



Impact of Retail Marijuana Legalization on Alcohol Sales in Colorado, Washington state and Oregon

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Analysis: Impact of Retail Marijuana Legalization on Alcohol Sales in Colorado, Washington state and Oregon

Executive Summary:

- **In the three states with the longest history of legalized recreational marijuana sales – Colorado, Washington state and Oregon – there is no evidence that legalization has had any impact on spirits sales, nor is there any evidence that it has impacted total alcohol sales. In these three states:**
 - Per capita spirits sales increased between 3.6 to 7.6 percent since recreational marijuana legalization went into effect. (Per capita spirits sales were up 7.6 percent in Colorado, up 5.4 percent in Washington state, and up 3.6 percent in Oregon)
 - Per capita beer sales declined between -2.3 to -3.6 percent. Consistent with the national trend in beer sales and is not isolated to just those states that have legalized marijuana sales. (Per capita beer sales were down -3.6 percent in Colorado, -2.3 percent in Washington state, and -3.6 percent in Oregon)
 - Per capita wine sales were mixed. (Per capita wine sales were up 3.2 percent in Colorado; down -3.1 percent in Washington state, and up 0.7 percent in Oregon.)
 - Per capita total beverage alcohol sales (spirits, wine and beer) were roughly flat. These states' results are consistent with the national trend. (Per capita alcohol sales were up 1.7 percent in Colorado, down -0.2 percent in Washington state, and down -0.5 percent in Oregon)



Methodology

- **Analyzed per capita alcohol sales data for Colorado, Washington state and Oregon by reviewing the two 12-month periods prior to legalized recreational marijuana sales in each state and up to four 12-month periods following implementation of legalized marijuana sales.**
 - Colorado (Approved Nov. 6, 2012; Sales began Jan. 1, 2014)
 - Washington state (Approved Nov. 6, 2012; Sales began July 8, 2014)
 - Oregon (Approved Nov. 4, 2014; Sales began Oct. 1, 2015)
- **Analysis conducted using state level alcohol tax receipts and shipment data.**
Data sources for each state included:
 - Colorado: spirits and wine data from Colorado Department of Revenue; beer data from Beer Institute
 - Washington state: Spirits data from Washington Department of Revenue; beer and wine data from Washington Liquor Control Board
 - Oregon: spirits data from National Alcohol Beverage Control Association (NABCA); beer and wine data from Oregon Liquor Control Board



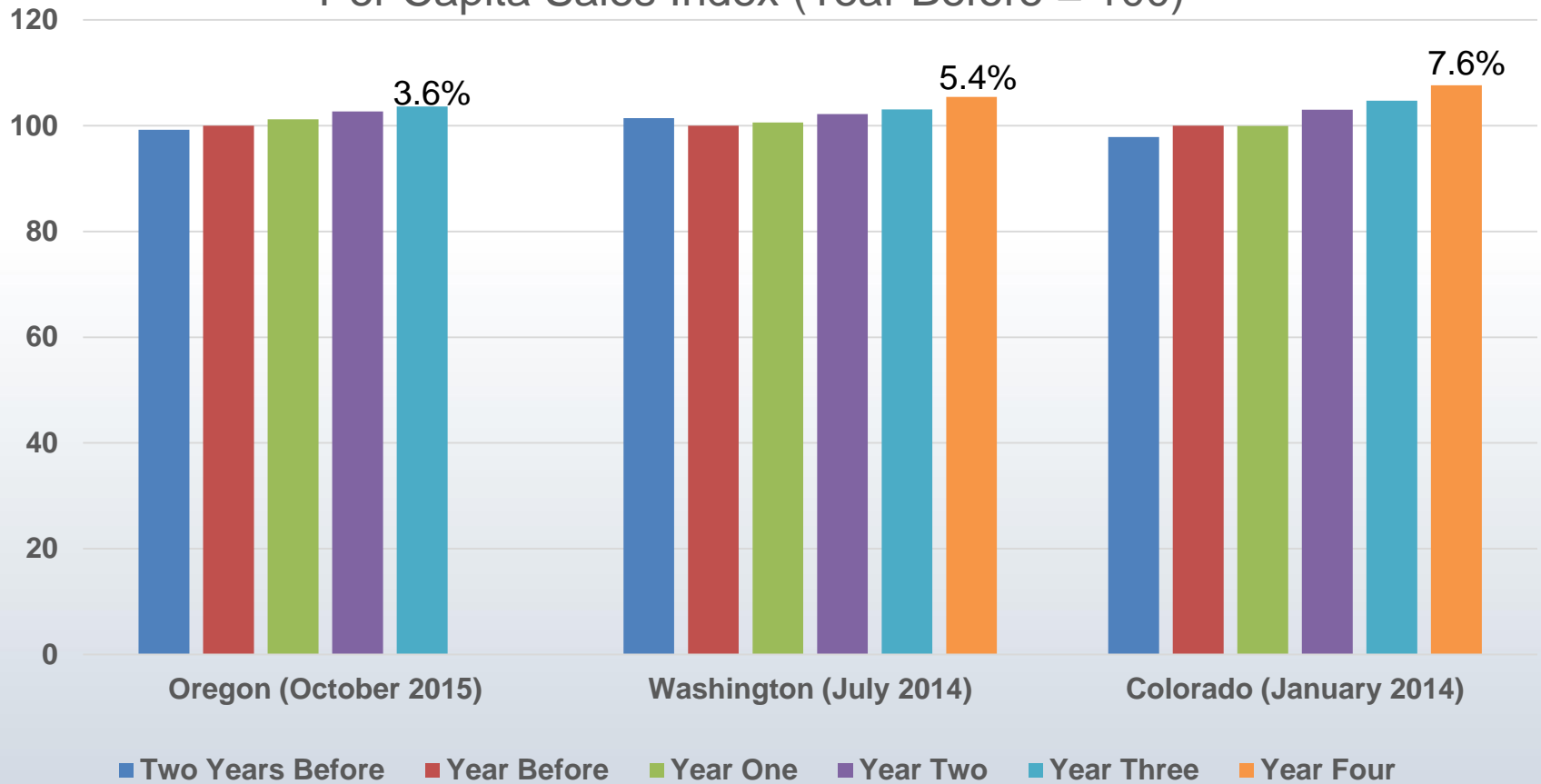
Methodology

- **Evaluating tax data for spirits, beer and wine is the *most* accurate way to analyze total market impacts:**
 - Relying on survey data, which is what had been used, is insufficient and inaccurate Previous reports based solely on beer and wine sales did not accurately reflect total alcohol sales
 - Distilled spirits have increased market share over beer for the past 15 years
- **All data was converted into standard drinks: 12 oz of beer, 5 oz. wine and 1.5 oz. 80 proof distilled spirits**
- **Presented in drinks per Legal Drinking Age adult to adjust for changes in population**
- **Per capita sales in 12-month period prior to legalization indexed to 100**



Spirits Sales Prior To and Following Recreational Marijuana Legalization

Per Capita Sales Index (Year Before = 100)

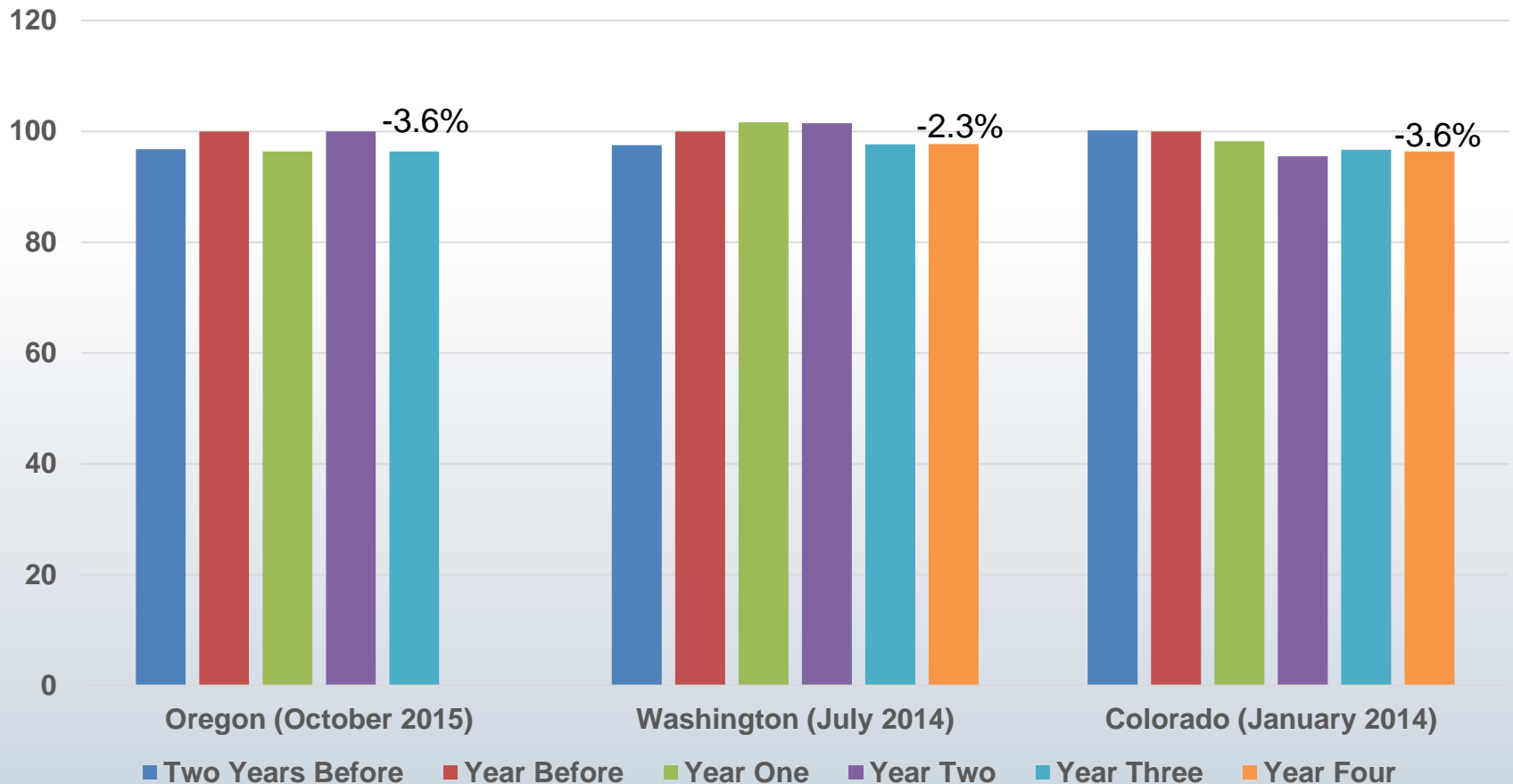


Dates in () represent date of implementation



Beer Sales Prior To and Following Recreational Marijuana Legalization

Per Capita Sales Index (Year Before = 100)

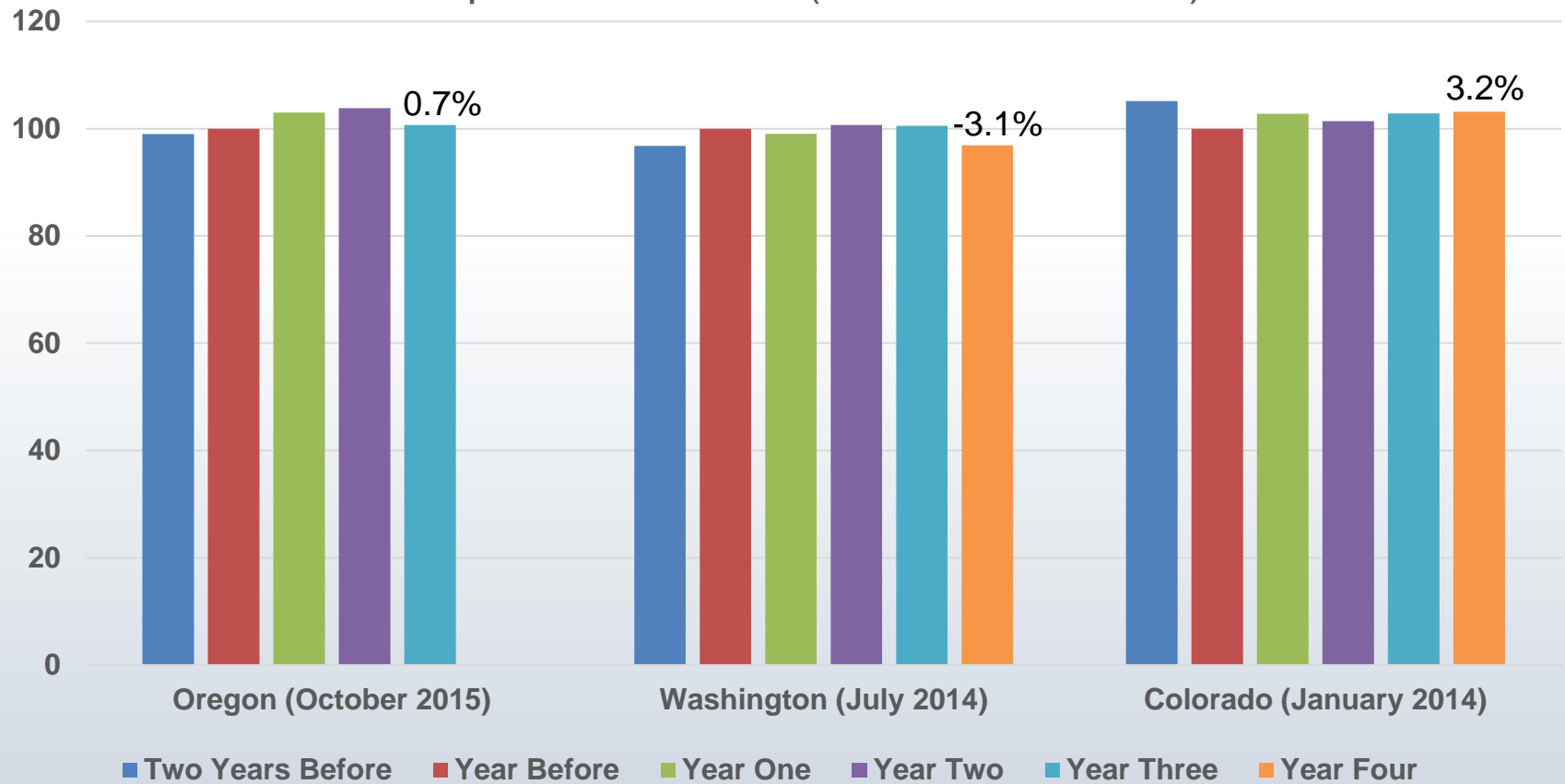


Dates in () represent date of implementation



Wine Sales Prior To and Following Recreational Marijuana Legalization

Per Capita Sales Index (Year Before = 100)

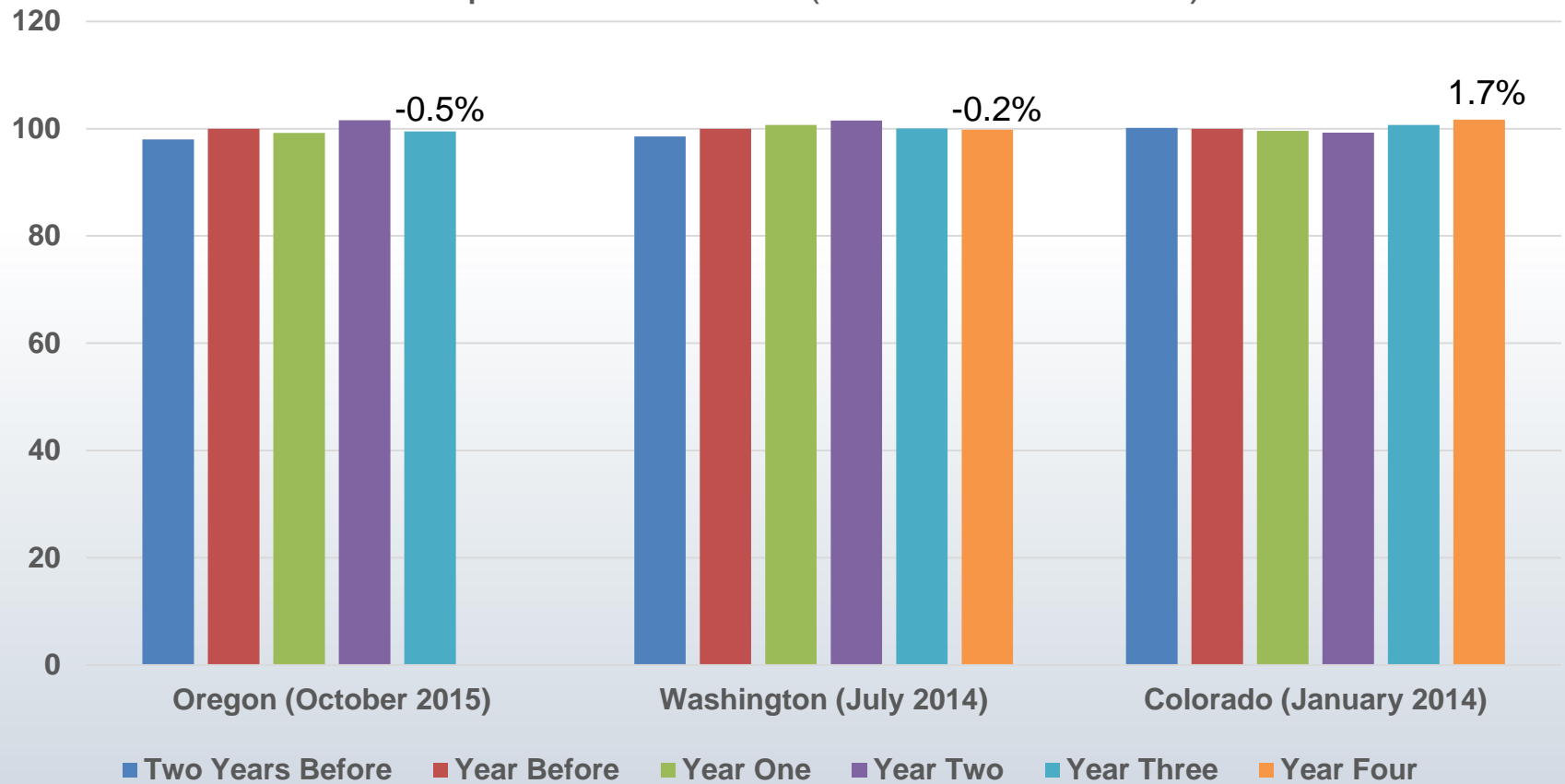


Dates in () represent date of implementation



Total Alcohol Sales Prior To and Following Recreational Marijuana Legalization

Per Capita Sales Index (Year Before = 100)



Dates in () represent date of implementation