



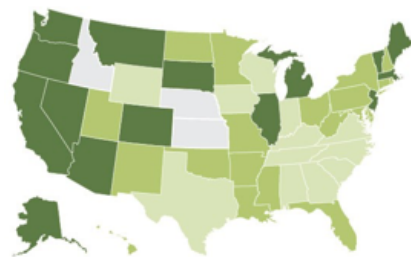
Marijuana developments during Trump's presidency

January 25, 2021

The Trump administration stood to the side as 18 states liberalized their marijuana laws from 2016 to 2020, including staunchly conservative states like Mississippi and South Dakota. Despite former Attorney General William Barr's antitrust scrutiny of cannabis deals, the federal government remained relatively hands-off on marijuana policy. Here are key things that happened to the medical and recreational marijuana industry during the Trump administration.

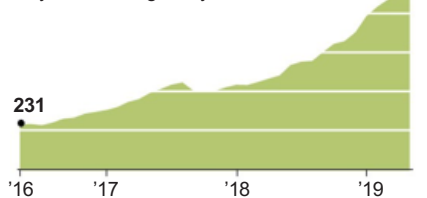
Marijuana legalization after 2020 election

- Medical and recreational use legal
- Only medical use legal
- Limited access medical law
- Medical and recreational use illegal



Cannabis job postings on Indeed.com

Per million on the first of each month, May 2016 through May 2019



36 states legalized some form of marijuana

The modern marijuana legalization movement kicked off when voters in Colorado and Washington endorsed recreational sales in 2012. Since then, the movement has spread across the country, even though the federal government continues to classify marijuana as highly addictive, illegal drug with no medical benefits.

In January 2018, Trump's first attorney general, Jeff Sessions, rescinded the Cole memo, an Obama-era Justice Department guidance that called for deprioritizing marijuana enforcement. The memo had provided some protection for state-legal marijuana markets and informed how state governments set up their own cannabis laws. But a Sessions-led crackdown never materialized.

Cannabis is now legal in some form in 36 states, meaning that the vast majority of Americans have some form of legal access. In fact, more than one-third of Americans now live in states with full legalization.

Marijuana-related employment grew 296 percent from May 2016 through May 2019

As state legalization of recreational and medicinal marijuana progressed nationwide, the number of marijuana-related job postings steadily increased in recent years, according to data from employment search engine Indeed.com.

The U.S. marijuana industry — which includes research, cultivation, production, packaging, marketing and retail employment — has taken off as U.S. companies gradually expand into new markets.

Marijuana businesses were designated as essential during Covid-19

During the Covid-19 pandemic, medical and recreational marijuana businesses have remained open in most states, despite restrictions applied to the nation's retail economy.

In some states, officials have mandated changes to how marijuana shops operate to reduce public health risks, including limiting transactions to curbside pickups or deliveries.



Sources: POLITICO staff reports, National Conference of State Legislatures, Indeed hiring lab, New Frontier Data, NORML

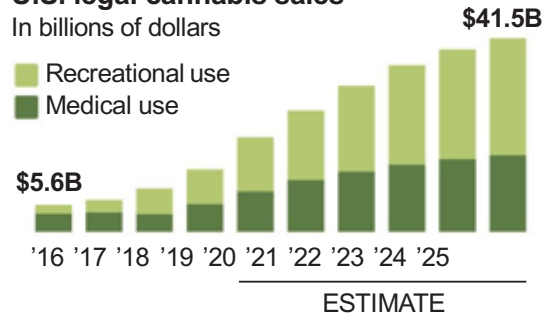


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U.S. legal cannabis sales

In billions of dollars



Marijuana sales increased 257 percent from 2016 through 2020, especially during Covid-19

Marijuana sales increased in mid-March during the Covid-19 outbreak as consumers stockpiled medical and recreational cannabis products, in preparation for hunkering down and fearing that pot shops might close.

Even though marijuana businesses violate federal drug laws, they are obligated to pay federal taxes because the U.S. tax code does not differentiate between legal and illegal sources of income, often facing federal tax rates upward of 70 percent.



Federal legislation to legalize marijuana was considered

The House on Dec. 4 passed a landmark bill by a vote of 228-164 that would remove federal penalties on marijuana and erase cannabis-related criminal records. The MORE Act — first introduced in the summer of 2019 — would also provide money for states to scrub marijuana criminal records and create grant programs to assist those who were harmed by criminal enforcement. The bill has not moved in the Senate.



Sources: POLITICO staff reports, National Conference of State Legislatures, Indeed hiring lab, New Frontier Data, NORML