to estimate the number of Lane County adults who have used illicit drugs in the past year and who vote. A substantial number of research studies demonstrate what we know to be true anecdotally. A large portion of illicit drug users are functional – have families, are employed and are capable of voting. Studies in the U.S. and Europe put the percentage of illicit drug users without significant signs of dependence or abuse at 85-90 percent of all users. This is similar to alcohol users. In 2005, Lane County had 9.5 percent of Oregon's adult population and 10.4 percent of all drug offenses. About 40 percent of adult illicit drug users are 18 to 25 year olds and this demographic is known to have low rates of voter registration (around 50 percent) and election turnout (below average). Putting all this together, there are around 45,000 adults in Lane County who have used illicit drugs in the past year and depending on voter turnout, perhaps 10,000 to 20,000 of them voted even if we assume lower than average voter registration and turn out. The last three Lane County public safety tax measures had 85,000 to 156,000 voters. Though illicit drug users could swing an election result, we have no data about how this group is actually voting so this conclusion is a real but still theoretical possibility.

DATA SOURCES: Substance Abuse and Mental Health Services Administration, Oregon Liquor Control Commission, Oregon Criminal Justice Commission, Census Bureau, Lane County Elections

Fact Sheet – The Cost of Housing, Tax Savings and Debt Trends in Lane County

For several decades, the rural middle of America has been losing population to coastal states. West Coast states have been a favored destination. As a result of supply and demand, the inevitable impact of this migration is pressure for lower wages and higher housing costs on the coasts. In Oregon, housing costs have risen substantially and this drives many other cost increases. For example, Oregon has the second highest cost for a hospital stay of the 50 states. For the average Oregonian, housing costs have risen faster than incomes. This process accelerated in the '70s and '80s and preceded the property tax revolt of the late '80s. It is reasonable to propose that tight personal budgets caused by falling affordability of housing have been a basic underlying factor of the tax revolt. Below is data that demonstrates this dynamic and that shows how rising debt loads make it harder for voters to absorb new tax increases.

Housing Cost in Oregon and Lane County

Three statistics are commonly used to measure the impact of housing on personal budgets:

- The percent of dwelling units that are owner occupied
- The percent of home owners whose mortgage exceeds 30 percent of income
- The percent of renters whose rent exceeds 30 percent of income

The table shows all three of these measures are worse for Lane County than for Oregon, which is also worse than the U.S. average. The column for Oregon shows the measure and Oregon's rank among the 50 states in parenthesis.

Impact of High Housing Costs on Personal Budgets-2005

Measure	Lane County	Oregon	U.S.
Percent housing that is owner occupied	63%	64% (45 th)	67%
Percent owners with mortgage exceeding 30% of income	39%	35% (11 th)	29%
Percent renters with rent exceeding 30% of income	53%	48% (3 rd)	42%

Clearly Lane County voters carry a high financial burden for housing.

Tax Savings and Personal Debt Burdens

The tax revolt has yielded modest tax savings for Oregon voters since the late '80s. Oregonians' tax burden as a percentage of personal income has dropped into the bottom 15 states but was ranked in the top 15 states in the late '80s. For the average voter these savings amount to around one to two percent of personal income – about \$400 per capita in 2005. In addition, there have been modest improvements in real median income and the percentage of people whose income is less than 200 percent of the poverty level since the late '80s for both Oregon and Lane County voters. The later is a reasonable measure of how many households are experiencing sustained financial stress.

Since there is no public data for the debt burden of Lane County residents, we are forced to use proxies to determine if local trends are similar to national trends. Total debt burdens are composed of mortgages and all personal loans and credit. These include car loans and consumer financing such as credit cards. We have already seen that mortgage costs are relatively high in Lane County. Census data for 1990 and 2005 shows that auto ownership in Lane County has

grown 2/3rds faster than population, 26 vs. 16 percent. Other federal data shows that there has been a more rapid growth of spending at shopping centers in Oregon than in most other states. That Oregon ranks 13th for the rate of personal bankruptcies and 20th for per capita debt (not including mortgages) is further evidence that a larger share of voters are living beyond their means here. Taken together, this is strong evidence of both high and rising personal debt burdens in Lane County. The Federal Reserve Board estimates that the average U.S. household now has \$18,700 in debt excluding mortgages. If mortgages are included, this figure rises to \$87,800. The Federal Reserve finds that the average household is now spending about 19 percent of income on annual debt payments (up from 12-13 percent a decade ago) or about \$4,000 per capita per year if Lane County only matches these averages. Lane County voters' financial flexibility has declined substantially since the start of the tax revolt in the late '80s and if trends continue, will worsen further.

On a positive note, real charitable giving in Oregon has increased modestly over the period of the 14 public safety elections. In 1992, charitable giving was 1.8 percent of income and had increased to 2.45 percent by 2003 – the latest data available. This puts Oregon's rank at 15th in the Nation. If Lane County follows these Oregon averages, this increase amounts to about \$140 per capita per year. By far, the majority of charitable giving in Oregon has been to a few institutions of higher education. By contrast, Oregon United Way pledges have stayed relatively constant at about \$6 per capita over this period of time.

Great precision in the preceding financial analysis or Lane County specifics are not necessary to conclude that the rise in household annual debt expenses in Lane County dwarfs proposed public safety tax increase. Conservative assumptions have been used throughout this analysis. As the table below shows, rising financial obligations and the cost of increased substance use taken together have consumed perhaps half the increased incomes and reduced taxes voters have gained over the last 20 years. If just the increased spending for cars, consumer items, alcohol and illicit drugs are combined, Lane County voters are spending vastly more on their personal choices than any proposed public safety tax. Changing these patterns would be very difficult and would require years for gradual adjustments to personal spending patterns.

Summary of Estimated Change from 1990 to 2005 in per Capita Financial Status in Lane County.

Measure	Change – 1990-2005
Per Capita Income	\$2,400 increase
Per Capita Tax Burden	\$400 reduction
Per Capita Alcohol Consumption	\$20 – 50 cost
Per Capita Illicit Drug Consumption	\$10 – 100 cost
Per Capita Charitable Contributions	\$140 cost
Total Financial Obligations*	\$1,100 cost
Per Capita Financial Net Change	\$1,400

*Includes consumer and mortgage debt payments, rent, home owners insurance, property taxes and auto leases.

DATA SOURCES: Federal Reserve Bank, Census Bureau, Bureau of Economic Analysis, Oregon Community Foundation