

Cannabis Legalization Linked to Increased College Enrollment Without Affecting Graduation Rates

Key Findings on Enrollment and Competitiveness

A newly published study analyzing college enrollment data has found that states adopting recreational marijuana legalization (RML) have seen an increase in enrollments by up to 9%, without compromising degree completion or graduation rates. The research suggests that the policy shift enhances college competitiveness by offering a positive amenity, leading to increased out-of-state enrollments. Importantly, there was no evidence that RML impacts college prices, quality, or in-state enrollment.

Detailed Analysis by Ahmed El Fatmaoui

The findings were published last month in the journal *Economic Inquiry* by Ahmed El Fatmaoui, a graduate student at the University of Oklahoma. This study builds on previous research, including a 2022 study that reported larger application pools in states that had legalized marijuana, with no decline in student applicant quality.

Data Sources and Methodology

El Fatmaoui utilized data from the Integrated Postsecondary Education Data System (IPEDS), supplemented with county-level data, to construct a comprehensive dataset of colleges and their characteristics from 2009 to 2019. The main results showed statistically significant increases in enrollment ranging from 4.6% to 9%, with notable enrollment increases in both men and women after a delay following legalization.

Enrollment Trends

“The results indicate that both women’s and men’s enrollments rose significantly after the fourth year of the first dispensary opening,” the report notes, suggesting a delayed effect due to the gradual development of a marijuana consumption culture and the time required for students to decide and apply to colleges.

Impact on Graduation Rates

The study also looked at student performance in Washington and Colorado, states that have had RML for a sufficient period. The findings were generally positive, indicating a notable impact on graduation rates. RML contributed to increases of up to 2.7 percentage points for bachelor’s degrees and 5.6 percentage points for associate degrees.

“The graduation rate for associate degrees shows a significant effect from the fourth lead, indicating a delayed response to the policy,” the report says. “The graduation rate for bachelor’s degrees shows a significant effect from the second lead, which may reflect increasing student transfers.”

Contrasting Past Research

These findings challenge a 2017 study that suggested RML leads to diminished grades in courses requiring numerical skills. El Fatmaoui emphasized that his analysis does not undermine overall student success and instead points to an uptick in college graduations associated with increased enrollments due to RML.

Competitive Advantage and Redistribution

The analysis also suggests that the distance traveled from affected states is significant, supporting the hypothesis that the improvement in first-time enrollment is driven by competitive advantages relative to neighboring states. The increase in enrollment is seen as a redistribution of students across states rather than a net gain.

Impact on Selective Colleges

The policy change appeared to have no impact on selective colleges, likely due to their limited capacity and students' preference for college quality and expected future earnings over amenities. States that legalized marijuana earlier saw sharper rises in enrollments, predicting "null effects for future adopters."

Future Research Directions

El Fatmaoui suggests future research should focus on how RML impacts peer dynamics and selection of academic disciplines, especially differentiating between STEM and non-STEM fields. This could provide deeper insights into the long-term consequences of marijuana legalization on higher education.

Broader Implications

The new analysis found slightly lower impacts than the 2022 study, which reported a nearly 15% increase in applicant pools post-legalization, with effects most pronounced in early adopter states like Colorado and Washington. Additional research could explore other aspects of student behaviors and choices influenced by RML.

In summary, while the study indicates no significant effect on overall academic performance, it raises intriguing questions about RML's impact on other student behaviors and major selections, calling for more comprehensive future research in these areas.

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