

Introduction

In 2000, the Office of National Drug Control Policy (ONDCP), working with Abt Associates Inc., reported that Americans spent an estimated \$65 billion to \$108 billion per year between 1989 and 1998 for illicit drugs and for licit drugs used illegally. New data and a revised methodology have enabled us to improve those estimates, extend them through 1999, and project them into the year 2000.

To estimate the retail sales value of illicit drugs consumed in the United States, we examined the number of drug users, how much they spend on drugs, and the amount of drugs they consume. For a number of reasons, this approach does not yield a precise estimate of the yearly retail value of the illegal drug trade. First, with some exceptions, drug dealers and their customers transact business away from public view. Second, drug users often misrepresent their drug use when interviewed. For these reasons, estimates of retail expenditures are based on the best available data, although those data are seldom as complete or accurate as desired. Also, the data lack a probability-sampling basis, so we cannot provide probabilistic confidence intervals.

Because of these complexities in drug use monitoring, we encourage an evaluation of our findings in three ways. The reader can first compare our estimates with those reported elsewhere. Second, the reader should consider whether or not two independent approaches (supply-based and consumption-based) reach similar conclusions about the amount American drug users spend on drugs. Finally, our calculations can be replicated using alternative assumptions the reader finds more plausible than the ones we used.

Previous versions of *What America's Users Spend on Illicit Drugs* detailed both the consumption-based and supply-based estimation procedures. This version explains the consumption-based approach (technical material and details appear in an appendix) and summarizes results from the supply-based approach. Companion reports provide details about the supply-based approach.