Does increasing the beer tax reduce marijuana consumption?

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Previous studies suggest that alcohol and marijuana are economic substitutes, so recent policies restricting the availability of alcohol have led to an increase in the amount of marijuana consumed. Using micro-level data from the National Longitudinal Survey of Youth (NLSY) to estimate individual demand equations for alcohol and marijuana, this research finds that alcohol and marijuana are economic complements, not substitutes.

Further, this research finds that increases in the federal tax on beer will generate a larger reduction in the unconditional demand for marijuana than for alcohol in percentage terms.