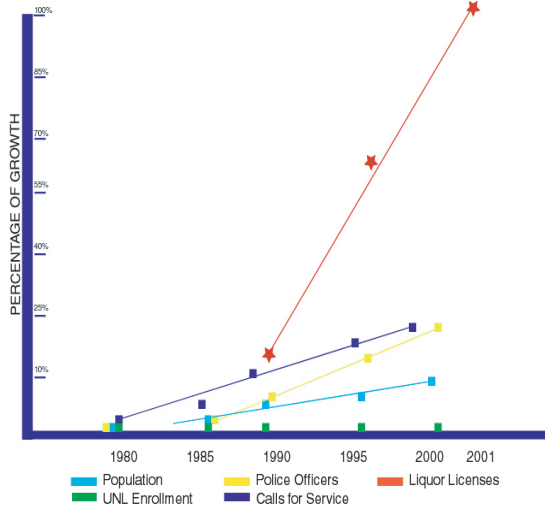


INFORMATION BRIEFING



Alcohol Outlet Density

LIQUOR LICENSE DENSITY AND SATURATION: a case study of Lincoln, Nebraska



To determine whether license density had reached a point of saturation in Lincoln, NE, NU Directions compared several key growth indicators. As seen in this graph, the number of liquor licenses in the city has grown at an uneven rate when compared to population, police officers, UNL admissions, and even police calls for service.

Other indicators include an increase in drink specials and other promotions, and the rate of business failure. Often, these two factors are related; high-risk promotions are often a “last-ditch effort” by licenses that are not able to sustain business due to license saturation.



Outlet density is defined in alcohol prevention literature as the amount of liquor licenses existing within an established geographic location. The more licenses per square mile, or the greater the number of alcohol outlets within the proximity of high-risk populations (such as college campuses), the greater the “density.”

From a marketing standpoint, outlet density is most related to issues of market saturation. When a marketplace is saturated, product availability becomes greater than product demand. Competition for customers increases, driving the price of the product down. Discount pricing of alcoholic beverages has been linked to increased consumption, particularly among high-risk populations (Chaloupka et al., 1998; Wechsler et al., 2000).

FROM THE RESEARCH

Research conducted on the impact of outlet density on alcohol problems has found that:

- Outlet density impacts drinking by making low cost, or volume discounted alcohol available to persons predisposed to drink heavily (Gruenewald et al., 1996)
- Outlet density has been correlated with heavy drinking, frequent drinking, and drinking related problems, particularly among women, underage students, and students who picked up drinking in college (Weitzman et al., 2003)
- Outlet density reflects heavy drinking norms and preferences (Scribner et al., 2000)
- Outlet density reflects underlying community features such as social disorganization or social capital linked to heavy drinking (Weitzman & Kawachi, 2000)

LICENSE DENSITY AND TYPE OF ESTABLISHMENT

A study conducted by NU Directions found that the type of liquor license held by an alcohol outlet has a significant impact on the number of problems created in the community. On-sale alcohol licenses of all types in the city of Lincoln were compared by police calls for service, number of advertised specials, and number of times the establishment was named in “last drink” reports while in protective custody. The study found that liquor licenses where alcohol is the primary product were more likely to have higher numbers of police calls for service, drink specials, and last drink reports by intoxicated patrons than licenses for restaurants. Second, the study found that those licenses located within less than one mile from each other were more likely to have all three factors. This finding is confirmed by LPD GIS mapping of assaults in Lincoln in the same area.



This Information Briefing is provided to assist community members and leaders in understanding important aspects of the environment that impact high-risk drinking among college students. We believe that valid research and analysis can inform critical decisions about appropriate policies and activities. Please contact us with any questions or concerns.

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