

# Seven years in, Massachusetts' cannabis equity operators struggle to succeed

About 15 percent of pot businesses are owned by people in the state's equity programs, but success is proving elusive

By **Katie Johnston** Globe Staff, Updated February 17, 2026, 5:30 a.m.



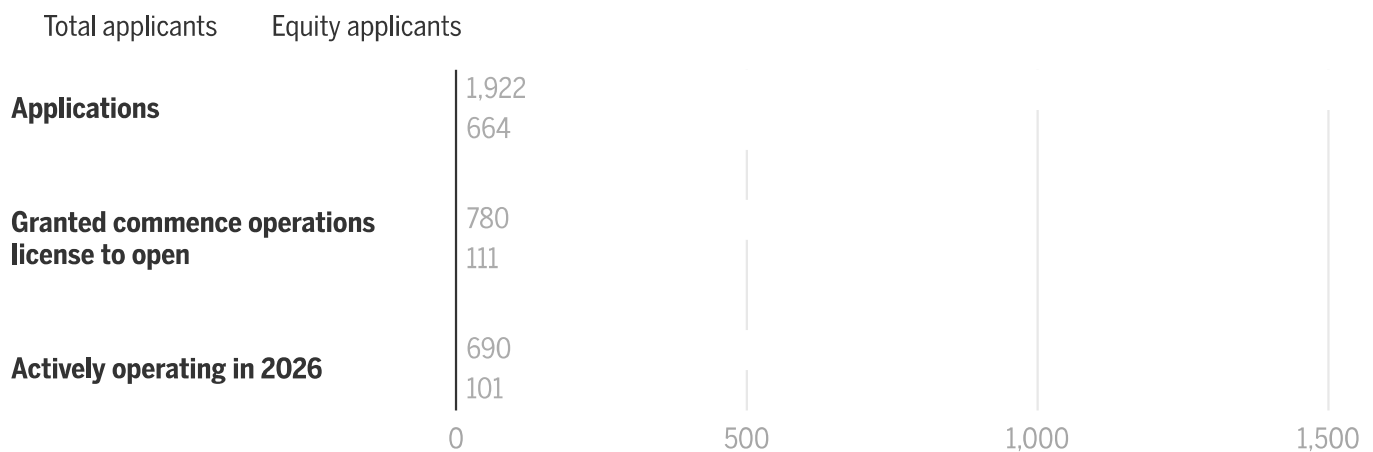
Ulysses Youngblood, president of Major Bloom in Worcester, has three cannabis licenses for retail, manufacturing, and courier businesses. JONATHAN WIGGS/GLOBE STAFF

When recreational marijuana was legalized in Massachusetts, making the industry equitable was front and center. [Groundbreaking programs](#) were put in place to help communities disproportionately harmed by the war on drugs benefit from legal weed, and many thought these efforts would lead to major windfalls.

More than seven years later, however — as a [ballot measure](#) to kill recreational weed works its way toward voters in November — these progressive reforms have not led to the economic justice many had hoped for.

Of [690 open cannabis businesses](#), a Boston Globe analysis found, about 15 percent — 101 — are owned by people in the state’s two primary equity programs, aimed at entrepreneurs and workers in the largely Black and Latino communities targeted by drug arrests, as well as those with marijuana convictions. This access represents progress, advocates say, but equity businesses have not been able to gain a strong foothold in the industry. A number are barely making it. And many are wondering if long-term success, and influence, is possible.

### Equity programs have led to more than 100 cannabis licenses in Mass.



The equity data includes Economic Empowerment licenses granted in 2018, as well as those issued to participants in the Social Equity Program, which is ongoing. The data is up to date as of Feb. 12, 2026.

Chart: DANA GERBER/GLOBE STAFF • Source: [Cannabis Control Commission](#)

There’s no question that the playing field is more level than it otherwise would be.

Licenses to deliver marijuana have so far been awarded solely to equity applicants, and [a](#)

[recent report](#) found more than half of delivery businesses are owned by people of color. [Cannabis cafe licenses, approved in December](#), will also go exclusively to equity entrepreneurs and other small operators for the first five years, allowing people to legally smoke marijuana in public. The [social equity trust fund](#), which is turning cannabis tax dollars into a form of reparations, has doled out nearly \$29 million in grants of up to \$500,000 apiece, with another round set to be awarded soon.

But many equity participants don't have access to the resources it takes to survive in an increasingly corporate industry dominated by white, wealthy investors. Some have prison records; others jumped in with little business experience.

And the volatility of the industry isn't helping. Retail prices have fallen sharply and competition is increasing. Taxes remain [punishingly high](#), and many banks still refuse to work with cannabis businesses due to the federal ban. The state's Cannabis Control Commission has even started discussing a freeze on new licenses.

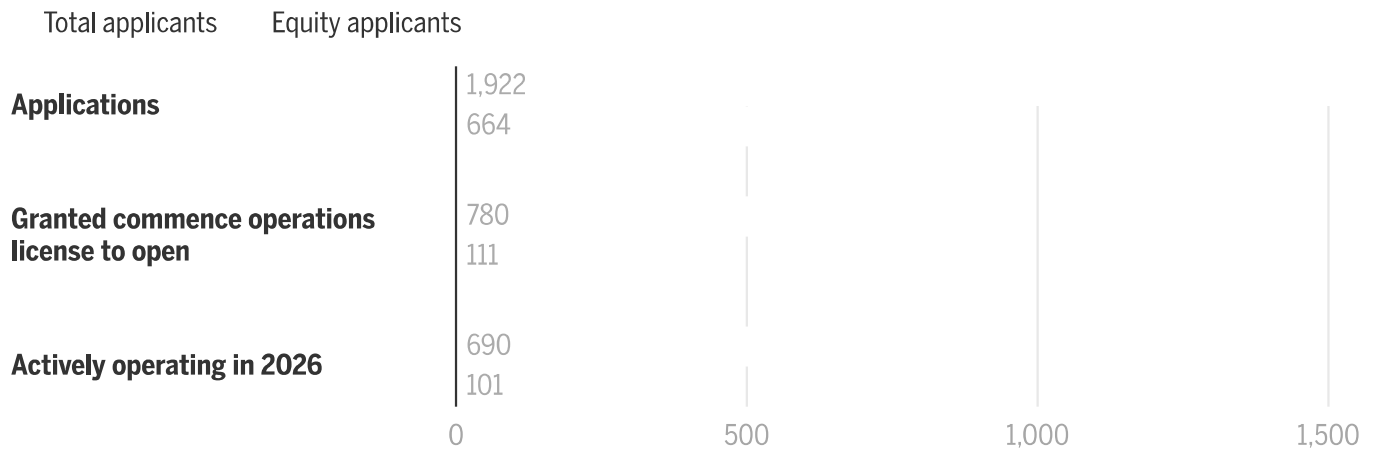
Massachusetts has been heralded as a pioneer in cannabis equity, but being first has come with a steep learning curve. In New York, for instance, where recreational pot sales began about three years ago, strict rules were put in place to limit the power of big cannabis companies. There, retail licenses were initially awarded exclusively to equity applicants, whereas equity dispensaries here had to compete right out of the gate with well-funded medical marijuana providers that had been in business for years, often in prime locations.

Shannon O'Brien, chair of the Cannabis Control Commission, acknowledged the programs have not been fully successful.

"We have not met the mission of promoting social equity," she said.

Of the nearly 21,000 people working in the cannabis industry around the state, [7 percent of general employees identify as Black and almost 10 percent as Latino](#) — lower shares than in the overall population. Senior-level roles are even less diverse.

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Ruben Seyde is the son of Mexican immigrants and grew up in Fitchburg, one of the areas the state considers disproportionately impacted by marijuana arrests. After joining the social equity program, Seyde launched his Clinton-based delivery business, Delivered Inc., in 2023, and thought he'd be able to break even within six months. But an initial rule requiring two workers per vehicle, intended to prevent robberies, drove up costs, and restrictions on delivering to certain communities have limited revenues.

At this point, Seyde, 30, doesn't expect to turn a profit until the end of this year.

"The way that the social equity program was pitched to a lot of us was that it would be an opportunity to build generational wealth or to build some start of stability at a minimum," he said. "The dreams we pictured at the beginning have changed significantly."

Other efforts around the country are also coming up short. More than a dozen states with equity programs have helped expand access to cannabis licenses and limit corporate dominance, but converting them into operational businesses, with power to help shape the market, has been a much bigger challenge.

“They create a lot of false hope, and in a lot of ways they set people up for failure,” said Cory Waggoner, chief executive of Higher Yields Cannabis Consulting, a Denver firm that works with social equity businesses around the country. “Most of [the equity programs] fall flat on their face.”

In Massachusetts, the two main equity efforts are the [economic empowerment](#) initiative, which expedited the licensing process in 2018, and the ongoing [social equity program](#), which has provided free training and reduced fees, along with nonlicense tracks for budtenders and other jobs, to nearly 1,200 people.

Strawnana Gummies in the production area at Major Bloom. JONATHAN WIGGS/GLOBE STAFF

In Worcester, Ulysses Youngblood has used this boost to create a small empire. At Major Bloom, employees make everything from gummies to topical ointments in a gleaming stainless-steel manufacturing kitchen. They sell those products in a storefront brightened by vibrant paintings and also deliver them to customers’ doors. Having three licenses is key to having a sustainable enterprise, said Youngblood, who was kicked out of college for marijuana-related offenses and later got his MBA and worked in corporate sales. Anything else is a “pipe dream.” But many people don’t have the money to do this.

It cost Youngblood \$1.4 million to get up and running, much of which he borrowed from an entrepreneur he played college football with. Because Youngblood had to keep a majority ownership stake to be part of the economic empowerment program, he wasn’t able to turn to investors looking for a sizable share in the business — a conundrum many equity participants face.

Major Bloom’s production manager, Sheldon Straker, had less luck with the social equity program. He wanted to commercialize his patent for a process to make tinctures, but without tools such as an incubator program, his idea never got off the ground.

Training is a huge component of the program, O’Brien said, pointing to an extensive [curriculum](#) for every type of license, all the way up to classes targeting investors and

creating brand awareness.

But for Straker, without a way to test his business model, the program didn't go far enough.

“There's more to the equation of fulfilling this equity promise than just giving people access to education,” he said, the scent of weed thick in the air.

The recreational cannabis industry has generated more than \$8.8 billion in sales since 2018, but [revenues](#) have essentially plateaued over the past two years. Taxes paid by businesses, on the other hand, are still sky-high, with an effective rate of [60 to 80 percent](#). Owners could get some relief now that marijuana is on track to be downgraded to a Schedule III drug federally, which would allow them to [deduct expenses](#) such as rent and wages.

Meanwhile, lawmakers are debating whether to [raise the retail license cap](#) from three to as many as six, which could have a significant impact on equity operators.

Increasing the limit could make the market more attractive for well-funded companies — some of which have already tried to [skirt the license cap](#) — opening the door to owning a larger slice of the industry.

A product called "moon rocks" in the production area at Major Bloom in Worcester. JONATHAN WIGGS/GLOBE STAFF

Equity entrepreneurs are floundering as it is, said Chris Fevry, whose partner in the delivery company Dris has social equity status. An operation allowed to have six dispensaries would “consume everyone,” he said, and push out small businesses.

At the same time, the existing limit could make it harder for owners to sell. Payton Shubrick, chief executive and founder of 6 Brick's dispensary in Springfield, said people assumed she was on track to be a millionaire when she got her license. But it would have made more sense financially to stay at her corporate job, where she could have continued padding her retirement account and building up generational wealth.

She'd like to have the same opportunity to cash in that other companies have, but the three-store license cap limits the number of potential buyers. If she owned a pizza shop, with far fewer regulations, she said, it wouldn't be a problem.

“Having license caps in cannabis has created a dynamic where many groups are struggling and don't have an exit strategy,” she said. “There's no one to sell to.”

Kobie Evans, co-owner of Pure Oasis, the state's first Black-owned dispensary and the first pot shop to open in Boston, disputes this, noting several recent sales. Evans, a former real estate agent from Dorchester, had been counting on a sizable award from the trust fund to open his third dispensary, in Brighton. But when he only got \$50,000 — with little explanation why — he was forced to turn to a high-interest loan.

“We're kind of out over our skis because we thought for sure that we'd get funding,” he said.

Kobie Evans at Pure Oasis on Blue Hill Avenue. In 2020, it became the first recreational dispensary to open in Boston. JARED CHARNEY/FOR THE BOSTON GLOBE

Some business owners admit to being overly reliant on the fund. Ryan Cohen said it was a “death sentence” when his \$300,000 grant application was denied — and he didn't know why; he closed his Hudson delivery operation six months later.

Cities with robust support systems have seen more success. In [Boston](#), where an ordinance requires one equity license to be approved for every nonequity license, and equity operators get free assistance from architects, lawyers, and other experts, half the licensed cannabis enterprises are equity businesses.

Adding licenses for public marijuana consumption to the mix — going just to equity applicants at first — represents one of the biggest opportunities since the industry was legalized, said Shekia Scott, who designed the CCC's social equity program and is now the senior cannabis industry manager for the city of Boston. Cannabis cafes will provide a legal space for occupants of federal public housing — as well as tourists and other renters

— to partake and also allow operators to further broaden their customer base by partnering with coffee shops and other mainstream businesses.

But being the only license holders hasn't been enough for equity owners in the delivery business, which accounts for nearly a third of all equity licenses. A December report from the [Donahue Institute at the University of Massachusetts Amherst](#) found some successes but noted that the exclusivity policy hadn't provided the low barrier to entry or financial feasibility that was intended.

In the beginning of the recreational cannabis industry, equity was all about giving everyone a fair shot at a license, said Damian Fagon, policy director at the Parabola Center for Law and Policy, a cannabis policy think tank based in Malden. But in New York, where Fagon directs the Bronx Cannabis Hub, equity has evolved into an economic development project.

Unlike in Massachusetts, companies that run retail shops in New York aren't allowed to own cultivation or manufacturing businesses, limiting market control for big players with deep pockets; exclusive arrangements are prohibited, meaning one dispensary with the financial means can't corner the market on a popular brand. These guardrails help equity owners compete and gain market power, Fagon said.

“Access doesn't just mean a license,” he said. “It means a viable small business that you can hold onto for generations and has a real stake in shaping the market.”

*This story was produced by the Globe's [Money, Power, Inequality](#) team, which covers the racial wealth gap in Greater Boston. You can sign up for the newsletter [here](#).*

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