



# Marijuana Money

*Dear Dr. Per Cap*

*As more tribes move to legalize marijuana I'm interested in opening a dispensary. Do you think it's a smart business move?*

*- Looking To Cash In*

Dear Looking

You're certainly not alone in your thinking. Since 2014, when Native nations got the federal ok to legalize marijuana, tribes in California, Michigan, North Carolina, Oklahoma, South Dakota, and Washington have moved to either decriminalize or legalize various forms of cannabis for recreational and medical uses. With a new presidential administration that many feel might provide more leeway for a growing tribal cannabis industry, wheels are turning in lots of heads in Indian Country.

However, here's the million dollar question. Will these tribes authorize individual members to own and operate dispensaries similar to how tribal members on some reservations currently own smoke shops and vape stores? Or will we see mostly tribal ownership of dispensaries and other marijuana enterprises similar to how tribal casinos operate?

Representatives from several tribal governments interested in developing commercial cannabis recently appeared on the nationally syndicated radio show Native America Calling. From that conversation it's clear that for many tribes these decisions are a long ways off.

At this point tribes are primarily focused on how to license and regulate marijuana dispensaries along with other pressing concerns such the fact that few banks will work with cannabis businesses due to regulatory and legal uncertainties. Business loans for cannabis start-ups are also hard to come by.

Obviously marijuana dispensaries managed well can make big money. A few years ago I listened to a marijuana education presentation by the Tacoma-Pierce County Health Department as outreach with Native educators in Washington, the first state to legalize recreational marijuana and the second state to legalize recreational marijuana sales.

I spoke briefly with the presenter who casually mentioned taxes paid by some dispensary owners. Holy cow - I didn't need a calculator to figure out those folks were pulling in annual sales well north of seven figures.

Of course, many variables can determine the profitability of a marijuana dispensary such as type of sales – recreational or medical, state laws, market size, and a host of other factors. However, projections for a national tribal cannabis industry are in the billions so the potential for any marijuana business on tribal lands is enormous.

If you're serious about starting a marijuana business learn as much as you can now. Aside from navigating highly unique regulatory challenges; marketing, hiring, and inventory control are critical. And don't fool yourself into thinking the business is an easy slam dunk. Running a lifestyle economy driven pot shop just like any successful business takes dedication, determination, and lots of hard work.

Here's another idea a friend in the know clued me into. The cannabis industry is a lot bigger than growers, distributors, and dispensaries. If tribal cannabis takes off there will be enormous demand for support services and products; such as web design for dispensaries, growing supplies, equipment, and branding and marketing services.

Think Levi Strauss. He set out to strike it rich mining the California Gold Rush, but ultimately made his fortune selling denim dungarees to starry-eyed Forty-Niners.

Also, don't limit yourself to just a dispensary or doing business only on your own tribal lands. There are lots of tribes fired up about weed, pun intended, so consider other markets and think big picture.

Let me leave you with one more piece of advice. Please come up with a better brand for your business than the same tired images I see everywhere. You know the ones I'm talking about. Mainstream America and many tribal communities are never going to take the marijuana industry seriously until it offers more than tie dye, Caribbean flags, and Steve Urkel. Did I just say that?

***Ask Dr. Per Cap is a program funded by First Nations Development Institute with assistance from the FINRA Investor Education Foundation. For more information, visit [www.firstnations.org](http://www.firstnations.org). To send a question to Dr. Per Cap, email [askdrpercap@firstnations.org](mailto:askdrpercap@firstnations.org).***