



EQUITY AND TRANSFORMATION

# The Chronic Papers

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*This report was drafted in partnership with staff from Equity and Transformation, Law for Black Lives, Movement for Black Lives, Students from Northwestern Law School & John Marshall School of Law, along with nearly 1,000 Chicago residents from communities hit hardest by the War on Drugs.*

“The racially disproportionate nature of the war on drugs is not just devastating to Black Americans. It contradicts faith in the principles of justice and equal protection of the laws that should be the bedrock of any constitutional democracy; it exposes and deepens the racial fault lines that continue to weaken the country and belies its promise as a land of equal opportunity; and it undermines faith among all races in the fairness and efficacy of the criminal justice system.” --  
Human Rights Watch



As Illinois becomes the 11th state to legalize cannabis, community leaders take a data-focused inventory of the impact of the “war on drugs”, cannabis prohibition, and the potential strengths and pitfalls of a newly legalized cannabis market. Recognizing the multigenerational impact of the racist “war on drugs”, community leaders conclude that equity will never be realized for Black communities unless intentional reparations are addressed.

## Overview

This research is purely a data driven assessment on the impact of cannabis arrests in the state of Illinois. It is meant to provide (1) an objective context to the larger question of how the impact of cannabis arrests and imprisonment effect marginalized black communities in Illinois; and (2) how the potential legalization of cannabis in Illinois impacts the equitable distribution of state funded resources on things like business loans and any limitations therein on applying for such loans based on arrests and criminal records.

**Specifically, this report assesses 3 main areas of data:**

1. Number of people in the last 10 years that have been arrested for cannabis possession (including numbers specific to Cook County)
2. The demographic breakdown of cannabis drug arrests (including which neighborhood arrestees are coming from, race of those arrested, and parole/probation violations).
3. Any evidence of the economic impact of cannabis related arrests for communities and the state of Illinois.



# Executive Summary

On Friday, May 31, 2019, Illinois became the 11th State to legalize cannabis. For Equity and Transformation (EAT) this marked a bittersweet moment in history. At the onset of recreational cannabis legalization in Illinois, EAT launched a comprehensive cannabis equity campaign. Our goal was to inform & educate communities hardest hit by the "war on drugs" of the 9.5-billion-dollar cannabis industry heading to our state and advocate with Black informal workers to ensure access to the newly legalized cannabis economy. We held community forums throughout the city of Chicago and met nearly 1000 residents hardest hit by the "war on drugs". They were clear about their demands, they wanted to fight against anti-Black racism in the Illinois cannabis policy, win racial equity in the new cannabis economy, amplify the state's differential treatment of poor people vs the wealthy, and establish a framework for micro-reparations for Black survivors of "the war on drugs".

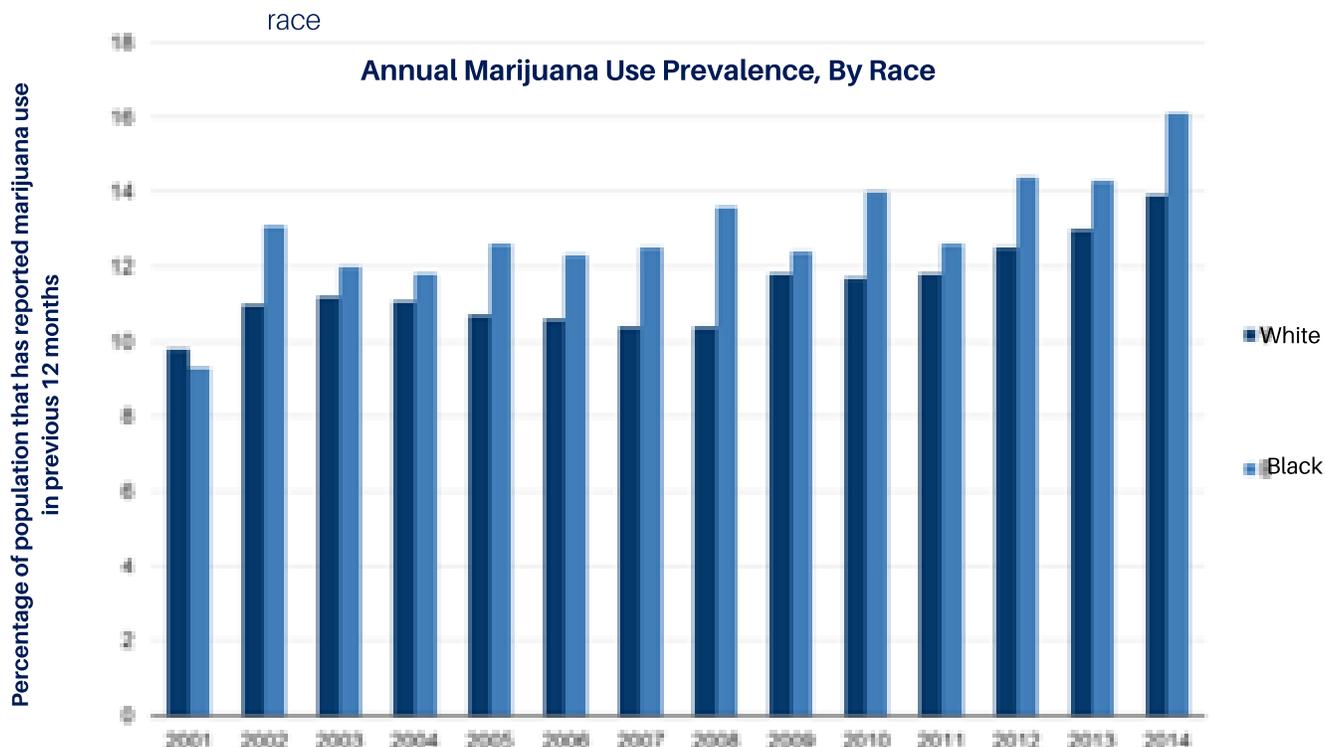
As we begin to examine how racial disparities affect Illinois' cannabis policy development, it is important to take a closer look at the current practices within this context, as well as understand that racism in 2019 is less explicit than it was in previous decades. Today, racism is often presented or reinforced by elected officials, hidden behind coded language, and cemented into the infrastructure of our state in the form of policy. Through policy, anti-Black racism is woven into our daily lives. Cannabis legalization vs the "war on drugs" is a perfect example of anti-Black racism in motion. When poor Black people, who reside in economic deserts sell cannabis as an occupation of last resort, they are viewed by the public as criminal and penalized by the state as "super predators". When predominantly white male businessmen engage in the same practice to increase their wealth, they are touted as innovators and the state evolves to cater to their needs. When jobs fled Black communities and unemployed Black workers traded cannabis to put food on the table, the state declared a "war on drugs", yet when the state was in debt and needed money fast, they elected to legalize cannabis. Here, the constant in all three instances is the action of trading cannabis for capital; the difference lies in the race and class of the person, persons, or institutions doing the trading.

The recent acknowledgment of the “war on drugs” by our elected officials is a step in the right direction, but acknowledgment alone will not suffice. For Black Chicagoans, there is a need for acknowledgment followed by an assessment of the economic and social impacts of the “war on drugs”. Subsequently, this assessment should be immediately followed by monetary reparations to even the playing field for Black Illinois residents interested in entering the state’s newly found cannabis economy. By examining the data in this report, it is apparent that in order to achieve true equity in the cannabis industry, reparations for the “war on drugs” must be fulfilled.

## INTRODUCTION

There are clear racial discrepancies in the criminalization of cannabis use. Nationwide, Black Americans are almost 3.5 times more likely to be arrested for cannabis possession than White Americans despite the fact that cannabis use is nearly the same between Black and White Americans.

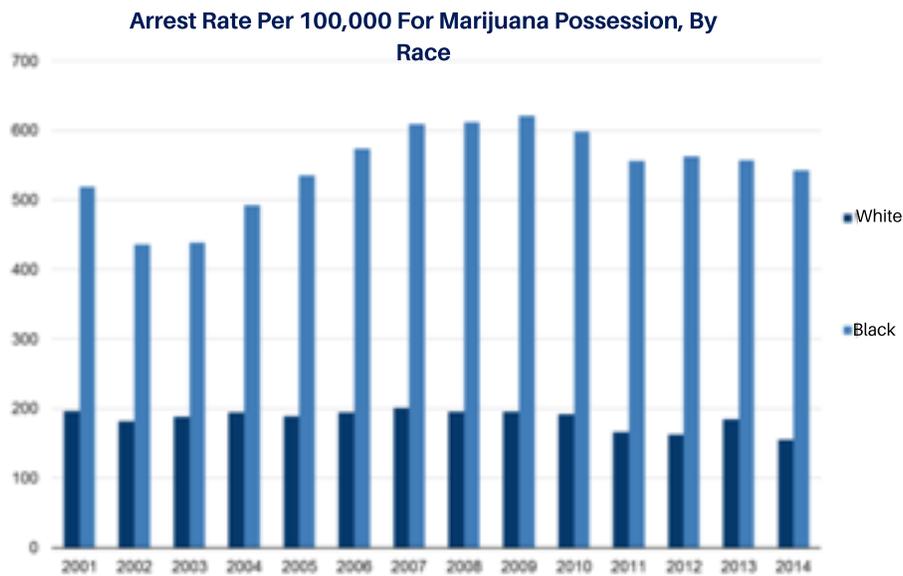
Figure 1. Prevalence of Cannabis use by <sup>2</sup> race



The rates of cannabis use by race has remained constant since 2001, but arrest rates tell a completely different story. In 2014, the arrest rate per 100,000 for marijuana possession among Black Americans was more than 500, compared with 160 for White Americans.

<sup>2</sup> Adapted from the Uniform Crime Reporting Program, U.S. Census Bureau, data provided by Jon Gettman (Shenandoah University), and The Brookings Institution, available at <https://www.brookings.edu/blog/social-mobility-memos/2017/01/13/trump-won-white-voters-but-serious-inequities-remain-for-black-americans/#cancel>

Figure 2. Arrest Rates by race <sup>3</sup>



<sup>3</sup> (<https://www.brookings.edu/blog/social-mobility-memos/2017/01/13/trump-won-white-voters-but-serious-inequities-remain-for-black-americans/#cancel0>)

### Outside of generalized national data, the rates specific to Illinois are even more striking.

- Between 2007 and 2016 cannabis arrests accounted for 50% of all drug arrests in Illinois and 54% of all drug arrests in Cook County<sup>4</sup>
- Black Americans accounted for an average of almost 60% of all cannabis arrests statewide in Illinois between 2007 and 2017 (peaking 67% in 2014), despite making up only 14.6% of Illinois population.<sup>5</sup>
- On average from 2012-2017 Black Americans made up 64.7% of the total prison population for cannabis related offenses in Cook County despite making up only 24.0% of the prison population and 45.5% state wide despite only making up 14.6% of the population.<sup>6</sup>
- In 2017 Black Americans made up 76.6% of the total prison population for cannabis related offenses in Cook County.<sup>7</sup>
- Between 2007-2017, the 9 of the top 12 community areas within Chicago accounting for the most cannabis arrests had population percentages of over 80% Black (7 of which were the high +90%)<sup>8</sup>

## DATA

### A. Data Collection Sources

Since the early 1980s, Illinois has streamlined its data collection practices in criminal justice. Though far from foolproof, Illinois collects and publishes data and other reports on arrests (including offenses), race, and prison and parole populations. This Report largely pulls from Illinois' main data collection centers including, the Illinois Criminal Justice Information Authority (ICJIA), the Illinois Department of Corrections (IDOC), and the Chicago Police Department (CPD). Illinois also shares data with the Federal Bureau of Investigation (FBI) and this report also incorporates that information and data to the extent it is informative.

The ICJIA is a state agency founded in 1983 to improve the administration of criminal justice throughout Illinois. The ICJIA is in fact part of a larger criminal justice reform policy called the Illinois Criminal Justice Information Act, which was largely founded to streamline the information sharing process between different criminal justice authorities, and more specifically to:

*To encourage the improvement of criminal justice agency procedures and practices with respect to information; to provide new information technologies; to permit the evaluation of information practices and programs to stimulate research and development of new methods and uses of criminal justice information for the improvement of the criminal justice system and the reduction of crime; to protect the integrity of criminal history record information, while protecting the citizen's right to privacy; and to coordinate statewide violence prevention efforts and develop a statewide plan that includes public health and public safety approaches to violence prevention in families, communities, and schools.*

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3 Id.

4 See generally, Illinois Criminal Justice Information Authority, Illinois Arrests for Drugs: Snapshot (2007-2016) <http://www.icjia.state.il.us/articles/illinois-arrests-and-prison-admissions-for-drug-offenses-interactive-data>

5 Federal Bureau of Investigation (FBI) Uniform Crime Reporting Program: Arrests by Age, Sex, and Race, available at <https://crime-data-explorer.fr.cloud.gov/explorer/state/illinois/arrest/2007/2017>

6 Illinois Department of Corrections, Prison Population Data Sets (2012-2019), available at <https://www2.illinois.gov/idoc/reportsandstatistics/Pages/Prison-Population-Data-Sets.aspx>; see also U.S. Census Bureau, Quick Facts: Illinois, available <https://www.census.gov/quickfacts/il>

7 Illinois Department of Corrections, Prison Population Data Sets (2012-2019), available at <https://www2.illinois.gov/idoc/reportsandstatistics/Pages/Prison-Population-Data-Sets.aspx>

8 Chicago Police Data via City Data Portal, available at <https://data.cityofchicago.org/d/6zsd-86xi/visualization>

9 Illinois Criminal Justice Information Act, 20 ILCS 3930

The ICJIA consists of 25 members, including, *inter alia*<sup>10</sup>, the Attorney General, the Director of Corrections, the Director of State Police, the Sheriff of Cook County, the Superintendent of the Chicago Police Department, and the Public Defender of Cook County. Among the ICJIA's enumerated powers in the statute, the ICJIA has the power to develop and operate comprehensive information systems to improve the coordination of criminal justice. In doing so it acts as the "sole", official criminal justice body in the State of Illinois to conduct annual and periodic audits of the procedures, policies, and practices of the State central repositories for criminal history<sup>11</sup> record information..." The ICJIA collects information and publishes annual reports on the number of arrests for offenses, including the possession and sale of cannabis.

Apart from the ICJIA, the IDOC publishes quarterly and annual reports on its prison population and includes comprehensive data on specific populations of inmates by offense and race.

Since 2014, the CPD has published arrest data, that includes the offense and the race of the suspect. The City of Chicago, along with CPD, maintains a data portal where users can filter factors such as offense, year, and geographic area to assess criminal data within the city.

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10 20 ILCS 3930, The 25 members include: Attorney General, or his or her designee, the Director of Corrections, the Director of State Police, the Director of Public Health, the Director of Children and Family Services, the Sheriff of Cook County, the State's Attorney of Cook County, the clerk of the circuit court of Cook County, the President of the Cook County Board of Commissioners, the Superintendent of the Chicago Police Department, the Director of the Office of the State's Attorneys Appellate Prosecutor, the Executive Director of the Illinois Law Enforcement Training Standards Board, the State Appellate Defender, the Public Defender of Cook County, and the following additional members, each of whom shall be appointed by the Governor: a circuit court clerk, a sheriff, a State's Attorney of a county other than Cook, a Public Defender of a county other than Cook, a chief of police, and 6 members of the general public.

11 20 ILCS 3930/7 (i)

## B. Cannabis Arrests

Since 2007, statewide cannabis arrests have accounted for an average of 50% of all drug offense arrests (Table 1). Within Cook County, cannabis arrests have accounted for an average of 54% of all drug offense arrests in the last 10 years (Table 1)

To put this in a broader perspective, in 2010 there were a total of 50,559 arrests for cannabis related offenses statewide.<sup>12</sup> That many arrests would almost be enough to fill Chicago's football stadium Soldier Field (which has a capacity of 61,500). Within Cook County specifically, the 36,925 arrests for cannabis possession and sale amounts to **101 arrests per day**.<sup>13</sup> Most recently in 2016 there were a total of 13,544 arrests for cannabis possession within Cook County, or **37 arrests per day**. The average number of Cannabis arrests between 2007 and 2016 have around 50% of all drug arrests in Illinois and 54% of all drug arrests within Cook County.

**Table 1.** Illinois Arrests for Cannabis (10-year period)<sup>14</sup>

<b>Year</b>	<b>Statewide (IL)</b>	<b>Cook County</b>
2007	54,862 of 110,243 49.8% of all drug arrests	32,939 of 64,172 51.3% of all drug arrests
2008	50,729 of 98,902 51.3%	29,969 of 54,575 53.4%
2009	51,634 of 95,815 53.9%	30,153 of 52,641 57.3%
2010	59,559 of 110,040 54.1%	36,925 of 62,953 58.7%
2011	55,570 of 105,335 52.8%	33,952 of 57,965 58.6%
2012	53,983 of 104,558 51.6%	31,409 of 55,225 56.9%

(Table 1 continued)

<b>Year</b>	<b>Statewide (IL)</b>	<b>Cook County</b>
2013	<b>53,094</b> of 105,935 50.1%	<b>30,038</b> of 55,274 54.3%
2014 <sup>12</sup>	<b>50,029</b> of 101,911 49.1%	<b>26,751</b> of 50,643 52.8%
2015	<b>46,929</b> of 99,756 47%	<b>23,301</b> of 45,844 50.8%
2016	<b>32,773</b> of 78,121 42%	<b>13,544</b> of 29,752 45.5%
<b>Average</b>	<b>50.2%</b>	<b>54.0%</b>

According to the U.S. Census Bureau, the population of Illinois is around 12,741,080.<sup>15</sup> Of that estimated population, 77.1% are white; 17.3% are Hispanic; and 14.6% are Black.<sup>16</sup> Looking at Cook County specifically, the population total is estimated at 5,211,263 with a demographic breakdown of 65.6% White; 25.5% Hispanic; and 24.0% Black.<sup>17</sup> Despite a majority White population, Black’s account for an average of almost 60% of all cannabis arrests statewide in Illinois.<sup>18</sup>

12 Illinois Criminal Justice Information Authority, Illinois Arrests for Drugs: Snapshot (2010) <http://www.icjia.state.il.us/articles/illinois-arrests-and-prison-admissions-for-drug-offenses-interactive-data>

13 See generally, Illinois Criminal Justice Information Authority, Illinois Arrests for Drugs: Snapshot (2007-2016) <http://www.icjia.state.il.us/articles/illinois-arrests-and-prison-admissions-for-drug-offenses-interactive-data>

14 See generally, Illinois Criminal Justice Information Authority, Illinois Arrests for Drugs: Snapshot (2007-2016) <http://www.icjia.state.il.us/articles/illinois-arrests-and-prison-admissions-for-drug-offenses-interactive-data>

15 U.S. Census Bureau, Quick Facts: Illinois, available <https://www.census.gov/quickfacts/il>

16 Id.

17 Id.

18 Federal Bureau of Investigation (FBI) Uniform Crime Reporting Program: Arrests by Age, Sex, and Race, available at <https://crime-data-explorer.fr.cloud.gov/explorer/state/illinois/arrest/2007/2017>

19 Federal Bureau of Investigation (FBI) Uniform Crime Reporting Program: Arrests by Age, Sex, and Race, available at <https://crime-data-explorer.fr.cloud.gov/explorer/state/illinois/arrest/2007/2017>

**Table 2.** Illinois Cannabis Arrests by Race <sup>19</sup>

<b>Year</b>	<b>White</b>	<b>Black</b>
2007	46%	54%
2008	42%	58%
2009	35%	65%
2010	39%	61%
2011	40%	60%
2012	44%	56%
2013	39%	61%
2014	33%	67%
2015	37%	61%
2016	43%	56%
<b>Average</b>	<b>39.8%</b>	<b>59.9%</b>

In 2016, the possession of less than 10 grams of cannabis was decriminalized,<sup>20</sup> which may indicate differences in law enforcement activity and arrest rates in 2016 that are significantly lower than previous years. However, large-scale possession of cannabis remains highly criminalized. Since 2007, Illinois generally, as well as Cook County, has seen a steady decline of overall arrests rates for cannabis related offenses. For example, the arrests rate for cannabis related offenses was 639 per 100,000 in Cook County (peaking at 710 in 2010) but has since decreased to 259 in 2016. Though data is lacking, recent years, e.g. 2017, 2018, and 2019, are sure to see a similar overall decrease.

<sup>20</sup> Monique Garcia, Rauner reduces punishment for minor pot possession from jail to citation, CHICAGO TRIBUNE, available <https://www.chicagotribune.com/news/local/breaking/ct-illinois-marijuana-decriminalization-0730-20160729-story.html>

**Table 3.** Arrest Rate for Cannabis per 100,000 Population <sup>21</sup>

<b>Year</b>	<b>Statewide (IL)</b>	<b>Cook County</b>
2007	432 per 100,000	639 per 100,000
2008	398	565
2009	403	582
2010	464	710
2011	432	651
2012	419	600
2013	412	573
2014	388	510
2015	365	444
2016	255	259
<b>Average</b>	<b>396.8</b>	<b>553.3</b>

However, despite the fact that arrests have fallen over the past 10 years from over 25,000 in 2007 to just over 3,000 in 2017. Cook County’s Black residents still bare the major brunt of cannabis arrests, indicating that Black residents are still unfairly targeted.

<sup>21</sup> See generally, ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY, Illinois Arrests for Drugs: Snapshot (2007-2016) <http://www.icjia.state.il.us/articles/illinois-arrests-and-prison-admissions-for-drug-offenses-interactive-data>

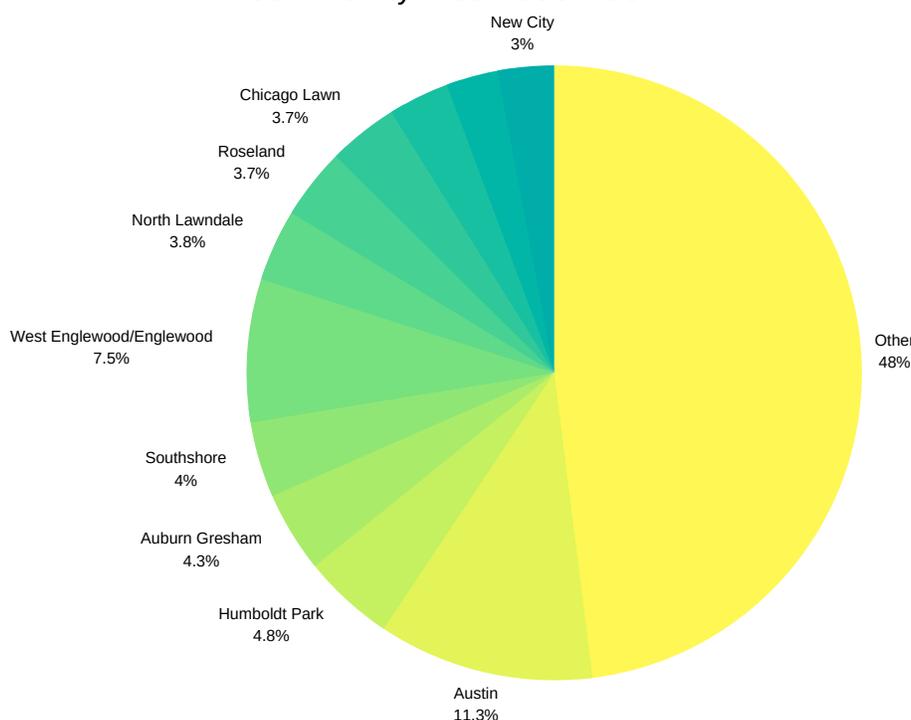
Looking at neighborhood specific data reveals a troubling pattern. The CPD publishes an interactive data portal, in which users can filter data (e.g. arrests, offense, year) to see where arrests are being made and for what offense<sup>22</sup>. The table below was filtered by:

- Total number of arrests; for cannabis possession of 30g or less;
- By Community area
- Specified by dates, 2007 to 2017.

The data portal revealed that between 2007 and 2017, arrests for cannabis possession for 30g or less has disproportionately affected black communities in Chicago. In fact, over half of all total cannabis related arrests in Chicago affected majority black population centers. This cannabis arrest data tells us that Black neighborhoods are overwhelmingly targeted. This is, again, despite the fact that Black residents only make up 24.0% of Chicago and despite the fact that cannabis use rates between White and Black Americans is nearly the same<sup>23</sup>.

More specifically, the data revealed that the **average Black population in communities where cannabis arrests are most made is 78.8%**. In fact, of the top 12 community areas, 7 include Black populations well above 90%. Austin, represented by the far the biggest arrest rate for cannabis possession, with nearly 20,000 arrests since 2007. Below is a pie chart that details community breakdowns of cannabis related arrests.

**Table 4. Cannabis Possession (30g or less) by Community Area - 2007-2017<sup>24</sup>**



The top 12 community areas (from a total of 77 community areas in Chicago) accounting for the most significant shares of cannabis related arrests include the following:

**Table 5.** Demographics of Top 12 Cannabis Arrest Community Areas

Community Area	% Black Population
Austin	83.0% Black
Humboldt Park	40.87% Black; 52.01% Hispanic
Auburn Gresham	96.86% Black
Southshore	93.47% Black
Englewood.	93.16% Black
North Lawndale	89.0% Black
Roseland	96.4% Black
Chicago Lawn	46.98% Black / 47.48% Hispanic
Great Grand Crossing	96.01% Black
New City	60.88% Hispanic; 23.97% Black
East Garfield Park	91.28 % Black
Englewood	94.98% Black

**Average Black Population**

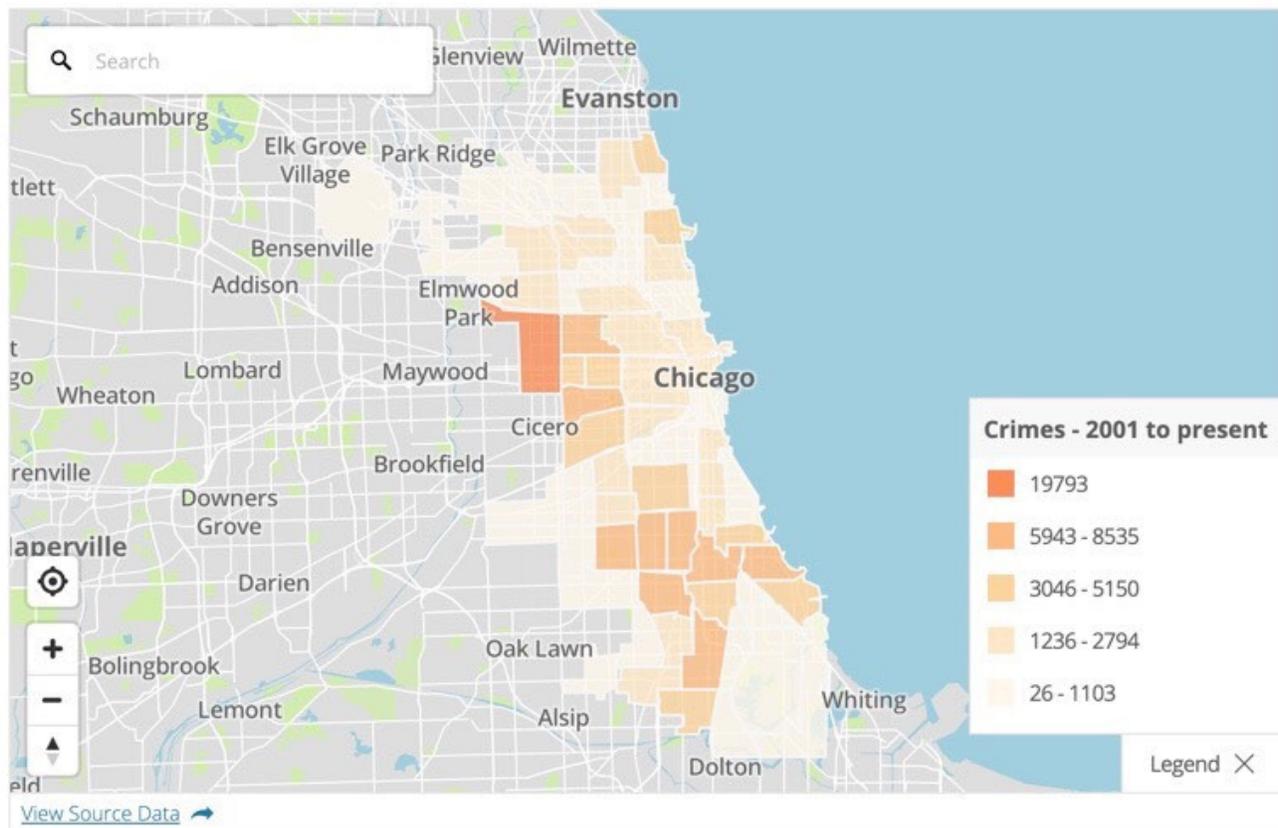
**78.8%**

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22 CHICAGO POLICE DATA via City Data Portal, available at <https://data.cityofchicago.org/d/6zsd-86xi/visualization>  
 23 U.S. CENSUS BUREAU, Quick Facts: Illinois, available <https://www.census.gov/quickfacts/il>  
 24 CHICAGO POLICE DATA via City Data Portal, available at <https://data.cityofchicago.org/d/6zsd-86xi/visualization>

**Below is the same data but represented as a satellite map to reflect that cannabis related arrest rates mainly affect the far south and west sides of Chicago.**

**Table 6.** Geographic Map of Cannabis Possession (30g or less) by Community Area 2007-2017<sup>25</sup>



### C. Cannabis-Related Prison Data

On first brush, prison data may seem underwhelming. Prisoners serving time for cannabis related offenses have historically accounted for less than 2.0% of the total prison population in a given year. In 2017, that number is only 0.9%.<sup>26</sup> The total number of inmates in Illinois for cannabis related offenses has steadily decreased from a total of 849 in 2011, to 372 in 2017.

<sup>25</sup> Chicago Police Data via City Data Portal, available at <https://data.cityofchicago.org/d/6zsd-86xi/visualization>

<sup>26</sup> Illinois Department of Corrections, Annual Report (2016)  
<https://www2.illinois.gov/idoc/reportsandstatistics/Documents/FY2016%20Annual%20Report.pdf>

**Table 7. Illinois Prison Population for Cannabis Related Offenses** <sup>27</sup>

Year	Statewide (IL)
2007 <sup>28</sup>	542 (1.2% of total pop.)
2008 <sup>29</sup>	574 (1.3%)
2009 <sup>30</sup>	633 (1.4%)
2010 <sup>31</sup>	744 (1.6%)
2011 <sup>32</sup>	849 (1.7%)
2012 <sup>33</sup>	807 (1.7%)
2013 <sup>34</sup>	770 (1.6%)
2014 <sup>35</sup>	672 (1.4%)
2015 <sup>36</sup>	527 (1.1%)
2016 <sup>37</sup>	445 (1.0%)
2017 <sup>38</sup>	372 (0.9%)
<b>Average = 694.6%</b>	

<sup>27</sup>See generally, Illinois Department of Corrections, Annual Reports (2007-2017),

<https://www2.illinois.gov/idoc/reportsandstatistics/Pages/AnnualReports.aspx>

<sup>28</sup>Illinois Department of Corrections, Annual Report (2007)

<https://www2.illinois.gov/idoc/reportsandstatistics/Documents/FY07DOCAnnualRpt.pdf>

<sup>29-38</sup> Illinois Department of Corrections Annual Report (2012 through 2017)

While these numbers may appear small considering there were 32,773 cannabis related arrests in 2016-these prison numbers are deceptive.

First, the fact that there are still so many arrests and that nearly 60% of them are Black<sup>39</sup>, demonstrates that Black Illinoisans are specifically targeted and harassed by police for cannabis related offenses. Second, of the inmates within the Illinois prison system, nearly half of them (45.5%) are Black statewide, despite only making up 14.6% of the State's total population.<sup>40</sup>

In Cook County, the numbers are even worse -- **64.7% of Cook County prisoners serving time for cannabis related offenses are Black**, despite making up only 24.0% of Cook County.<sup>41</sup>

**Table 8.** Illinois Prison Population Statistics for Cannabis Possession<sup>42</sup>

Year	Statewide (IL)	Cook County
2012	754 total population 44.4% Black 96.4% Male	176 of 754 62.5% Black 98.8% Male
2013	669 total population 44.5% Black 95.6% Male	165 of 669 64.2% black 99.4% Male
2014	605 total population 48.1% Black 97.8 Male	163 of 605 62.6% Black 98.2% Male
2015	460 total population 47.0% Black 97.8% Male	125 of 460 64.8% black 99.2% Male
2016	432 total population 44.0% Black 97.0% Male	105 of 432 56.2% black 98.0% Male
2017	321 total population 53.6% Black 93.1% Male	137 of 321 76.6% Black 97.1% Male

(Table 8 continued)

<b>Year</b>	<b>Statewide (IL)</b>	<b>Cook County</b>
<b>2018</b>	<b>259</b> total population 40.2% Black 94.2% Male	<b>42</b> of 259 66.7% Black 97.6% Male
<b>2019</b>	<b>260</b> total population 42.3% Black 93.5% Male	<b>42</b> of 260 64.3% black 97.6% Male
<b>Average:</b>	45.5% Black	64.7% Black
<b>Black Population:</b>	14.6% (Illinois) <sup>44</sup>	24.0% (Cook County) <sup>45</sup>

39 Federal Bureau of Investigation (FBI) Uniform Crime Reporting Program: Arrests by Age, Sex, and Race, available at <https://crime-data-explorer.fr.cloud.gov/explorer/state/illinois/arrest/2007/2017>

40 U.S. Census Bureau, Quick Facts: Illinois, available <https://www.census.gov/quickfacts/il>

41-42 U.S. Census Bureau, Quick Facts: Illinois, available <https://www.census.gov/quickfacts/il>

43 All data sourced from Illinois Department of Corrections, Prison Population Data Sets (2012-2019), available at <https://www2.illinois.gov/idoc/reportsandstatistics/Pages/Prison-Population-Data-Sets.aspx>

44-45 U.S. Census Bureau, Quick Facts: Illinois, available <https://www.census.gov/quickfacts/il>

*Population numbers may differ from the number in Table 5 because Illinois data on prison population, race, and offense are taken quarterly. These populations reflect numbers taken from the December 31st quarterly reports.*

## D. Cannabis-Related Parole Data

The Parole population for cannabis related offenses closely mirrors the rates for prison. There is no data on parolee race and therefore this section only documents what percent cannabis offenses make up for the total parole population for drug related offenses.

**Table 9.** Illinois Parole Population for Cannabis Related Offenses

Year	Statewide (IL)
2007 <sup>46</sup>	724 (2.2% of total pop.)
2008 <sup>47</sup>	699 (2.1%)
2009 <sup>48</sup>	672 (2.1%)
2010 <sup>49</sup>	604 (2.2%)
2011 <sup>50</sup>	599 (2.3%)
2012 <sup>51</sup>	670 (2.6%)
2013 <sup>52</sup>	743 (2.7%)
2014 <sup>53</sup>	731 (2.9%)
2015 <sup>54</sup>	655 (2.3%)
2016 <sup>55</sup>	520 (1.9%)
2017 <sup>56</sup>	360 (1.4%)
<b>Average = 693.7%</b>	



# Economic Snapshot

Illinois is on the precipice of legalizing Marijuana. In fact, a bill to legalize cannabis could be introduced in early May 2019.<sup>57</sup> And legalization has significant economic implications for the state. If it does so, it will join 10 other states that have legalized recreational use of cannabis – Alaska, California, Colorado, Main, Massachusetts, Michigan, Nevada, Oregon, Vermont, and Washington.<sup>58</sup>

Illinois' current governor, J.B. Pritzker, explicitly wants to legalize recreational cannabis use as a way not only to help soften costs related to incarceration, but also because doing so would bring an estimated \$170 million in licensing and other fees to the State in 2020.<sup>59</sup>

The main justification for Pritzker's push for legalization is because Illinois is broke. Its general budget deficit exceeds \$14.6 billion, and many consider this an almost insurmountable financial obstacle.<sup>60</sup> Apart from the fact that Illinois is in a severe budgetary deficit, polls show that Illinoisans are overwhelmingly in support of legalization. On the question<sup>61</sup> of cannabis decriminalization, **74.4% support decriminalization** (with nearly half of respondents strongly supporting a decriminalization policy).

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<sup>57</sup> Tom Schuba, Full, 300-page pot legalization bill could be introduced in Illinois within days, Chicago Sun Times, April 29, 2019, <https://chicago.suntimes.com/news/pot-legalization-illinois-weed-recreational-legislation/>

<sup>58</sup> See generally, Governing, <https://www.governing.com/gov-data/safety-justice/state-marijuana-laws-map-medical-recreational.html>

<sup>59</sup> Danielle Moran, Illinois Governor Seeks to Legalize Marijuana, Bloomberg, Feb. 20, 2019,

<https://www.bloomberg.com/news/articles/2019-02-20/pot-and-gambling-taxes-could-help-illinois-budget-governor-say>

<sup>60</sup> Karen Peirog, Illinois budget deficit soars to \$14.6 billion in FY 2017, Reuters, March, 22, 2018,

<https://www.reuters.com/article/illinois-budget-deficit/illinois-budget-deficit-soars-to-146-bln-in-fy-2017-idUSL1N1R418D>

<sup>61</sup> See generally, Paul Simon Public Policy Institute, Southern Illinois University, <https://www.mpp.org/states/illinois/2018-illinois-marijuana-legalization-poll/> (hereinafter "SIU Poll Data")

**Figure 1. Illinois Support for Cannabis Decriminalization** <sup>62</sup>

<b>Response</b>	<b>Percent (n= 1,000)</b>
<b>Support</b>	<b>74.4%</b>
<i>Strongly Support</i>	46.6%
<i>Support</i>	27.8%
<b>Oppose</b>	<b>21.0%</b>
<i>Strongly Oppose</i>	13.3%
<i>Oppose</i>	7.7%
<b>Don't Know /Refuse</b>	<b>4.6%</b>

There is also data on the specific demographics for the support of decriminalization in Illinois and it yields interesting results. There is overwhelming support for decriminalization (80%) in Chicago.

**Figure 2. Demographic Breakdown for Cannabis Decriminalization** <sup>63</sup>**BY AREA**

	Chicago City	Chicago Suburbs	Downtown
Support	80%	79%	63%
Oppose	16%	17%	31%
Don't Know / Refuse	4%	4%	6%

**BY PARTY**

	Democrat	Independent	Republican
Support	81%	76%	66%
Oppose	15%	17%	30%
Don't Know / Refuse	4%	7%	4%

**BY AGE**

	<35	35-50	51-65	66+
Support	83%	81%	77%	67%
Oppose	15%	15%	19%	28%
Don't Know / Refuse	2%	4%	4%	5%

**Support for recreational cannabis use is 66.1%** (with 45.3% of respondents strongly supporting recreational use).

**Figure 3. Support for Recreational Cannabis Use**<sup>64</sup>

<b>Response</b>	<b>Percent (n= 1,000)</b>
Support	66.1%
Strongly Support	45.3%
Support	20.8%
Oppose	30.8%
Strongly Oppose	18.6%
Oppose	12.2%
Don't Know /Refuse	3.1%

*The demographic breakdown of support for recreational cannabis use is a significant departure from support for decriminalization. Here, only 52% of republicans and 54% of Illinoisans who live downstate support recreational cannabis use. This is compared with decriminalization support at 66% of republicans and 63% of Illinoisans who live down state.*

**Figure 4. Demographic Breakdown for Recreational Cannabis Use**<sup>65</sup>

**BY AREA**

	Chicago City	Chicago Suburbs	Downtown
Support	74%	70%	54%
Oppose	22%	27%	43%
Don't Know / Refuse	4%	2%	4%

**BY PARTY**

	Democrat	Independent	Republican
Support	76%	68%	52%
Oppose	27%	27%	46%
Don't Know / Refuse	3%	5%	2%

**BY AGE**

	<35	35-50	51-65	66+
Support	83%	77%	69%	51%
Oppose	17%	22%	28%	45%
Don't Know / Refuse	0%	2%	3%	4%

For Chicago, the impact of legalization will also be significant. Newly elected Mayor, Lori Lightfoot has gone on record and has said she supports legalization.<sup>66</sup> In fact, Lightfoot has stated that she will:

- Support the **legalization and taxation of cannabis**<sup>67</sup>
- Learn from the best practices of states that have legalized cannabis to make sure it is safe and well regulated.<sup>68</sup>
- Make sure that **people of color get licenses to sell cannabis** and open up dispensaries in their communities.<sup>69</sup>
- Put safeguards in place to keep cannabis away from children.<sup>70</sup>

The jury is still out on what kind of Mayor Lightfoot will be and whether she intends to follow through on her promises, but judging from her pre-election policy positions, she supports a generally progressive cannabis related economic agenda.

In 2018, the Illinois Economic Policy Institute (ILEPI) found that the Illinois economy would grow if recreational cannabis use were legalized.<sup>71</sup> In fact, among the pertinent findings, the ILEPI report found that legalization would generate an estimated \$1.6 billion in cannabis sales within the state.<sup>72</sup> And, if cannabis was regulated and taxed at a 26.25 percent state excise tax (in addition to a 6.25 percent general sales tax) Illinois would:

- Generate \$525 million in new tax revenues, including \$505 million for the state and \$20 million for local governments— a move that credit rating agencies have called “credit positive.”<sup>73</sup>
- Create over 23,600 new jobs at more than 2,600 businesses in Illinois.<sup>74</sup>
- Boost the Illinois economy by \$1 billion annually.<sup>75</sup>
- Allow the state to make additional pension payments and vital public investments in infrastructure, K-12 public schools, college tuition assistance programs, and drug treatment and prevention programs.<sup>76</sup>

62 SIU Poll Data, Marijuana Decriminalization: Do you support or oppose decriminalizing marijuana where people caught with marijuana for personal consumption won't be prosecuted but may be fined?

63 SIU Poll Data, Demographic Crosstabs and Historical Trends: Marijuana Decriminalization 64 SIU POLL DATA, Recreational Marijuana: Do you support or oppose the legalization of recreational marijuana if tracked and regulated like alcohol?

65[1] SIU Poll Data, Demographic Breakdown: Recreational Marijuana

66 See generally, Lori Lightfoot, On the Issues: Legalizing Cannabis, <https://lightfootforchicago.com/issues/>. 67-70 Id

71 See generally, Frank Manzo, Jill Manzo, & Robert Bruno, The Financial Impact of Legalizing Marijuana, Illinois Economic Policy Institute, Nov. 9, 2018, <https://illinoisepi.files.wordpress.com/2018/11/ilepi-pmcr-financial-impact-of-legalizing-marijuana-in-illinois-final.pdf> (hereinafter “ILEPI Report”).

72 ILEPI Report, Executive Summary. 73-76 Id.

The economic benefits of legalizing recreational cannabis primarily center around:

- Reduction in law enforcement and incarceration costs
- Tax revenue benefits
- Other economic related effects (e.g. job creation, infrastructure, pension,.) etc

Thus, the following sections provide an overview of those specific areas of potential economic benefit for Illinois and Cook County.

### A. Reduction in Law Enforcement and Incarceration Cost

The costs for the policing and incarceration of cannabis are staggering. For example, in 2010, the ACLU found that of the 12,406 arrests for cannabis possession alone in 2010, Illinois tax payers spent \$127 million on law enforcement operations, \$72 million in judicial and other legal fees, and \$20 million to incarcerate individuals in local jails and correctional facilities on possession and sales.<sup>77</sup> In fact, the state of California saved an estimated \$857 million in law enforcement costs in 2006 alone.<sup>78</sup>

In 2016, Illinois still had 432 people incarcerated on cannabis related offenses; 105 of those offenders were located in Cook County. According to the Illinois Department of Corrections (IDOC), the annual cost of incarcerating an individual in a department facility during Fiscal Year 2016 was \$26,331.<sup>79</sup>

Using these numbers, we can estimate how much Illinois would save in incarceration costs alone upon legalization.

**Table 10.** Estimated 2017 Taxpayers Savings from Legalizing Recreational Cannabis in Illinois

Taxpayer Savings	Taxpayer Savings Illinois	Cook County (Annual)
Reduced Incarceration	\$11.4 million	\$2.7 million
Other costs to consider	Data not found	Data not found
<ul style="list-style-type: none"> <li>• Judicial and legal fees</li> <li>• Policing costs</li> </ul>	Data not found	Data not found
<b>Total Savings</b>	<b>&gt;\$11.4 million</b>	<b>&gt;\$2.76 million</b>

These numbers do not tell the entire picture. According to the Illinois State Commission on Criminal Justice and Sentencing Reform, the average cost to incarcerate a prisoner in Illinois in 2017 was **more than \$22,000 per year.**<sup>80</sup> However, factoring in:

- **Capital Costs** – those costs associated with the prison facility itself (i.e. the cost to construct and maintain the prison divided by all the prisoners)
- **Pension Contributions & Employee Benefits** – those costs associated with providing pension, healthcare, social security contributions, etc., for each employee divided by all the prisoners.

That number is more than **\$37,000 per year.** Given the fact that prisons exist, and it is because of our criminal justice system that we have so many prisoners, the \$37,000+ is a better metric to understand a complete economic picture of total costs related to incarceration in Illinois.

**Table 11.** 2017 Taxpayers Savings from Legalizing Recreational Cannabis in Illinois Based on \$37,000 Estimate

Taxpayer Savings	Taxpayer Savings Illinois	Cook County (Annual Estimate)
Reduced Incarceration	\$15.98 million	\$3.89 million
Other costs to consider		
• Judicial and legal fees	Data not found	Data not found
• Policing costs	Data not found	Data not found
<b>Total Savings</b>	<b>&gt;\$15.98 million</b>	<b>&gt;\$3.89 million</b>



77 ILEPI Report, 2

78 MARIJUANA POLICY PROJECT, Marijuana Prohibition Facts, <https://www.mpp.org/issues/legalization/marijuana-prohibition-facts/>

79 ILLINOIS DEPARTMENT OF CORRECTIONS, Financial Impact Statement, <https://www2.illinois.gov/idoc/reportsandstatistics/Documents/2017%20Financial%20Impact%20Statement.pdf> (hereinafter “IDOC Financial Report”)

80[1]Illinois State Commission on Criminal Justice and Sentence Reform, Final Report (December 2016), 15, [http://www.icjia.org/cjreform2015/pdf/CJSR\\_Final\\_Report\\_Dec\\_2016.pdf](http://www.icjia.org/cjreform2015/pdf/CJSR_Final_Report_Dec_2016.pdf) (hereinafter “ICJIA 2016 Report”)

## B. Tax Revenue Benefits

The ILEPI has done significant work researching the tax revenue impacts of legalizing recreational cannabis use in Illinois. As a comparative metric, the ILEPI used Colorado because Illinois is about twice as big as Colorado.<sup>81</sup>

Specifically the Report found not only that there were about 4.8 million households in Illinois compared with 2.1 million for Colorado<sup>82</sup>, but also that the Illinois economy produced 2.4 times as much output as Colorado.<sup>83</sup> The population of Illinois is also about twice as large as Colorado, 12.74 million (Illinois) compared with 5.69 million (Colorado).

The ILEPI found that by multiplying the total number of households by their average household income in both Colorado and Illinois (and adjusting total income for purchasing power after state, federal and local taxes), this yielded the result that Illinois had about twice as much purchasing power as Colorado.<sup>84</sup> Therefore, this means that **recreational cannabis sales in Illinois could reasonably be about twice as much as in Colorado.**<sup>85</sup>

**Table 12.** ILEPI Report – Colorado vs. Illinois, (2016 Data)<sup>86</sup>

2016 Data	Colorado	Illinois
Total Households	2,108,992	4,822,046
Average Household Income	\$88,246	\$84,561
Total Household Income (post taxes)*	\$129.89 billion	\$275.20 billion
<b>Illinois Purchasing Power as a Multiple of Colorado</b>		<b>2.12x</b>

*\*Based on data from 2015 State and Local Government Finances by the U.S. Census Bureau (2015)*

81 ILEPI Report, 3

82 Id., 83Id.; see also, Bureau of Economic Analysis at the U.S. Chamber of Commerce, Regional Data, [https://apps.bea.gov/iTable/index\\_regional.cfm](https://apps.bea.gov/iTable/index_regional.cfm)

84ILEPI Report, 4, 85-86 Id.

The ILEPI Report also analyzed economic output related specifically to recreational cannabis use and found:

Colorado currently taxed recreational cannabis at 32.9%, including a 2.9% sales tax, 15% state retail/excise tax, and a 15% retail cannabis sales tax<sup>87</sup>

Colorado residents and visitors spent about \$762.8 million on recreational cannabis over 12 months between 2017-2018<sup>88</sup>

Between 2017-2018, Colorado collected \$251.0 million cannabis taxes in total (excluding license and application fees).<sup>89</sup>

Based on Numbers from Colorado, and the fact that Illinois generates twice as much output as Colorado, the ILEPI calibrated what the net benefit of legalizing recreational cannabis would be in Illinois (Table 13). Based on the numbers, ILEPI estimates that Illinois would generate about \$1.62 billion for the sale of recreational cannabis if legalized and taxed in a similar way as Colorado.

**Table 13.** Estimating Market Benefit for Legalized Recreational Cannabis (By 2020)<sup>90</sup>

<b>Colorado and Illinois Cannabis Markets</b>	<b>Colorado</b>
Total Cannabis Sales in Colorado (annually)	762.81 Million
Total Cannabis Tax Rate in Colorado	32.9%
Total Cannabis Taxes Collected in Colorado (annually)	\$250.97 Million
Illinois Purchasing Power as a Multiple of Colorado	2.12x
Total Estimated Annual Sales in Illinois (after legalization)	\$1.62 Billion

\* Total cannabis revenue in Colorado includes a 2.9% sales tax, 15% state retail/excise tax, and a 15% retail cannabis sales tax.

87-89 Id.,

90 Id., Figure 3: Estimating the Market for Legalized Recreational Marijuana in Illinois, By 2020

The ILEPI also found that the amount of tax revenue Illinois would generate using a similar tax rate to Colorado. Illinois would generate an estimated \$525.3 million in tax revenues (Table 14).

**Table 14.** Estimated Tax Revenues from Legalizing Recreational Cannabis in Illinois (By 2020)<sup>92</sup>

Estimated Sales, Tax Rate and Revenues	Annual Estimates
Total Cannabis Sales in Colorado (annually)	762.81 Million
Total Cannabis Tax Rate in Colorado	32.9%
Total Cannabis Taxes Collected in Colorado (annually)	\$250.97 Million
<b>Total Sales Tax Collected</b>	<b>\$505.06 Million</b>
<b>Total Local Tax Collected</b>	<b>\$20.20 Million</b>

### C. Other Economic Related Effects

The ILEPI Report also found that with such a large stream of new revenue created by cannabis legalization and taxation, Illinois would be able to invest more money in government related functions. For example, if half of the estimated \$505.06 million (about \$250 million) went towards reducing pension debts, the remaining \$250 million could be distributed evenly to fund programs such as the **School Infrastructure Fund**, the **State Construction Fund**, the **Illinois State Board of Education**, the **Illinois Student Assistance Commission**, and the **Department of Human Services** (Table 15).<sup>93</sup>

91 Id. at 5

92 ]Id., Figure 4: Estimated Tax Revenues from Legalizing Recreational Marijuana in Illinois, By 2020

93 Id.at 6

**Table 15.** Potential Public Investments

Potential Public Investments	Annual Estimate
Total Cannabis Taxes Collected	<b>\$505.06 million</b>
<b>Potential Public Investments for Public Good</b>	
50% to Pension Payments	\$252.53 Million
10% to School Infrastructure Fund	\$50.51 Million
10% to State Construction Account	\$50.51 Million
10% to K-12 Public Schools	\$50.51 Million
10% Monetary Award Program (MAP)	\$50.51 Million
10% to Drug Treatment and Prevention	\$50.51 Million

Finally, the ILPEI report has also found employment benefits to legalizing cannabis in Illinois. These benefits largely revolve around the additions of jobs and business growth. Estimates were based on similar regulated industries like alcohol and tobacco.<sup>94</sup> In Illinois there are 2,668 alcoholic drinking places (generating \$24.63 million and employing 1,265 people).<sup>95</sup> Based off these numbers, the ILPEI estimates that if recreational cannabis were legalized there would be approximately 2,633 dispensaries, which would generate about 19,486 employees and net \$383.57 million.<sup>96</sup>

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94 Id. at 7-8, 95 Id. at 8, 96 Id.