

Study says legalized marijuana does not affect crime or economics

Cato Institute releases report to provide a 'dose of reality'

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The Cato Institute, a Washington, D.C.-based public policy think tank focusing on free market and limited government analysis, released a study on Sept. 16 analyzing several datasets on crime, employment and drug use in the four states where adult use marijuana has been legalized.

Proponents and opponents of marijuana legalization have more in common than they think: each side makes predictions that for the most part have not come true.

The Cato Institute, a Washington, D.C.-based public policy think tank focusing on free market and limited government analysis, released a study on Sept. 16 analyzing several datasets on crime, employment and drug use in the four states where adult use marijuana has been legalized.

The study, “Dose of Reality: the Effect of State Marijuana Legalizations,” claims that marijuana-related economic and criminal outcomes across the board haven’t changed substantially enough in any of the states examined to attribute them to legalization.

It concludes that increases in marijuana use predate legalization, there are no observable increases in youth use, perceptions of risk began to decline before legalization, and economic benefits are most clearly seen in tax revenues to the state.

Most relevant data comes from Colorado, Washington and Oregon, which established legal adult use marijuana sales before Alaska.

Alaska has not yet had its first retail sale. Cultivators have begun harvesting crops and the first retail stores have begun receiving their licenses. In an address to Marijuana Business Daily, Alaska Marijuana Control Board Executive Director Cynthia Franklin said she estimates first sales could begin as early as November, or February at the latest.

“Our conclusion is that state-level marijuana legalizations to date have been associated with, at most, modest changes in marijuana use and related outcomes,” according to the study. “Our estimates cannot rule out small changes, and related literature finds some effects from earlier marijuana policy changes such as medicalization. But the strong claims about legalization made by both opponents and supporters are not apparent in the data.”

No increased drug use

Opponents of adult marijuana use fear that making the product legal will lead to a rise in both adult and youth marijuana use.

Cato's study finds no link. In Colorado, usage rates for marijuana and alcohol have both been rising slightly since 2009, three years before the state legalized recreational marijuana. Washington and Oregon also chart small, steady rises in marijuana use, but like Colorado the rates began increasing years before the states legalized.

On a similar note, treatments for marijuana and alcohol abuse have declined in the years after legalization, not risen.

"Marijuana admissions in Colorado were fairly steady over the past decade but began falling in 2013 and 2014, just as legalization took effect," according to the study. "Alcohol admissions began declining around the same time. In King County (Washington), admissions for marijuana and alcohol continued their downward trends after legalization. These patterns suggest that extreme growth in marijuana abuse has not materialized, as some critics had warned before legalization."

The study charted data on whether people in each state associated "great risk" with monthly marijuana use. In each state, perceptions of risk declined in the years preceding legalization.

"In essence, rising marijuana use may not be a consequence of legalization, but a cause of it," the study reads.

No increased crime

Opponents of marijuana legalization predicted crime spikes would follow, while supporters have argued the end of the black market would lower crime rates. The data doesn't support either conclusion.

According to the study, Denver property crime and violent crime rates have stayed constant after 2012, when the state legalized adult use of marijuana, and 2014, when the first shops opened. Other Colorado cities including Fort Collins show the same trend.

In Seattle, police data showed that property and violent crime rates have been dropping for the last two decades, without any changes in pattern either immediately before or after legalization. Oregon's crime rates stayed steady after the state's 2014 legalization.

Intoxicated driving, another predicted outcome, has also remained constant.

"No spike in fatal traffic accidents or fatalities followed the liberalization of medical marijuana in 2009. Although fatality rates have reached slightly higher peaks in recent summers, no obvious jump occurs after either legalization in 2012 or the opening of stores in 2014," the report states. "Likewise, neither marijuana milestone in Washington State appears to have substantially affected the fatal crash or fatality rate. In fact, more granular statistics reveal that the fatality rate for drug-related crashes was virtually unchanged after legalization."

Annual data from both Oregon and Alaska suggest a similar pattern.

School suspensions related to drug use did see a slight rise in Colorado after medical marijuana was legalized in 2009, but those levels stayed steady after recreational shops opened in 2014.

Economics

Marijuana legalization supporters argue economic benefits, but like with crime and usage predictions, the data shows few overall changes.

The Cato study punctures a widely held theory that Colorado's soaring property values were in large part driven by marijuana legalization. In Colorado, Washington and Oregon, these claims are unfounded, the study says.

“Figure 23 sheds doubt on these extreme claims by presenting the Case-Shiller Home Price Index for Denver, Seattle, and Portland, along with the national average,” according to the study. “Data show that home prices in all three cities have been rising steadily since mid-2011, with no apparent booms after marijuana policy changes. Housing prices in Denver did rise at a robust rate after January 2014, when marijuana shops opened, but this increase was in step with the national average.”

Despite the millions in sales, state economies themselves remain mostly untouched by legalization.

“Although it is hard to disentangle marijuana-related economic activity from broader economic trends, the surges in economic output predicted by some proponents have not yet materialized. Similarly, no clear changes have occurred in GDP per capita,” the study found.

The study does identify one concrete area of growth. State governments have been reaping the tax rewards of legalization in amounts more than forecast.

Colorado made \$135 million from recreational marijuana taxes in 2015, or more than \$10 million per month. In Washington, the state collected double the forecasted amount with \$70 million during the first year of sales. Oregon, which began taxing recreational marijuana in January, has collected \$14.9 million in taxes so far, far more than the predicted \$2 million to \$3 million.