



Adult-Use Cannabis Legalization & Commercial Driver Availability

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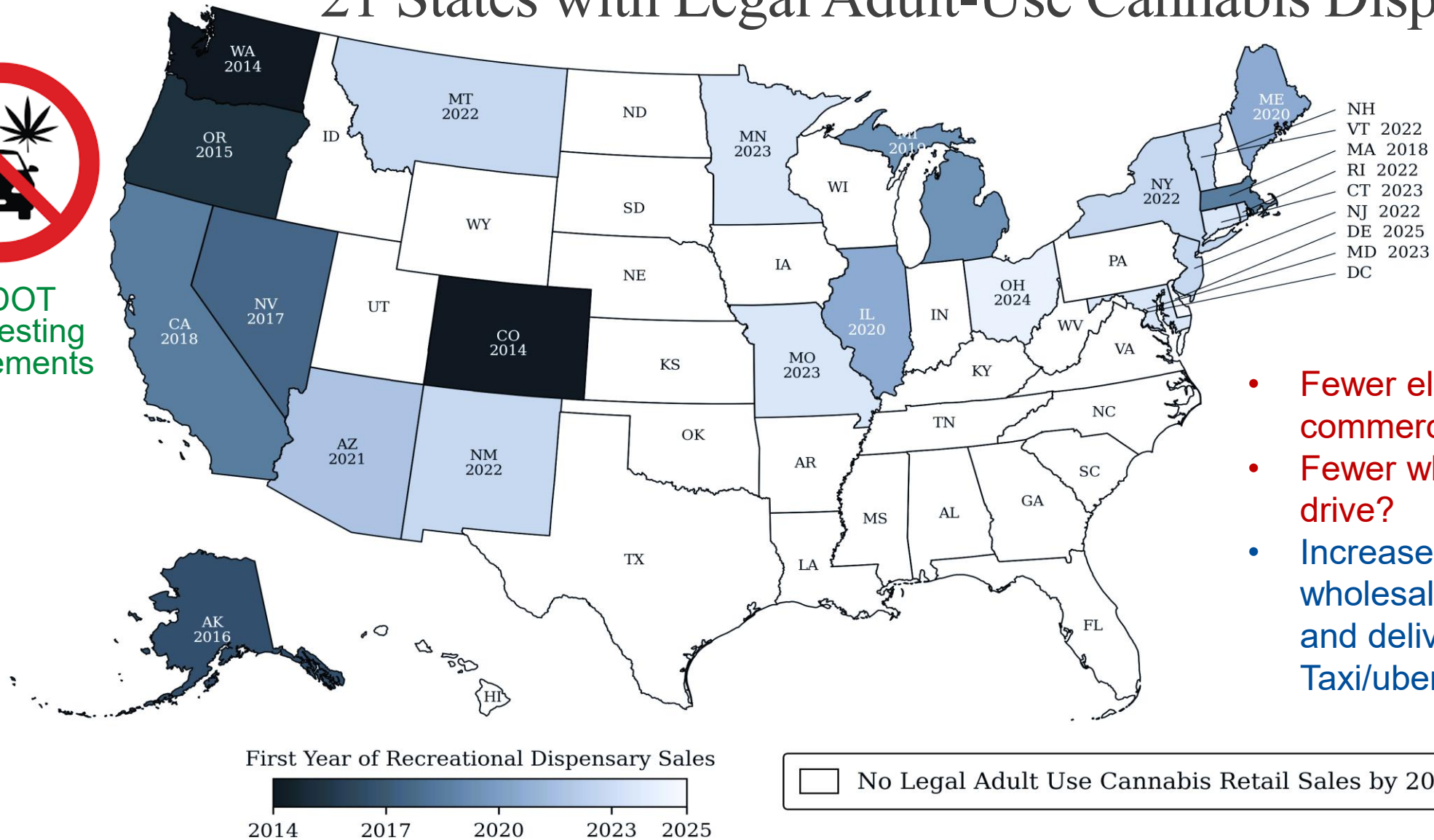
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21 States with Legal Adult-Use Cannabis Dispensaries

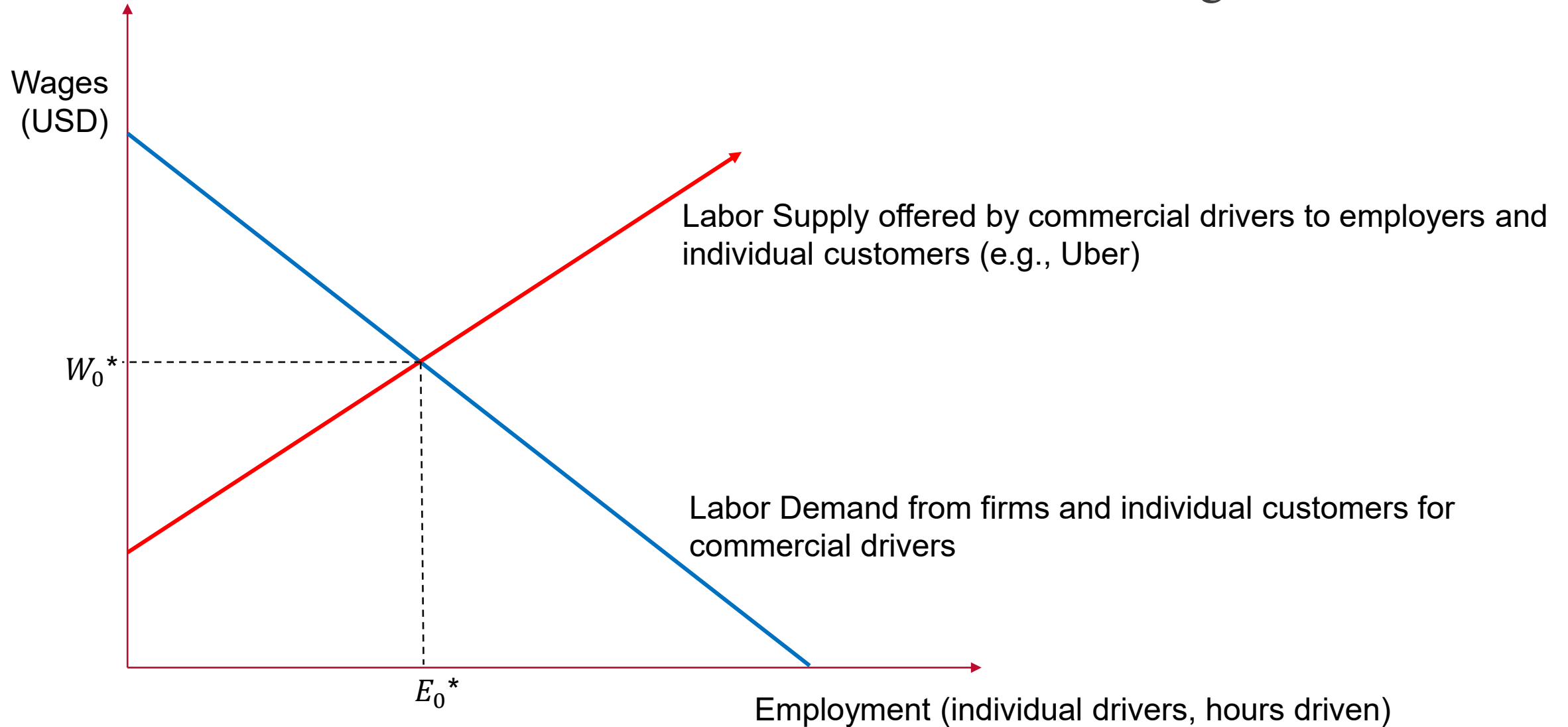


USDOT
drug-testing
requirements



- Fewer eligible commercial drivers?
- Fewer who want to drive?
- Increased demand for wholesale distribution and delivery drivers?
Taxi/uber drivers?

Labor Market for Commercial Drivers Pre-Cannabis Legalization



Data and Methods

Data

- Current Population Survey (CPS) data from U.S. Census (IPUMS); individual-level data
 - Three occupations: bus drivers, truck drivers, taxi/chauffeurs
- O*Net Data sourced from Bureau of Labor Statistics (BLS) Occupational Employment and Wage Statistics, 2000-2024; data at the state-by-occupation level
 - Six occupations: bus driving (school and public transit), trucking (heavy/tractor-trailer, light), drivers/sales workers), taxis/chauffeurs

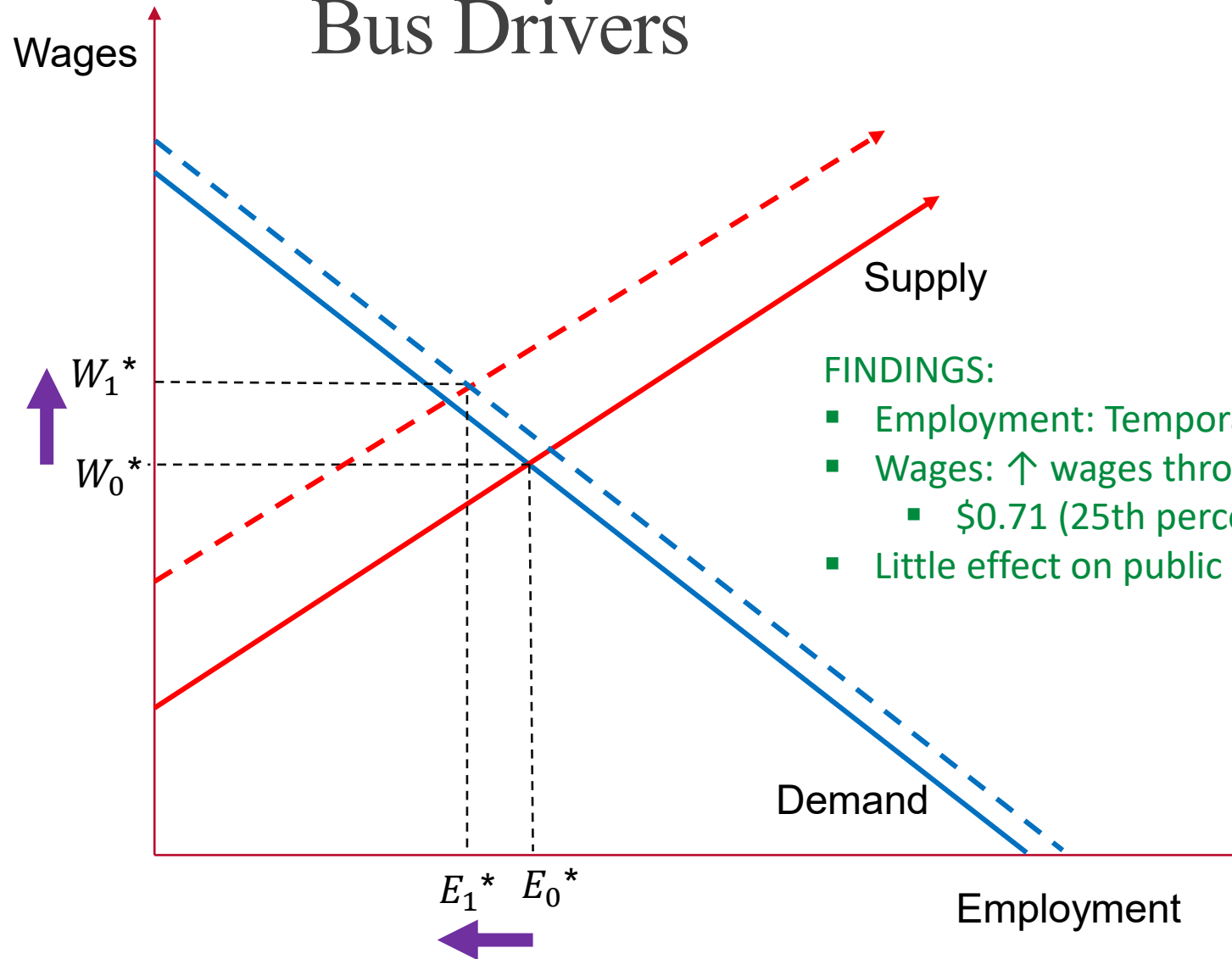
Variables

- Treatment: adult-use (recreational) cannabis dispensary access
- Employment (any driving job, type of driving job, fulltime/parttime, hours worked, self-employment)
- Wages (mean, median, 25th percentile, 75th percentile) in 2015 USD

Methods

- Two-stage DID regressions (Butts & Gardner, 2022); robustness: Callaway & Sant'Anna (2021)
- Counterfactual = never-treated; state and year FE, SE's clustered at state level, demographics with CPS

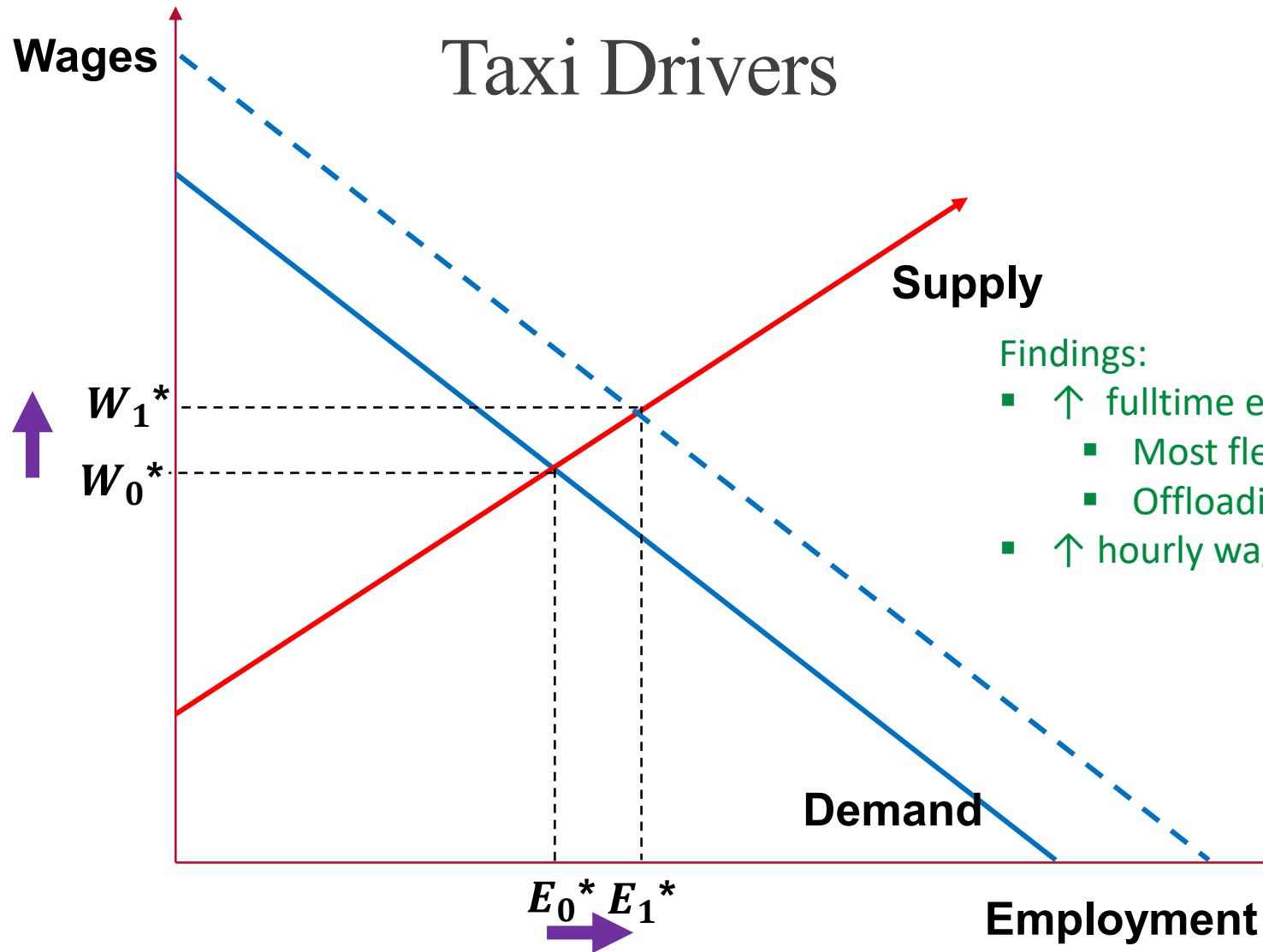
Bus Drivers



FINDINGS:

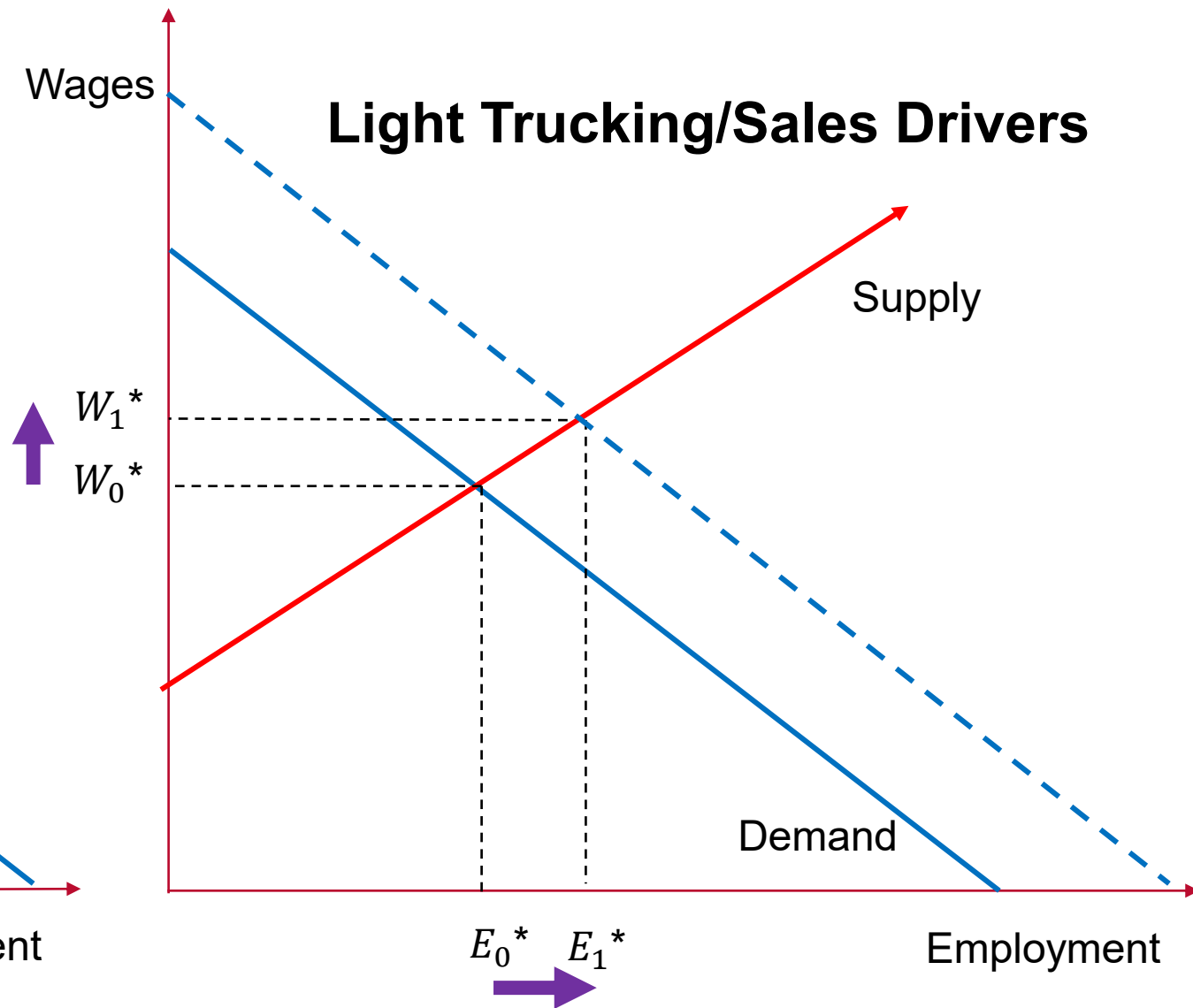
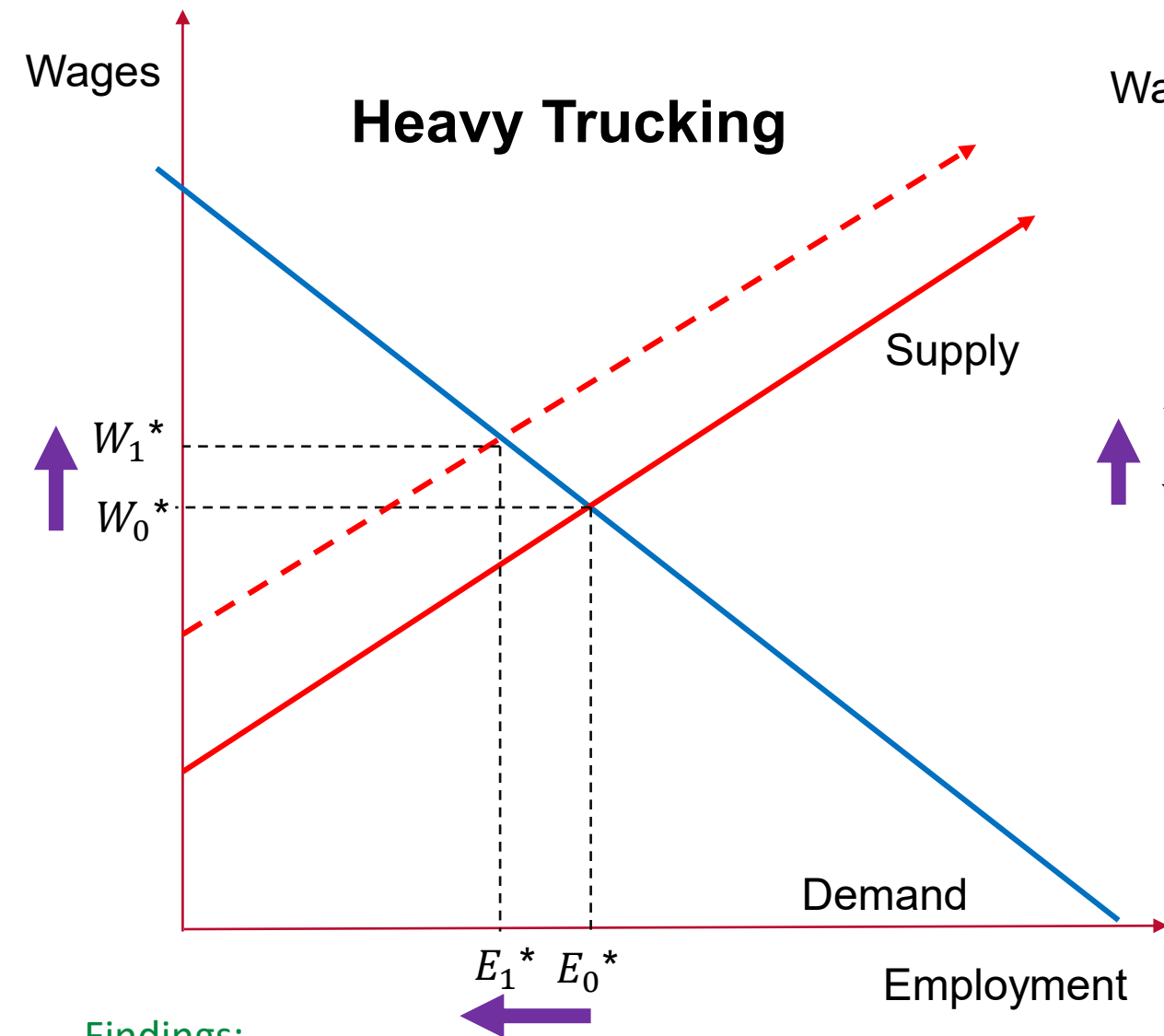
- Employment: Temporary ↓ in probability of being a school bus driver
- Wages: ↑ wages throughout wage distribution for school bus drivers
 - \$0.71 (25th percentile) to \$1.29 per hour (75th percentile)
- Little effect on public transit bus drivers

Taxi Drivers



Findings:

- ↑ fulltime employment among self-employed
 - Most flexible market subsector: last hired, first fired?
 - Offloading risk from owned fleets
- ↑ hourly wages (\$0.70 at 25th percentile)



Findings:

- $\uparrow$ hours $\Rightarrow$ shift towards working experienced, tested workers more?
- $\uparrow$ (\$1) at 25th percentile among drivers/sales workers $\Rightarrow$ increased demand in less drug-tested subsector
- $\downarrow$ wages for light and heavy $\Rightarrow$ shift towards self-employment?
- $\uparrow$ self-employment (12%) $\Rightarrow$ offloading risk to less regularly drug-tested drivers?

New Mexico Findings: CPS

Variable	NM Mean Pre-2022	NM Mean Post-2022	National Mean Pre-2022	Difference (Post – Pre)	Test Statistic
Any driver (=1)	0.03	0.02	0.03	-0.01***	$\chi^2 = 30.20$
Bus driver (=1)	0.12	0.13	0.13	0.01	$\chi^2 = 0.53$
Taxi driver (=1)	0.05	0.05	0.08	0.00	$\chi^2 = 0.02$
Truck driver (=1)	0.83	0.82	0.79	-0.01	$\chi^2 = 0.51$
Self-emp(=1)	0.11	0.12	0.11	0.01	$\chi^2 = 0.00$
Full-time (=1)	0.84	0.89	0.86	0.06***	$\chi^2 = 16.34$
Usual hours worked per week	42.27	42.44	42.20	0.17	t = -0.18
Pr (Below 25 th Percentile Wage)	0.30	0.21	0.28	-0.09**	$\chi^2 = 4.58$
Avg. Hourly wage (in \$2015)	\$17.06	\$17.62	\$18.16	\$0.56	t = -0.66
Pr (Above 75 th Percentile Wage)	0.28	0.29	0.31	0.01	$\chi^2 = 0.032$

New Mexico Findings: O*Net

	Log(Employment)				Median Wages (2015 USD)			
Occupation	NM Mean Pre-2022	NM Mean Post-2022	National Avg (Pre-2022)	Difference (Post - Pre)	NM Median Pre-2022	NM Median Post-2022	National (Pre-2022)	Difference (Post - Pre)
Driver/Sales	7.673	7.547	8.495	-0.126	11.578	11.058	12.133	-0.52
Heavy Truck	9.158	9.314	9.914	0.155***	18.302	17.637	19.89	-0.666**
Light Truck	8.548	8.501	9.267	-0.048	13.822	15.035	14.682	1.213***
Transit Bus	7.938	7.53	8.68	-0.408***	11.59	15.668	14.151	4.078***
School Bus	6.647	6.382	7.413	-0.265**	14.222	14.759	16.622	0.538
Taxi Driver	6.915	7.266	7.535	0.351***	10.599	11.385	11.269	0.786
Any Driver	7.825	7.756	8.577	-0.069	13.423	14.257	14.849	0.834

Summary Results & Policy Implications

- Tighter labor markets at the national level and in NM
 - Higher wages in at least some sectors
 - Some increase in employment (full-time, self-employed, hours worked)
- Implications: harder to find drivers for a given wage; drivers can command higher wages for the same skill level
 - Likely explanation => increased demand from legal cannabis industry
 - Potential spillovers to other sectors that hire drivers => higher wages, fewer drivers available (lower quality?)
- Policy recommendation: increase access to commercial driver training and cannabis rehabilitation programs to increase the supply of commercial drivers

Thanks!
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