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# Jobs Report 2021

Legal cannabis now supports  
**321,000** full-time American jobs

By Bruce Barcott, Beau Whitney, and Janessa Bailey

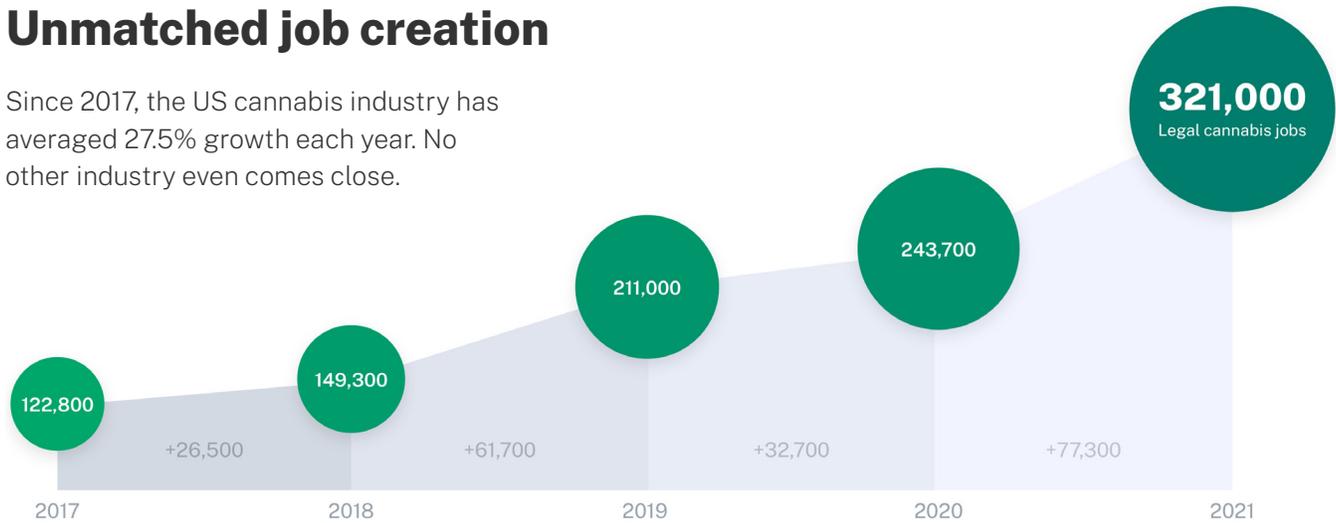
**More than  
77,000 jobs  
were added  
in 2020,  
but diversity  
issues remain**





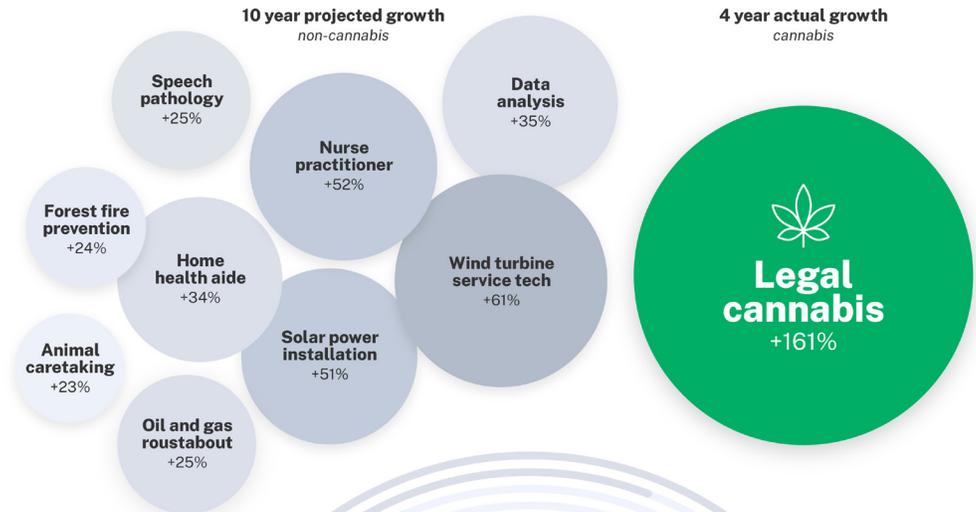
## Unmatched job creation

Since 2017, the US cannabis industry has averaged 27.5% growth each year. No other industry even comes close.



## Job growth: projections vs. reality

On the left, expected increases in the fastest-growing jobs through 2029. On the right, what's already happened in cannabis.

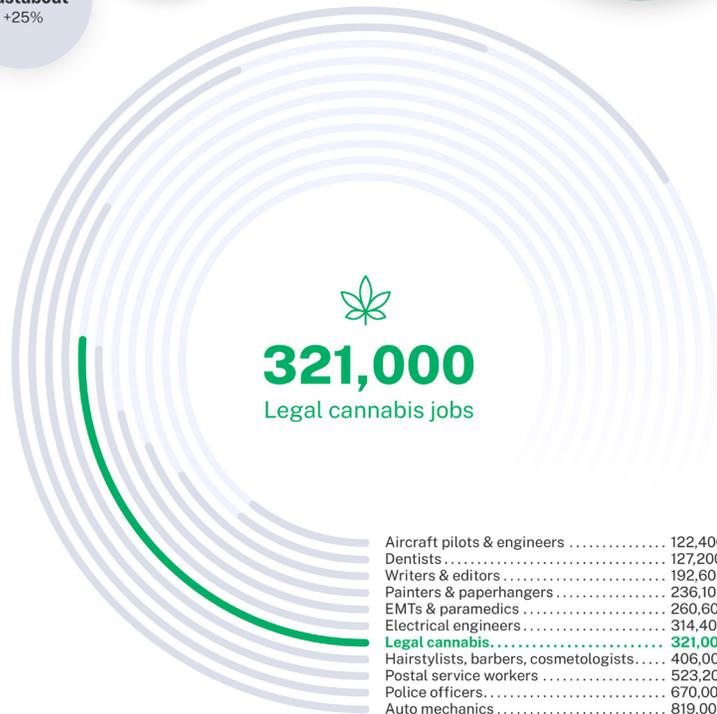


[Data: US Bureau of Labor Statistics](#)

## By the numbers

There are now more American cannabis workers than electrical engineers.

[Data: US Bureau of Labor Statistics](#)





# The COVID effect

Boosting sales, tightening labor

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## **Job growth comes on the heels of surprising economic numbers for the cannabis industry, which thrived amid the COVID-19 pandemic. In 2020, Americans purchased \$18.3 billion worth of cannabis products, a 71% increase over 2019.**

When the COVID-19 pandemic hit the United States in March, many in the cannabis industry worried about a potential industry-wide shutdown. Instead, governors in most states declared cannabis an essential product. Dispensaries and retail stores responded by offering online ordering, curbside pickup, and delivery as COVID-safe options for their customers.

Customers responded by stocking up for months of stay-at-home advisories and social distancing. After a brief dip in late-March revenue, most stores saw a significant bump in April — and then the bump became a plateau.

Even in Massachusetts, where Gov. Charlie Baker's statewide shutdown order temporarily halted all retail operations in April, cannabis stores posted a 75% annual sales gain over 2019. Retailers there sold nearly \$700 million in cannabis products in 2020, compared to \$400 million in 2019.

Rising revenue usually drives more hiring, as businesses expand to meet the increased demand. But in 2020 two new factors caused staff hiring to lag significantly behind the revenue climb.

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## **Investment capital fled the cannabis space in late 2019.**

Investors were frightened off by less-than-spectacular returns on Canadian investments at the one-year anniversary of federal legalization up north. That made it harder for US companies to expand and invest in new employees. What little money was available all but vanished in late March 2020, when the COVID pandemic arrived.

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## **The effects of COVID reduced both the need for and availability of paid employees.**

The pandemic ultimately drove increased sales industrywide. But social distancing, occupancy limits, and shelter-in-place orders limited the ability of staff members to occupy a public retail space and work closely together.

In some cases, a reverse dynamic came into play. Some booming businesses reported staffing shortages as employees themselves fought off the virus, quarantined due to contact tracing, showed signs of possible infection, or were forced to stay at home due to underlying medical conditions. One business owner reported more staff turnover in 2020 due to the pandemic than in the previous five years.

## Customers bought 33% more per order.

New consumers and patients, and newly legal states, drove much of 2020's cannabis boom. But another main driver was an increase in the average purchase size of established consumers, who increased their average monthly spend by 33%.

Data analysts at [Headset](#) and [CannaCraft](#) recently analyzed the demographics of monthly cannabis sales in California. Their graph, reproduced below, captured the pandemic-led buying trend in both California and the nation.

Some questions about consumer cannabis spending in 2020 remain unanswered. Many individuals purchased more cannabis due to pandemic conditions — including increased stress and anxiety, more time spent enjoying cannabis-friendly activities like Netflix and tabletop puzzles, and fewer

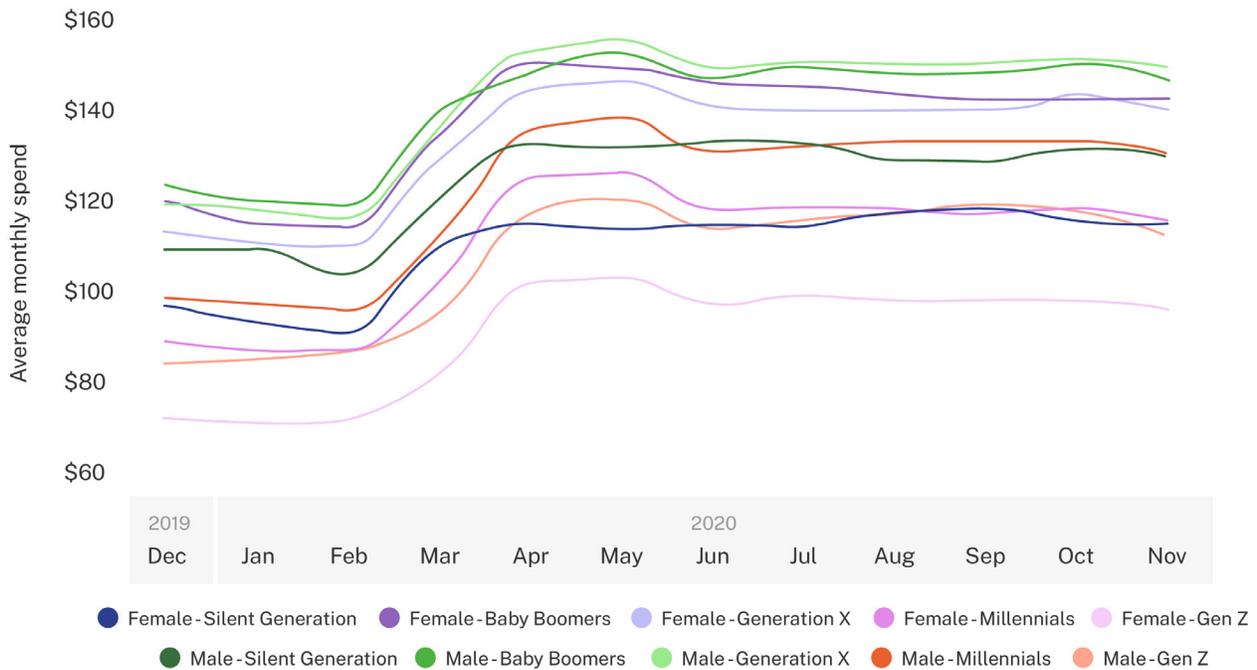
competing options for leisure spending like movies, concerts, and clubs.

There also has been an element of increased order-pooling, where consumers who share a quarantine pod bundle individual orders together to limit contact between themselves and dispensary staff, thus driving up the per-transaction average while lowering the total number of transactions.

With the arrival of COVID-19 vaccines and the gradual vaccination of the general population, the end of quarantine pods, the re-opening of live social entertainment venues, and a lessening of anxiety levels, we may see a shift back to pre-pandemic buying patterns by the end of 2021 — or the emergence of some new normal.

## Revenue drivers - customers

Average monthly spend by demographic



The pandemic sales bump in April 2020 became a plateau, as Americans leaned on cannabis as a mental health and wellness product. (Graphic data courtesy of [Headset](#) and [CannaCraft](#))



# **321,000 jobs across 37 states**

A focus on the top 10 states

California remains the nation's leading cannabis employer, with 57,970 full-time equivalent jobs, followed by Colorado with 35,539 jobs. The year's major surprise was the growth of Florida's medical marijuana industry, which now employs an estimated 31,444 state residents — outstripping pioneering adult-use states like Washington (19,873 jobs) and Oregon (17,981).

## Leafly Jobs Report 2021: Top 10 cannabis states

State	Cannabis jobs	Jobs added in 2020	Cannabis sales in 2020
1 California	57,970	+23,707	\$3,774,700,000
2 Colorado	35,539	+4,338	\$2,280,814,000
3 Florida	31,444	+14,891	\$1,228,467,000
4 Arizona	20,728	+5,648	\$1,031,000,000
5 Washington	19,873	+524	\$1,417,649,000
6 Michigan	18,078	+9,216	\$968,542,000
7 Oregon	17,981	+687	\$1,109,959,000
8 Illinois	16,837	+8,348	\$1,031,308,000
9 Oklahoma	16,759	+6,237	\$808,471,000
10 Pennsylvania	15,895	+7,188	\$810,000,000

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# Top 10 states: 2020 recap

## 1. California

In California there are now more cannabis workers (57,970) than bank tellers (41,140). Pandemic purchasing, and the steady migration of customers from the illicit to the legal market, drove a significant increase in legal cannabis jobs in California this past year. The state's licensed cannabis sector grew by roughly 80% in a single year, from \$2.1 billion in 2019 sales to \$3.77 billion in 2020 sales. That spurred the creation of nearly 24,000 new legal jobs last year.

**Cannabis jobs** 59,970

**Jobs added in 2020** 23,707

**2020 cannabis sales** \$3.77 billion

## 2. Colorado

Colorado continues to lead the nation in per-capita cannabis sales. Six years after the state's first adult-use stores opened, year-over-year sales continue to climb steadily. Consumers purchased \$2.28 billion worth of products in 2020, a 29% gain over the previous year. Cannabis continues to be one of Colorado's great economic success stories, employing more than 35,000 workers and bringing in close to \$350 million in state tax revenue last year.

**Cannabis jobs** 35,539

**Jobs added in 2020** 4,338

**2020 cannabis sales** \$2.28 billion

## 3. Florida

Medical marijuana patient registrations continued to surge in Florida, with 170,000 new patients registered in 2020 alone. By early 2021, the state counted nearly 470,000 medical patients, and their purchases drove Florida's cannabis industry to a new high of 31,444 total jobs. Florida now sells more cannabis products than any other state except California and Colorado, even though it's only legal

for medical patients. With a state population of nearly 22 million, Florida could reasonably double its current total of cannabis jobs if it chose to legalize for all adults.

**Cannabis jobs** 31,444

**Jobs added in 2020** 14,891

**2020 cannabis sales** \$1.2 billion

## 4. Arizona

Arizona's legal cannabis market was booming even before its first adult-use stores opened in Jan. 2021. Medical sales last year topped \$1 billion for the first time ever, driving total employment in the sector over the 20,000 jobs mark. With a statewide population roughly equal to that of Washington, the Arizona market still has room to grow. As the pandemic recedes in late 2021, the state's robust winter tourist trade is expected to return as well — and those snowbirds will now be free to sample the wide array of products in state-licensed stores.

**Cannabis jobs** 20,728

**Jobs added in 2020** 5,648

**2020 cannabis sales** \$1.03 billion

## 5. Washington

Cannabis sales continued to grow steadily in Washington, with a 17% annual gain in 2020. Consumers purchased \$1.42 billion worth of products last year, driving employment to just under 20,000 cannabis jobs. If Washington's [wholesale](#) cannabis crop were counted alongside other agricultural commodities such as apples, cherries, and wheat, it would rank in the [top 10](#) in economic value.

**Cannabis jobs** 19,873

**Jobs added in 2020** 524

**2020 cannabis sales** \$1.42 billion

## 6. Michigan

Michigan doubled its legal cannabis workforce in a single year. There are now more cannabis workers than cops in [Michigan](#). In a state known for its auto industry, the number of cannabis workers is now roughly equal to the number of auto repair mechanics. Michigan's first adult-use marijuana stores opened in Dec. 2019, and that new customer base drove 2020 sales to more than double Michigan's 2019 medical-only revenue, from \$420 million to \$990 million.

**Cannabis jobs** 18,078

**Jobs added in 2020** 9,216

**2020 cannabis sales** \$990 million

## 7. Oregon

Demand for cannabis finally [caught up](#) to Oregon's famous oversupply in 2020, stabilizing prices and putting sales over the \$1 billion mark for the first time. With \$1.11 billion in sales last year, the state's cannabis industry supported 17,981 jobs.

**Cannabis jobs** 17,981

**Jobs added in 2020** 987

**2020 cannabis sales** \$1.1 billion

## 8. Illinois

With the opening of its first state-licensed adult-use cannabis stores in 2020, Illinois tripled its total sales last year and added more than 8,000 new full-time jobs. There's still a lot more room to grow, though, as the state regulatory agency has only approved [81 stores](#) so far to serve a statewide population of 12 million people. By contrast, Colorado has nearly 600 cannabis stores for a population of 6 million. Colorado has twice the number of cannabis jobs as Illinois with only half the population base. Illinois also

faces one of the nation's most glaring [ownership-diversity issues](#), as not a single one of its operating retail cannabis stores is a Black-owned business. Chicago, a city of nearly 3 million people — nearly 1 million of whom are Black — still awaits its first Black-owned cannabis store.

**Cannabis jobs** 16,837

**Jobs added in 2020** 8,348

**2020 cannabis sales** \$1.03 billion

## 9. Oklahoma

Oklahoma's medical marijuana industry continued to thrive in 2020, more than doubling the state's 2019 sales total. Patients there purchased \$808 million in products, a 131% annual gain that created more than 6,000 new jobs. Oklahoma's legal cannabis industry now employs 16,759 state residents. There are now more cannabis workers than construction workers (9,140) in Oklahoma.

**Cannabis jobs** 16,759

**Jobs added in 2020** 6,237

**2020 cannabis sales** \$808 million

## 10. Pennsylvania

With more than 275,000 registered medical marijuana patients, Pennsylvania maintains one of the nation's largest pools of medical cannabis consumers. The state added more than 100,000 new patients to its registry in 2020, which drove the creation of more than 7,000 new full-time equivalent jobs. Medical patients purchased \$810 million in cannabis products in 2020, almost exactly twice as much as in 2019.

**Cannabis jobs** 15,895

**Jobs added in 2020** 7,188

**2020 cannabis sales** \$810 million



*Photo courtesy of Cannaculture*

# **A major challenge**

Black ownership in the  
cannabis industry

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## Troubling racial and gender disparities remain amidst the explosive job growth in the cannabis industry.

The life-shattering harms of the war on drugs largely fall on people of color, especially Black Americans. Most cannabis legalization schemes still fail to provide these communities with any degree of equity.

Few states keep publicly available data on racial or gender diversity among the estimated 30,000 to 40,000 companies in America's cannabis space.

Cannaclusive, one of the nation's leading groups advocating for minority cannabis consumers, maintains a unique [database](#) of Black-owned, woman-owned, Latinx-owned, Indigenous-owned, Asian-owned, LGBTQ-owned, Arab/Middle Eastern-owned, Pacific Islander-owned, veteran-owned, and disability-owned cannabis companies.

The organization's Inclusive Base includes about 500 Black-owned businesses. And while Black Americans represent 13% of the national population, they represent only 1.2% to 1.7% of all cannabis company owners — a gap that is far too wide.

These opportunities should involve the release of cannabis prisoners, the expungement of cannabis convictions, the creation of Black jobs, and a laser focus on true social equity. Dollars generated by the cannabis industry in each state should be funneled into community support instead of law enforcement, and cannabis licenses should be fairly distributed to promote Black ownership.

The cannabis industry must show true commitment to equity as it expands, so the wealth generated by this new opportunity will uplift minority communities. If it cannot, we will continue to see

these communities struggle in the shadow of white supremacy without a fair shot.

Among the most troubling data points from 2020:

- Illinois cannabis sales tripled in 2020, with more than \$1 billion in total revenue. More than 8,000 new cannabis jobs were created in 2020, and yet not a [single minority-owned business](#) is a finalist for one of the 75 new cannabis store licenses expected to be issued in 2021.
- In Massachusetts, only three of the more than 260 retail cannabis stores (1%) currently operating are Black-owned businesses. Only seven are owned or co-owned by women. As recently as 2010, Black residents — 9% of the state's population — were [four times more likely](#) to be arrested for marijuana than white residents, despite equal consumption rates.

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## Federal prohibition and systemic racism block access to capital for Black entrepreneurs.

Opening avenues for minority applicants to compete for state-issued cannabis business licenses is only part of the solution. Starting a business requires startup capital — and that's where federal law really

impedes opportunities for minority entrepreneurs, especially Black Americans.

Because cannabis remains federally illegal, government grants and bank loans are not available. As a result, personal savings, family wealth, and second mortgages are the most common sources of start-up capital in the cannabis industry.

That's where Black Americans face a dramatic disadvantage. More than 150 years of [economic terror](#) — including generations of [home mortgage redlining](#), Jim Crow laws, GI Bill exclusion, bank loan denials, and unpunished crimes like the [1921 Tulsa Race Massacre](#) — have left the United States with a yawning [racial wealth gap](#).

The median family wealth for white Americans today is \$171,000, compared with \$17,150 for Black Americans. That family wealth is most commonly held and passed down through home ownership, a critical component of wealth-building that has been strictly denied to generations of Black Americans.

The continued federal prohibition of marijuana isn't just an inconvenience that state-legal companies must work around. Federal prohibition actively represses the opportunities for minority entrepreneurs, and especially Black entrepreneurs, to enter the legal cannabis industry.

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## Positive 2020 trend: Privately funded equity and incubator programs emerge.

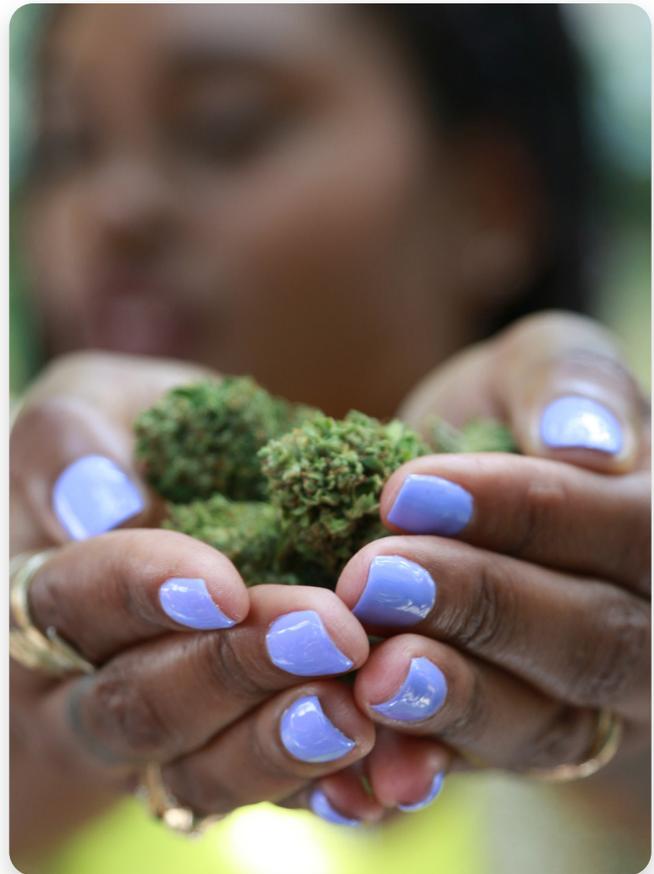
Coast to coast, there are already some organizations championing cannabis equity for disenfranchised communities. National groups like the [Equity Organization](#) tackle the country's inequitable policies while centering public health and criminal justice. Others, like [Good Tree Capital](#), work on creating less harmful, more equitable models for cannabis business lending.

These behind-the-scenes organizations are joined

by some more conspicuous entities, many of which are led by celebrities entering the cannabis space. In 2020, the industry saw entertainment mogul Jay-Z step into the arena with [the launch of his own brand](#) and a [new investment venture](#) backing minority-owned startups. He's bringing a \$10 million social equity fund backing diverse initiatives to the table, while also leveraging his reputation as a superstar.

In addition to planning and policymaking, companies like Eaze put money directly into the hands of cannabis entrepreneurs with no strings attached. Their Momentum incubator provides 10 cannabis businesses from underrepresented communities with \$50,000 for business expenses, in addition to valuable access to Eaze's network and a board of cannabis professionals from all over the country.

There are plenty of players focused on closing the social equity gap on both a federal and state level. As equity rises as a priority in our industry, Leafly will continue to follow both public and private equity endeavors.



*Photo courtesy of Cannacultive*

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## Methodology

The 2021 Leafly Jobs Report was created by journalists, editors, and data analysts at Leafly, in partnership with labor economists at Whitney Economics, using publicly available sales data compiled by state cannabis regulatory agencies, as well as cannabis employee license data, median state salary statistics, and cannabis job salary surveys. Other factors that influence the Leafly Jobs Report include seasonal/annual market forces, investment and the availability of expansion capital, business optimism surveys, state-by-state licensing and regulatory conditions, registered medical marijuana patient counts, per-patient spending averages, and other annual business climate indicators.

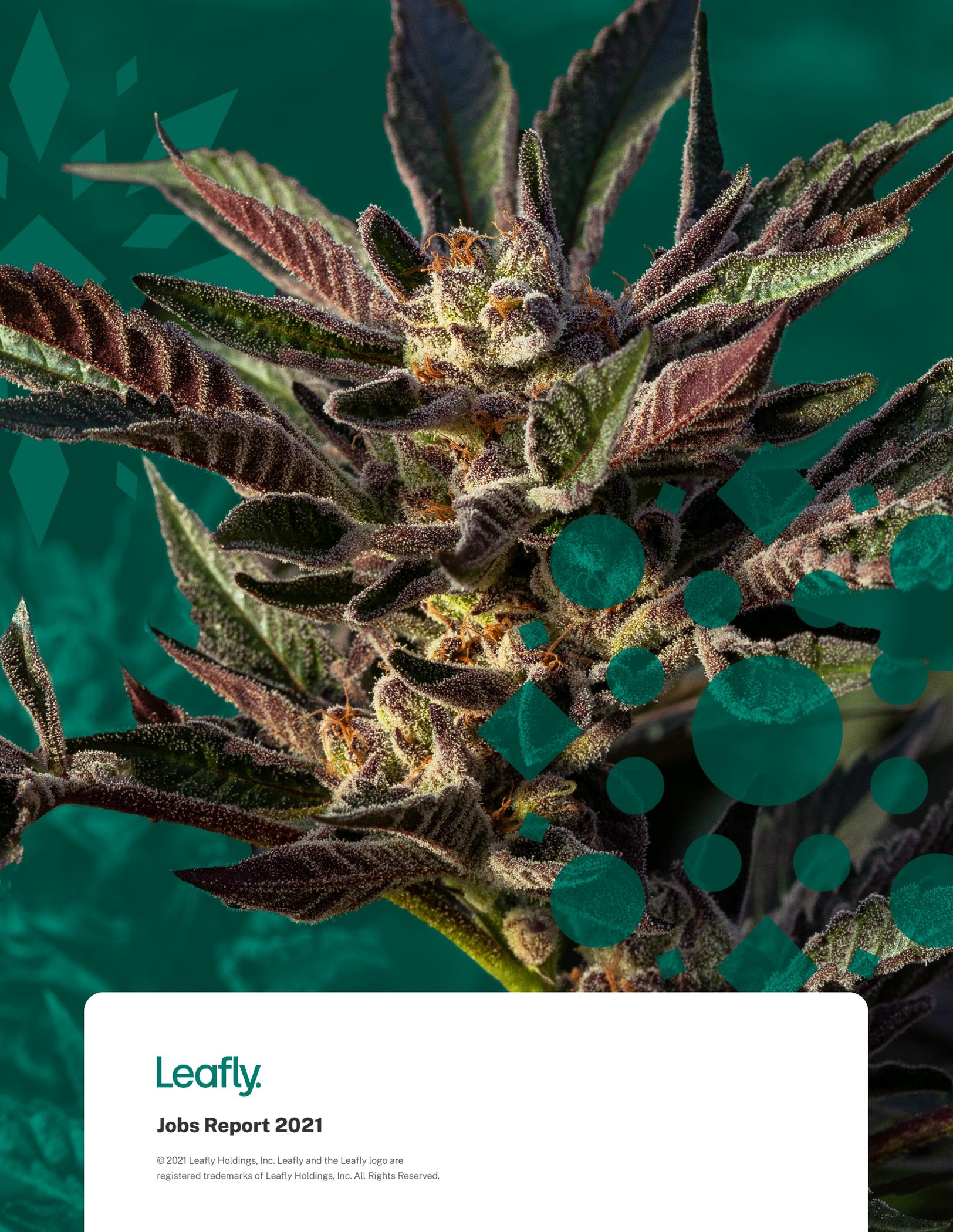
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## Jobs Report 2021

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