

# Pennsylvania's Financial Gains from Legal Cannabis: New Report

## Pennsylvania's Missed Opportunity: Potential Economic Boon from Adult-Use Cannabis Legalization

**Harrisburg, PA** – Despite mounting evidence of the substantial economic benefits and widespread public support, Pennsylvania has once again missed the opportunity to legalize adult-use cannabis. Governor Josh Shapiro's preliminary 2024-25 budget proposal included a push for legalization by this summer, aiming to have the market operational by the beginning of 2025. However, the fiscal budget passed last week made no mention of an adult-use market.

This oversight marks yet another missed opportunity for Pennsylvania to capitalize on the economic potential of legal cannabis. Public hearings have been held, and numerous bills introduced in the state legislature over the years have proposed legalization, yet none have succeeded.

### Economic Impact Report

A recent report by FTI Consulting, commissioned by Responsible PA—a coalition advocating for the legalization of adult-use cannabis—highlights the significant economic gains Pennsylvania could achieve. The report estimates that a legal adult-use cannabis market could generate an additional \$4.2 billion in economic output and \$2.6 billion in state gross domestic product (GDP).

The financial benefits extend to state revenue as well. The report projects that legalization would generate \$126 million in new state sales taxes and \$212 million from state wholesale cannabis excise taxes, which are imposed on manufactured goods.

### Job Creation Potential

The legalization of adult-use cannabis is also expected to be a major job creator. The report estimates the creation of 33,350 new jobs across the state. This includes nearly 13,000 direct retail jobs in the adult-use industry and over 8,000 jobs in cannabis cultivation. The remaining jobs would stem from increased consumer spending and the resultant economic activity.

### Comparative Sales Projections

FTI Consulting's projections are based on historical data from other states that have transitioned from medical to adult-use cannabis markets, such as Arizona, Illinois, Massachusetts, and New Jersey. In 2023, Pennsylvania's retail medical marijuana sales were approximately \$1.2 billion. Based on this, FTI projects first-year adult-use retail sales to reach \$2.1 billion.

## **Support and Advocacy**

Brittany Crampsie of ResponsiblePA emphasized the timeliness of legalization, noting the progress made by neighboring states. “With 90% of Pennsylvania’s neighboring states already legalizing cannabis and a robust medical operation in the state for nearly a decade, we believe now is the time to legalize cannabis,” she stated.

Public support for legalization is strong, with a recent poll by Franklin and Marshall College indicating that two-thirds of Pennsylvania voters favor legalizing adult-use cannabis.

## **Legislative Inaction**

Despite these compelling arguments and the clear economic incentives, the state legislature has yet to pass any bills to legalize adult-use cannabis. This hesitation continues to deprive Pennsylvania of potential economic growth and job creation opportunities.

## **Looking Forward**

As neighboring states reap the benefits of legalized cannabis markets, Pennsylvania remains on the sidelines. The ongoing delay in legalization not only represents a lost economic opportunity but also a missed chance to regulate and ensure the safety of cannabis products for consumers.

The advocacy efforts of ResponsiblePA and the clear public support indicate a strong desire for change. However, until the state legislature acts, Pennsylvania will continue to forgo the significant economic and social benefits of a legal adult-use cannabis market.

Pennsylvania’s failure to legalize adult-use cannabis in the latest budget cycle underscores the ongoing challenges in realizing the potential economic boon from such a move. With compelling evidence of substantial economic gains, job creation, and public support, the state stands at a crossroads. The decision to embrace legalization could transform Pennsylvania’s economic landscape, but until then, the opportunity remains unseized.

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