

# Marijuana economy may hit \$44 billion by 2020

Daniel Roberts, Yahoo Finance 7 hours ago

The weed business is booming.

In its annual report on the U.S. cannabis industry, [Marijuana Business Daily](#) predicts up to \$44 billion in economic impact by 2020. To put that into some corporate context: it's roughly equivalent to the current market cap of Netflix ([NFLX](#)) or Caterpillar ([CAT](#)). Last year's report predicted \$14 billion to \$17 billion in impact for 2016. The publication has been producing the report since 2012.

The impact figure is separate from sales of marijuana; it represents sales plus all the money pumped into the economy as a direct result of sales. It encompasses everything from wholesale growers to grow-light manufacturers to marijuana accoutrements and everything below it touched by the trickle-down effect of marijuana money. It even extends to home purchases in places like Colorado, which has attracted new residents since legalizing recreational use.

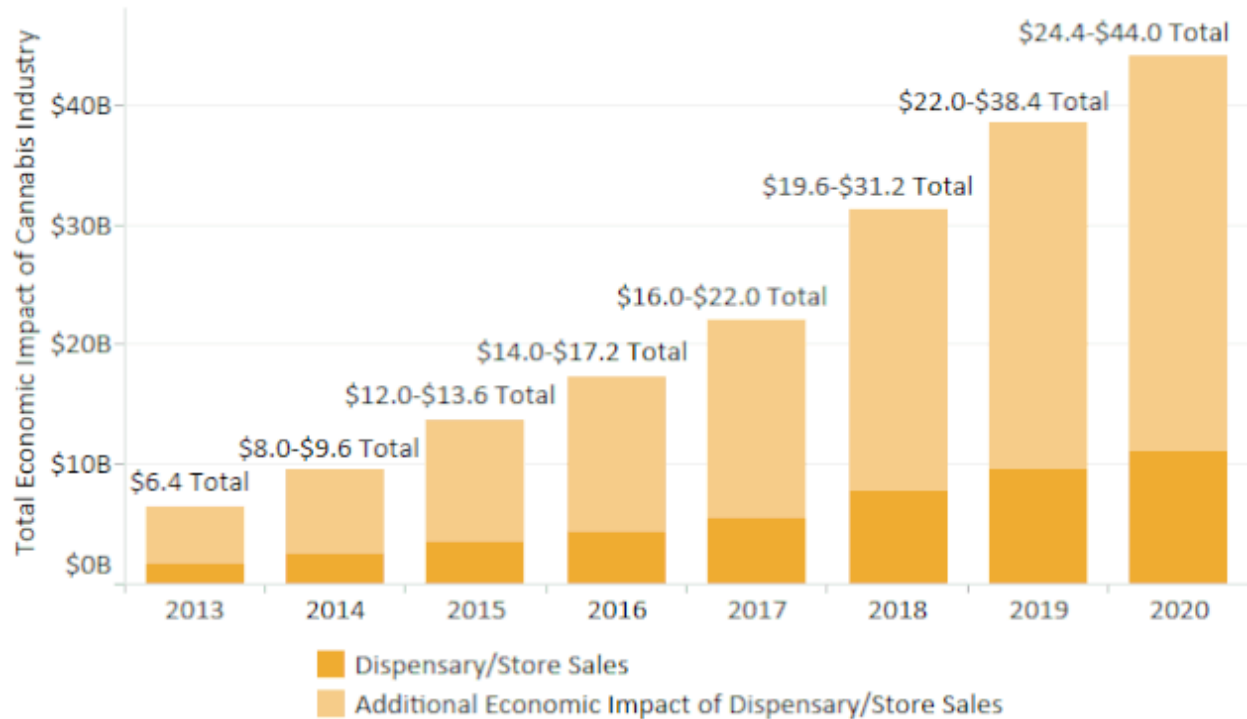
The marijuana mag assigned the marijuana economy an economic multiplier of 4—that means every dollar spent on marijuana leads to another \$3 working its way into the economy.

"We've been expecting rapid growth in the marijuana industry for a while now, and that's exactly what's playing out," says MBD managing editor Chris Walsh. "The main drivers of the growth in recreational sales are Colorado, Washington and Oregon. And also, interestingly, even the mature medical marijuana markets are growing very quickly, like Arizona, New Mexico, and states that have had medical programs for years now. And then you have new medical marijuana states like Illinois, Nevada and Massachusetts." In other words, there's marijuana momentum almost everywhere.

As for actual sales of marijuana, that figure is estimated at \$3.5 billion to \$4.3 billion for this year in just states that have legalized medical and recreational use. That's up from \$3 billion to \$3.4 billion last year, and in 2014 it was \$2 billion to \$2.4 billion. The overall sales market for marijuana each year in all states (not just where legalized), in case you wondered: "Between \$30 and \$45 billion in the U.S., and that includes the black market," Walsh says. For just legal sales, MBD projects \$6 billion to \$11 billion by 2020.

**U.S. Cannabis Industry Total Economic Impact: 2013-2020**

In Billions of U.S. Dollars



Source: Marijuana Business Factbook 2016

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