

ECONOMIC UPDATE

September 30, 2022

Economic Issue in Focus: Opioid Cases Increased During the Coronavirus Pandemic, Costing the United States an Estimated \$1.5 trillion in 2020

As National Recovery Month draws to a close, the Joint Economic Committee released a new analysis that [finds](#) the opioid epidemic cost the United States a record of nearly [\\$1.5 trillion](#) in 2020. This is up 37% from 2017, when the CDC last measured the cost. After the pandemic disrupted the U.S. health care system, reducing access to substance abuse treatment and exacerbating social and economic stress that can worsen addiction, opioid use increased. Data show the highest number of opioid-related deaths ever reported in 2020 and 2021—69,061 and 80,926 fatalities respectively. Opioids are now the [main driver](#) of drug overdose deaths. The rise in fatal opioid overdoses in 2021 suggests the total cost is likely to continue to increase.

While white Americans make up the majority of those who overdose from opioids, Black Americans are now disproportionately impacted by the opioid crisis and have experienced a [steep increase](#) in the rate of fatal opioid overdoses over the last five years. In 2020, Black Americans accounted for [12.4%](#) of people living in the United States but [17%](#) of U.S. fatal opioid overdoses—an increase of 5 percentage points from 2017.

Federal, state and local governments have increased investments in drug treatment and prevention programs. The American Rescue Plan Act and other actions by the Biden administration provided nearly \$5.5 billion in 2021 for mental health and substance abuse prevention block grants, and the White House announced recently it was committing an additional \$1.5 billion for State Opioid Response grants.

In 2020, the Opioid Crisis Cost \$400 Billion More Than in 2017

U.S. cost of opioid use disorder and fatal opioid overdose in 2020 dollars (trillions)



Source: The 2017 cost estimate is from "The Economic Burden of Opioid Use Disorder and Fatal Opioid Overdoses in the United States, 2017," Florence et al. The 2018-2020 cost estimates are JEC calculations that adopt Florence et al's methodology and use annual data from SAMHSA and the CDC's National Vital Statistics System. All cost estimates are adjusted to 2020 dollars.

Key Economic Indicators To Track

- **Consumer Confidence Rose to a Five-Month High, Due To Falling Gas Prices:** U.S. consumer confidence improved for the second consecutive month, as the consumer confidence index [rose](#) from 103.6 to 108, exceeding analysts' expectations. An indicator above 100 signals high confidence in the future economic situation, and as a result, consumers are less prone to save and more inclined to spend money on major purchases in the next 12 months. The index reached its highest level in five months, largely due to declining gas prices. Inflation expectations for the next year also fell to 6.8% from 7.0%, the third straight decline since gas prices started falling.
- **Initial Unemployment Insurance Claims Fell, Reaching the Lowest Levels Since this Spring:** The [number](#) of Americans who filed new claims for unemployment insurance was 193,000 for the week ending September 24, underscoring the labor market's strength. Over the last four weeks, the average number of Americans receiving unemployment insurance benefits is down by 76% since President Biden took office.
- **Inflation Ticked Up in August, While Year-Over-Year Inflation Edged Down:** Data from the Bureau of Economic Analysis on the Personal Consumption Expenditures (PCE) index [showed](#) inflation ticked up in August. Overall prices rose by 0.3% last month, up from a slight decline (-0.1%) in July. Excluding food and energy prices, inflation rose by 0.6% last month, after being flat in July. At the same time, annual inflation slowed to 6.2% from a year ago, down from 6.4% in June.

JEC Spotlight: States That Restrict Access to Abortion Have Worse Economic Conditions for Families

A new JEC brief shows the states that more [severely restrict](#) access to abortion also lack policies to support positive economic and health outcomes for families. In states that have either completely banned or [severely restricted](#) abortion, women are constrained from making decisions that are right for them, their families and their financial security. The ability to decide if and when to have a child has far-reaching [economic consequences](#) not only for the people directly impacted but also for their families and communities.

Unfortunately, the data show that in states with more restrictive abortion laws:

- Women have lower median earnings,
- Child poverty rates are higher,
- Health insurance for the neediest families is harder to access,
- Paid family leave does not exist and
- Spending on K-12 education is lower.

States With the Most Restrictive Abortion Access Have Worse Economic and Life Outcomes for Residents

State	Women's Median Weekly Earnings	Child Poverty Rate	Medicaid Expansion	Paid Family Leave	K-12 Spending per Student
Alabama	\$726	22.2%	No	No	\$10,077
Arizona	\$781	17.3%	Yes	No	\$8,625
Arkansas	\$714	22.4%	Yes	No	\$10,388
Florida	\$759	17.8%	No	No	\$9,645
Georgia	\$765	20.2%	No	No	\$11,228
Idaho	\$682	13.1%	Yes	No	\$7,985
Indiana	\$726	16.0%	Yes	No	\$10,397
Iowa	\$770	12.5%	Yes	No	\$11,907
Kansas	\$733	13.4%	No	No	\$11,926
Kentucky	\$724	22.1%	Yes	No	\$11,291
Louisiana	\$720	26.9%	Yes	No	\$11,755
Mississippi	\$669	27.7%	No	No	\$9,284
Missouri	\$786	16.2%	Yes	No	\$11,200
Nebraska	\$786	12.5%	Yes	No	\$12,743
North Carolina	\$770	18.1%	No	No	\$9,857
North Dakota	\$783	10.5%	Yes	No	\$14,004
Ohio	\$825	18.6%	Yes	No	\$13,538
Oklahoma	\$708	21.2%	Yes	No	\$9,323
Pennsylvania	\$828	16.9%	Yes	No	\$16,864
South Carolina	\$733	20.1%	No	No	\$11,140
South Dakota	\$758	14.6%	No	No	\$10,139
Tennessee	\$739	18.1%	No	No	\$9,868
Texas	\$772	19.6%	No	No	\$9,827
Utah	\$755	8.1%	Yes	No	\$8,014
West Virginia	\$715	20.7%	Yes	No	\$12,010
Wisconsin	\$832	13.4%	No	No	\$12,598
Average in states where abortion is protected	\$887	14.6%			\$16,155

Source: Bureau of Labor Statistics; Census Bureau; Kaiser Family Foundation; National Conference of State Legislatures; Guttmacher Institute
 Note: States where abortion is protected include Alaska, California, Colorado, Illinois, Maine, Maryland, Massachusetts, New Jersey, New Mexico, New York, Oregon, Vermont and Washington.

Selected JEC Resources

- [*Repealing the Inflation Reduction Act Would Increase Costs for Families, Drive Up the Deficit and Hurt Job Growth*](#)
- [*By the Numbers: How Democrats Are Creating Jobs and Cutting Costs \(State Data\)*](#)
- [*By the Numbers: How Democrats are Creating Jobs and Cutting Costs \(District data\)*](#)
- [*The Economic Impact of the Inflation Reduction Act*](#)
- [*Abortion Access Is Key to Economic Freedom*](#)

Information for Members and staff: <https://www.jec.senate.gov/public/index.cfm/democrats/publications>
 Sign up to receive JEC publications at <https://www.jec.senate.gov/public/index.cfm/democrats/subscribe-to-newsletter>

Contact: nita_somasundaram@jec.senate.gov