

**TRIBAL GAMING IN CALIFORNIA:
MAXIMIZING THE UNIQUE BENEFITS
OF GOVERNMENTAL GAMING FOR
ALL CALIFORNIANS**

**Presentation by
Katherine Spilde, Ph.D.
San Diego State University
December 11, 2013**

TWENTY YEARS OF RESEARCH DATA

Policy Matters

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Mindy Marks and Kate Spilde Contreras¹

Lands of Opportunity: Social and Economic Effects of Tribal Gaming on Localities

Executive Summary

This report describes the social and economic effects of tribal government gaming operations on tribal and local governments in California, comparing changes in key indicators of well-being between 1990 and 2000 across tribal governments in California. It also contrasts these changes in California's tribal governments to those outside the state. These findings suggest that, on the whole, gaming operations have had beneficial effects on the tribes, on communities near gaming facilities, and on California more generally. In particular, the establishment of gaming has had beneficial effects on income levels, poverty rates, employment, and educational attainment. Further, these are progressive effects, meaning that poorer areas received larger benefits than more prosperous areas.

The consequences of tribal government gaming in California are directly related to two identifiable features of the enterprises themselves: 1) the fact that they are owned by tribal governments, and 2) the fact that they must be located on existing tribal trust lands. Tribal government ownership places a natural limit on the growth of casino gaming in California and directs gaming revenues towards socioeconomic recovery in tribal communities and regions. Limiting tribal government gaming to existing trust lands also maximizes gaming's social and economic benefits due to the fact that most Indian reservations in California, even the more prosperous ones, are located in the poorest counties and tracts in the state. However, this also suggests that the benefits of gaming will take some time to elevate the conditions of tribal governments and surrounding areas to those enjoyed by other Americans.

Mindy Marks is assistant professor of economics at the University of California, Riverside. She received her Ph.D. from the Washington University, St. Louis and also researches health economics and applied microeconomics.

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Social and Economic Change on American Indian Reservations in California

A Databook of the US Censuses and the American Community Survey 1990–2010

Draft of

November 15, 2013

NOT FOR RELEASE OR CITATION

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Katherine A. Spilde

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POLICY MATTERS

“Lands of Opportunity: Social and Economic Effects of Tribal Gaming on Localities

- Inter-disciplinary Research Project Sponsored by the Pechanga Band of Luiseño Indians and UCR’s California Center for Native Nations

- Methodology:
 1. Analysis of 1990 and 2000 U.S. Census Data for California Tribal Governments

 2. California Nations Institutional Development and Intergovernmental Relations



“POLICY MATTERS” METHODS & FINDINGS

- Analysis of 1990 and 2000 U.S. Census Data,
- Comparing:
 - CA Tribes pre- and post-gaming;
 - CA gaming and non-gaming tribes;
 - CA Tribes to rest of U.S. Tribes;
 - CA Tribes to all U.S.
- Survey of Tribal and local governments in California

PRIMARY FINDINGS

- Impacts of Indian Gaming in California are directly related to two unique features of the gaming enterprises:
 1. Tribal Government ownership
 2. Location on existing tribal lands

- These features place a natural limit on casino gaming in California and distribute benefits to poorest regions of the state.

SECONDARY FINDINGS

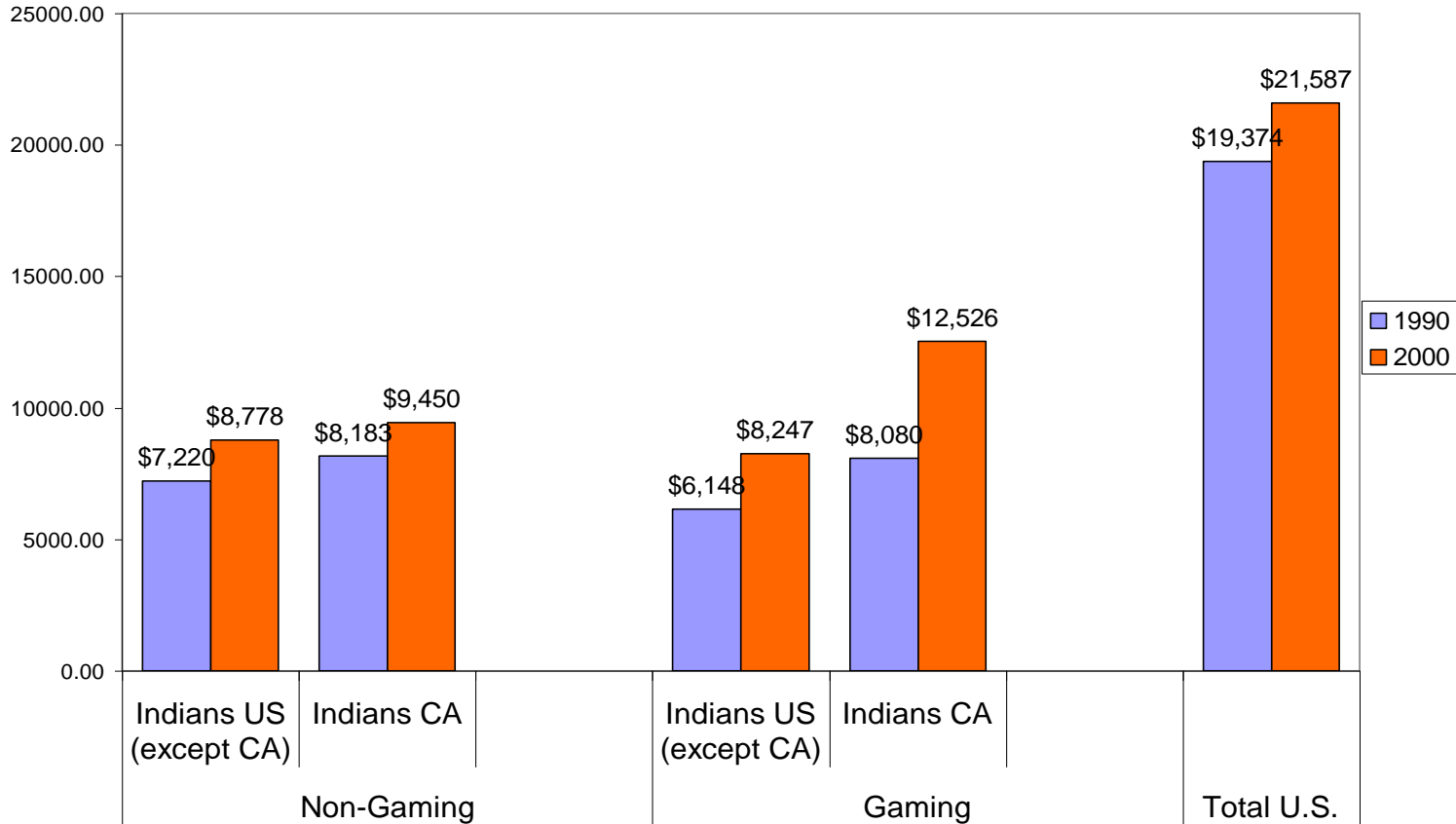
- Establishment of Indian Gaming in California has had beneficial impacts on:
 1. Income Levels
 2. Poverty Rates
 3. Employment
 4. Educational attainment

On and near reservations!

“POLICY MATTERS” CONCLUSIONS

- Lack of a gaming compact in 1990’s resulted in **uneven development** of Indian gaming and increased inequalities between gaming and non-gaming tribes in California;
- This **inequality was addressed** by the 2000 tribal-state compact through the Revenue Sharing Trust Fund (RSTF);
- Survey research on tribal governments in 2005 suggested that payments to the RSTF have been **invested in ways that address these inequalities** and that Tribes without gaming have expanded services at a rate similar to that of Tribes with gaming.
- Benefits of Indian gaming have been substantial for tribal members and their neighbors but **it will take more time** for them to be fully realized;
- Large gaps remain between conditions on Indian reservations in California and those enjoyed by other Americans;
- National data suggests that it would take at least 50 years for Indian Country to “catch up” even at current rate of growth

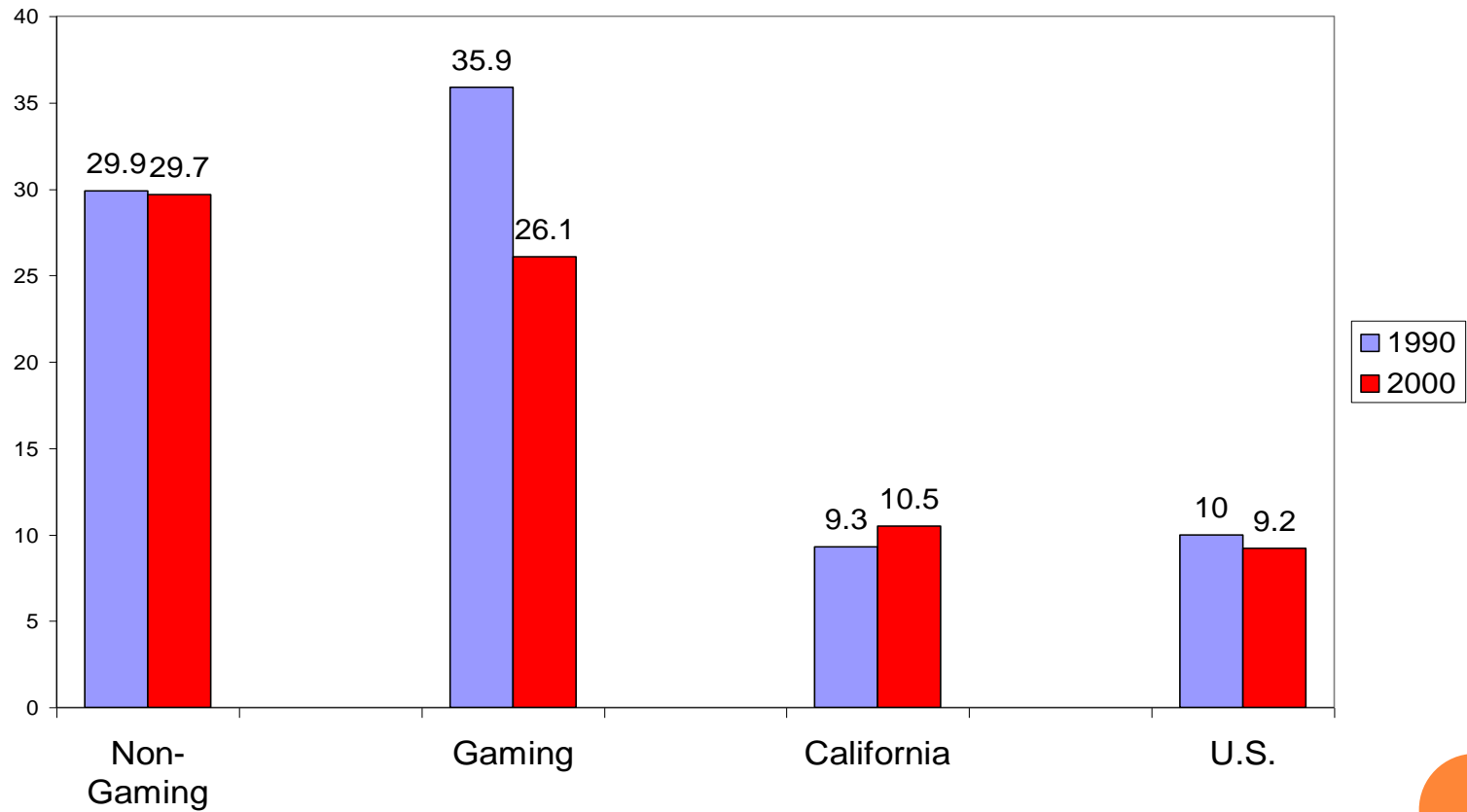
Real average income per capita American Indians on Reservations



- In 1990, CA gaming and non-gaming reservations were similar
- By 2000, fastest growth in CA gaming reservations (55% growth versus 15%)
- In 2000, tribal incomes remained only 53% of national average

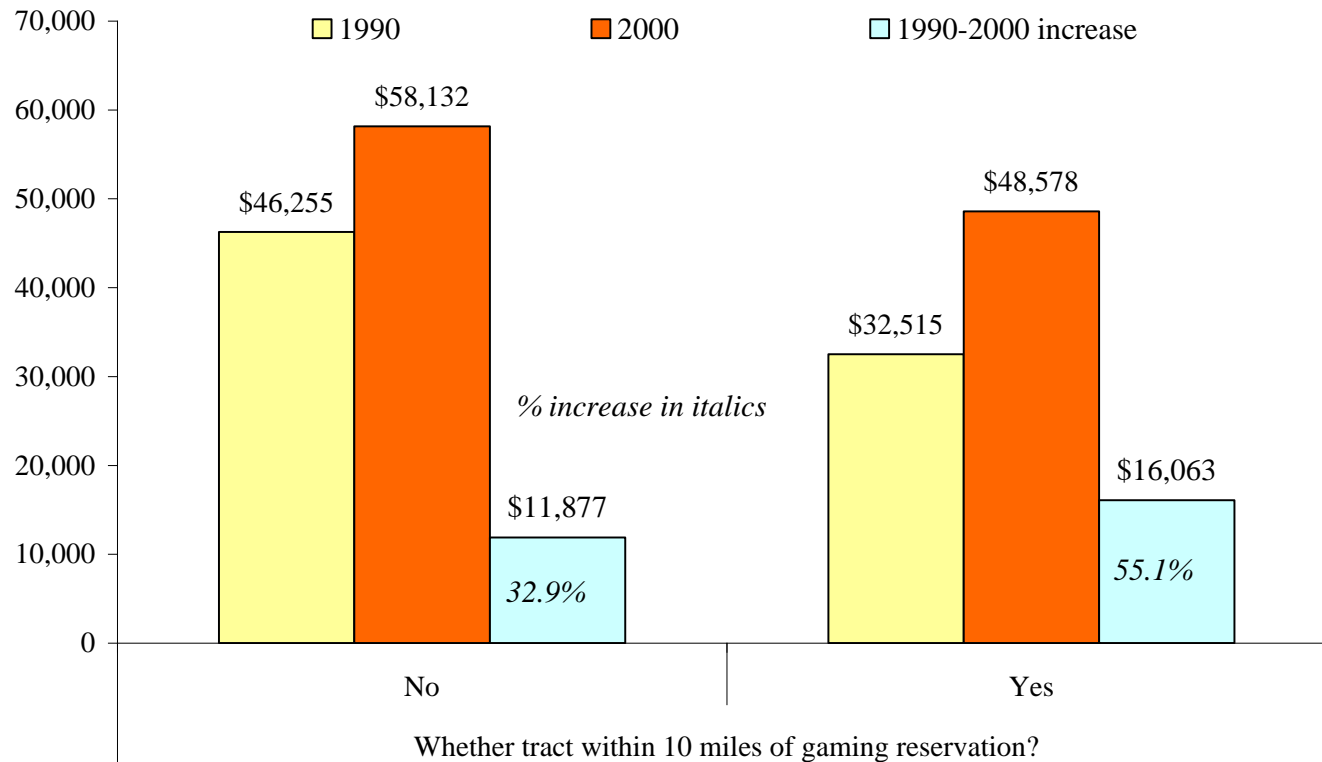
POVERTY RATES REMAINED HIGH IN 2000

Families in Poverty (in percentage)



BETWEEN 1990 & 2000, MEDIAN REAL FAMILY INCOME GREW SIGNIFICANTLY FASTER IN TRACTS CLOSE TO GAMING RESERVATION THAN IN THE TRACTS NOT CLOSE TO GAMING RESERVATIONS...

Median real family income (in constant 2000 \$) in 1990 & 2000, by proximity of tract to gaming reservation



SPILLOVER EFFECTS OF INDIAN GAMING IN CA

- UCR's main finding in **Policy Matters** is that Indian gaming in California *on reservation lands* has brought income and employment benefits not just to the residents of gaming reservations but also to the communities and households residing in close vicinity of the gaming reservations.
- These spillover effects are directly related to placing tribal casinos on reservations lands as supported in the Indian Gaming Regulatory Act (IGRA) and the investment of funds by tribal governments



CHANGES FROM 2000-2010: SPILLOVER EFFECTS GROW

- Significant gains for American Indians on reservations and those who live nearby (Incomes in communities near **reservations with gaming grew significantly (7-11%)** more than those more than 5-10-20 miles away)
- American Indian per-capita income grew to **\$18,361** by 2010 (23% increase since 2000)
- This growth helped close the gap with the **US Average (\$26,893)** although these gains are also due to the drop in national income due to the recession (3% decrease since 2000)



Change in Real Income in the Vicinity of Indian Casinos

California census tracts closer and more distant than 5, 10, and 20 miles

	Income Change 1990–2010	
	median family	per capita
5 miles		
closer	82%	86%
more distant	75%	80%
difference	7%	7%
10 miles		
closer	84%	87%
more distant	74%	79%
difference	10%	8%
20 miles		
closer	83%	88%
more distant	72%	77%
difference	11%	11%

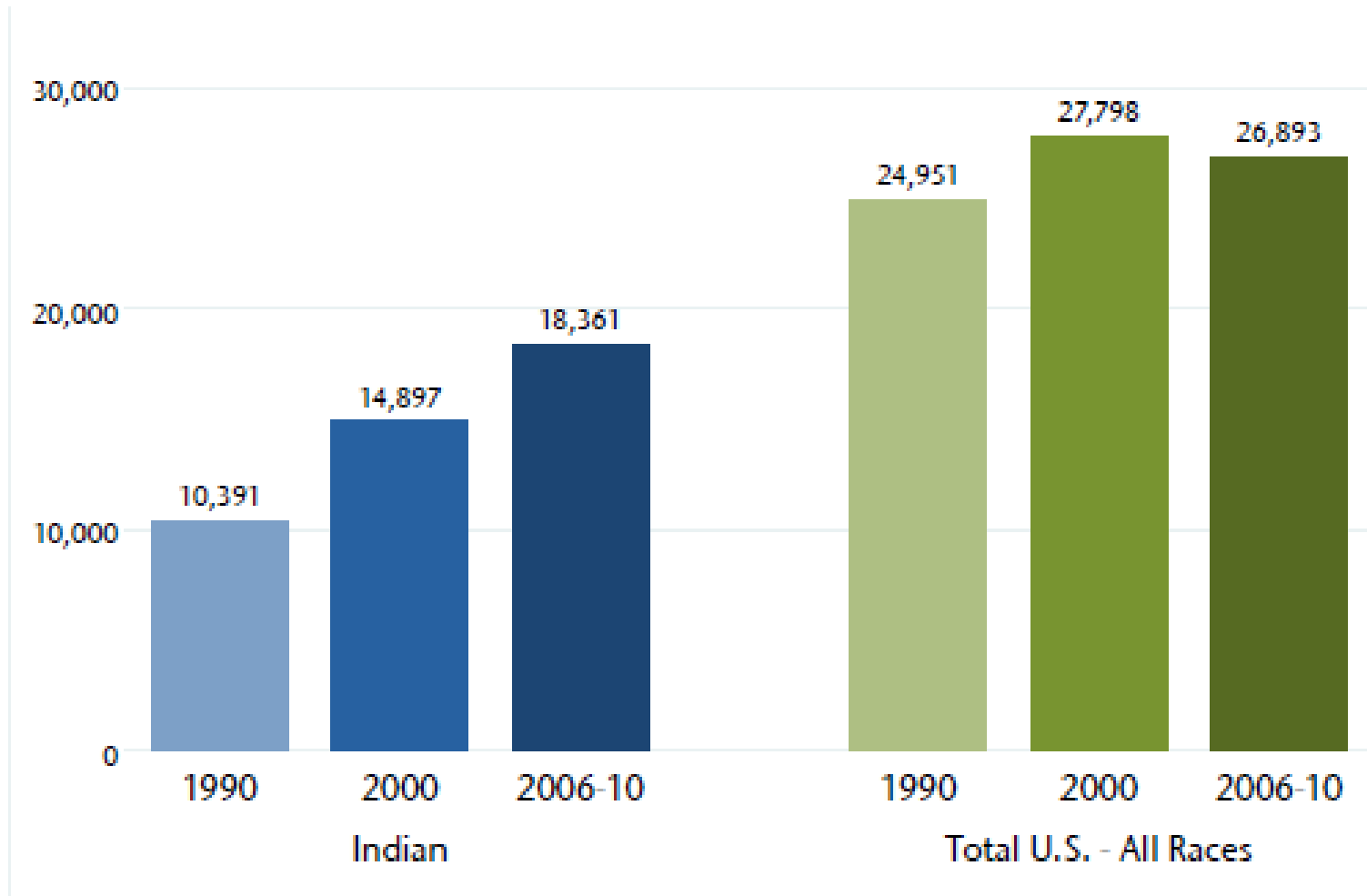


AVERAGE PER CAPITA INCOME

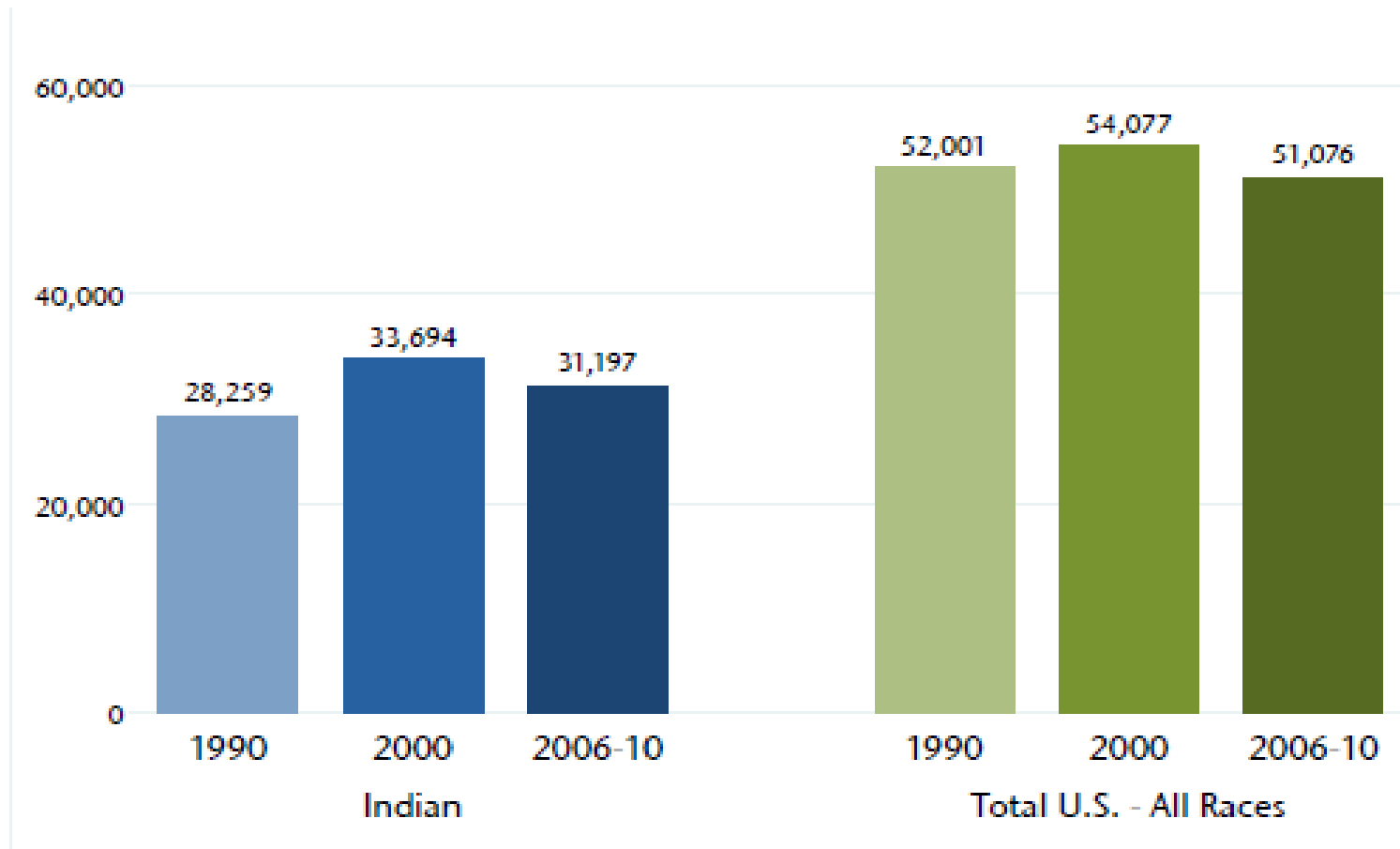
- In communities near Indian reservations with gaming, average income for Californians of all ethnicities **rose more in the 1990s and fell less in the 2000s** than it did for those tracts that were more than 10 miles from a reservation with gaming
- These impacts result from the fact that most American Indian reservations in California, even the more prosperous ones, are generally **located in the poorest counties and tracts in the state.**



Real Per Capita Income California Reservations

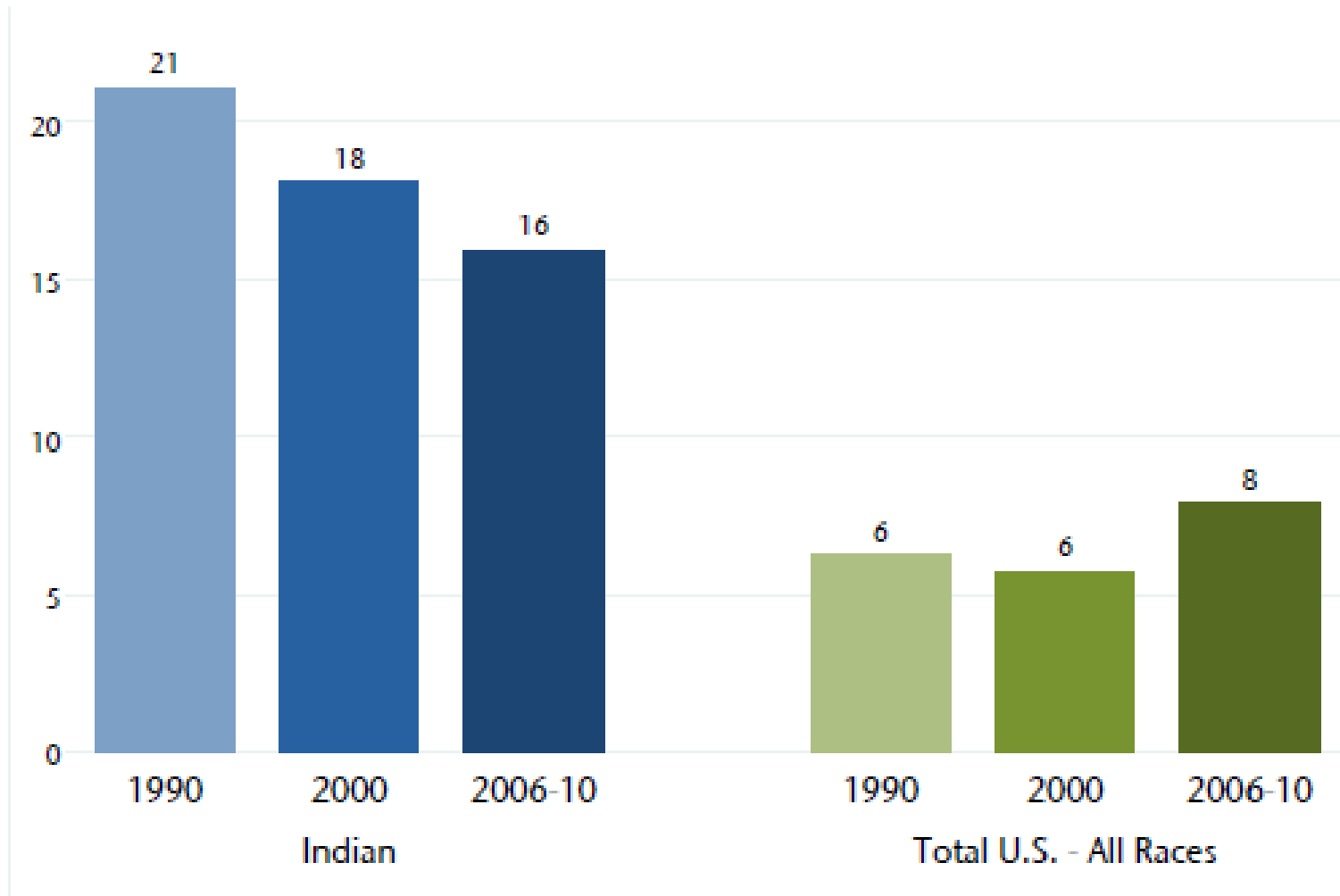


Real Median Household Income California Reservations



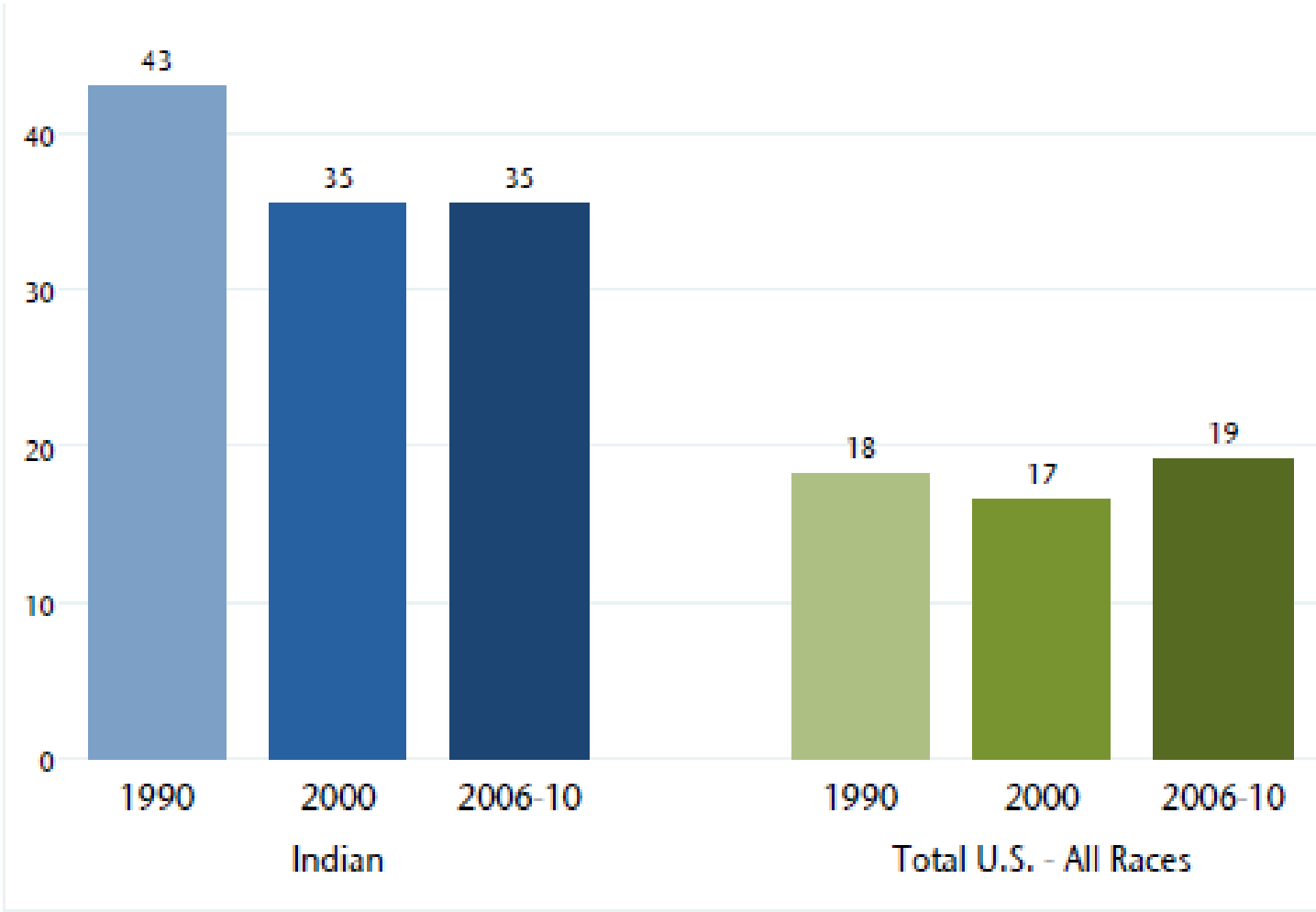
Unemployment Rate

California Tribes

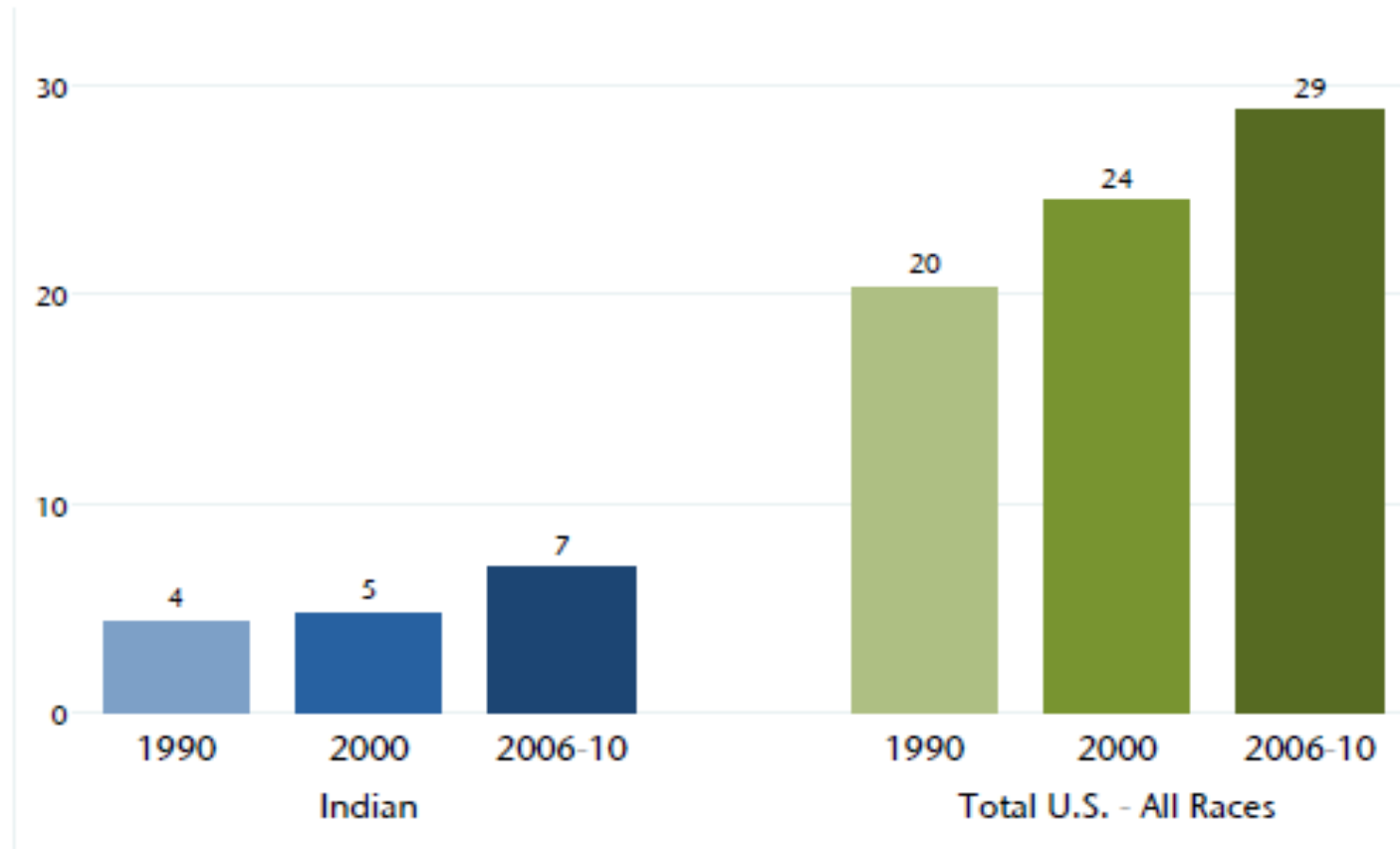


Child Poverty Rate

California Tribes



Percent College Graduates or Higher California Tribes



RECENT PUBLICATIONS FROM SITG



The tribal commitment to demonstrating the social and economic impacts of tribal government gaming in the United States

BY KATHERINE A. SPILDE, PH.D.

On October 17, 1988, when Congress passed the Indian Gaming Regulatory Act (IGRA), it was not possible to predict the profound socioeconomic and cultural changes that would occur on and near American Indian reservations in the United States due to gaming on tribal lands.

Tribal governments have invested gaming revenue wisely and continue to grow out of poverty while making substantial capital investments in tribal communities as well. While the income gap between reservations and the rest of the United States remains large, tribal governments have used the opportunity of tribal government gaming to narrow the gap. By now, it is clear to those both in and outside of Indian Country that the two major policy mandates of the 1988 IGRA (to stimulate economic development and to strengthen tribal governments) have been achieved.

While the impacts of tribal gaming are well-known to the tribal governments and communities themselves, I have had the privilege of working with tribal leaders and organizations to help document, articulate and disseminate the cultural, social and economic outcomes related to gaming for nearly 20 years. For the past five years, as chairwoman of the Sycuan Institute on Tribal Gaming at San Diego State University, I have also had the honor of directing much-needed funding to support important research on tribal government gaming's profound social and economic impacts on communities and cultures.

While there are numerous stakeholders with an interest in tribal gaming's impacts, including Congress, state governments and local communities, it is the tribes' commitment to research about tribal government gaming that stands out in the past 25 years. Rather than allow their stories to be told by outside interests that

Economic Evidence on the Effects of the Indian Gaming Regulatory Act on Indians and Non-Indians

*Katherine Spilde, Ph.D.
Johnathan B. Taylor*

Introduction

The history of United States policy displays a pattern of great swings between the federal government's support for the self-determination of American Indian governments and its attempts to dissolve or suppress it. While the 1970's ushered in what is often referred to by those who work in Indian affairs as the "self-determination era," tribes could count on little federal support for tribal government enhancement or development despite significant demonstrated need. In the 1980's, as Indian households lost ground relative to mainstream America, many tribes began to take matters into their own hands by exercising sovereignty, strengthening their governmental autonomy and stimulating their economies.

The most high profile of these tribally driven self-determination efforts in the late 1970's and early 1980's was the introduction of tribal gaming in a few key states, including Florida, Minnesota and California. After establishing through the courts that tribal civil regulatory authority extends to permitted gambling in these (and all) states, tribal governments expanded and developed a robust gambling industry, acting to create jobs, rebuild their native nations, revitalize their cultures, and achieve other community objectives.¹ When Congress passed the Indian Gaming Regulatory Act (IGRA) in 1988, some tribal leaders perceived the state compacting provision required for casino-style gaming on tribal lands as an erosion of tribal sovereignty that could undermine their early economic development successes and disrupt a precariously success federal-tribal relationship with regard to tribal self-determination.²

In hindsight, however, the substantial growth and myriad positive impacts of the first twenty years of tribal gaming under IGRA reveal the ways that the federal regulatory

15 YEARS OF RESEARCH ON TRIBAL GAMING:
THANK YOU
SYCUAN BAND OF THE KUMEYAAY NATION
FOR YOUR SUPPORT!

January, 2013:

Western Indian Gaming Conference
at Morongo Casino

April, 2013:

National Indian Gaming Association
in Phoenix, AZ

May, 2013:

International Conference on
Gambling and Risk Taking in LV

August, 2013:

Oklahoma Indian Gaming
Association in OKC

September, 2013:

Global Gaming Expo in LV

November, 2013:

Arizona Indian Gaming Association

