

Unintended Consequences of State Policies: Evidence from Marijuana Legislation

Lorán Chollete (Jack Welch College of Business), Sharon Harrison (Barnard College) Khawaja Mamun (Jack Welch College of Business)

Abstract:

Novel policies sometimes have unintended consequences. Recent developments in the legalization of marijuana present a laboratory for examining the effects of novel policies. This paper examines the relationship between the legalization of marijuana and crime rates using a state level panel data. Thirty-six states and 4 territories currently have laws legalizing medical marijuana use. In addition, fifteen states and three territories have legalized recreational use of marijuana. We use a difference-in-difference estimation on a panel data set from 1999 – 2015. We find evidence that legalization of both medical and recreational marijuana has an effect on several types of crimes at the state level.