

# Why Colleges and Communities Should Refuse Alcohol Industry Funding

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## The Problem

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In an effort to bolster its public relations image, the alcohol industry (manufacturers, wholesalers, and their trade groups) offer funding to academic institutions and community groups. But such funding is suspiciously selective. For example, the alcohol industry funds awareness and education campaigns, despite evidence that such programs are ineffective or unproven.<sup>1</sup> In contrast, the industry does not fund public health policies that have been shown to effectively reduce alcohol-related harm, such as increasing alcohol prices or restricting alcohol advertising.

The industry promotes its brands through association with the schools, organizations, and researchers that it funds. "Partnership" = credibility for the alcohol conglomerates. Schools and community groups that accept funding from Big Alcohol give the industry the positive PR it seeks, while helping the industry obstruct effective efforts to prevent harm.

A few of the largest alcohol manufacturers that use their funding of ineffective strategies as a major PR strategy are detailed here. The Century Council is a trade organization comprised of 8 major distilled spirits and wine corporations: Bacardi, Beam, Brown-Forman, Constellation Brands, Diageo, Hood River Distillers, Pernod Ricard, and Sidney Frank Importing. Anheuser-Busch InBev (ABI) is one of two global beer conglomerates that control 80% of the beer market in the United States. MillerCoors LLC is the other.

## Spending More on Advertising than on Preventing Harm

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- The Century Council says that it has spent over \$175 million against drunk driving and underage drinking since it was created in 1991,<sup>2</sup> an average of \$8.75 million each year on alcohol education and awareness campaigns.
- Member corporations of the Century Council spend more than \$241 million annually to advertise their top distilled spirits brands.<sup>3</sup>
- ABI says that it has spent \$830 million since 1982 on programs and advertising campaigns promoting "responsibility" to help prevent underage drinking and drunk driving,<sup>4</sup> an average of \$28.6 million per year on educational campaigns.
- ABI spent \$395 million to advertise its 9 top Budweiser brands in 2008. That same year, Miller Coors LLC spent \$315 million advertising its top 7 beer brands.<sup>5</sup>
- Based on the figures above, the alcohol industry spends anywhere from 13 to 27 times more on advertising alcohol products than on funding educational campaigns.



## The Alcohol Industry Doesn't Support Effective Public Health Policies

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- Population-based alcohol policies such as increased prices and taxes, decreased outlet density, and reduced advertising are the most effective ways to reduce and prevent alcohol-related harm.<sup>6</sup> And yet...
- The Century Council does not address positions on beverage alcohol industry legal, regulatory, and taxation issues,<sup>7</sup> which are the most effective strategies to reduce and prevent harm from alcohol. Its funded activities do not include these types of effective initiatives.
- The Century Council's corporate members take visible and strong positions against legal, regulatory, and taxation policies. They also spend millions on lobbying and contributions to political officials, at federal, state and local levels, to defeat those same effective public health policies.

## Lobbying Speaks Louder Than Mini-Grants

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- Diageo spent \$1.96 million on lobbying at the federal level, and \$161,578 on contributions to federal election campaigns, in 2008.<sup>8</sup>
- Pernod Ricard spent \$1.2 million on federal lobbying.<sup>9</sup> Bacardi spent \$710,000 for federal lobbying, and \$123,251 on federal contributions.<sup>10</sup>
- ABI spent \$3.46 million lobbying at the federal level, and \$373,500 on federal campaign contributions.<sup>11</sup> MillerCoors spent \$1.37 million on federal lobbying, and \$426,930 on contributions to federal campaigns.

## The Alcohol Industry Gets Youth Loyalty for Its Ad Bucks

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- While 9 of the largest alcohol corporations put roughly \$37 million per year toward ineffective awareness and education campaigns, the entire alcohol industry spends more than \$6 billion annually on advertising and promotion.<sup>12</sup>
- The industry gets a great deal of bang for its 6 billion bucks: Greater exposure to alcohol ads contributes to earlier initiation of drinking for youth who have not started yet; higher drinking levels among underage youth who drink; and positive expectations and attitudes about alcohol that help create an environment promoting underage drinking.<sup>13</sup>
- Yet the alcohol industry wants school administrators and community leaders to believe its small amounts of funding dedicated to ineffective campaigns will prevent harm to students, and to youth overall.

**Bottom line:** Alcohol companies offer funding to schools and community organizations in order to build positive attitudes and loyalty toward their brands. The amount of money the industry gives to awareness activities does not come close to matching the amount spent to promote their products that cause harm. In addition, the small amounts of funding are dedicated to strategies that are ineffective at reducing alcohol-related harm for entire populations. **Schools and organizations should refuse to play into Big Alcohol's PR strategy, and refuse the industry's funding.**



## References

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