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DOES RECREATIONAL MARIJUANA LEGALIZATION CONTRIBUTE TO HOMELESSNESS?

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June 2018

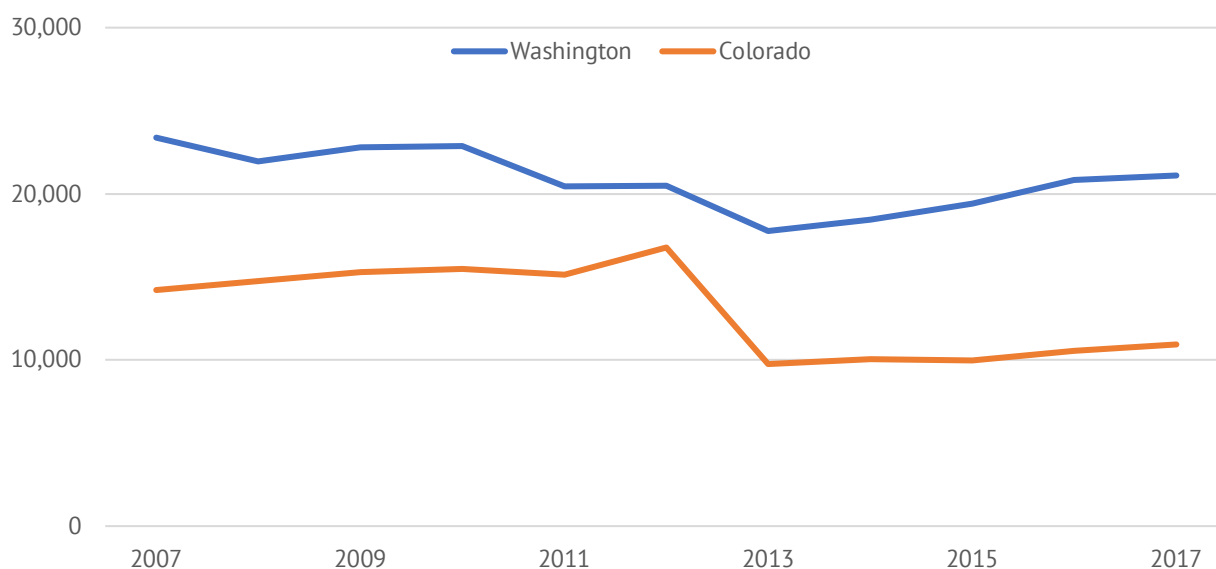
Some assert that legalizing recreational marijuana directly causes increases in homelessness. While there is evidence that homelessness has increased in states that have legalized marijuana, it is not clear that this is primarily the result of legalization.

DID HOMELESSNESS RATES INCREASE AFTER STATES LEGALIZED RECREATIONAL MARIJUANA USE?

Data from the two states to first implement legalized recreational marijuana use—Washington (2013) and Colorado (2014)—suggest that homeless rates increased dramatically following legalization.¹ HUD estimates that homelessness in Washington increased by 18.9% between 2013 and 2017, while homelessness in Colorado increased by 9.1% between 2014 and 2017.²

But as Figure 1 shows, homelessness in Colorado in 2017 was significantly lower than in 2007, with the uptick following legalization being relatively modest compared to earlier declines. Homelessness in Washington is slightly lower than in 2007, although the uptick following legalization has been greater than in Colorado.

FIGURE 1: NUMBER OF HOMELESS IN COLORADO AND WASHINGTON



Source: 2007–2017 Point-in-Time Counts by State: Total Homeless

WAS THE INCREASE IN HOMELESSNESS CAUSED BY MARIJUANA LEGALIZATION?

Some people have claimed that the recent increase in homelessness in Colorado and Washington is a consequence of a “green rush” to these states following legalization. But these trends are mirrored in states bordering Washington and Colorado that haven’t

legalized marijuana. Homelessness in Idaho, which borders Washington, increased by 14.4% between 2013 and 2017. Homelessness in Wyoming, which borders Colorado, increased by 15.3% from 2014 to 2017.³ Meanwhile, Oregon, which borders Washington and legalized marijuana in 2015, experienced an increase in homelessness of 0.9% between 2013 and 2017 (homelessness there fell in 2013, rose in 2014, fell again in 2015, and remained constant in 2016).⁴

These data suggest that factors other than marijuana legalization are likely responsible for changes in the rates of homelessness. At the very least, there is not a clear or predictable relationship between marijuana legalization and homelessness.

Studies looking at the causes of homelessness point to a multitude of factors, with cost of living—and especially housing—being the most significant.⁵ Cathy Alderman, vice president of communications at Colorado Coalition of the Homeless, notes that while there has been an increase in homelessness since marijuana legalization, the main driver has been an increase in costs of housing and general cost of living in Colorado.⁶

Colorado, Washington and Oregon were in the top 10 states for job growth in 2016–2017.⁷ Such growth brings robust overall net in-migration due to an increase in job opportunities. Some of this growth—and hence some of the in-migration—has likely been the result of marijuana legalization. When such in-migration occurs in the context of limited housing supply, the cost of housing rises and some get priced out of the market.⁸

TABLE 1: NET MIGRATION INTO COLORADO, WASHINGTON AND OREGON, 2010-2015

Year	Colorado	Washington	Oregon
2010–2011	38,930	35,407	19,221
2011–2012	45,660	36,165	14,790
2012–2013	49,443	50,252*	30,220
2013–2014	67,627*	68,590	43,082
2014–2015	60,773	91,981	56,972*

* year recreational marijuana was legalized

Source: “State Migration Rates: Net Totals 2011-2016 <http://www.governing.com/gov-data/census/state-migration-rates-annual-net-migration-by-state.html> net in-migration in CO, WA, OR 2011-2015.

Plausibly, some of the rise in homelessness in Washington and Colorado has been an indirect consequence of legalization of marijuana, which has contributed to robust economic growth and in-migration. Anecdotally, homeless shelter managers report that some homeless persons from out of state indicate they have migrated to work in the marijuana industry—a cohort casually known as “trimmigrants.”⁹ Yet, at least in Colorado, many have cited the high cost of the required marijuana occupational licensing fee (\$150), notarizing of applications, proof of state residence for one year and criminal background checks as limiting factors in securing employment in this field.

Moreover, in a state where marijuana is legal, one is more likely to see people, including homeless people, smoking pot than using illicit drugs. So the casual observer might be forgiven when concluding that “the homeless are here for the pot.” Arguably, marijuana is preferable to more dangerous street-acquired drugs, which could be a positive trend in the drug-using portion of the homeless community.

CONCLUSION

Islands of recreational marijuana legalization, such as Colorado, Washington and Oregon are likely to experience initial higher in-migration due to job opportunities caused by booming economies. High migration increases demand for limited supplies of housing, which results in higher home prices, pricing some out of the market and into homelessness. States with higher barriers to employment, including occupational licensing, are likely to see higher homeless rates. Such surges in migration are likely to level out as marijuana legalization gains popularity in other states in the U.S. and economic opportunities distribute more evenly.



For more on cannabis policy, see reason.org/topics/drugpolicy



ENDNOTES

- ¹ HUD point-in-time surveys. Colorado and Washington: “The 2017 Annual Homelessness Assessment Report to Congress: Part 1.”
- ² U.S. Department of Housing and Urban Development. *AHAR Part 1: Point-in-Time Estimates of Homelessness in the U.S. Resources: XLSX State-by-State*. <https://www.hudexchange.info/resource/5639/2017-ahar-part-1-pit-estimates-of-homelessness-in-the-us/>
- ³ Ibid.
- ⁴ Ibid.
- ⁵ Braiterman, Shira et al. “Economic Factors Affecting Homelessness in the United States.” Working Paper: Georgia Tech. 2017. https://smartech.gatech.edu/bitstream/handle/1853/56625/econometrics_finaldraft.pdf?sequence=1&isAllowed=y
- ⁶ “What Were the Consequences of Legalizing Weed in Colorado?” <https://www.snopes.com/fact-check/legal-cannabis-colorado/>
- ⁷ “The States that Added the Most Jobs Last Year.” *Governing.com*. State Annual Average Employment Data. <http://www.governing.com/topics/mgmt/gov-states-job-growth-2017.html>
- ⁸ Svaldi, Aldo. “Colorado population growth far outstripped new housing, census says.” *The Denver Post*. May 29, 2016. Updated August 23, 2016. <https://www.denverpost.com/2016/05/19/colorado-population-growth-far-outstripped-new-housing-census-says/>
- ⁹ “Is Pot Losing Its Buzz in Colorado?” *fortune.com*. <http://fortune.com/pot-marijuana-colorado/>