The Effect of Sunday Alcohol Laws on Alcohol Consumption and Related Outcomes

Many studies have shown that policies that increase the full cost of consuming alcohol significantly decrease alcohol consumption and have positive spillover effects on alcohol consumption related outcomes. One of the most direct forms of regulation on alcohol availability in the United States is restricting the Sunday sale of alcoholic beverages at off-premise locations. Understanding the effect of such restrictions is particularly important since recently several states have lifted these bans, while removing the restriction on Sunday alcohol sales is a current policy debate in remaining states with such bans. One the one hand, proponents of such sales argue that by allowing people to buy beer, wine or liquor on Sunday at grocery or liquor stores, states can increase their tax revenue. On the other hand, opponents of such sales argue that lifting bans on Sunday sales of alcohol would increase alcohol consumptions and hence, cause adverse public health consequences. The proposed study will use state level alcohol consumption data from National Institute on Alcohol Abuse and Alcoholism to assess whether states that banned off-premises sales of alcoholic beverages on Sunday have experienced increased alcohol consumption after these bans were repealed. Accordingly, alcohol consumption trends in states with Sunday alcohol sales bans will be compared with those of the remaining states that do not have any restrictions on Sunday sales using difference-in-difference estimation techniques. Furthermore, the proposed study is aimed at testing the spillover effects of allowing Sunday alcohol sales on traffic injuries and fatalities and alcohol related arrests at the state level. Since heavy alcohol use is common among young adults, using an individual level panel data set, the proposed study will also test the effectiveness of Sunday alcohol sales bans in decreasing heavy alcohol consumption, drug use, and crime among young adults. The proposed study would be the first to consider the effects of Sunday alcohol sales laws in the United States on alcohol consumption and alcohol consumption related outcomes that are reported at both state and individual level. The results from this study will provide policy makers with new, important information not only about the effectiveness of existing Sunday alcohol availability and consumption laws, but also about how these laws can be designed to maximize their preventive benefits.