U.S. Cannabis Jobs Report 2025

The State of Cannabis Jobs: Challenges, Changes, and Optimism for the Future

By Beau Whitney, Chief Economist

America's legal cannabis industry currently has 425,002 jobs, experiencing a slight dip from the previous year.

Despite revenue growth, the industry took a more structured approach to hiring based on operational discipline entering into 2025.

The Vangst Jobs Report is an annual survey of employment in America's regulated cannabis industry. Vangst and Whitney Economics have partnered to produce a state-by-state tally of jobs supported by legal cannabis.

The regulated cannabis industry in the U.S. entered 2025 in a state of recalibration. Despite national revenue growth, employment in the sector contracted slightly as the ripple effects of heavy regulation and licensing compression were felt across both mature and emerging markets. Nationwide, U.S. legal cannabis retail sales in 2024 were $30.1 billion, a 4.5% increase year-over-year. Employment in the legal cannabis sector fell 3.4% during that same period, following a shift in the cannabis industry's hiring model. Business conditions remained challenging for operators, especially in states with high tax burdens and saturated supply chains, contributing to reduced hiring activity.

Despite these headwinds, the industry continues to demonstrate resilience.

Cannabis businesses remain nimble, strategically positioning themselves for policy shifts at both the state and federal levels. Opportunities for growth still exist, particularly in newer markets where licensing expands and consumers continue supporting the regulated market. In these environments, operators are beginning to ramp up and hire, helping offset declines in more mature or constrained states.

As regulated markets mature, key structural challenges such as tax policy, overregulation, and non-regulated market competition must be addressed for sustainable growth. Strong regulatory models fuel participation in the legal market; they're the engine that drives cannabis job creation. States that foster accessible, competitively priced markets are seeing the strongest employment gains.

While immediate federal reform remains unlikely in 2025, the long-term trajectory for the industry remains positive. What we're witnessing is not a slowdown, but a strategic reset. The industry is adapting, adjusting, and preparing for its next chapter.

2024 by the Numbers

The U.S. legal cannabis market grew by 4.5% in 2024. The growth was driven by states that had already deployed a cannabis regulatory program and were beginning to hit their stride. These emerging states, such as New York, Maryland, New Jersey and new states like Ohio, experienced enough growth in 2024 to offset significant declines in more mature markets like California, Colorado, and Maine. In all, 20 states experienced an increase in year-over-year revenue, but more troubling was the fact that 19 states experienced negative year-over-year revenue growth. The drag by these states put a damper on employment opportunities.

Despite YoY revenue growth nationally, the U.S. Legal Cannabis employment lost ground as regulatory obstacles, declining revenues and tough business conditions eroded legal participation and demand for labor.

Despite these obstacles, the nimble and malleable cannabis industry remains optimistic about the future and is poised to take advantage of changes at both the state and federal levels when they occur. Opportunities exist for increased employment, but depend upon the maturity of the market and the regulatory and taxation structures.

Many state markets saw a reduction in the number of cannabis regulatory licenses and this had an impact on hiring. Operator health is a major issue in the cannabis industry and as goes the health of the operators so goes the level of hiring. Consolidation, especially in mature cannabis state markets, is clearly taking place and this will have an impact on the employment outlook.

Maturity Index	Total Forecast Change
New	$1.29B
Emerging	$3.06B
Mature	($0.4B)
Grand Total	**$3.94B**

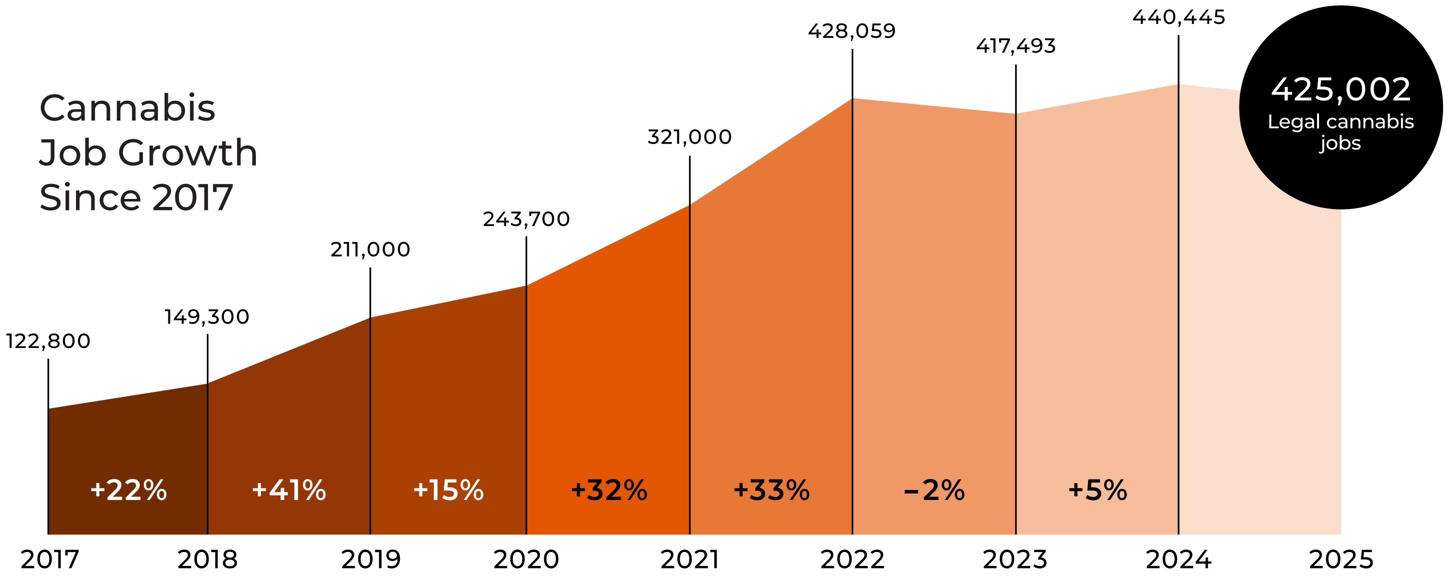
Legal participation is key right now and some states are doing a better job than others to incentivize consumer participation by keeping taxes low and access competitive to the non-regulated illicit markets. The easier it is for consumers to participate, the greater the revenues, the greater the growth and the greater job growth is.

The long-term outlook for the market is bright, but in the near term, do not expect much change to occur.

Cannabis Employment was Flat

The U.S. legal cannabis market saw an impressive 425,002 workers employed in 2024, which was a 15,000 job reduction from the year before. This is a modest reduction of 3.4% in employment despite the fact that legal cannabis revenues increased 4.5%.

Nationwide, U.S. legal cannabis retail sales were $30.1 billion, up from $28.8 billion the year before. This figure includes all state regulated adult-use and medical cannabis market sales, but does not include hemp-derived retail sales. While several states saw impressive year-over-year (YoY) growth, like New York and Ohio, over 17 states saw legal revenues decline from 2023. This forced many operators to tighten their belts and continue to "do more with less" in terms of labor allocations.



Key Drivers in the U.S. Cannabis Economy

In 2024, three key elements converged on the cannabis industry:

- **Lack of profitability due to regulatory and federal tax burdens.**
- **Over saturation leading to price compression, lower margins and uncertainty.**
- **High state and local taxes that pushed price-sensitive consumers into finding alternative products in regulated and non-regulated markets.**

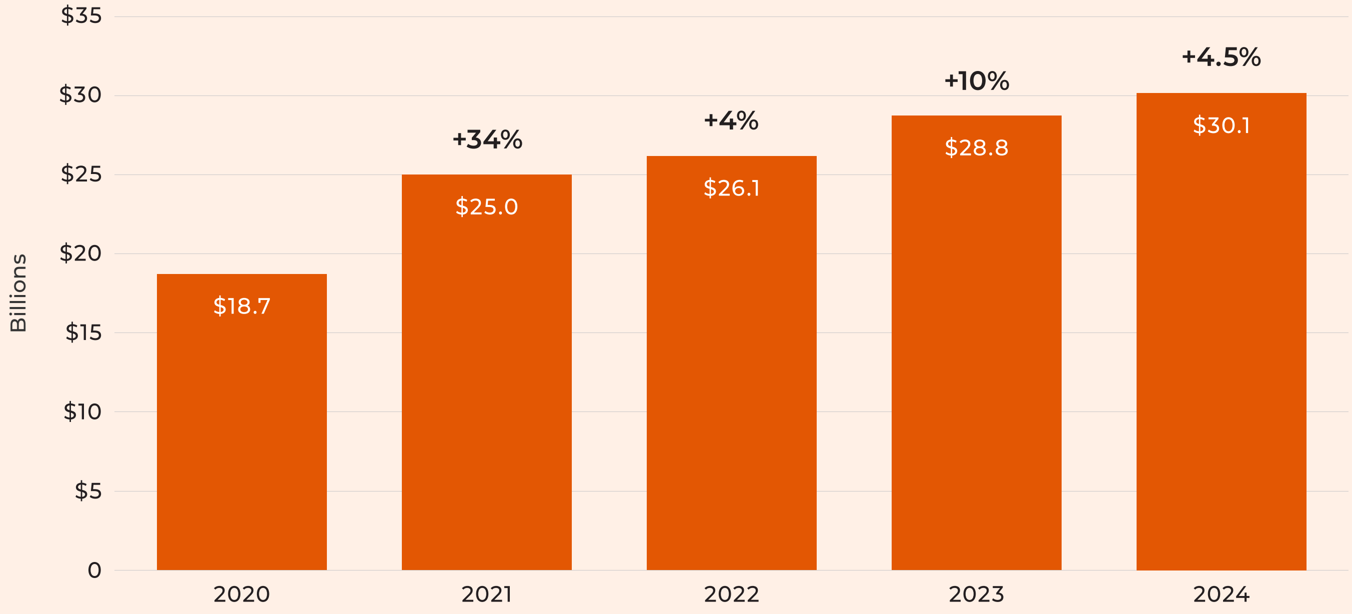
A single element alone could lead to a pause in hiring. Together, these three factors created significant headwinds for business operators.

Heavy Regulatory Burdens and Cost Increases Impacted Profitability

The basic regulatory structure for cannabis operators has not significantly changed for over a decade. Regulators have been so focused on public safety that they have neglected the health of the operators they regulate. These heavy compliance costs reduced the ability of many cannabis operators to reach profitability.

In fact, in a business conditions survey conducted in 2024, only 27.3% of operators nationwide were profitable while an additional 40% were breaking even. This lack of profitability forced operators to run lean, limiting employment growth.

U.S. Legal Cannabis Sales (2020–2024)



Over-Saturation Led to Sharp Price Declines

Over-saturation of cannabis supply continues to be a major issue in nearly every state. In fact, based upon a supply analysis conducted by Whitney Economics in Q1 '25, cannabis regulators have authorized enough growing capacity to satisfy all of the non-regulated and legal demand in the entire country.

With so much supply, cultivators are no longer price makers and are instead price takers. This is leading to a race to the bottom in terms of the price of the cultivated output. The lower input costs for raw materials have also led to rapidly declining prices in the manufacturing and retail sectors. With rising compliance costs, higher input costs such as labor, and burdensome taxes, the result is lower margins and lower potential for profitability.

With lower margins, companies are forced to look at ways to reduce costs — and that often means cutting back on hours or FTE positions.

Consumers Remain Price Sensitive

The cannabis consumer is known for being sensitive to price. In economics, consumer pricing sensitivity is known as elasticity of demand. If the consumer's behavior changes in reaction to a price change, the product or service is considered very elastic. This is the case with the U.S. cannabis consumer.

Cannabis consumers compare prices throughout the market. When the price goes up in one store they may move to the next; when state taxes are too high, they look to the non-regulated market, other states, or hemp-sourced products. When consumers have options, elasticity goes up; when there are few options, consumers are forced to pay the higher price. Because there are more substitute products than ever, participation in some regulated markets is not growing.

Legal participation is key right now. Some states are doing a better job than others to incentivize consumer participation: They're keeping taxes low, thereby making regulated cannabis competitive with non-regulated markets. The easier it is for consumers to participate, the greater the revenues, the greater the business creation and the greater the job growth.

Beau Whitney, Chief Economist, Whitney Economics

High State Taxes Combined with Greater Options Reduced Legal Participation

With declining tax revenue at the state level, states have responded by increasing tax rates. Other states have started off with high sales tax rates only to see neighboring states deploying cannabis regulatory programs with lower sales taxes. Given how price sensitive consumers are, the higher the tax the lower the legal consumer participation rates.

Higher cannabis tax rates tend to push consumers to seek alternative sources, which now include both hemp-based THC products and the traditional unregulated market. When growth rates level off, tax revenues are not maximized and hiring is capped. This is already occurring in many states.

Initially, those watching the growth of the cannabis industry entered 2024 with a different feeling than in previous years.

The cannabis industry entered the year with a sense of optimism based on the potential reclassification of cannabis from Schedule I to Schedule III. This would bring significant changes to the industry, including federal tax relief and improved margins for operators, particularly at the retail level.

However, momentum slowed after a scheduled DEA hearing on the matter was postponed late in the year, tempering expectations. The presidential election cycle also introduced a layer of uncertainty, as stakeholders considered how different political outcomes could influence the pace and direction of reform and regulations. As the election drew nearer, policy discussions around cannabis were largely put on hold, and progress on reform temporarily stalled. As of now, the industry continues to await updates on how cannabis policy will change, with no clear timeline provided for next steps.

Cannabis Operators Remain Resilient and Optimistic

Despite the uncertainty and reform delays as well as the challenges with cost structures and margins, the cannabis industry is extremely adaptive and resilient. Short-term challenges are giving operators a pause in terms of hiring, but the industry overall remains amazingly optimistic about the long-term prospects of the U.S. cannabis industry.

> *...while there are short-term challenges facing the industry that are giving operators a pause in terms of hiring, the industry overall remains amazingly optimistic about the long-term prospects of the U.S. cannabis industry.*
>
> *Karson Humiston, CEO, Vangst*

Cannabis Remains a Significant Driver of Employment in Regulated States

Multiple cycles of expansion and consolidation are common in all nascent industries. These patterns aren't unique to cannabis. Fast-growing industries – whether in tech, biotech, or green energy – regularly face phases of rapid scale followed by moments of recalibration. What matters most is not the temporary slowdown, but the catalysts that set the stage for the next wave of progress. There is always a level of uncertainty as to when markets will peak, consolidate and then rise again. Cannabis is similar in this regard. The industry is simply waiting for the next catalyst to occur that will enable expansion (ex. Federal reform, interstate commerce or tax and banking reform). While there is a level of uncertainty that exists in the cannabis marketplace, the one undeniable fact is that cannabis is a key economic driver and a significant source of employment in nearly all regulated states.

From Rapid Expansion to Strategic Staffing

The cannabis industry's hiring model has undergone a significant transformation over the past few years. In the early days of rapid expansion many operators focused on scaling quickly to capture market share. That led to aggressive hiring that outpaced sustainable revenue growth. That model has shifted.

Faced with margin pressure, regulatory costs, and inconsistent consumer demand, companies are now adopting a more measured, strategic approach to workforce planning. The focus has turned to operational efficiency: doing more with less. This approach to team building has resulted in leaner teams that are expected to drive results, supported by cross-functional training and smarter resource allocation. While total employment numbers have dipped slightly, the industry is maturing into a more disciplined employer segment, prioritizing profitability and workforce stability over rapid headcount expansion.

The Rise of Flexible Talent Solutions

While full-time hiring has become more selective, the gig economy and temp-to-hire workforce in cannabis is thriving. This is especially true in labor-intensive sectors like cultivation, processing, and manufacturing. Operators are increasingly relying on short-term and seasonal workers to meet fluctuating demand and optimize costs without overcommitting on payroll. This flexible staffing model is helping businesses stay agile in a complex operating environment while providing workers a valuable entry point into the legal cannabis industry. In many cases, temp-to-hire roles are converting into long-term employment, giving employers a low-risk way to assess talent and fit.

Cannabis Licenses are a Key Indicator

States with relatively unlimited licenses tend to drive the most employment. However, these same states have more churn and downside risks due to over-saturation and price declines. Oklahoma is a bit of an outlier as many of the licensees have few employees. 2024 saw many of the unlimited license states resize their employment. This is a natural evolution in these markets as they mature.

Top 10 States for Regulated Licensure

	Total Licenses (Jan 2025)
California	7,257
Oklahoma	5,772
Michigan	4,235
Washington	2,789
Oregon	2,738
New Mexico	2,368
Colorado	2,214
New Jersey	2,144
Florida	1,301
Montana	1,029

Opportunities Vary State to State

Due to the wide variation in regulatory schemes and the prohibition on interstate cannabis product shipments, each state represents different opportunities. In its early deployment phase, New York was mired in both lawsuits and a persistent level of unregulated competition in the form of bodegas. This resulted in the slow rollout of licensed retail stores. Once New York overcame these issues, more stores opened and hiring surged.

In other states like Missouri, both taxes and barriers to entry were low, resulting in consumer access quickly ramping at competitive prices. Legislative and regulatory policies can have a major effect on hiring. The large surge in legal demand required more businesses to open, which spurred more hiring.

Legislative and Regulatory Policies Determine the Timing of Market Opportunities

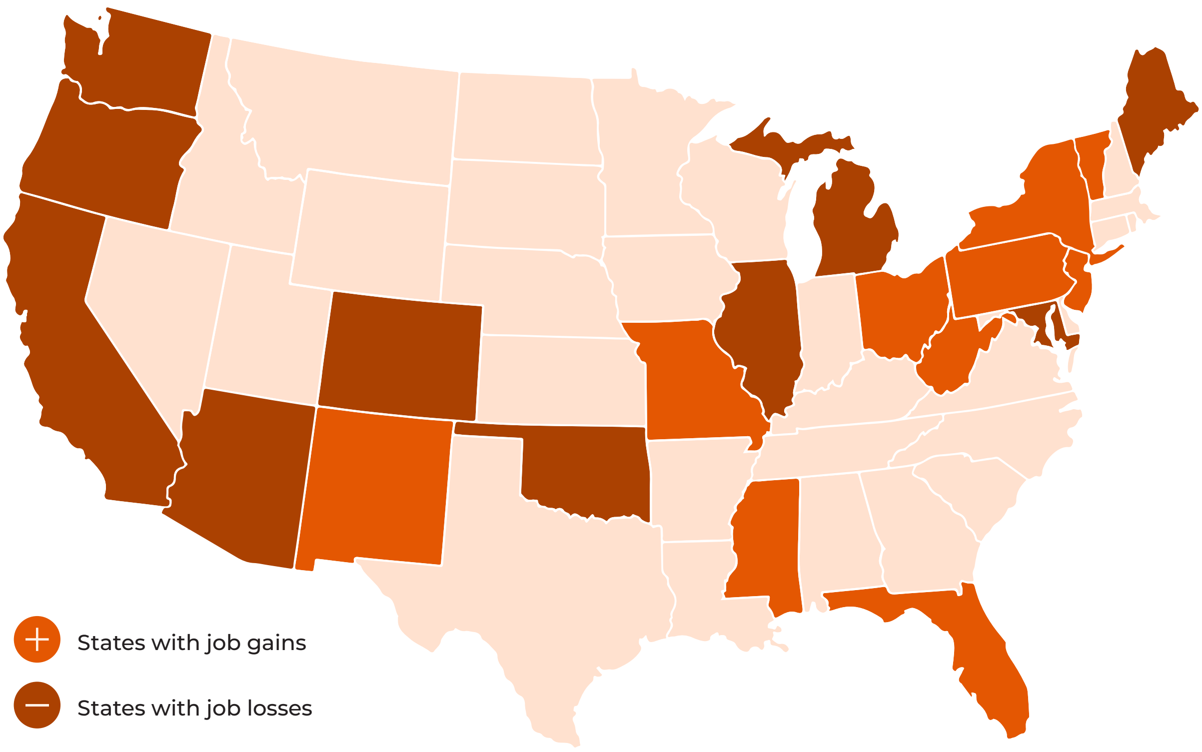
The design and development of a cannabis regulatory program is a highly complex process. It takes time to deploy a program and may take years to refine and optimize. Mature states like Colorado, Oregon, and Washington are still making adjustments to their programs and it has been over a decade since they were deployed. No two states are alike. Each one has to deal with state legislatures as well as state laws that impact how quickly markets and programs can be deployed and functional.

Cannabis Operators Seek Reform as Federal Changes Stall

Federal changes to cannabis policy are notoriously slow to negotiate and can take decades to become law. Even minor policy changes, such as creating a safe harbor for financial institutions serving regulated cannabis companies, have been awaiting approval for more than a decade but have not yet become law. These incremental reform efforts, including those that enjoy broad bipartisan and White House support can take many years to pass and implement.

More comprehensive reforms such as full legalization are even more complex, given the political and policy dynamics within Congress and the industry and non-industry stakeholders that are advocating for change.

Beyond Congress, federal statute designates an administrative process for how cannabis is scheduled under the Controlled Substances Act. A review of the classification of marijuana has been in progress via this process since President Biden issued a presidential directive towards this end in October 2022. While the U.S. Department of Justice's rulemaking notice to move marijuana from Schedule I to Schedule III has been stalled because of legal administrative proceedings, the current state of the DOJ's proposed rule marks the most significant advancement for cannabis reform since it was originally scheduled in 1971. Regardless of the outcome of the current administrative proceedings, states will continue to oversee the rules and regulations governing their respective state markets as this change does not federally legalize the manner in which they are currently established and operating.



Cannabis Job Changes by State

Exploring the Rise and Decline of Key Markets

Top States for Cannabis Employment

Given the size of the markets, the top states for cannabis-related jobs remains fairly consistent from year to year although the ranking may have changed. California and Michigan remain at the top of the list as they are currently large markets in terms of revenues, but also in terms of the number of cannabis licenses.

America's Top Cannabis Job Markets

Total Cannabis Jobs per State as of January 2025

		2024 Jobs	Year over Year Change
1	California	74,623	▼
2	Michigan	45,000	▼
3	Florida*	30,968	—
4	Massachusetts	27,000	—
5	Pennsylvania*	25,000	▲
6	Illinois	22,500	▼
7	Missouri	22,353	▲
8	Colorado	21,363	▼
9	Washington	17,750	▼
10	New Jersey	15,000	▲
11	Oregon	13,750	▼
12	New York	12,500	▲
13	Nevada	12,000	—
14	Arizona	10,000	▼
15	Maryland	10,000	—

* Medical-only state

States with Job Gains

The most common trait among the top 10 states that increased jobs were that they came from emerging states. This is generally where one would expect these gains to occur and the state legal markets are ramping and the level of legal participation grows. Nearly every one of these states also added licenses in 2024. This too is a common trait with emerging states.

It is a simple equation: More legal participation drives more jobs and more overall revenue.

	2024 Jobs	Change	Percent Change
New York	12,500	8,450	209%
New Jersey	15,000	2,763	23%
Ohio	9,904	2,496	34%
Missouri	22,353	1,884	9%
Pennsylvania	25,000	1,598	7%
Florida	30,968	730	2%
West Virginia	1,438	606	73%
Mississippi	1,046	532	103%
New Mexico	9,026	508	6%
Vermont	2,121	486	30%

States with Job Losses

States that experienced cannabis job losses in 2024 tended to be markets where legal participation has been largely captured, and revenue growth rates have slowed. The few exceptions were Arizona, Illinois and Maryland. Part of the reason for these job losses was due to the fact that state retail revenues were down. Illinois on the other hand was impacted by high sales taxes that pushed consumers (and jobs) out of the legal market. Some states with the highest sales taxes (Illinois, California and Washington) were among the top 10 states with job losses.

	2024 Jobs	Change	Percent Change
Arizona	10,000	(10,749)	-52%
Illinois	22,500	(7,466)	-25%
California	74,623	(3,995)	-5%
Maine	3,723	(3,848)	-51%
Colorado	21,363	(2,021)	-9%
Maryland	10,000	(1,964)	-16%
Michigan	45,000	(1,746)	-4%
Oklahoma	10,000	(1,142)	-10%
Washington	17,750	(995)	-5%
Oregon	13,750	(859)	-6%

State Growth and Compression

Several states stood out in 2024 for both their performance and their outlook heading into 2025. While some markets appear well-positioned for continued strength, others are showing signs of potential weakness or instability.

New York

New York turned the corner last year in terms of giving consumers greater access to legal cannabis. This led to a surge in sales and greater legal participation. From January to December, New York added 743 new cannabis licenses and saw more than 200 new cannabis stores open statewide. This was a key driver in the increased sales and also drove a big surge in jobs.

New York	
2024 Jobs	12,500
Net Change in Employment	8,450
2024 Legal Retail Sales	$859,700,000
2025 Retail Forecast	$1,781,966,624
2025 Jobs Outlook	**STRONG GAINS**

Ohio

Ohio continues to ramp up their new adult-use regulatory model after years as a large medical market. This is bringing demand back into the state – demand that was previously satisfied by licensed stores in nearby Michigan. Ohio already had a robust medical cannabis supply chain, but added 219 additional licenses over the course of the year. Look for 2025 to be a big year for Ohio adult-use cannabis.

Ohio	
2024 Jobs	9,904
Net Change in Employment	2,496
2024 Legal Retail Sales	$647,736,250
2025 Retail Forecast	$1,039,700,039
2025 Jobs Outlook	**STRONG GAINS**

Maryland

Maryland's recently launched adult-use market has emerged as a bright spot among new markets. The state's initial decision to maintain relatively low sales taxes contributed to strong legal market participation and a promising start. Looking ahead to 2025, Maryland remains a market to watch, particularly following the legislature's approval of a sales tax increase from 9% to 12%. This change could help maintain competitive pricing while supporting state revenues, though it may also impact the pace of market growth. An increase in job opportunities is expected in the coming year as additional operators enter the space.

Maryland

2024 Jobs	10,000
Net Change in Employment	5,448
2024 Legal Retail Sales	$1,141,393,926
2025 Retail Forecast	$1,312,651,917
2025 Jobs Outlook	**STRONG GAINS**

California

Once a leader of regulated cannabis states, California is now seen as an example of how state regulatory policies can negatively affect the success of a high-potential market. High sales taxes, combined with over 52% of counties prohibiting sales, is resulting in limited expansion opportunities. In addition, the market has saturated with supply, resulting in lower prices and compressed margins. This, combined with the ample nonregulated products available to consumers, has led to cannabis operators struggling in California. California shed nearly 1,100 cultivation licenses and 260 processing licenses in 2024. Had it not been for the addition of nearly 1,000 distributor licenses, the job losses would have been much more severe.

California

2024 Jobs	74,623
Net Change in Employment	(3,995)
2024 Legal Retail Sales	$4,880,358,942
2025 Retail Forecast	$5,455,519,634
2025 Jobs Outlook	**FLAT**

Illinois

When operators are faced with high taxes and strict compliance rules, consumers tend to look for alternatives. With an effective sales tax rate of 36.25%, Illinois cannabis operators are struggling to win over consumers. Illinois consumers are instead traveling to neighboring states such as Missouri and Michigan to acquire their cannabis products. This is negatively impacting operators in Illinois. In addition, cannabis consumers also have access to intoxicating hemp products. This is capping the levels of legal participation and lowering growth projections. Despite the fact that Illinois added licenses in 2024, the increased access to adult-use cannabis did not result in an increase of market sales. Tax revenues are down and retail sales are flat, which has resulted in little incentive for cannabis operators to add jobs.

Illinois	
2024 Jobs	22,500
Net Change in Employment	755
2024 Legal Retail Sales	$2,009,143,483
2025 Retail Forecast	$2,088,756,532
2025 Jobs Outlook	**FLAT**

2025 Outlook:

Poised for Growth, but Challenges Remain

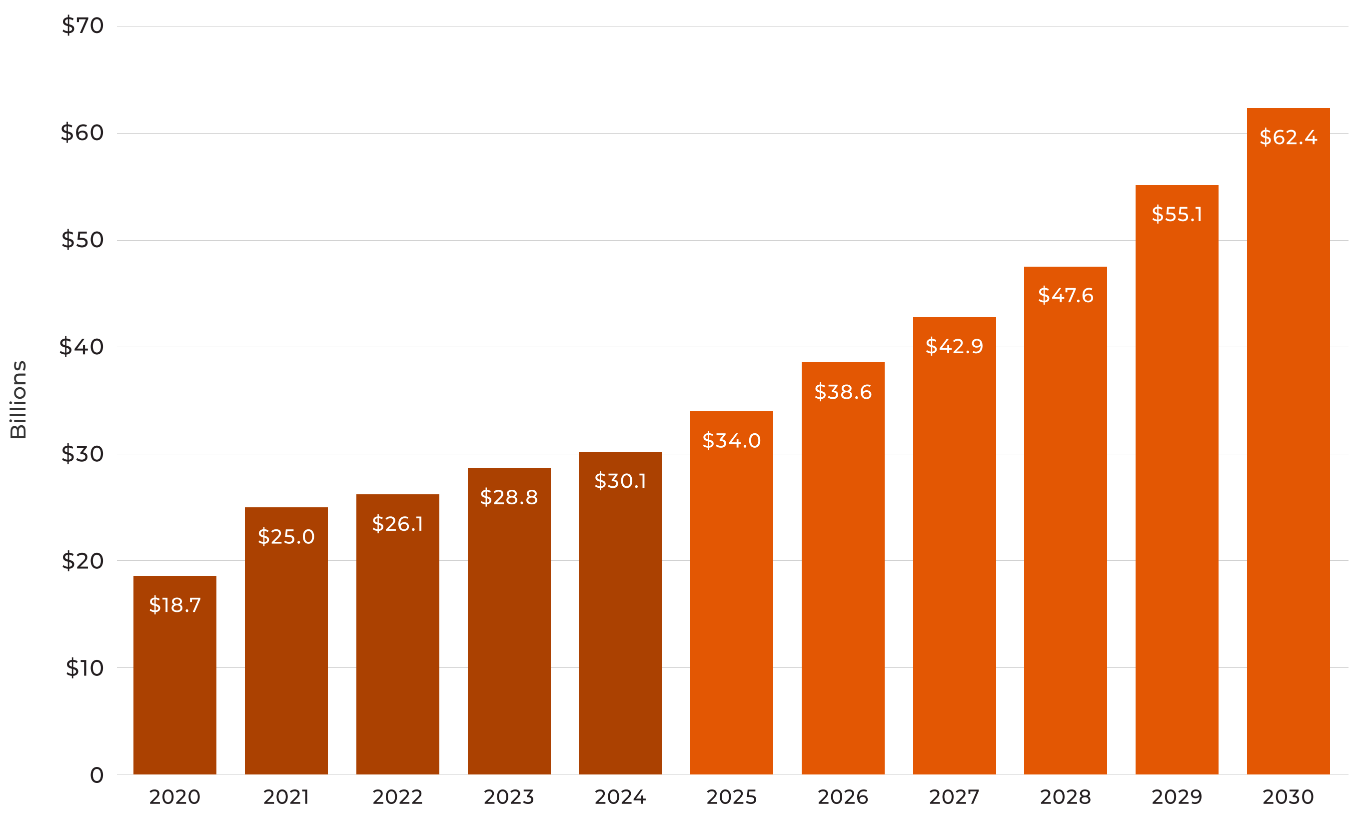
The outlook for 2025 points to continued year-over-year revenue growth for the cannabis industry. Forecasted revenue is expected to reach $34.0 billion, representing a 13.1% increase over 2024. This growth may also support a rebound in industry employment, though much will depend on how market dynamics – such as supply saturation and consumer participation in the legal market – continue to evolve.

From an operator standpoint, 2025 is expected to reflect more of the same in terms of federal reform, with no major policy shifts anticipated. As a result, many operators are likely to remain active but cautious, maintaining a conservative, "wait and see" approach to expansion and hiring strategies.

As was the case in 2024, the majority of the growth will come from emerging state cannabis markets (NY, FL, NJ, MD) as well as from a few of the newer markets (OH, MN). Mature states as a group will continue to see declining market revenues. (Note: California is considered an emerging market, given its low levels of legal participation rates.)

Given that no federal reform is likely to occur in 2025, the upside risks associated with a significant uptick in either revenues or hiring is remote. On the other hand, there are potential downside risks that are associated with pricing compressions and sluggish legal participation. However, growth remains on the horizon. This is reason for optimism in the industry.

U.S. Legal Cannabis Retail Forecast (2020–2030)



About Vangst

Vangst is the cannabis industry's workforce partner, connecting top talent with fast-growing cannabis companies across the U.S. Vangst helps companies find and attract the talent they need to grow their business. From on-demand temp staffing to vetted full-time placements, Vangst supports every stage of the hiring process — helping businesses scale and individuals launch or grow their cannabis careers.

About Whitney Economics

Beau Whitney is the founder and Chief Economist at Whitney Economics, a global leader in cannabis and hemp business consulting, data, and economic research. His work applying economic principles to create actionable operational and policy recommendations has been recognized by governments and throughout the economic world.

Acknowledgements

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