

US Cannabis Industry Achieves New Milestone

U.S. Cannabis Industry Reaches Record Highs in Jobs and Sales, New Report Reveals

The legal cannabis industry in the United States is experiencing unprecedented growth, reaching its highest-ever levels in both job creation and sales. According to a new report from Vangst, a leading cannabis industry job platform, there were 440,445 full-time-equivalent jobs in the sector at the beginning of 2024, marking a 5.4 percent increase from the previous year. Additionally, annual sales of legal marijuana, encompassing both recreational and medical use, surged by 10.3 percent to reach \$28.8 billion in 2023.

The report highlights the remarkable expansion of the cannabis industry, which has continued to thrive despite its complex legal landscape. While legal cannabis use has surged over the past decade, the federal government has yet to lift its ban on the substance, leaving cannabis classified as a Schedule I drug. Nonetheless, nearly half of all U.S. states and territories have now legalized marijuana for recreational use, while medical cannabis is permitted in even more regions.

Cannabis Jobs Hit Record High

Vangst's report shows a robust increase in cannabis-related employment across the U.S., as legalization efforts spread and demand for cannabis products grows. As of early 2024, there were 440,445 full-time-equivalent jobs in the legal cannabis industry, reflecting a 5.4 percent year-over-year rise. This uptick comes despite challenges facing the sector, such as fluctuating consumer demand, oversupply issues, and pricing pressures.

The cannabis workforce has steadily grown since 2017 when Vangst reported 122,800 jobs in the sector. The near four-fold increase in just seven years demonstrates the rapid development of the cannabis market, driven by expanding state-level legalization and a growing acceptance of marijuana for both medical and recreational use.

The sharp rise in jobs reflects the sector's resilience in the face of regulatory and economic hurdles, as well as its potential to create new opportunities in states where cannabis is becoming legal. Many states have seen job booms as their cannabis markets take off, particularly in regions where legalization has recently taken hold.

State-by-State Breakdown: California Leads, Michigan Surges

Among the states contributing to the job growth in the cannabis industry, California remains the top employer, boasting 78,618 positions as of March 2024. The state, which has long been a leader in the cannabis market, continues to dominate the field in both job creation and sales. California's well-established cannabis culture and its large population have made it a central hub for the industry.

Michigan ranks second, with 46,746 cannabis jobs, reflecting the state's rapid growth in this sector. In 2023, Michigan's cannabis industry saw "astonishing" development, with sales exceeding \$3 billion, a 33 percent

increase from the previous year. This economic boom has added roughly 11,000 new jobs to the state's workforce, contributing to the national surge in cannabis employment.

Florida, a state where cannabis is legal only for medical use, has seen substantial growth as well, rising to third place in the U.S. with 30,238 cannabis jobs. This is a significant jump from its position in February 2023 when it ranked fourth. Despite its limitations on recreational cannabis, Florida's large medical marijuana program continues to thrive, and the state has become a key player in the national cannabis landscape.

Other states that permit cannabis solely for medical use also made notable appearances in the top 15 for cannabis employment. Pennsylvania placed sixth with 23,402 jobs, and Oklahoma, a first-time entrant, ranked 15th with 11,142 positions. These figures highlight the widespread job creation potential in medical cannabis markets, even in states that have not yet legalized recreational use.

East Coast Growth Drives Industry Expansion

The cannabis industry's growth isn't confined to the West Coast. As Vangst reported, burgeoning markets along the East Coast are playing a key role in driving job creation and revenue. States such as Connecticut, Maryland, New Jersey, New York, and Rhode Island have all seen flourishing cannabis markets. In 2022, these five states collectively experienced revenue growth of 50 to 100 percent, with the creation of over 13,000 new jobs.

The expansion of legal cannabis markets in the Midwest and along the East Coast is helping to diversify the industry geographically, moving beyond the traditional strongholds of California, Colorado, and other Western states. As more states legalize recreational cannabis and establish regulatory frameworks, the potential for job creation and economic growth continues to rise.

Challenges on the West Coast: Job Losses and Market Saturation

Despite the overall growth in the cannabis industry, not all regions are experiencing a boom. On the West Coast, several states have seen a decline in cannabis jobs due to market saturation and economic pressures. California, Colorado, Oregon, Washington, and Nevada together lost 15,000 jobs in 2023, a sharp contrast to the growth seen elsewhere in the country.

One of the major factors contributing to these losses is the oversupply of cannabis in many of these states. An abundance of product has led to historically low wholesale prices, putting pressure on farmers and producers to turn a profit. As consumers enjoy lower prices, retailers and supply chain businesses are grappling with shrinking profit margins, which has forced some companies to cut jobs or close their doors altogether.

Long-Term Growth Despite Temporary Setbacks

The cannabis industry has witnessed remarkable growth over the past decade, but it has also faced significant challenges. In 2022, the sector experienced a downturn as a post-pandemic sales slump coincided with economic headwinds, including global inflation, rising interest rates, and changes in consumer spending habits. This led to a pullback in investment and a dip in sales across several key markets.

However, 2023 marked a recovery for the industry, with Vangst predicting that new legal markets would "create thousands of new jobs"—a forecast that turned out to be accurate. The cannabis industry's ability to bounce back from economic difficulties and adapt to changing market conditions has been one of its defining characteristics over the past decade.

Despite the positive trends, the Vangst report warned that challenges remain in 2024. The oversupply of cannabis in many markets continues to drive down prices, squeezing producers and retailers alike. While consumers may benefit from bargain-priced flower, the downward pressure on prices poses a significant threat to the sustainability of cannabis businesses across the supply chain.

A Thriving Industry with Growing Pains

The legal cannabis industry in the U.S. is thriving, with record-high job creation and sales reported in 2023 and 2024. As the market expands across new states, particularly in the Midwest and along the East Coast, the industry's potential for continued growth remains significant. However, regional disparities in job creation and the oversupply of cannabis in established markets highlight the challenges that the sector must address to ensure long-term sustainability.

While consumers may enjoy lower prices, businesses are feeling the pinch, and the pressure on producers, retailers, and workers is likely to persist unless market imbalances are addressed. Nevertheless, the legal cannabis industry's resilience and adaptability continue to drive it forward, making it one of the fastest-growing sectors in the U.S. economy.

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