



NYS Social Equity Talking Points

Talking Points

Passing 'adult-use' legalization legislation with robust social equity measures before federal legalization will be the best way to a) ensure impacted communities get access to economic opportunities in the industry and b) protect the health & safety of New Yorkers. The adult-use market should be developed in such a way that all New Yorkers—not just wealthy, well-connected and/or disproportionately white interests—are able to access social, legal and economic opportunities in the industry.

- **Create equity-focused licensing initiatives.** New York—like Illinois and Massachusetts—should adopt a licensing model that prioritizes individuals that were harmed by the War on Drugs.¹ This would include people who've lived in—or can demonstrate familial or otherwise significant ties to—communities that are disproportionately impacted by high rates of arrest and incarceration for offenses under the Controlled Substances Act. Same goes with businesses majority owned by individuals who had (pre-expungement) marijuana possession charges on their record. Given the extremely high costs of starting dispensaries and/or cultivation facilities (various sources estimate the price of entry for vertically-integrated licenses will be between \$15 and \$30 million)— the law must allow for the development of less-capital intensive 'tiers' of businesses (i.e. delivery businesses, catering businesses, micro/craft-cultivation, social consumption spaces/cannabis lounges & restaurants, etc. The law should prioritize business applications from entrepreneurs from impacted communities for these licenses. Prioritized license review should also be granted to businesses where the majority of employees either reside in areas of disproportionate impact and/or have cannabis possession-related charges on their records.
- **Facilitate cannabis industry employment & entrepreneurship.** Revenue from marijuana taxes should provide entrepreneurs and workers from impacted communities with the training, space and technical support they need to start businesses, find jobs and grow their careers in the state's legal cannabis

¹ New York Department of Health (2018, July). *Assessment of the Potential Impact of Regulated Marijuana in New York State*. Retrieved from https://www.health.ny.gov/regulations/regulated_marijuana/docs/marijuana_legalization_impact_assessment.pdf

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industry.² The state's marijuana regulatory agency can partner with community colleges to offer cannabis industry classes and certification programs, and work with private cannabis companies to develop internships, apprenticeships and employment opportunities for individuals who want to pursue careers in the industry.³⁴ Local governments should partner with nonprofits and private businesses to provide low-interest loans, discretionary grants and tax credits to "social equity" entrepreneurs. They should also help these entrepreneurs secure real estate, facility design and navigate the local approval processes.

- **Incentivize community investment by private cannabis companies.** Cannabis companies who demonstrate material support for equity-focused 'economic empowerment initiatives' should get access to discretionary grants, tax credits and prioritized review of their business applications. Examples of suitable economic empowerment initiatives could be creating pathways to employment for individuals from communities disproportionately impacted via apprenticeships and other workforce development programs, deploying funds/resources to incubate the cannabis-industry businesses owned by impacted individuals, monetary donations to impacted communities, etc.⁵ New York should also incentivize legal cannabis companies to recruit workers from traditionally underserved labor markets, especially low-income black, Latinx and rural New Yorkers.
- **Reinvest in impacted communities.** Lastly, the state should reinvest a large proportion of the tax revenues generated by cannabis sales in the communities most affected by the War on Drugs. These dollars should fund community centers, youth programs, public libraries, health education programs, and other public benefit initiatives. Funds from tax revenues should be supplemented with discretionary funds allocated by the state and donations from cannabis companies, nonprofits and consumers.

ADD'L FACTS & RESOURCES:

- [Cannabis 101 by POLITICO](#)
- [Marijuana Legalization in NYS—Equity Organization & Five Borough Future White Paper](#)
- [New Comptroller Stringer Analysis: Legalizing Marijuana Could Lead to Millions in Tax Revenue for City and State.](#)

² New York State Department of Labor (2018, November 20). *Labor Force Status by Race and Ethnicity; Beginning 2012*. Retrieved from <https://data.ny.gov/Economic-Development/Labor-Force-Status-by-Race-and-Ethnicity-Beginning/ykyj-hw45>

³ WQAD Digital Team (2019, April 23). *Demand grows for marijuana cultivation courses in Illinois*. Retrieved from <https://wqad.com/2019/04/23/demand-grows-for-marijuana-cultivation-courses-in-illinois/>

⁴ Skrobin, Nicole (2019, January 16). *Here's every cannabis college course you can take in the U.S and Canada*. Retrieved from <https://www.thegrowthop.com/cannabis-news/heres-every-cannabis-college-course-you-can-take-in-u-s-and-canada>

⁵ Massachusetts Cannabis Control Commission. *Guidance for Identifying Areas of Disproportionate Impact*. Retrieved from <https://mass-cannabis-control.com/wp-content/uploads/2018/04/FINAL-DRAFT-Areas-of-Disproportionate-Impact-1.pdf>

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- There are roughly 1.5 million regular marijuana users in New York State, of whom roughly 550,000 reside in New York City.
- Comptroller report estimates potential \$3.1 billion adult-use marijuana market for New York State including \$1.1 billion City market
- New York City could realize \$336 million in tax revenue from legalizing adult-use marijuana, on top of \$436 million for the state
- As of 2017, more than 80 percent of U.S. marijuana business owners and founders were white, while only 10 percent were Hispanic, Latino or black. [Survey by the Marijuana Business Daily](#).
- Run-ins with the legal system on top of barriers to licensing and loans can all lead to minority business owners to look elsewhere for income.
- Chicago's black caucus delayed zoning rules they feared would place future minority cannabis retailers at a disadvantage. [Reporting from the Chicago Tribune](#).
- Black people are four times as likely than white people to be arrested for marijuana possession despite similar usage rates. More drug war statistics from the ACLU can be found [here](#).
- Tax revenues from marijuana legalization have lagged far behind projections in many states. The reason, according to Los Angeles Times columnist Michael Hiltzik: [They were based on inflated numbers](#) about the size of the illicit market.
- [New Mexico Legalization Task Force Recommendation](#), October 2019
 - Cautions against setting tax rates too high, arguing that customers will stick to the black market if prices are significantly lower for illicit products. NM task force recommends a total tax rate of 15 percent to 20 percent.
 - Blueprint aims to protect New Mexico's robust medical marijuana market. Most notably, it proposes spending \$2.7 million each year to help low-income patients afford marijuana.
 - Also stressed the need for robust programs to ensure that individuals who have been disproportionately targeted by criminal prosecutions for marijuana possession are able to benefit from the legalized market. That includes a "cannabis business venture fund" — paid for by \$2.4 million in taxes annually — to help cannabis companies get started.
- Recent data shows that marijuana possession is the [fourth most common cause of deportation](#).

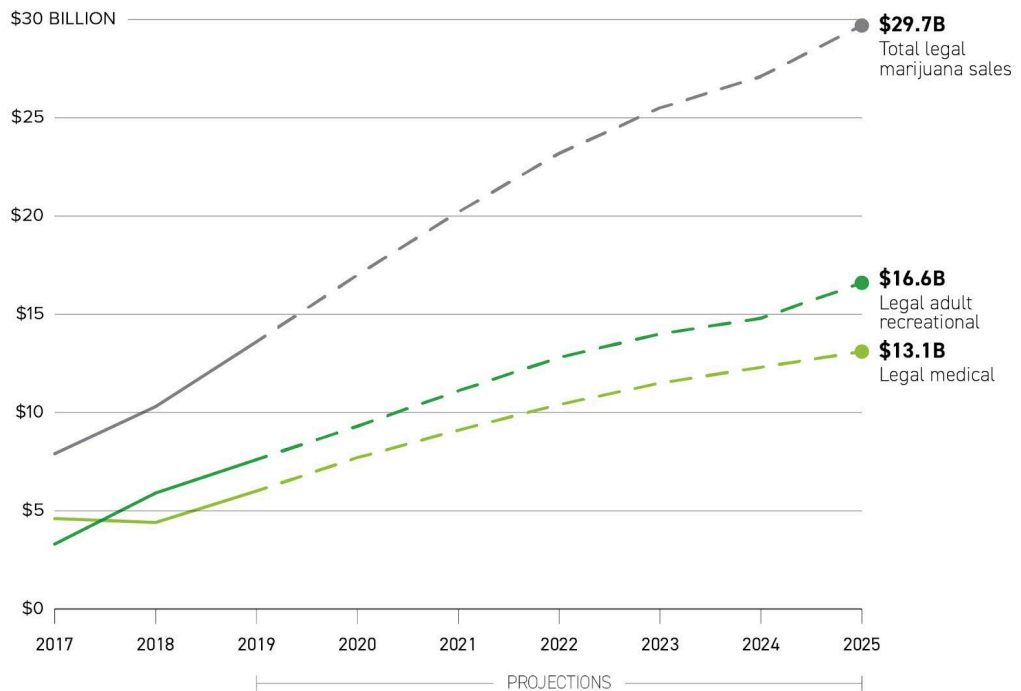
Oct. 16, 2019

Legal marijuana sales are projected to reach \$30B by 2025

Legal sales of marijuana are expected to increase to \$29.7 billion in annual sales, up from \$10.3 billion in 2018, according to New Frontier Data's recent U.S. Cannabis Report: 2019 Industry Outlook. New Frontier Data is a cannabis industry data analytics firm. It expects that by 2025, legal adult recreational sales will reach \$16.6 billion and medical sales will represent \$13.1 billion. New Frontier estimates that there are 38.4 million consumers of both legal and illicit cannabis in the United States, with 24.9 million of those considered to be regular users who have consumed cannabis in the past month.

New Frontier Data's cannabis market projections are based on states that have passed medical and adult recreational legalization as of July 2019 and assume that those laws won't otherwise change. They do not account for additional states that could legalize either usage before 2025.

Legal adult recreational marijuana sales are projected to reach \$16.6 billion



Note: Market projections are based on states that have passed medical and adult recreational legalization as of July 2019. They do not account for additional states that could legalize either usage before 2025.

Source: New Frontier Data, "U.S. Cannabis Report: 2019 Industry Outlook"

Oct. 2, 2019

Rising support for marijuana legalization cuts across generations

Support for marijuana legalization among U.S. adults reached an all-time high of 62 percent in 2018, according to a Pew Research Center survey, with substantial increases recorded among every age cohort in recent decades.

Shifting opinion on marijuana has been compared to public support for same-sex marriage, which likewise shows evidence of cross-generational change. On both issues, the overall trend may also be accelerating as the younger and most supportive cohorts begin to comprise a larger share of the adult population.

The most recent Pew data shows majorities in support of legalization regardless of gender or college education, although there is a significant partisan divide — 69 percent of Democrats support marijuana legalization, compared with just 45 percent of Republicans.

The longer-term trend, combining data since 1969 from Pew, Gallup and the National Opinion Research Center at the University of Chicago, shows that overall support for marijuana legalization fell in the 1980s before beginning a rise in the 1990s that continues to this day. According to Brookings scholar John Hudak, the Reagan administration's "war on drugs" likely moved public opinion at the time.

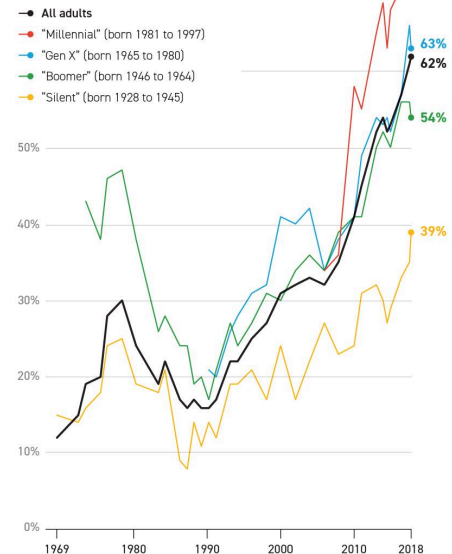
"Yes, governments have the ability to use propaganda to move public opinion through awareness campaigns, but since that time, Americans have dramatically lost trust in government," Hudak told POLITICO, "which suggests that the ability of government to do that in 2025 is quite muted compared to 1985."

Sources: Hannah Hartig and A.W. Geiger, "About six-in-ten Americans support marijuana legalization," Pew Research Center; Data from 1969 to 1972 via Gallup; Data from 1973 to 2008 via NORC

By Tucker Doherty, POLITICO Pro DataPoint

Support for marijuana legalization reaches new record, especially among younger generations

Support for marijuana legalization, by generational cohort



Sept. 25, 2019

Cannabis-related employment is rising

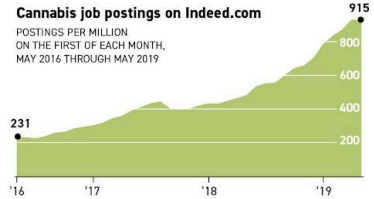
BY CRISTINA RIVERO, POLITICO PRO DATAPOINT

The number of cannabis-related job postings has steadily increased in recent years as legalization of recreational and medicinal cannabis use progresses nationwide, according to data from employment search engine Indeed.com.

The U.S. cannabis industry — which includes research, cultivation, production, packaging, marketing and retail employment — has been taking off as U.S. companies gradually expand services into all of these business aspects. Marijuana budtenders and sales associates are the top cannabis-related job titles being posted on Indeed.com.

Cannabis job postings on Indeed.com

POSTINGS PER MILLION
ON THE FIRST OF EACH MONTH,
MAY 2016 THROUGH MAY 2019



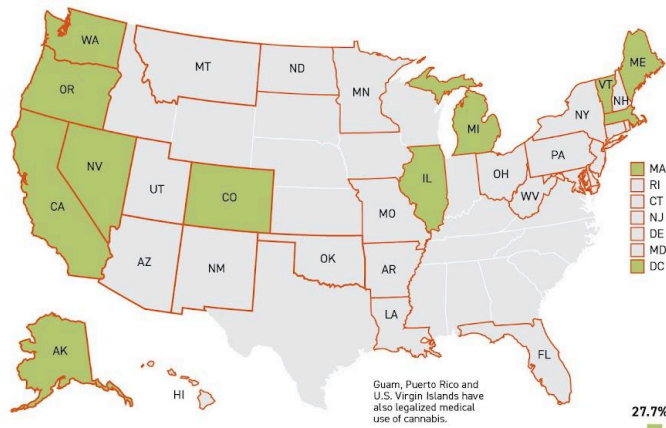
Companies posting the most U.S. cannabis-related jobs on Indeed.com

APRIL 1 THROUGH JUNE 1, 2019

Company	Headquarter location
1 Harvest	AZ
2 Smokers Choice	NY
3 Cresco Labs	IL
4 MedMen	CA
5 Bertin Packaging	IL
6 TGS Management Company	NJ
7 Curaleaf	MA
8 Green Thumb Industries	IL
9 Mammoth Distribution	CA
10 Columbia Care	NY
11 Surterra Wellness	GA
12 CBD Kratom/Mr. Nice Guy	IL
13 Teamwork Specialties	FL
14 Grassroots Cannabis	IL
15 Harvest Health and Recreation	AZ
16 Weedmaps	CA
17 Vireo Health	MN
18 Caliva	CA
19 Herbology	GA
20 Lazarus Naturals	WA

Recreational and medicinal cannabis use laws, by state and jurisdiction

Legalized adult recreational use of cannabis Enacted laws allowing medical use of cannabis



Share of cannabis jobs posted on Indeed.com, by state

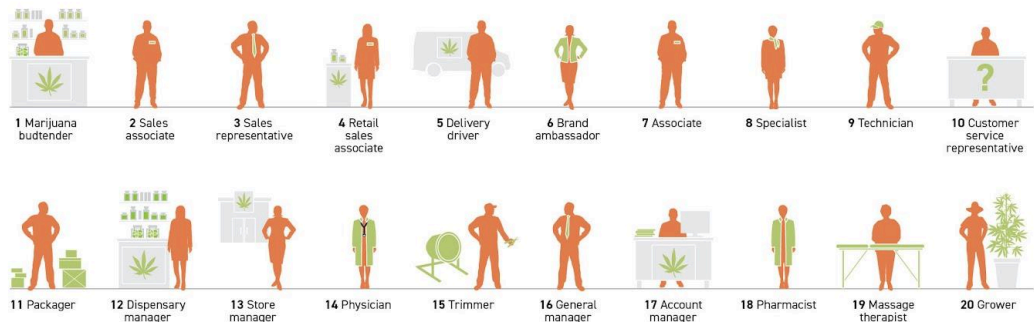
According to Indeed.com analysis, cannabis-related jobs exist in all states except South Dakota. More than a quarter of the employment is located in California. Some states that have not legalized recreational or medical cannabis reflect "cannabis" jobs because Indeed.com analyzed postings with the terms "cannabis" and "cannabidiol" — or CBD — an active ingredient in the cannabis plant. Research positions could also be flagged.

APRIL 1 THROUGH JUNE 1, 2019



The 20 most common cannabis-industry job titles posted on Indeed.com

APRIL 1 THROUGH JUNE 1, 2019



METHODOLOGY: Indeed.com analysis identified cannabis-related job postings by querying job descriptions that included one or more of the following inclusionary keywords: cannabis, marijuana, dispensary, budtender, cannabidiol, cannabinoid and CBD. Indeed.com filtered out postings that included one or more phrases probably indicating the job was not in cannabis. Exclusionary phrases included drug test, drug screen, optical dispensary and illegal possession. All job postings, whether by job title, company, or state, are represented as a share of all U.S. job postings.

Sources: Indeed hiring lab, National Conference of State Legislatures

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