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## New study looks at the impact gaming is having on the Inland Empire

By [Daniel Macht](#)

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A new economic-impact report commissioned by an Indian consortium says tribal gaming has brought tens-of-thousands of jobs and more than \$4 billion in revenues to Riverside and San Bernardino counties.

The Economic Activities and Impact study was prepared by the Rose Institute of State and Local Government at Claremont McKenna College. It was financed by the Tribal Alliance of Sovereign Indian Nations (TASIN).

"It is important that people understand the impact that [gaming] has on the economy," said David Huntoon, a fellow at the Rose Institute.

Critics of tribal gaming, such as Cheryl Schmit, director of Stand Up For California, says the picture painted by the study is incomplete. "Studies like these don't look at everything when they're commissioned by the tribes." She said the report doesn't address such indirect issues as "traffic, water, sewage and transportation issues--specifically on the I-10."

The study could provide ammunition to counter arguments that tribes are getting richer at the expense of surrounding communities, which may have been one of the goals of the study in the first place, says Barbara O'Connor, communications professor at CSU Sacramento.

"This study isn't going to persuade unions or people who don't like gambling ... but it is good for governments who want to know that the casino won't be a drain," said O'Connor, who said she believes the findings are unique.

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The 10 casinos in the two counties--two of the most important tribal-gaming areas in California--represented nearly one-fifth of the 54 gaming facilities in California in 2004, but housed more than one-quarter of all slot machines in the state.

The study aims to demonstrate the positive direct and indirect economic impacts of tribal gaming, not just on the tribes themselves, but also on surrounding communities.

Together, the direct and indirect impact of tribal operations created 103,061 jobs, paid \$2.1 billion to individuals and led to \$2.5 billion in purchases for the communities of Palm Springs, Temecula, San Bernardino, Hemet, San Jacinto, Highland, Indio, Riverside, Palm Desert, Coachella and Murrieta.

Direct impacts on communities include "the number of workers employed by the tribal governments, wages and benefits paid to these employees and expenditures on tribal government programs," the report says. Nine of the 12 federally recognized tribes in these two counties operated casinos and employed 16,135 individuals in 2004. The Agua Caliente Band of Cahuilla Indians owns two casinos. The tribes paid out \$753 million in wages and benefits and "purchased \$765 million in goods and services from suppliers, in the course of tribal operations."

"The tribes' activities indirectly resulted in the employment of 86,926 individuals with wages and benefits totaling \$1,334,206,514," says the report.

Other key findings: \$18.7 million in state personal-income taxes directly generated by tribal activity in California, and \$33 million in income taxes indirectly attributed to the casinos.

\$9 million in California corporate-income taxes and \$20 million in sales taxes, both indirectly generated by gaming tribes.

O'Connor believes that this Indian-commissioned report is "a good tool" for the tribes because "if you can take away the economic argument, that's fine. ... It goes a long way to dispelling the belief that Indians don't contribute their fair share."

Indian gaming has been in effect since the 1980s in the form of bingo and card games. After a series of legal battles and congressional legislation over issues of sovereignty and regulation, voters in California approved Proposition 1A in March of 2000. This changed California's constitution "so that California tribal governments received the exclusive right to conduct casino gambling in California in accordance with federal law and the terms of the tribal-state compact," the report said.

Recent compacts that Gov. Schwarzenegger signed with tribes to allow more slot machines are on hold until next year because of a dispute with organized labor.

Prior studies have focused on the direct economic impact of tribal gaming on the tribes themselves. Analysis Group Economics, referenced in the Rose Institute study, reported in 1998 that "the average unemployment rates among California gaming tribes dropped from 52.4% to 27% with the advent of tribal gaming." Also, the same study found that, "public assistance of tribal members among gaming tribes decreased from 60% to 19%."

According to the Rose Institute's report, "revenues from Indian gaming provide tribal governments the ability to provide low cost housing, health care, schools, scholarships," and "support a revival of tribal culture, tradition and language."