

March 31, 2021, was a historic day for New Yorkers, when Governor Andrew Cuomo signed legislation to [legalize adult-use cannabis](#). Cuomo sweetened the pot for two groups of people with a lot of crossover: Over the next two years, the state will expunge the records of approximately 150,000 New York residents previously convicted on cannabis charges; it will also address an issue that most cannabis-legal states have done a poor job with—providing social equity to Black and Brown people who’ve been excluded from the industry.

While the majority of states where medicinal or recreational cannabis, or both, are legal have largely ignored this disparity, a handful (California, Illinois, Michigan, New Jersey, and, now, New York) [have created programs to provide a path for people of color](#) to own plant-touching businesses such as a dispensary, a grow facility, or a manufacturer of extracts. Unfortunately, the solution is more complex than states simply promising to prioritize applications from people who’ve disproportionately been affected by the war on drugs.

It’s very expensive to buy into the cannabis business. For example, it costs approximately \$1.5 million (plus or minus, depending on the state) to own a dispensary. This covers licensing and application fees, building permits, construction, and enough cash in the bank for future operating costs. Even with social equity programs, and states offsetting some of these costs, most people need investment money.

Cannabis sales in the U.S. are expected to reach [\\$45 billion by 2025](#), and, as is the case in most industries, wealth is consolidated in just a few hands. In the cannabis industry, many of these people are known as multi-state operators (MSOs). Unless investors are moved to invest in Black and Brown people, even the most well-drafted social equity programs are no match for these large-scale MSOs.

Between January and June 2020, [\\$2.57 billion was raised](#) to fund North American cannabis ventures. Of this amount, 93% (\$2.13 billion) went to white people, with the balance (\$437 million) split by people of color. Sal Ali owns [AgroSelect hemp farm](#), [Dr. Terpz dispensary](#), and a [staffing agency](#) that vets potential employees in the industry. He remembers how difficult it was getting investors to give him the time of day, let alone money.



“In 2015, I went to [MJ Bizcon](#) [the Marijuana Business Conference] hoping to find investors. Usually I was the only Brown guy in a sea of white people. I approached one investor with my pitch deck, and he looked at me and laughed. He turned to the white dude next to him. ‘Yeah

right, I'm gonna invest in *this* guy.' Meanwhile, I talked to many white guy entrepreneurs who told me they secured millions for their projects without even trying."

Reginald Stanfield, owner of [JustinCredible Cultivation](#), concurs. "I had a realistic model and a proof of concept to capture brand recognition and expand. I was open to all equity investors. I was repeatedly passed over. The only time they look at Black people is to help expand the few who've already made it."

*JustinCredible Cultivation*

One investor I interviewed (who preferred anonymity) believes the fault lies with the Black community, not with discrimination. "There aren't enough minority leaders to serve as examples to up-and-coming minority entrepreneurs. And because most have records, I won't touch them with a 10-foot pole. I'm here to make money, not waste it on someone with no experience or ethics."

Such attitudes are precisely why, as a woman of color, I teamed up with two other marginalized people to form [420 Equity Labs](#), whose mission is to amplify Black voices in cannabis. Sometimes these social equity programs are exploited by predatory investors who seek out less savvy members of BIPOC communities to use as props, so they can line their own pockets. For those who are successful at securing funding and qualifying for a social equity program, their fight is far from over; they still have to market themselves and set up relationships with vendors. Our goal is to use our combined expertise (both in and out of the cannabis industry) to better compete against members of the "good ole boy network," and win.



Kaisha-Dyan McMillan is co-founder of [Let's Sesh](#), which provides educational workshops for people new to the cannabis industry. She has examined [social equity from multiple angles](#) and believes the problem is more involved. "Along with not having the money needed to enter the industry, Black people are at a disadvantage because many lack information. I've interviewed

two high-profile social equity participants in the Bay Area, and both told me they initially heard about the social equity program via word of mouth—not through the city or state.”



McMillan continued, “It’s wonderful to have programs like this, but unless it’s well-publicized, people have no idea whether they qualify, how to apply, etc. Looking at the policy and regulations, the language is complex and hard to understand for most people—I’ve been in this industry for over five years and this year alone I’ve attended two workshops to help me understand the [MORE Act \[the bill decriminalizing marijuana\]](#). There needs to be more and better education overall.”

If wealth in the industry continues consolidating and shutting out Black and Brown people, it may require some ingenuity and creativity to create change. Mss Oregon and her family own the [National Cannabis Diversity Awareness Convention](#) (NCDAC) in Portland, Oregon. “I gave up the idea of owning a dispensary when I tried getting hired and repeatedly had the door slammed in my face,” she says. “The only way I was going to be part of the industry was by creating an ancillary business. The NCDAC connects people in the entertainment and cannabis industries. We’re already planning NCDAC 2024, in Atlanta. We believe that creating a cannabis network is important to industry and societal growth.”



Devin Jones manages [Elev8 dispensary](#) in Eugene, Oregon. He and inventory manager Alonzo

“Zo” Medley are providing social equity in a small yet sustainable way. As they build their list of extracts and flower suppliers, they prioritize Black- and Brown-owned companies. They started in the summer of 2020, and today 68% of their inventory comes from BIPOC-owned businesses. Of those, 25% are Black-owned. As Zo explains it, “We stock both high-end, expensive weed and high-quality, less expensive weed, so we can help everyone at every socioeconomic level. It may sound simple, however, Devin and I can tell you these relationships take time to cultivate, but the rewards are so sweet.”



So long as large-scale MSOs and investors are disinterested in doing their part to uphold state and local government-enacted social equity programs, as with everything else in life, Black and Brown people are ready, able, and willing to create our own social equity and legacy.