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The Intricacies of Indian Gaming:
An Indian Perspective

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**The Intricacies of Indian Gaming:
An Indian Perspective**

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The purpose of Indian Gaming and the development of tribal casinos is to improve conditions that exist in Indian Country.

- Indian gaming is non-profit.
- The Indian Gaming Regulatory Act (25 U.S.C. sct 2701-2721) controls the distribution of Indian Gaming revenue.

Why is Indian Gaming necessary?

- Indian Country is one of the last pockets of massive unemployment, burgeoning crime rates, and overwhelming poverty left in the United States
- Indian gaming has proven to be the most successful economic opportunity for Indian Country to date

The Economic Challenges Facing Indian Country

- Indian Country is Underemployed
 - Unemployment exceeds 50% on many reservations.
 - In 2006, the overall unemployment rate for American Indians was 9.3% as compared with an average of 5.1% nationwide.
- Unemployment is attributable to issues such as:
 - geographic isolation
 - lack of economic investment
 - lack of transportation

Indian Country is poor

- More than one quarter of all American Indians (and more than 35 % of all American Indian children) live below the poverty line
- These numbers are very high compared with the national average of 12.6%
- In 2000, the annual median earnings of American Indians was \$29,000, as compared with \$37,000 for all workers.

Indian Country is young

- The median age of American Indians living on tribal lands is 25, as compared with the national median of 35 years.
- About 33% of the American Indian population is under the age of 18, as compared to 26% of the total population.

Indian Country is under-educated

- Approximately 55% of American Indian youth fail to complete high school within 6 years. The drop out rate for all students was 11% in 2000.
- More than 33% of American Indians living in tribal areas did not have a high school education as compared with 20% of the total population.

The resultant web of issues

- More than 22% of American Indian juveniles have engaged in illicit drug use as compared with the national average of 10%;
- 14% have engaged in 'binge drinking' as compared with the national average of 10%;
- 15% of reservation-based Native American juveniles reported some level of gang activity.
- The Indian youth suicide rate is 3 times higher than the national average.

American Indian Tribal Governments must 'Stop the Cycle'

- Tribal governments must address the web of social and psychological problems that exist in Indian Country
- Given Federal cutbacks, this can only be done through income generated by successful economic development

Indian gaming is one of the few successful tribal economic development strategies that have worked.

- Between 1988 and 2006, Indian gaming grew from a \$100 million business to one that exceeds \$25.7 billion in gross revenue
- Indian gaming has directly created more than 248,000 jobs.
- An estimated 420,000 jobs have been created indirectly.

Economic Impact of Indian Gaming

- For the years 1990-1998:
 - The poverty rate in counties with reservations fell from 16.7 percent in 1989 to 14.2 percent in 1995.
 - The median household income (for all families) in counties with Indian gaming increased 30 percent
 - The use of food commodities increased 8.2% for those reservations with casino-style gaming, but more than 57 % for reservations without casino gaming.
 - The number of Indian households receiving food stamps in gaming states increased by 5.6 %, but the increase was 17.7 percent for Indian families in non-casino states.

Why not gaming?

For some tribes casino gaming may not be the answer.

- Many tribes are located far from populated areas, and opportunities are limited.
- For others gaming is not culturally compatible. It may violate traditional values or beliefs, and thus not be a feasible approach to economic opportunity.
- For some, the potential harm to tribal members from the proximity of gaming enterprises outweighs the potential benefits. Depression, alcoholism and suicide ideation are rampant in Indian Country, thus there exists the danger of exacerbating problem gaming behaviors among tribal members.

Why is Gaming an Indian decision?

- Tribal sovereignty
- Marshall Trilogy
- Principles of Indian sovereignty

Indian Gaming Regulatory Act (25 U.S.C. sects 2701-2721) (IGRA)

- The three classes of Indian Gaming
 - Class I-social games with prizes of minimal value, or traditional Indian games of chance
- Class II-bingo, electronic or not, and card games
 - Class III-any other form of gaming, including slot machines, banked card games, and other forms of electronic games of chance

Legally allowable uses of Indian gaming revenue

- To fund tribal government operations or programs
- To provide for the general welfare of the tribe and its members
- To promote tribal economic development
- To donate to charitable organizations; or
- To help fund operations of local government agencies

Per capita payments to tribal members

- Per capita payments may be made only with the approval of the Secretary of the Interior after all other tribal needs have been met and if the interests of minors and other legally incompetent tribal members are protected.
- Of the more than 550 federally recognized tribes in the United States, only 130 have casinos, and of these, only 73 (one-fourth) of Tribes engaged in gaming distribute per capita payments to tribal members. For few of these tribes is there a significant per capita payment.

Legal History of Indian Gaming

- *California v. Cabazon Band of Mission Indians* (480 U.S. 202)
- *Seminole Tribe of Florida v. State of Florida* (517 U.S. 44).
- Tribal/State compacts

State problem gaming programs

- Arizona gaming tribes gave \$87 million to state problem gaming programs through state-tribal compact agreements in 2005.
- During the first quarter of the 2006-2007 fiscal year, the total contributed by Arizona gaming tribes was \$25,524,692, of which \$510,493 was used by the state to address problem gaming

Tribal problem gaming programs

- American Indian tribes have self-funded a number of programs to combat problem/pathological gaming.
- These programs include:
 - nonprofit counseling services and help lines
 - Self-exclusion programs
 - Casino outreach programs for customers
 - Casino programs to identify customers with problem gaming behaviors,
 - Certification programs for tribal employees to become certified to treat problem gamblers
 - Casino programs for employees with problem gaming behaviors

Indian Gaming as the New Buffalo