The Contributions of Indian Gaming to Oregon's Economy in 2018 and 2019

A Market and Economic Impact Analysis for the Oregon Tribal Gaming Alliance

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Section 1 Executive Summary

Assignment

The Oregon Tribal Gaming Alliance ("OTGA") is a coalition of Indian Tribes. Since 2003, they have engaged ECONorthwest to calculate the impacts of Tribal casinos on Oregon's economy, their support of tribal members, and their contributions to Oregon charities. This report covers the years 2018 and 2019.

OTGA members provided audited data on the Tribes and casinos, which ECONorthwest totals for its analysis. ECONorthwest also compares tribal casinos with all other forms of gaming. It does this by assembling data from a wide array of sources including the Oregon Lottery, National Indian Gaming Association, Oregon State Police, the U.S. Department of Transportation, the Nevada and Washington State gambling commissions, Oregon Racing Commission, and the Oregon Department of Justice. The U.S. Bureau of Economic Analysis is the source used for population and personal income. They revised some past year data, which resulted in small differences from the previous impact studies ECONorthwest did for the OTGA. Visitor volume estimates for casinos were also provided by Placer.ai—an aggregator of cell phone location data.

Major Findings

In 2019, eight Tribes operated ten gaming facilities in Oregon. Eight were casinos and two were Class-II (video bingo machine) facilities. Besides gaming, the tribe's casino businesses offered other amenities including hotels, restaurants, RV parks, golf courses, shops, conference centers, movie theaters, and other entertainment venues.

In 2019, Tribal casinos and resorts employed 4,571 workers and paid them $238.3 million in wages and benefits. In addition, earnings from gaming paid for about a fourth of total tribal government services covering $43.9 million in compensation for 635 employees in Oregon.

Since Tribes employ almost exclusively Oregonians and mostly buy goods and services from Oregon businesses, tribal gaming had major indirect impacts on the rest of the state economy. In addition to their direct impacts, in 2019 tribal gaming positively influenced many aspects of the state's economy:

- Tribal gaming directly and indirectly supported 10,873 jobs statewide earning $556 million in wages, benefits, and self-employment earnings.
- Tribal gaming indirectly supported businesses and governments in Oregon by an amount totaling $784.9 million in output—not counting what the Tribes made.
- Over 6.6 million visits were made to Oregon casinos in 2019 including more than 1.2 million visitors from out of state.
- Tribal gaming impacted government revenues including $34.9 million for the state of Oregon, $16.4 million for local government, and $108.5 million for the federal government.
- Tribal casinos spent $12 million on gaming regulation. Tribes paid $1.6 million to the Oregon State Police and over $300,000 to federal government gaming regulators.
- Including casinos, hotels, restaurants, and other amenities, tribal gaming businesses reported $641.9 million in revenue. From that, the casinos provided $182.9 million to their Tribes; most of it paying for member healthcare, social services, and public works.
- Tribes donated and granted over $8 million to local charities in 2019 and $163.7 million since 1992—the year the first casino opened in Oregon.
- Tribal casino hotels sold over 434,440 room nights to guests visiting the rural Oregon communities where their hotels are located.
- While successful, the dominance and competitive advantages of the Oregon Lottery eroded the market share of tribal casinos from its peak of 35.5 percent in 2002 to 29.6 percent in 2019.

Section 2 Oregon Casinos and Tribes

There are nine federally recognized Tribes based in Oregon. Eight operate casinos. The first casino opened twenty-seven years ago.

Although Tribes are sovereign nations, the State of Oregon exercises considerable control over the size and location, types of games, regulations, and other important features of tribal casinos. To build and run a casino, a tribe and the Governor must first negotiate an agreement or compact (currently, in Oregon, these are called "Class-III Gaming Compacts") that determines the key features of the casino. Class-III games cover most of the games found in casinos: video lottery terminals (VLTs), roulette, craps, blackjack, keno, and the like. VLTs are commonly known as slot machines.

There is another type gaming called Class-II. Tribes, not the State, have full control over Class-II games. With Class-II games, players compete against one another rather than against the house (casino). Examples include poker, bingo, and raffle games. Beside live bingo games, bingo can be networked electronically and run-on machines that simulate VLTs. There are two facilities in Oregon that contain all Class-II bingo VLTs. Class-III casinos can also have Class-II VLTs, but they are uncommon.

Casinos in 2019

Casinos are located on tribal lands, which are mostly in non-urban areas. The average town in Oregon that had a tribal casino in 2019 had 7,574 residents. Because of their locations, Tribes are major drivers of the rural Oregon economy through their employment and spending, and ability to stimulate tourism. Figure 1 is a map of the casinos that operated in 2019.

Figure 1: Tribal Casinos in Oregon, 2019

Table 1 lists the names, locations, tribal ownerships, and opening dates of the tribal gaming facilities operating in 2019.[1] In addition, the table lists the number of hotel guest rooms. Statewide there were 1,413.

Table 1: Tribal Casinos in Oregon, 2019

Casino	City	Population	Tribe	First Opened	Hotel Rooms
Chinook Winds	Lincoln City	8,795	Confederated Tribes of Siletz Indians	May 1995	243
Indian Head	Warm Springs	3,350	Confederated Tribes of Warm Springs	May 1995	-
Kla-Mo-Ya	Chiloquin	740	The Klamath Tribes	July 1997	76
Plateau Travel Plaza*	Madras	6,380	Confederated Tribes of Warm Springs	April 2018	-
Seven Feathers	Canyonville	1,975	Cow Creek Band of Umpqua Tribe of Indians	April 1994	300
Spirit Mountain	Grand Ronde	2,003	Confederated Tribes of Grand Ronde	October 1995	197
The Mill	North Bend	9,925	Coquille Indian Tribe	May 1995	203
Three Rivers Casino	Florence	8,850	Confederated Tribes of the Coos, Lower Umpqua & Siuslaw Indians	June 2004	93
Three Rivers Coos Bay*	Coos Bay	16,700	Confederated Tribes of the Coos, Lower Umpqua & Siuslaw Indians	May 2015	-
Wildhorse	Pendleton	17,020	Confederated Tribes of the Umatilla Indian Reservation	Nov 1994	301
Average population		7,574		Total rooms ->	1,413

** Class-II gaming facility.*
Sources: ECONorthwest, STR Global, and OTGA members.

[1] Opening dates refer to a tribe's first gaming operations whether in a permanent or temporary facility. The Wildhorse and Chinook Winds casinos started in temporary structures. Three Rivers also began in a temporary structure that was replaced with a permanent casino building in late 2007. The Warm Springs relocated to a new casino in 2012.

The first Indian gaming facility in Oregon was the Cow Creek Bingo Hall. It opened April 1992 in Canyonville; a town 28 miles south of Roseburg. On April 29, 1994, the Seven Feathers Casino replaced the bingo hall. Other casinos quickly opened. By the end of 1995, five other Tribes had their own casinos.

The Burns-Paiute Tribe opened the Old Camp Casino August 1998 in Burns, Oregon. The casino closed November 25, 2012.

The Confederated Tribes of Warm Springs opened a casino at the Kah-Nee-Ta Resort in 2001. The casino closed in 2011. It was replaced with a new casino in Warm Springs in February 2012.

In April 2018 the Warm Springs opened a Class-II gaming facility in the Plateau Travel Plaza in Madras. On May 2015, the Confederated Tribes of the Coos, Lower Umpqua, and Siuslaw Indians opened a Class-II gaming facility in Coos Bay.

The initial gaming compacts limited Tribes to only one type of casino table game—blackjack. In January 1997, the Grand Ronde negotiated a change that allowed them to install roulette, craps, and other casino table games in exchange for funding a charitable foundation with a share of the casino's profits. Since then, the Coos, Lower Umpqua, and Siuslaw, the Siletz, Cow Creek, Coquille, and Umatilla have amended their compacts similarly.

Casino Capacity

Tribes in Oregon operated eight Class-III casinos and two Class-II gaming facilities in 2019. They held 7,465 VLTs. The Oregon Lottery had 11,530 VLTs spread over 2,186 locations throughout Oregon. The Lottery also had 3,203 active keno retailers. Five casinos also offered keno. Tribal casinos had 114 house-banked table games (*e.g.,* blackjack, craps, roulette), 19 poker tables, and 1,365 seats in five bingo halls. All ten tribal facilities had restaurants and lounges with total seating capacity for 4,501.

Table 2: Oregon Tribal Casino & Lottery Gaming Capacity, 2019

Gaming Venue in Oregon	VLTs	Table Games	Poker Tables	Bingo Seats	Keno Wagering Outlets	Sports Book	Restaurant & Lounge Seating
Tribal casinos							
Chinook Winds	1,075	19	3	600	1	1	775
Indian Head	490	6	-	-	-	-	120
Kla-Mo-Ya	345	3	-	-	-	-	50
Plateau Travel Plaza*	30	-	-	-	-	-	25
Seven Feathers	962	22	-	360	1	-	984
Spirit Mountain	1,729	26	9	180	1	1	804
The Mill	690	12	-	-	-	1	504
Three Rivers Casino	595	12	3	100	1	-	475
Three Rivers Coos Bay*	260	-	-	-	-	-	20
Wildhorse	1,204	14	4	125	1	-	744
Total Tribal Gaming	7,380	114	19	1,365	5	3	4,501
Oregon Lottery:							
At lottery retailers	11,530	-	-	-	3,203	-	-

** Class-II gaming center.*
Sources: OTGA members, casino websites, and the Oregon Lottery.

The number of VLTs at tribal casinos peaked at 7,611 in 2015 and has since declined. The Oregon Lottery also reduced the number of VLTs in the last four years, as shown in Table 3

Table 3: Trends in Gaming Capacity, 2011 to 2019

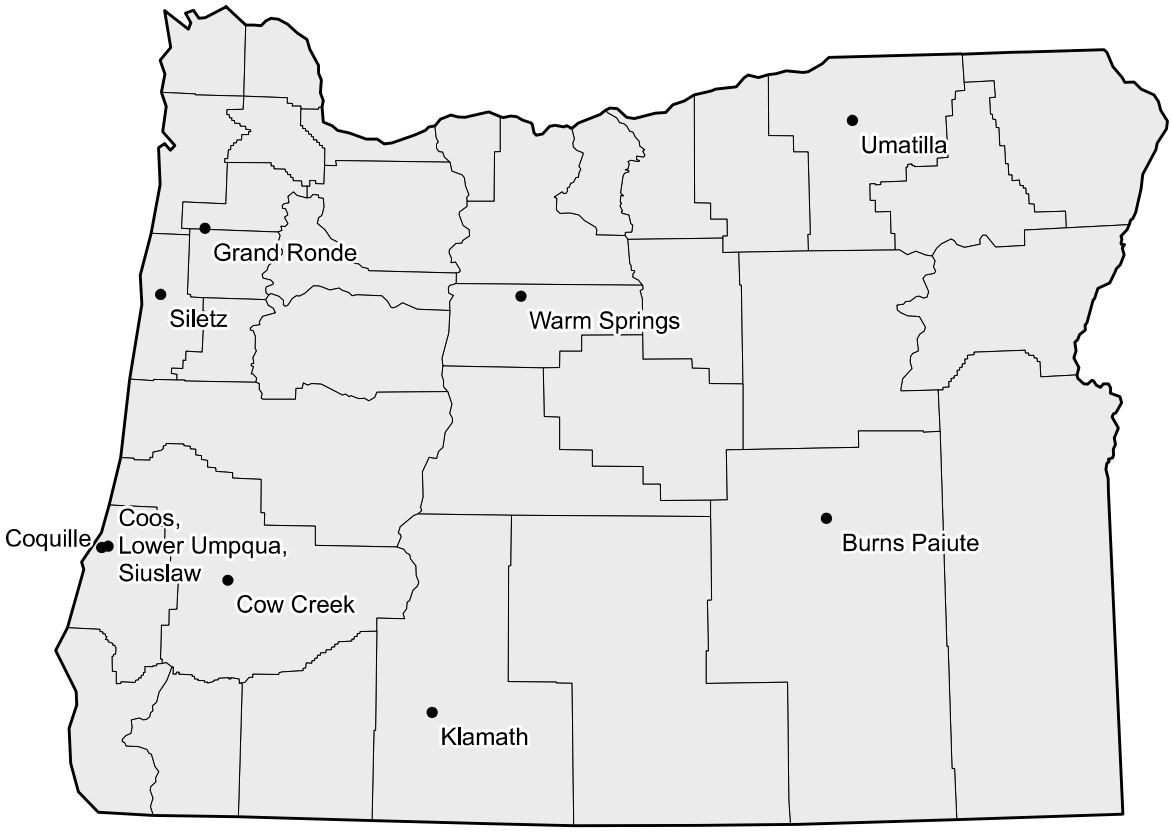
Game Type and Location	2011	2012	2013	2014	2015	2016	2017	2018	2019
At Tribal Casinos:									
VLTs*	7,439	7,411	7,611	7,395	7,611	7,583	7,465	7,382	7,380
Table games	116	117	111	113	111	113	113	111	114
Poker tables	38	28	28	23	23	20	20	20	19
Bingo seats	1,323	1,329	1,047	1,287	1,287	1,823	1,705	1,365	1,365
At Oregon Lottery Retailers:									
VLT machines	12,145	12,113	11,944	11,911	11,907	11,926	11,742	11,619	11,530
Video Lottery retailers	2,323	2,296	2,259	2,245	2,232	2,233	2,222	2,200	2,186
All retailers	3,901	3,907	3,848	3,843	3,939	3,920	3,932	3,918	3,913

** Includes Class-II bingo VLTs.*
Sources: OTGA members, casino websites, and the Oregon Lottery.

Tribes in Oregon

Figure 2 is a map showing the principal locations of the nine federally recognized Tribes that are based in Oregon. Beside the areas noted on this map, most Tribes have land parcels that are not contiguous to these principal locations.

Figure 2: Tribes based in Oregon, locations of headquarters



Sources: ECONorthwest and websites of tribal governments.

In addition to the nine Tribes, a portion of the Fort McDermitt Paiute Shoshone Indian Reservation extends into the southeastern Oregon. That tribe, however, is based in Nevada. Also, the Celilo-Wyam, a non-federally recognized intertribal Indian community, has joint use of the Celilo Village trust land property in Wasco County near the site of the former Celilo Falls.

The Burns Paiute Tribe

The 420 members of the Burns Paiute Tribe descend from the Wadatika band of Paiute.[2] They lived and seasonally migrated over a vast 5,200 square mile territory.[3] It extended from the Cascade Mountain Range in central Oregon to the Payette Valley north of Boise, Idaho; and from southern parts of the Blue Mountains near the headwaters of the Powder River north of John Day, to the desert south of Steens Mountain.

In 1873, a 1.8 million-acre Malheur Reservation was formed in southeastern Oregon for the Tribes of the region. This land was taken from the Tribes. In the winter of 1879 over 500 Paiute were marched to Washington and forced to relocate on the Yakama Reservation and Fort Vancouver. Many of those at Fort Vancouver subsequently were relocated to the Warm Springs Reservation.

Many of the members of the Wadatika band on the Yakama Reservation moved back to Burns. In 1928, a local land company gave the Burns Paiute 10 acres of land just outside the city. In 1969, after a 35-year court case, the tribe was awarded a small sum of money for the lands taken from the Malheur Reservation. In 1972, the Burns Paiute were recognized as an independent Indian Tribe. Today the Burns Paiute reservation covers just 770 acres north of the city of Burns in Harney County. The tribe's Old Camp Casino Washington was located there.

The Burns Paiute opened the Old Camp Casino in August 1998 using a previously closed casino moved from the Lummi Nation in Bellingham, Washington. Physical deterioration and a weak local market led to the Tribe to close Old Camp on November 25, 2012. The Burns Paiute Tribe hopes to build a new casino.

The Confederated Tribes of the Coos, Lower Umpqua, and Siuslaw Indians

The Coos, Lower Umpqua, and Siuslaw Indians are three Tribes organized into a confederation of 1,271 members. They occupied southwest Oregon coastal areas along the three major rivers in Coos, Douglas, and Lane Counties that were named after the Tribes.

In 1855, coastal Tribes signed a treaty with the U.S. Government, but a year later the Rogue River War broke out south of Coos Bay and the U.S. Army, in a preemptive strike, rounded up the Coos Indians and forced them to live in an encampment. The Lower Umpqua Indians were soon forced in as well. Both Tribes later refused to relocate to the Siletz Reservation and, instead, joined the Siuslaw Indians. In 1918, the three Tribes formed a confederation and pursued land claims they were entitled to under the 1855 treaty.

Under a program by the Eisenhower administration in the 1950's, the U.S. Congress terminated the Confederated Tribes of Coos, Lower Umpqua, and Siuslaw Indians along with all other Tribes of western Oregon. In 1984, after a long battle, the status of the Confederated Tribes of Coos, Lower Umpqua, and Siuslaw Indians was restored.

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[2] Tribal membership for the Burns Paiute and other Tribes as reported in the 2021 2022 Oregon Blue Book available at https://sos.oregon.gov/blue-book/Pages/national-Tribes-coos.aspx

[3] https://www.burnspaiute-nsn.gov/

The Coos, Lower Umpqua, and Siuslaw operate the Three Rivers Casino & Hotel off Highway 126 a mile east of Florence. The casino opened in 2004, was expanded and added a hotel in 2007, and has plans to expand its hotel and add an RV park. In 2015, they opened a 15,000 SF Class-II casino in Coos Bay.

Coquille Indian Tribe

The Coquille Indian Tribe descended from people who inhabited the watershed of the Coquille River system, which covers approximately the region around the present-day cities of Bandon, Coos Bay, and North Bend on the southern Oregon coast.

The tribe signed treaties with the U.S. Government in 1851 and 1855, which ceded 700,000 acres of ancestral territory, however, the treaties were never ratified by Congress, so the Coquille were denied a permanent homeland. The tribe was terminated by the Eisenhower administration in 1954, but then subsequently restored by Congress in June 1989. The Coquille Indians were then able to acquire several land parcels.

The Coquille Indian Tribe has 1,113 members and owns the Mill Casino-Hotel and the Mill RV Park in North Bend, Oregon. It overlooks the Coos Bay waterfront off highway US-101. The casino has prospered because it offers highly competitive accommodations on the southern Oregon coast and is a much-needed entertainment venue for locals. The Coquille Tribe completed a hotel and casino expansion that doubled its hotel capacity in 2008 and increased the overall beauty and functionality of its gaming area.

Cow Creek Band of Umpqua Tribe of Indians

For well over a thousand years, the Cow Creek Umpqua Indians occupied the inland areas of what is today Douglas County, Oregon. There are about 1,760 members of the Cow Creek.

In 1853, soon after the discovery of gold in southwest Oregon, the tribe entered a treaty which ceded their land to the Federal Government for 2.3 cents an acre—a tiny fraction of the true market value at that time. Three years later, the Cow Creek Umpqua Indians, along with the other Tribes in western Oregon and parts of California, were rounded up and forced onto a reservation created in Grand Ronde.

In 1954, Congress terminated the Cow Creek Band. After a long battle, the Federal Government reversed its position and disavowed termination. In 1982, the Cow Creek Band was restored.[4] The tribe fought the Federal Government over the 1853 land claims and received about $1.3 million.

The Cow Creek Band borrowed $825,000 from the U.S. Bureau of Indian Affairs in 1991 to help pay for the construction of a bingo hall which later became a casino. The Seven Feathers Hotel & Casino Resort is right off exit 99 on Interstate-5, which makes it very accessible to residents of Roseburg, Medford, Ashland, and Grants Pass, as well as travelers driving through the area on busy Interstate-5. Highly successful, the resort completed an expansion in 2009 and now has 300 rooms.

[4] https://sos.oregon.gov/blue-book/Pages/national-Tribes-cow-creek.aspx

Confederated Tribes of Grand Ronde

The Confederated Tribes of the Grand Ronde Community of Oregon ("Grand Ronde") is comprised of nearly 30 Tribes and bands whose traditional homelands extend from northern California to the north shore of the Columbia River. It is the largest tribe based in Oregon, having about 5,567 members.

The antecedent Tribes and bands of Grand Ronde, including the Kalapuya, Umpqua, Molalla, Rogue River, and Chasta, ceded their homelands to the United States through seven ratified treaties: 1853 Treaty with the Rogue River, 1853 Treaty with the Umpqua – Cow Creek Band, 1854 Treaty with the Rogue River, 1854 Treaty with the Chasta, Etc., 1854 Treaty with the Umpqua and Kalapuya, 1855 Treaty with the Kalapuya, Etc., and 1855 Treaty with the Molalla.

With the treaties came the forced removal in 1856 of Tribes and bands to an area that would become the Grand Ronde Reservation (President James Buchanan's executive order of June 30, 1857, official established the Grand Ronde Reservation). The Reservation, (approximately 69,000 acres) was on the eastern side of the Coast Range, on the headwaters of the South Yamhill River, about 60 miles southwest of Portland, and about 25 miles from the ocean. Over time, much of the original Reservation land was stripped from Grand Ronde by ill-conceived federal policies.

In 1954, Congress terminated the federal recognition of the Grand Ronde Tribes. The Tribal members were left with little more than a ten-acre cemetery and maintenance shed. Their federally recognized status was gone, but the people of Grand Ronde continued as a community and Tribal leaders worked tirelessly to restore the Grand Ronde's status as a federally recognized tribe.

Their efforts led to the signing of the Grand Ronde Restoration Act on November 22, 1983. Five years later, President Ronald Reagan restored 9,811 acres of the original Reservation to Grand Ronde.

Grand Ronde owns and operates Spirit Mountain Casino, which is on the main east-west route between Portland and Lincoln City. It is the largest casino in Oregon. Each year, Grand Ronde dedicates six percent of the casino profits to the Spirit Mountain Community Fund, which supports non-profit organizations in western Oregon. Since the fund was established in 1997, Grand Ronde has given over $82 million to assist Oregon non-profit groups and civic institutions.

Since opening in 1995, Spirit Mountain Casino has undergone four major expansions culminating in a new events center and hotel addition in 2009. In 2016, the casino underwent a major renovation that included Oregon's first separate non-smoking area. Spirit Mountain is one of the largest employers in the Polk-Yamhill County area.

The Klamath Tribes

For thousands of years, the Klamath Basin of southern Oregon has been the traditional homeland for the Klamath Tribes, who are composed of the Klamath Tribe, the Modoc Tribe, and the Yahooskin Band of Snake Indians. There are about 5,200 members of the Klamath Tribes.[5]

After decades of hostilities with newcomers, the Tribes ceded 23 million acres in 1864 and moved to a 1.8-million-acre reservation. The Klamath Tribes were very resourceful and built highly successful cattle and lumber operations on their lands.

By the 1950's, the Klamath were one of the wealthiest Tribes in the country. That ended abruptly when the U.S. Congress passed the Klamath Termination Act. The Klamath Tribes were restored in 1986, but their land was not returned. In early 2009, they owned 890 checker-boarded acres in trust.

Gradually, the Klamath Tribes are rebuilding their economy. In 1997, they opened their first business since termination—the Kla-Mo-Ya Casino, named for an acronym of the three Tribes.[6] Kla-Mo-Ya is off US-97, the main north-south route of central Oregon, in the town of Chiloquin. The casino is a popular gaming destination for residents in the Klamath Falls area but has also become an attraction for tourists traveling on the highway. In 2010, to encourage more travelers to visit, the Klamath Tribes opened the 7,800 square foot Crater Lake Junction Travel Center, which sells fuel, convenience items, food, and services for truck drivers. In November 2018, they opened a 76-room hotel.

Confederated Tribes of Siletz Indians

The Siletz are a federally recognized confederation of many bands originating from northern California, western Oregon, and southwest Washington. In 1856 they ceded 19 million acres to the U.S. and agreed to confederate on the Siletz Reservation on the central Oregon Coast.

In 1865 and 1875, 900,000 acres of the "permanent reservation" were opened to settlement by presidential and congressional actions. Additional lands were lost through allotment and forced fee policies. By 1912, over half of the Siletz Indian allotments were no longer Indian owned.

The Confederated Tribes of Siletz Indians were terminated in 1954-56, but in 1977, the Siletz became the first tribe in Oregon and second in the U.S. to gain restoration. The Siletz have a 3,666-acre reservation in Lincoln County and 5,080 members.[7]

The Confederated Tribes of Siletz Indians operate the Chinook Winds Casino in Lincoln City—a major coastal tourist community. They recently acquired and renovated a large oceanfront hotel next to the casino and have added a golf course and RV park to their repertoire of visitor amenities.

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5 https://sos.oregon.gov/blue-book/Pages/national-Tribes-klamath.aspx

6 https://www.casinocareers.com/clientsb.php?OurClients_ID=44

7 http://www.ctsi.nsn.us/chinook-indian-tribe-siletz-heritage/

Confederated Tribes of the Umatilla Indian Reservation (CTUIR)

The Confederated Tribes of the Umatilla Indian Reservation was established in 1855 by a treaty signed by the U.S. Government and the Cayuse, Umatilla, and Walla Walla Tribes. The three Tribes occupied over 6.4 million acres of the Columbia River Plateau of southeastern Washington and northeastern Oregon. Of the 510,000 acres that were set aside in the 1855 Treaty as the Umatilla Indian Reservation, only 174,874 acres remain part of the Reservation, and non-Indians own 40 percent of that. Tribal enrollment is about 3,152.

The CTUIR government provides a broad array of services to Reservation residents and the region including:

a) Police, fire, and emergency response services throughout the Reservation.
b) A Natural Resources Department that protects and manages fisheries, wildlife, cultural resources throughout the Tribe's aboriginal lands.
c) A Science and Engineering Department that oversees clean-up of the Hanford Nuclear Reservation and the Umatilla Chemical Depot.
d) Medical, dental, and mental health services offered at the Yellowhawk Tribal Health Clinic.
e) The Nixya'awii Community School providing culturally sensitive high school education to Reservation students.
f) A Tribal Court system that adjudicates civil and criminal disputes within the Reservation.
g) Housing services for low-income families.
h) Social services to meet the needs of the elderly, children, and families in need; and
i) Tribal regulatory agencies regulating land use, water use and permitting, public health and safety, gaming, and other regulatory functions.

The Tribal government employs approximately 450. The CTUIR owns and operates the Wildhorse Resort & Casino, which is located off Interstate-84 a few miles east of Pendleton – the largest city in Umatilla County. The Wildhorse Resort includes a golf course, RV park and hotel. Immediately adjacent to Wildhorse are the tribally owned and operated Tamástslikt Cultural Institute and the Arrowhead Travel Plaza providing additional attractions and services to Wildhorse patrons. Wildhorse draws visitors from the Tri-Cities and Walla Walla Washington area as well as the steady stream of tourists and truck drivers who travel I-84.

Wildhorse completed an expansion in September 2011 with a 10-story 202-room hotel, five-screen cinema, swimming pool, more casino floor space, and retail stores. They recently added a bowling center, food court, family-friendly arcade, event center, and a new golf clubhouse with a restaurant and banquet room. A second hotel tower is on the drawing boards.

The Confederated Tribes of Warm Springs

The Confederated Tribes of Warm Springs consist of three distinct Tribes. The Wasco and Walla Walla (later called the Warm Springs) bands lived along the Columbia River and its tributaries; they often would trade with one another; but they had separate cultures and languages. The Paiute occupied the high deserts of southeastern Oregon and rarely had contact with the Wasco or Warm Springs.

In 1855, the U.S. government and the Wasco and Warm Springs Tribes signed a treaty, which created the Warm Springs Reservation. It is located south of the Columbia River between the Cascade Mountains and the Deschutes River in north central Oregon. In 1879, the U.S. government began settling Paiute Indians from Fort Vancouver onto the Warm Springs Reservation. The three Tribes, in 1937, organized themselves as The Confederated Tribes of Warm Springs Reservation of Oregon. Enrollment is 5,363.

The Warm Springs built forest products and tourism businesses on their reservation. In 1964 they opened Kah-Nee-Ta Village near a natural hot spring deep in Indian Head Canyon. In 1972, they added the 139-room Kah-Nee-Ta Lodge. They added casino gaming at the lodge in 1995.

The Warm Springs closed the casino at Kah-Nee-Ta in early 2012 and replaced it with the Indian Head Casino. Located 14 miles from Kah-Nee-Ta, the new casino is larger and easier to get to for most travelers. The Warm Springs opened a travel center in 2018. It includes a large convenience store/gift shop, truck and passenger vehicle refueling area, café, and a 30-machine Class-II gaming center.

Gaming Regulation and Surveillance

Indian casinos in Oregon are highly regulated — considerably more so than commercial casinos. Oregon Tribes account for 54 percent of all the money spent annually on gaming regulation; even though their casinos accounted for less than 30 percent of the gaming done in the state.

There are three independently acting entities directly involved in regulating the operations of tribal casinos in Oregon. The first are the gaming commissions. They are independent of casino management, but part of tribal government. Commissions license employees, monitor games to ensure legal compliance and fairness, establish control standards, and conduct audits.

The second regulator is the Tribal Gaming Section of the Oregon State Police ("OSP"). The OSP monitor casinos, run background checks on casino employees and suppliers, and ensure the integrity and fairness of games. Fees negotiated with the Tribes totaled $1,556,605 in 2019. Manufactures of gaming equipment paid $478,940 to the OSP. Both covered the costs of the Tribal Gaming Section.

The National Indian Gaming Commission ("NIGC") is an independent agency of the federal government that regulates tribal casinos. The NIGC's mission is to see that Indian Tribes are the fair beneficiaries of gaming revenue, assure that gaming is conducted honestly, and to shield Tribes from corrupting influences. They do this by conducting audits, private investigations, and background checks. The NIGC is funded entirely by Indian casinos. Tribes in Oregon paid $305,272 to the NIGC.

Statewide, $22.2 million was spent on all forms of gaming regulation. Of this, tribal casinos paid $12 million. The Oregon Lottery spent $4 million. The state spent about $5.7 million regulating charitable gaming and horse racing in 2019.

Table 4: Gaming Regulatory Spending in Oregon, 2018 – 2019

Gaming Regulators in Oregon	2018	2019
Regulatory costs paid by tribes:		
Oregon State Police - tribal gaming section	1,531,461	1,556,605
Individual tribal gaming commissions	10,019,315	10,128,899
National Indian Gaming Commission	306,518	305,618
Paid by Oregon Tribes	$11,857,294	$11,991,122
Oregon Lottery:		
Payment to Oregon State Police from Lottery	$3,637,534	$3,520,307
Security services	74,213	80,668
Other lottery security expenses	241,521	395,272
Total OR Lottery regulatory costs	$3,953,268	$3,996,247
OSP regulation paid by gaming machine vendors	398,750	478,940
Charitable bingo, raffles & fundraisers	2,952,458	3,126,467
Horse racing	3,211,300	2,580,564
Total Gaming Regulation	$22,373,069	$22,173,340

Sources: Oregon Lottery, Oregon Tribes, Oregon State Police, and Oregon Legislative budget reports.

Section 3 Economic Impacts

In Oregon, Indian Tribes rely on gaming to maintain their independence and self-sufficiency. In addition to stable, well-paying jobs, tribal gaming supports a range of essential services. These include healthcare, housing, and education. Gaming revenues also go toward improving local infrastructure and benefitting charitable organizations.

Gaming operations also help the state economy. Tribal resort casinos are major contributors to Oregon's tourism industry. They attract visitors who bring new money into the state economy, some of which would not occur without gaming. Tribal gaming provides employment, improving standards of living, and decreasing reliance on state and federal assistance in the rural communities where casinos operate.

This section describes the economic and fiscal impacts of tribal gaming in 2018 and 2019. The principal drivers of these impacts are the spending, contributions, and jobs supported by the casinos and their associated hotels and related businesses. In addition, we include similar spending and employment created at tribal government levels that are paid for through the revenues from gaming.

Economic Impact Analysis

The economic impact analysis calculates how tribal gaming affects the Oregon economy. This is accomplished using complex computer software that models economic transactions between individuals and businesses. The software used for this analysis is called IMPLAN. It relies on public economic data to track money as it circulates within the state.

The economic model created using IMPLAN was customized to reflect the specific expenditures of Oregon casinos, tribal governments, and affiliated businesses. For example, tribal casinos in Oregon spend more on employee benefits, charitable contributions, and government services than privately owned casinos elsewhere. Customizing using actual Oregon tribal data addresses such differences.

Tribal casinos purchase goods and services and pay their employees. This generates subsequent impacts elsewhere in the economy as the recipients of the casinos' spending make purchases of their own. This re-spending process continues until the money is eventually saved, taxed, or spent outside the state.

Economic impact analysis uses specific language to refer to different measurements of economic activity:

- **Output** is the broadest measure of economic activity. Output is the value of goods and services produced. For tribal gaming facilities, output is the sum of gaming, lodging, and restaurant revenues. For this analysis, tribal government output is the portion of government spending paid for by gaming activity.

- **Labor Income & Benefits** are employers total payroll costs, including workers' salaries, benefits (*e.g.*, health insurance and retirement accounts), and payroll taxes plus the earnings of self-employed workers.

- **Jobs** include both full-time and part-time employees and those that are self-employed. One job consists of 12 months of full-time or part-time work. For example, one person working 12 months or two people working 6 months both count as one job.

Types of Impacts

The IMPLAN software measures three types of impacts, according to their relationship to the initial activity at tribal casinos:

- **Direct impacts** are the activities occurring at tribal casinos and their affiliated businesses. These include casino employees, their wages, and total casino revenues. Direct impacts also count the activities of tribal government that are paid for with casino revenues.

- **Indirect impacts** are the businesses-to-business transactions that occur because of tribal gaming. When an Oregon casino purchases goods and services from other Oregon businesses, the amount of these sales represents indirect output. These businesses will purchase additional goods and services; this spending results in additional rounds of indirect impacts. Because they represent interactions among businesses, these indirect effects are often referred to as "supply-chain" impacts.

- **Induced impacts** are purchases of goods and services by household incomes. The direct and indirect impacts increase employment and income in the state of Oregon, thereby inducing further consumption. Casino and tribal government employees, for example, will use their income to purchase groceries or take their children to the doctor. These induced impacts are often as consumption-driven impacts.

It is important to note that this analysis measures the gross impacts. Gross impacts include all economic impacts attributable to tribal gaming, regardless of what impacts would have occurred without the casinos. In other words, the impacts in this report do not consider potential substitution effects. An example would be a casino visitor who, in the absence of tribal casinos, would visit another Oregon entertainment destination.

Tribal Operations in 2018 and 2019

Tribal casinos in Oregon had net revenues of $641.9 million in 2019—an increase of $39.6 million from two years earlier. Table 5 shows revenue and expenditure details for tribal casinos in 2018 and 2019. Note there was an increase in construction spending in 2019. Since construction is often financed through borrowing or by using reserve funds accumulated in past years, the sum of expenditures can sometimes exceed total revenues. This happened in 2019.

Table 5: Tribal Casino Revenues and Selected Expenditures, 2018 and 2019

Revenues & Expenditures	2018	2019
Revenues		
Gaming	$528,660,655	$537,725,665
Food & beverage sales	77,330,003	77,733,710
Hotel & lodging	41,885,875	44,467,230
Gift shops, recreation & other	22,302,729	23,889,478
Less complimentary goods & services	(41,880,157)	(41,894,990)
Total Net Revenue	$628,299,104	$641,921,093
Selected Expenditures		
Labor	$229,589,243	$238,332,090
Utilities	11,412,161	11,148,301
Advertising, marketing, & sales	42,081,545	40,492,165
Costs of goods sold	39,539,665	39,676,389
Repairs & maintenance	7,208,119	6,984,789
Supplies	9,887,697	10,125,927
Professional services	5,178,723	5,402,286
Entertainment	6,011,674	6,122,793
Construction & equipment purchases	38,919,420	59,357,035
Other operating expenses	59,085,404	51,622,120
Tribal government & support	161,072,533	182,930,227

Source: Tribal reports and estimates by ECONorthwest.

Labor is the largest cost facing casinos. Other major expenditures include utilities, marketing, entertainment, construction, and the cost of goods sold, such as food and soft drinks. About $182.9 million from gaming operations in 2019 went to tribal government and tribal member support. This includes remittances to tribal government to pay for tribal healthcare, social services, education, and basic operations. It also includes community contributions and payment to tribal members and elders to help offset rising living expenses.

In addition to what is shown on Table 5, casinos used revenues to pay for charitable donations, plan new projects, pay back debts, and make new investments.

Tribal casino employees earned over $238.3 million in wages, tips, and benefits working in Oregon during 2019. Of that, $32.2 million paid for the healthcare expenses of 4,571 workers. Table 6 shows the breakdown of labor expenditures. The average total compensation per employee in 2019 was $52,138. Of that, $37,103 came as wages, salaries, and tips while $15,035 were employer-paid benefits.

Table 6: Oregon Tribal Casino Labor Costs, 2018 and 2019

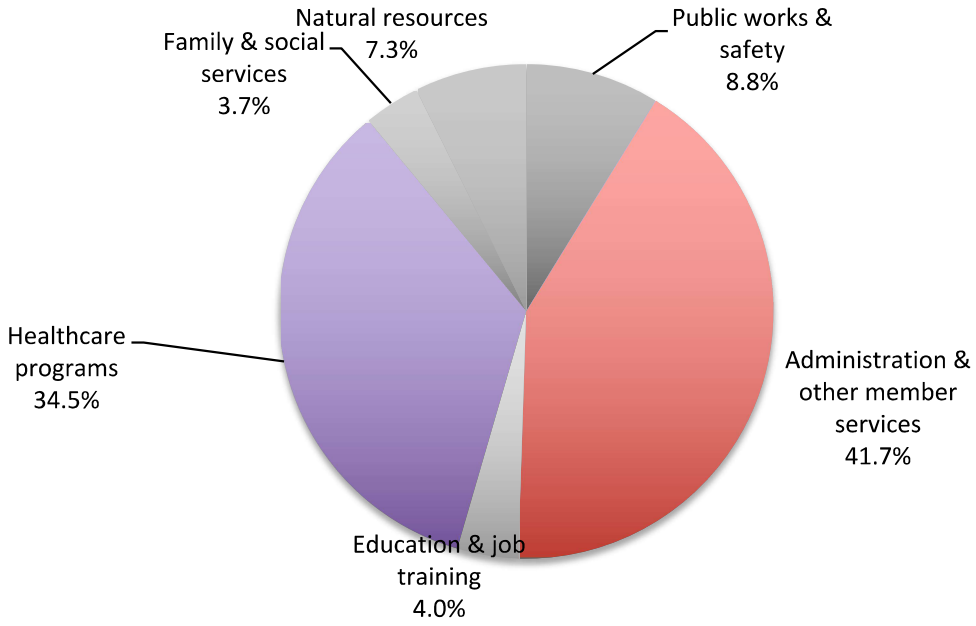
Labor Statistics	2018	2019
Casino Labor Costs		
Wages, salaries, and tips	$163,917,758	169,604,217
Employer-paid payroll taxes	14,141,852	14,810,091
Healthcare benefits	30,824,706	32,227,202
Retirement, benefits & compensation	20,704,927	21,690,580
Total employer paid compensation	$229,589,243	$238,332,090
Average number of employees	4,553	4,571
Per Employee		
Total compensation paid by casinos	$50,430	$52,138
Wages, salaries, and tips	36,005	37,103
Benefits & taxes paid by casinos	14,425	15,035
Employee-paid income & other taxes	7,030	7,245

Source: Tribal reports and estimates by ECONorthwest.

Tribal Government Support

Out of the $182.9 million in 2019 tribal gaming businesses gave back to their Tribes, $98.6 million went directly to pay for tribal government programs. The two largest uses were healthcare and general Tribal government services. Public works, law enforcement, social services, housing, natural resources, and other needs accounted for the remainder. The shares of tribal needs aided by funds earned by casinos and resorts are shown in Figure 3.

Figure 3: The Allocation of $98.6 Million in Gaming Dollars for Tribal Needs, 2019



Results of the Impact Analysis

Table 7 summarizes the impacts tribal gaming had on Oregon's economy in 2018 and 2019. The table shows the direct impacts, which are those occurring at the casinos and the portion of impacts by tribal governments that are financially supported by gaming. The casinos and the portion of tribal government paid with money earned by casinos ripples throughout the state economy as businesses and households spend and re-spend money. The results are the indirect and induced impacts. Those impacts affect every facet of the economy and all industry sectors including state and local government. The sum of the direct, indirect, and induced impacts is the total impact on Oregon's economy.

Table 7: Impacts of Tribal Gaming on Oregon, Millions $, 2018 and 2019

	2018			2019		
Economic Activity	**Output**	**Labor Income & Benefits**	**Jobs**	**Output**	**Labor Income & Benefits**	**Jobs**
Direct Impacts						
Gaming & hospitality	$628.3	$229.6	4,553	$641.9	$238.3	4,571
Tribal needs supported by casinos	161.1	38.0	573	182.9	43.9	635
Direct Impacts	$789.4	$267.6	5,126	$824.9	$282.3	5,206
Indirect & Induced Impacts						
Natural resources, utilities & construction	$57.0	$14.8	327	$82.6	$26.6	580
Manufacturing	17.1	3.4	64	19.1	3.8	66
Wholesale & retail trade	97.8	38.6	1,174	104.9	40.9	1,171
Finance, insurance, real estate & services	312.0	92.5	1,863	351.5	103.2	2,036
Restaurants, bars, hotels & campgrounds	82.9	25.9	837	76.4	23.8	805
Schools and local, state & federal government	70.6	46.3	530	81.3	58.7	674
All other Industries*	63.7	15.9	283	69.1	16.8	335
Indirect & Induced Impacts	$701.1	$237.5	5,077	$784.9	$273.7	5,667
Total Impacts	$1,490.4	$505.1	10,203	$1,609.8	$556.0	10,873

Source: IMPLAN analysis of tribal data by ECONorthwest.
** Utilities, transportation, healthcare, media, entertainment, charities & others.*

In 2019, tribal gaming directly contributed $824.9 million in economic output, 5,206 jobs, and $282.3 million in labor income and benefits to Oregon. This economic activity stimulated jobs and output elsewhere in the state. When totaled, the direct, indirect, and induced impacts of tribal gaming accounted for $1.61 billion in output, $556 million in labor income and benefits, and 10,873 jobs.

Multipliers

Tribal spending has a multiplicative effect on the state's economy. This means spending from tribal gaming multiplies as it circulates throughout the economy *via* individuals and businesses. This effect describes the linkages between tribal activities and the Oregon economy— the greater the linkages, the larger the multiplier.

For this analysis, the multipliers are calculated as the ratio of total impacts to the initial direct impacts at the gaming and hospitality businesses of Tribes. The 2019 multipliers for tribal gaming operations in Oregon were:

- **Output multiplier: 2.5**
- Every $1 million in direct output from Tribal gaming stimulated another $1.5 million in output in other Oregon industries in 2019 for a total of $2.5 million.

- **Labor income & benefits multiplier: 2.3**
- Every $1 million in wages and benefits paid to tribal gaming employees corresponds to another $1.3 million earned by other workers in Oregon for a total of $2.3 million.

- **Job multiplier: 2.4**
- For every ten jobs at a tribal casino and resort in 2019, including tribal government jobs supported by gaming, another 14 jobs were supported in Oregon for a total of 24—a ratio of 2.4 to one.

Fiscal Impacts in 2019

Tribal economies consist of private businesses and government enterprises. Casinos are one such government enterprise, analogous to the Oregon Lottery's relationship to state government. United States Indian Tribes are self-governing, and tribal casinos, like state lotteries, are not subject to income or property taxes. However, their cash flows support government services and public needs. Additionally, many tribal governments pay state and local jurisdictions for services.

Oregon Tribes also contributes to the fiscal wellbeing of state and local governments through the income taxes paid by casino and tribal government employees, tribal members, and the workers and businesses who indirectly benefit from gaming.

In 2019, the economic activity from tribal gaming generated approximately $22.8 million in state income taxes. Tribal gaming also was directly and indirectly responsible for $12.1 million in other Oregon taxes, licenses, and fees (including those for Oregon State Police gaming regulation). In total, $34.9 million in revenues to the government of the State of Oregon resulted from tribal gaming.

Table 8: Tax and Other Government Revenues Associated with Oregon Tribal Gaming, 2018 and 2019

Jurisdiction/Source	2018	2019
State of Oregon		
State personal & corporate income tax	$20,718,131	$22,836,435
Other state taxes, fees & licenses	10,851,762	12,099,107
Total State Revenues	31,569,894	34,935,541
Local Governments in Oregon		
Local property taxes	$11,104,940	$13,068,792
Other local taxes, fees & licenses	2,938,547	3,298,425
Total Local Revenues	14,043,487	16,367,216
U.S. Federal Government		
Federal personal & corporate income tax	$49,548,901	$46,098,971
Excise, Social Security, & other taxes	56,689,107	62,447,187
Total Federal Revenues	106,238,008	108,546,158
Total Government Payments & Taxes	151,851,389	$159,848,915

While tribal government and businesses are not subject to local property taxes, their employees and suppliers are. So too are others in the economy whose incomes trace back to tribal gaming. The income and employment effects filter into the markets for housing, and this generates property taxes. Businesses serving Tribes and casino also pay state and local taxes. In total, $16.4 million in local government revenue in Oregon was attributable to tribal gaming.

The greatest tax impact is federal. Almost all the businesses supplying casinos and tribal governments pay federal taxes and all employees pay income, Social Security, and Medicare taxes. Tribes also pay for federal gaming regulation. When all the direct, indirect, and induced federal tax and related revenues are summed, the result shows over $108.5 million in federal government revenues in 2019 were attributable to tribal casinos in Oregon.

In total, the fiscal impact of tribal gaming across all local, state, and federal governments, except for Tribes themselves, was $159.8 million.

On top of tax impacts, Oregon Tribes also provides some government services for the benefit of non-tribal communities. For example, six of the federally recognized Tribes use gaming revenues to support tribal police departments having the same authority to enforce federal, state, and local law as city, county, and state law enforcement officers. Tribal police, like police employed by any other sovereign, focus on protection of respective tribe's property and members. Members of the larger communities where tribal members live and where tribal property is situated benefit from having this law enforcement. The value of this is not quantified for purposes of this edition of this report but is nonetheless material.

Moreover, tribal police departments in Oregon are headquartered in rural Oregon where non-tribal public resources have been stretched thin. Currently, no state or local funds support tribal police operations.

Trends, 2010 – 2019

Oregon tribal gaming revenues rose every year from the industry's inception in 1992 through 2007, then fell when a severe recession hit. Gaming bottomed out in 2011 and has since recovered although not completely. But tribal casinos offer much more than gaming. About 23 percent of total casino revenues now come from non-gaming sources.

Visitation and Operations

Table 9 summarizes visitation and operating statistics for the last ten years. Casino visits counts peaked in 2008 and declined since. The trend is different for tribal hotels. Overnight hotel stays rose every year from 2003 to 2016 even though a 132-room hotel closed during the period. Room nights sold fell slightly but then reached a new high of 434,440 in 2019. Hotel guests are important to Tribes because they stay longer and spend more money than the average casino visitor does.

Table 9: Tribal Gaming Visits, Revenues, and Expenditures, 2010-2019

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Visitation										
Casino	8,667,843	7,641,372	7,486,128	7,413,556	7,206,260	7,456,610	7,318,084	6,896,843	7,253,300	6,614,500
Hotel room nights	364,528	393,031	395,384	410,199	419,160	425,695	431,592	427,746	421,959	434,440
Revenues (thou. $)										
Gaming	$478,800	$466,979	$474,273	$477,019	$476,532	$499,586	$515,632	$499,309	$528,661	$537,726
Food & beverage	60,709	62,074	64,924	65,805	68,224	72,348	74,662	74,672	77,330	77,734
Hotel & lodging	32,231	34,902	33,381	34,886	34,886	37,192	41,935	42,317	40,584	43,038
Retail, golf, RV & other	17,284	17,097	17,832	18,710	17,849	18,716	23,848	25,379	23,604	25,319
Less complementaries	(14,755)	(19,849)	(24,873)	(26,197)	(30,459)	(34,407)	(36,897)	(39,307)	(41,880)	(41,895)
Total Net Revenue	$574,269	$561,203	$565,536	$570,224	$567,033	$593,435	$619,180	$602,370	$628,299	$641,921
Major Expenditures (thou. $)										
Labor	$217,294	$211,731	$212,912	$202,809	$201,627	$208,507	$204,169	$209,112	$229,589	$238,332
Operating & regulatory	183,296	187,617	184,873	171,381	170,647	167,749	184,878	182,643	192,702	184,012
Capital expenditures	30,456	68,719	33,551	14,260	17,558	35,538	34,801	23,110	38,919	59,357
To Tribal Govt. (thou. $)	$148,208	$142,137	$146,768	$136,154	$142,905	$150,833	$155,613	$131,488	$161,073	$182,930

Note: In 2012 the Warm Springs relocated gaming from their Kah-Nee-Ta resort to a standalone casino, thus, hotel revenues were no longer counted as being part of gaming operations since 2012. The hotel closed in 2018. In November 2018, the Sleep Inn at Kla-Mo-Ya opened.

As shown on Table 10, tribal casino hotels sold 82.5 percent of their available room nights in 2019. That was about 17.5 percent above the national average. The average casino visitor, both those staying in the hotels and those that did not, spent $81.29 each per visit on gaming, $11.75 on eating and drinking, $6.51 on lodging, and $3.61 on other goods and services. They also received $6.33 in complementary items, which are discounts offered to frequent customers.

Table 10: Hotel Operations and Casino Visitor Spending, 2010-2019

Measure	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Hotel:										
Est. occupancy rate	74.4%	78.1%	77.6%	81.0%	82.4%	83.7%	85.0%	84.5%	83.0%	82.5%
Average daily rate	$84.46	$85.05	$84.43	$85.05	$83.23	$87.37	$97.16	$98.93	$95.82	$97.23
% of all visitors from hotel	5.9%	7.2%	7.4%	7.7%	8.1%	8.0%	8.3%	8.7%	8.2%	9.4%
Per Casino Visitor:										
Gaming	$55.24	$61.11	$63.35	$64.34	$66.13	$67.00	$70.46	$72.40	$72.89	$81.29
Food & Beverage	7.00	8.12	8.67	8.88	9.47	9.70	10.20	10.83	10.66	11.75
All Lodging & RVs	3.72	4.57	4.61	4.97	5.02	5.19	5.95	6.39	5.60	6.51
Other	1.99	2.24	2.23	2.26	2.29	2.31	3.03	3.43	3.07	3.61
Complementaries	(1.70)	(2.60)	(3.32)	(3.53)	(4.23)	(4.61)	(5.04)	(5.70)	(5.77)	(6.33)
Net spending	$66.25	$73.44	$75.54	$76.92	$78.69	$79.59	$84.61	$87.34	$86.44	$96.83

Note: Occupancy rate based on estimated number of rooms available during the year.

Economic Impact Trends

Table 11 shows that every year since 2003, over 10,000 jobs in Oregon were associated with tribal gaming. Direct employment at tribal gaming businesses has held above the 5,000-job threshold even under intense competition.

Table 11: Economic Impacts of Tribal Gaming, 2003-2019

	Direct Impacts			Total Impacts		
Year	Output	Labor Income & Benefits	Jobs	Output	Labor Income & Benefits	Jobs
2003	$563.7	$192.4	5,328	$1,026.9	$348.9	10,968
2004	619.3	215.8	5,699	1,326.9	470.5	14,534
2005	674.8	227.0	5,939	1,474.7	509.4	15,221
2006	703.6	239.0	6,094	1,420.2	476.4	13,916
2007	760.9	253.5	6,516	1,589.3	531.8	15,438
2008	737.5	256.9	6,551	1,640.6	553.6	15,483
2009	711.9	251.5	6,021	1,516.9	514.0	14,415
2010	722.5	244.6	5,715	1,459.9	498.0	12,763
2011	703.3	236.0	5,642	1,506.1	506.9	13,153
2012	712.3	245.0	5,625	1,491.6	531.8	12,779
2013	706.4	237.1	5,490	1,397.8	479.6	11,510
2014	776.6	252.8	5,244	1,591.8	581.5	11,843
2015	740.7	249.2	5,129	1,501.0	549.6	11,231
2016	774.8	251.4	5,313	1,590.0	580.1	11,912
2017	733.9	250.2	5,160	1,494.2	550.6	11,262
2018	789.4	267.6	5,126	1,490.4	505.1	10,203
2019	824.9	282.3	5,206	1,609.8	556.0	10,873

Tribal Government Support Trend

Oregon's Tribes continue to improve local communities through economic development. Their investments in social programs and infrastructure will serve to benefit tribal members, employees, and their families for years to come. However, this spending relies on the continued success of tribal gaming.

Most of the revenue made by casinos pays for wages and other operating expenses. After covering debt service, charitable contributions, savings, and capital costs, almost all of what remains goes to the Tribes.

Table 12 shows the yearly and cumulative gaming revenues transferred to Tribes. They totaled almost $2.7 billion since 2003. Much of this went towards tribal purposes, including the construction of community centers, health clinics, and housing, paying for healthcare, managing resources, and administering the day-to-day affairs of tribal governments. Tribes have also used their resources to help diversify their economies so to reduce their reliance on gaming.

Table 12: Tribal Gaming Revenues Used to Support Tribal Government and Tribal Members, 2003-2019

Year	Annual Support
2003	$141,665,000
2004	168,826,000
2005	179,992,000
2006	202,004,000
2007	176,442,000
2008	173,444,000
2009	157,121,000
2010	148,208,000
2011	142,137,000
2012	146,768,000
2013	136,154,000
2014	142,905,000
2015	150,833,000
2016	155,613,000
2017	131,488,000
2018	161,073,000
2019	182,930,000
Total	$2,697,603,000

Trend in Fiscal Impacts

As shown in Table 13, the economic footprint of tribal gaming in Oregon has benefited local, state, and federal governments since 2003. The State of Oregon realized over $567.7 million, local governments $329.0 million, and the federal government saw $1.413 billion dollars in revenues because of Oregon tribal gaming. The total tax impact of Oregon's tribal casinos from 2003 to 2019 exceeded $2.3 billion.

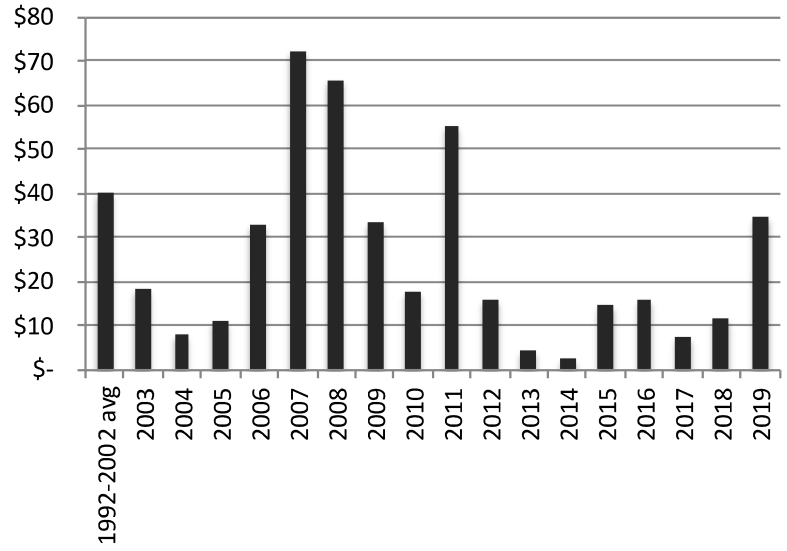
Table 13: Government Revenues Traced to Tribal Gaming in Oregon, 2003-2019

Year	State Government	Local Governments	Federal Government	All Taxes & Payments
2003	$25,611,700	$17,013,900	$58,289,400	$100,915,000
2004	34,487,100	19,293,900	68,693,700	122,474,700
2005	41,155,000	22,036,900	77,072,700	140,264,600
2006	38,831,700	17,970,700	73,379,400	130,181,800
2007	38,409,000	21,755,200	74,160,000	134,324,200
2008	37,937,400	24,361,700	77,665,800	139,964,900
2009	32,473,900	21,149,700	72,510,900	126,134,500
2010	31,148,000	21,977,000	79,345,000	132,470,000
2011	36,076,000	23,303,000	81,588,000	140,968,000
2012	35,965,000	21,511,000	92,174,000	149,650,000
2013	32,535,000	16,850,000	83,070,000	132,455,000
2014	28,614,232	15,320,212	85,855,078	129,789,521
2015	30,824,079	16,986,936	91,443,700	139,254,715
2016	29,473,314	21,361,541	94,131,591	144,966,446
2017	27,681,647	17,742,714	88,939,402	134,363,763
2018	31,569,894	14,043,487	106,238,008	151,851,389
2019	34,935,541	16,367,216	108,546,158	159,848,915
Total	$567,728,506	$329,045,106	$1,413,102,837	$2,309,877,448

Construction Spending

Since the first casino opened, Oregon Tribes spent $861 million building casinos, hotels, and other resort amenities.[8] Tribes accounted for 15.3 percent of all the construction spending in Oregon on hotel, entertainment, and recreation buildings since 1992. The bulk of that construction was done in rural areas.

Figure 4: Annual Tribal Casino Construction Spending, Millions $



Charitable Grants & Donations

Six Tribes contributed to foundations, which make grants to charitable organizations throughout most of Oregon. The foundations are charitable contribution or community benefit funds as defined by the compacts negotiated between each tribe and the Governor of Oregon. The six casinos operating under compacts calling for these funds have a wider range of table games (such as craps and roulette). The foundations granted $7.6 million in 2019 and $152.8 million since their inception.

All casinos directly donated to local charities in 2019. They gave $388,300. Since the first casino opened, donations have totaled $10.9 million. Including foundation grants, charities in Oregon received $163.7 million from tribal casinos since 1992.

Table 14: Charitable Grants and Donations by Tribal Casinos Since 1992

Charitable Grants & Donations	2018	2019	Since 1992
Grants by tribal foundations	7,363,963	7,611,853	152,768,761
Direct donations to charities	269,033	388,300	10,916,340
Total grants and donations	$7,635,014	$8,002,172	$163,685,101

Sources: Communications with Tribes, tribal foundations, and the Potlatch Fund.

[8] This includes a revision of data reported previously.

Section 4 Gaming Market in 2019

Gaming revenue is approximately the difference between how much people wager and what they win. We measure gaming revenues in two ways:

(1) The first is by how much gaming is being conducted in the state. This way captures spending by tourists in Oregon and tells us how large the overall gaming industry is in the state. It is a useful measure of the size of the local industry and the share of the market held by different entities, such as the Oregon Lottery and tribal casinos.

(2) The second way counts how much gaming Oregonians do regardless of whether it is within the borders of the state or not. This method shows you how much gaming was demanded by Oregon residents and is useful for understanding how spending on gaming relates to how much money Oregonians make.

ECONorthwest uses data from several sources to calculate the total amount spent on gaming in Oregon and out of state. ECONorthwest also uses cell phone data from Placer.ai to estimate spending by out-of-state guests visiting Oregon casinos.

Gaming Revenues

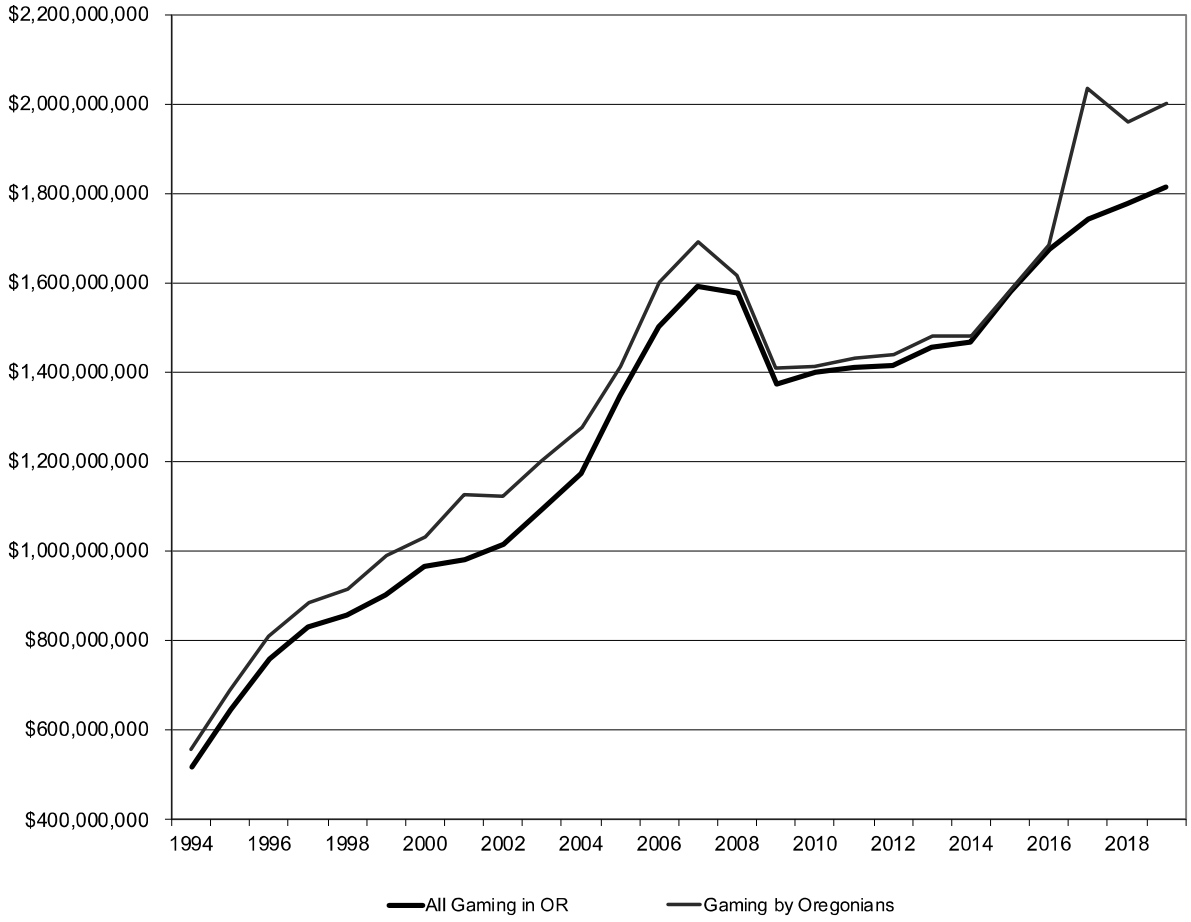
In 2019, gaming totaled $1.815 billion in Oregon. Seven percent of that was done by non-residents. Oregonians gambled about $1.689 billion in the state and another $312 million out of state. Most of that went to casinos in Washington, California, and Nevada. Using cell phone data, we estimate Oregonians spent about $125.6 million at the Ilani, Legends, and Lucky Eagle casinos in Washington, and $19.4 million at the Elk Valley, Lucky 7, and Rain Rock casinos in California.

Table 15: Gaming Market by Place and Residency, 2019

Gaming in Oregon and Gaming by Oregonians in and Out of the State	Revenues in 2019	% of Total
Gaming in Oregon:		
By Oregon Residents	$1,688,633,141	93.0%
By visitors to Oregon	126,163,356	7.0%
Total Gaming Inside Oregon	$1,814,796,497	100.0%
Gaming by Oregonians:		
Done in Oregon	$1,688,633,141	84.4%
At places out-of-state	311,966,104	15.6%
Total Gaming by Oregonians	$2,000,599,245	100.0%

Since 1994, Oregon residents have gambled more outside the state than tourists visiting Oregon spent inside the state. Two substantial competitors opened casinos near Oregon recently. In April 2017, the Cowlitz Indians opened the Ilani Casino in Ridgefield, Washington. In 2019, 48 percent of its visitors came from Oregon. In February 2018, the Rain Rock Casino opened in Yreka, California and 33 percent of its visitors came from Oregon. These competitors contributed to that gap the emerged between gaming by Oregonians and all gaming in Oregon, as illustrated in Figure 5.

Figure 5: Gaming in Oregon and by Oregonians, 1994-2019



The greatest competitor to Oregon tribal casinos has been the Oregon Lottery, which continues to hold a broad geographic monopoly; an ability to locate VLTs in bars throughout Oregon and to offer sports betting on cell phones anywhere in the state. The combination of the Lottery, out-of-state casinos, and the general demographic trend away from slot play, which is the largest source of casino revenues, has taken a toll on Oregon Tribes. Figure 6 illustrates this. Since peaking in 2007, tribal gaming revenues have been flat. Casino gaming rose in 2018 and 2019, but still lack the 2007 peak if inflationary effects are considered.

Figure 6: Oregon Tribal Casino Gaming Revenues, 1994-2019

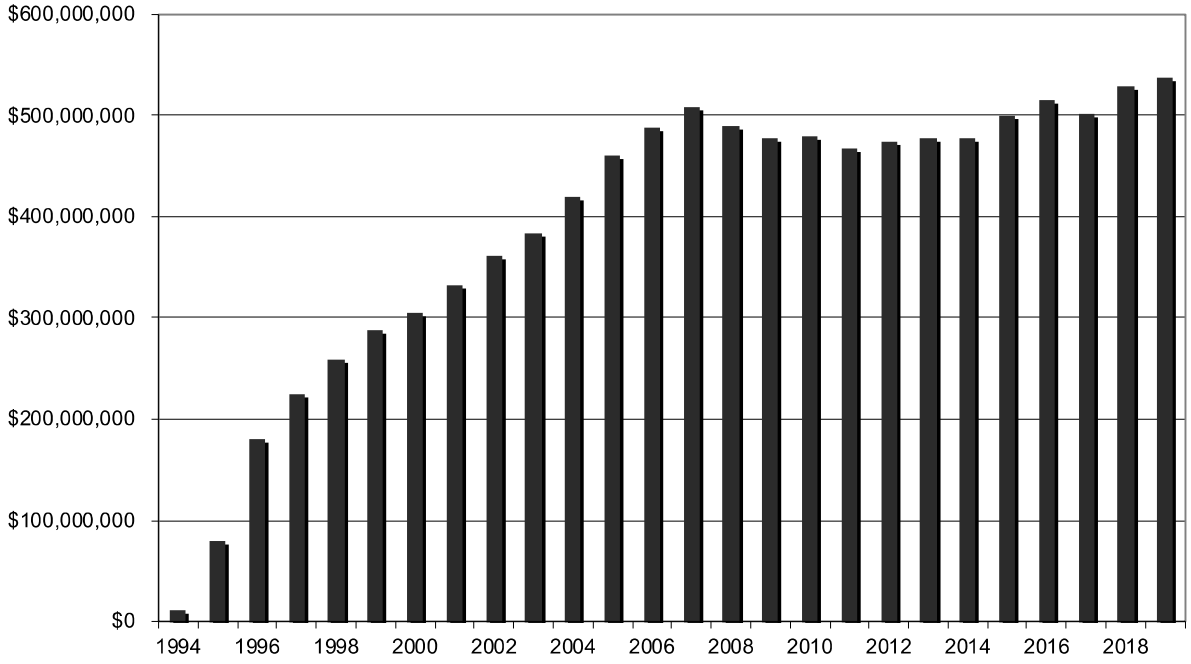


Table 16 is a list of the different forms of gaming and their revenues in 2019. The average Oregon resident spent $474.33 on gaming. That was 0.89 percent of their personal income.

Table 16: Gaming Revenues by Type in Oregon and by Oregonians, 2019

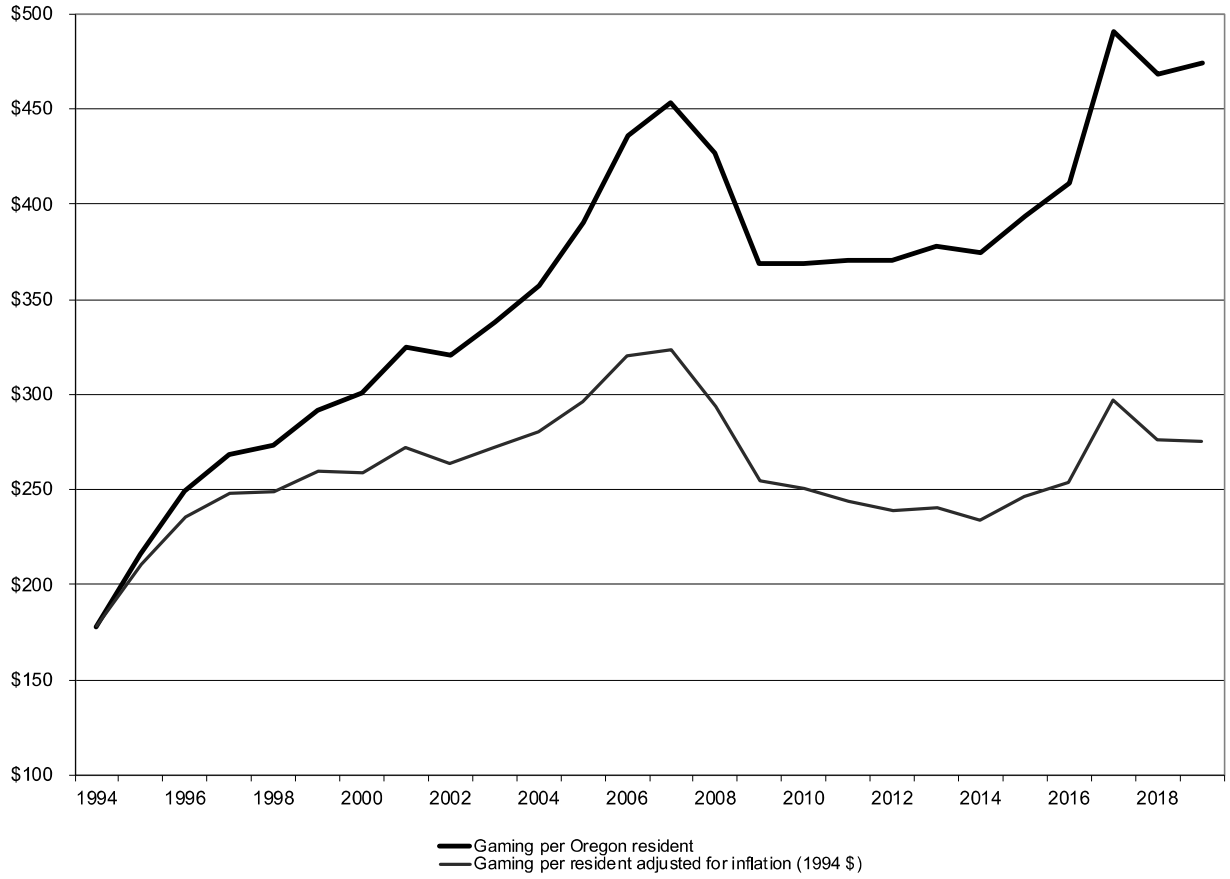
	Gaming Revenues in 2019	
Type of Gaming	**Conducted in Oregon**	**Done by Oregonians**
Oregon Lottery:		
Scratch tickets	$42,258,420	$41,854,007
Megabucks lotto	15,932,552	15,809,499
Powerball lotto	20,266,202	20,258,095
Keno	32,951,836	32,506,452
Raffle	1,007,305	989,982
Pick-Four	717,331	710,925
Win for Life	834,270	828,157
Mega Millions	12,505,950	12,500,948
Lucky Lines	602,193	597,949
Scoreboard sports betting	2,924,333	2,702,084
Video games	990,708,888	966,436,521
Oregon Lottery Subtotal	$1,120,709,280	$1,095,194,619
Other Gaming:		
Indian casinos in Oregon	$537,725,665	439,417,877
Charitable bingo	5,810,932	5,797,105
Charitable raffles	8,037,434	7,515,001
Charity casinos & fundraisers	258,268	253,103
Legal gaming outside OR	-	311,966,104
OR horse racing, OTB & Simulcasts	3,900,869	2,396,868
OR historic racing VLTs	1,231,167	935,687
OR parimutuel account wagering	7,545,987	7,545,987
Illegal Internet & other illegal	129,576,894	129,576,894
TOTAL	**$1,814,796,497**	**$2,000,599,245**
Increase from 2018	2.19%	2.12%
Gaming per person		$474.33
Gaming as a share of income		0.89%

Changes in the share of income going towards gaming are illustrated in Figure 7. Having peaked in the mid-2000's, Oregonians are spending far less of their income on gaming now. This mirrors trends seen elsewhere in the country. It reflects demographic and other changes.

Figure 7: Share of Oregonians' Personal Incomes Spent on All Types of Gaming, 1994-2019

The average Oregonian increased their spending on gaming steadily between 1994 and 2007, as tribal casinos and the Oregon Lottery grew. A recession drove spending down. With the economy strong again, spending has been increasing. Yet, in real terms (*i.e.,* after removing the effects of inflation) gaming by Oregonians is 15 percent less than it was in 2007, as shown in Figure 8.

Figure 8: Oregon Resident per Capita Gaming, 1994-2019



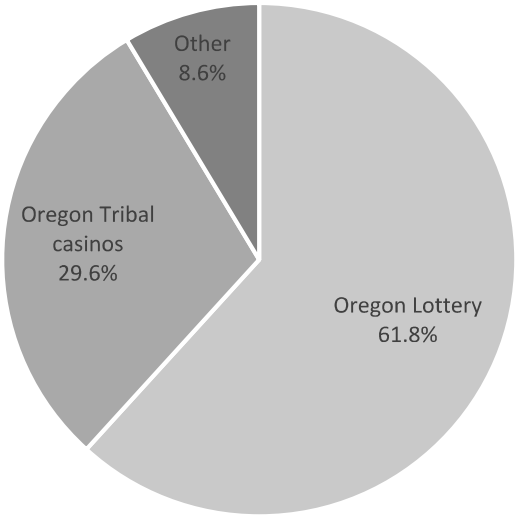
Market Share Analysis

Before 1985, legal gambling in Oregon was limited to horse and greyhound racing. On April 25, 1985, the Oregon Lottery started selling scratch-off lottery tickets. In November that year, they added lotto games (Megabucks). Then in 1992, they introduced video poker on the premise that there were ten thousand gray market slot machines in bars and clubs throughout the state.

Bettors flocked to play the Lottery's video poker machines. Within two years the Oregon Lottery held an 81 percent market share just as tribal casinos came on the scene. Attendance at racetracks fell dramatically. Racetracks closed. Gambling at charity bingo halls also fell and many of them closed as well.

In 2019, the Oregon Lottery still dominated the market holding a 61.8 percent share of all the gaming done in the state. Oregon tribal casinos accounted for 29.6 percent.

Figure 9: Market Share Breakdown of Gaming in Oregon, 2019

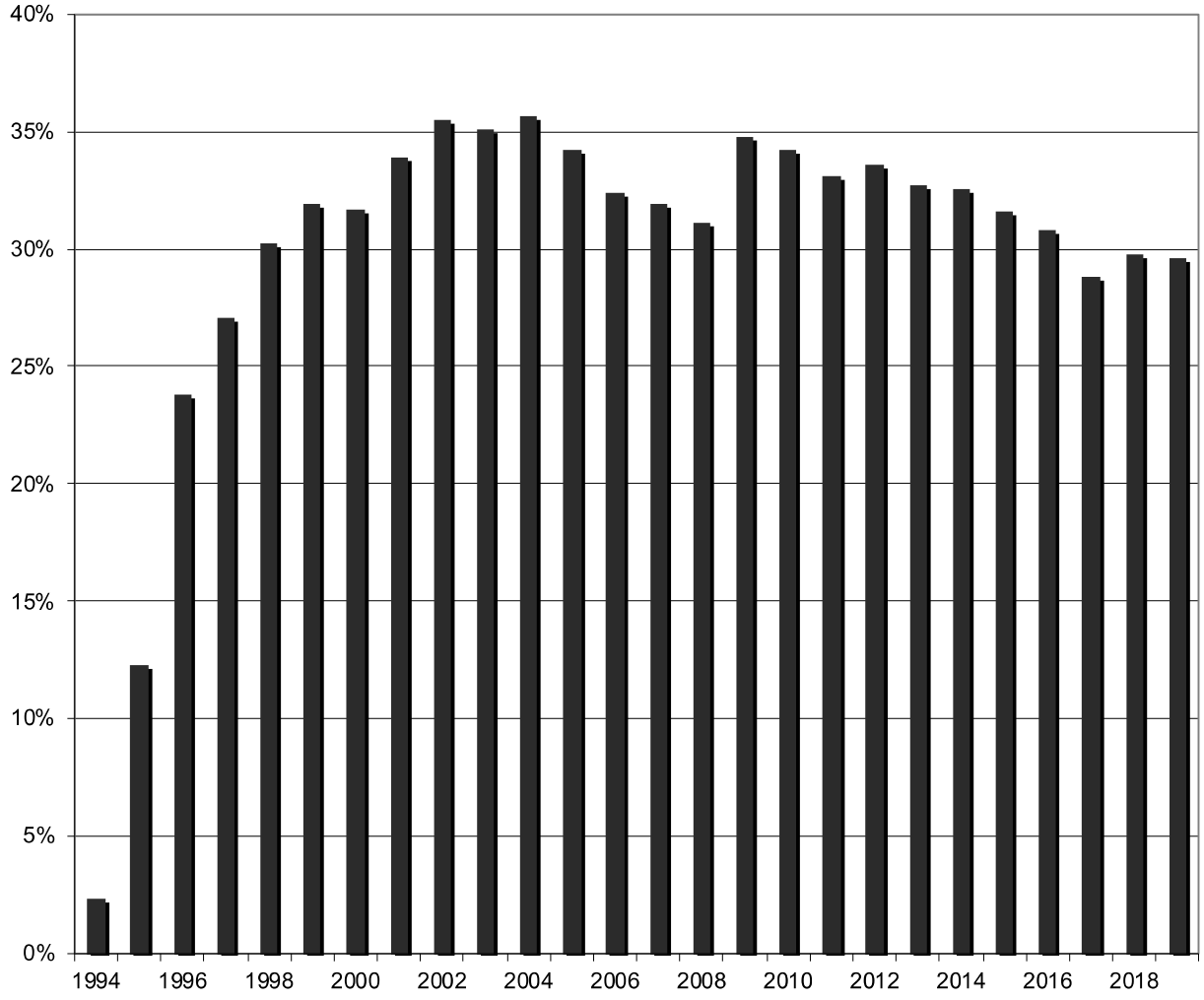


Tribal casinos came onto the market in 1994 when the Cow Creek converted their bingo hall to a small casino. Soon after that, a temporary casino opened on the Umatilla Reservation. In 1994, Oregon tribal casinos had a two percent market share. Other Tribes followed; Tribes had six casinos by the end of 1995. They prospered. Tribal casinos became major employers and contributors to rural economies.

The expansion was met by strong competition from the Oregon Lottery. The Lottery aggressively expanded. They located poker slot machines in bars throughout the state and especially in urban areas. Tribes could not expand into those areas. Then the Oregon Lottery increased the maximum number of VLTs per bar from five to six. The state limited Tribes to a fixed number of VLTs. The Oregon Lottery then added line games, which are non-poker VLTs preferred by players.

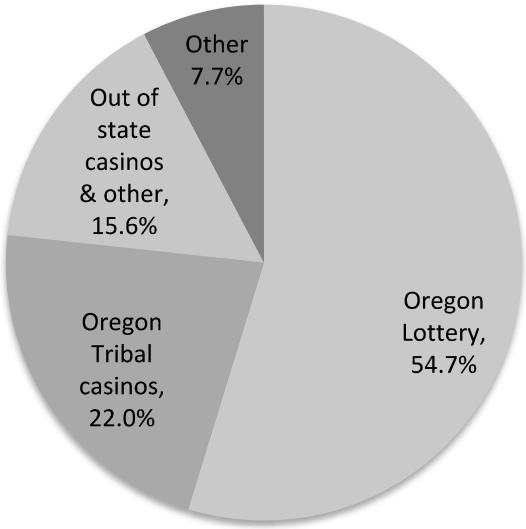
The effect of the growing competition from the Oregon Lottery and the limits on tribal gaming imposed by the state caused the market share of Tribes to fall from a peak of 35.5 percent in 2004 to below 30 percent today, as shown in Figure 10.

Figure 10: Tribal Casino Share of the Oregon Gaming Market, 1994-2019



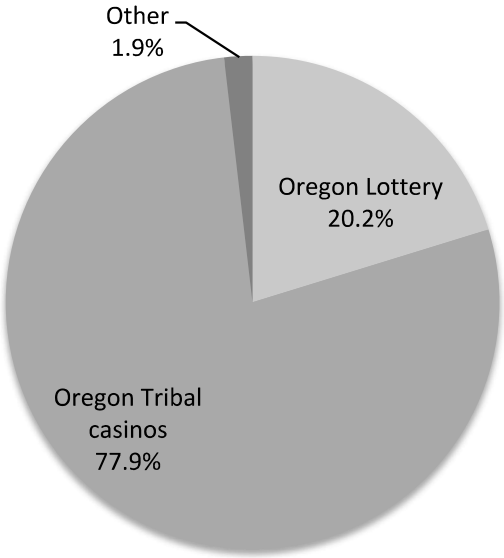
In 2019, Oregonians spent $2 billion on gaming. Of that 15.6 percent was spent out of state. About 54.7 percent of the spending on gaming done by Oregonians went to Oregon Lottery games. Oregon Tribes accounted for 22.0 percent of the total.

Figure 11: Where Oregonians Spent $2 Billion on Gaming, 2019



Out of state visitors spent $126 million on gaming in Oregon. About 77.9 percent of this spending happened in Oregon at the tribal casinos.

Figure 12: Where Tourists Visiting Oregon Spent $126 Million Gaming in Oregon, 2019

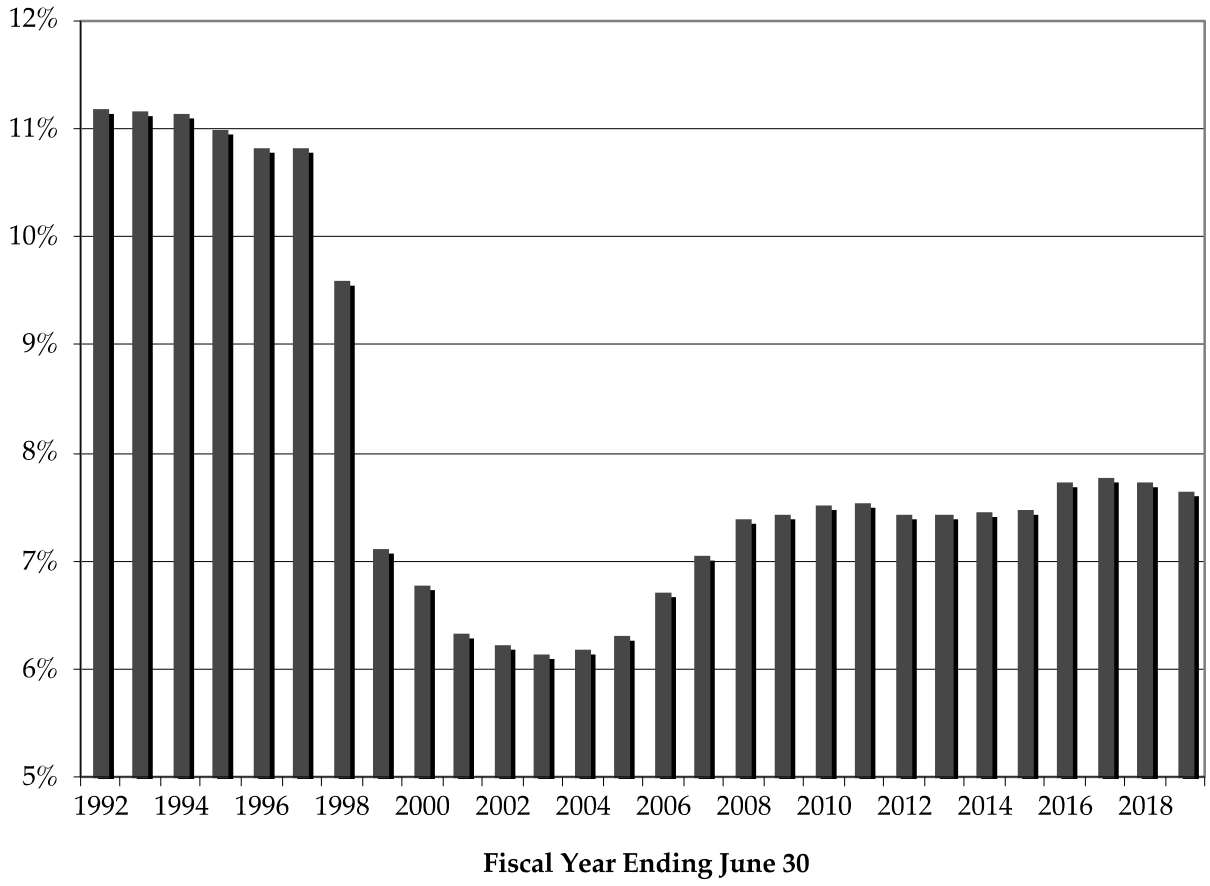


Oregon Lottery VLTs

VLTs are the Oregon Lottery's main source of gaming revenues—accounting for 88 percent of all the money they make. The Oregon Lottery competes against tribal casinos for many of the same players. The Oregon Lottery has several competitive tools. Among them are introducing new games, raising jackpots, raising minimum wagers, and changing player hold rates.[9] Lower hold rates attract more players than higher hold rates. The hold rate is the percent of a player's bet that, on average, they lose, and the Oregon Lottery makes.

As illustrated in Figure 13, VLTs in their first six years held about eleven percent of wagers on average. Then the Oregon Lottery aggressively lowered its hold rates to almost six percent. As the Oregon Lottery introduced line games with higher jackpots, rates rose. In the fiscal year ending June 30, 2019, the Oregon Lottery lowered it average hold rate to 7.65 percent. That rate was better than the average at Las Vegas Strip casinos (8.16 percent).[10]

Figure 13: Average Hold Rate on Oregon Lottery VLTs by Fiscal Year, 1992-2019



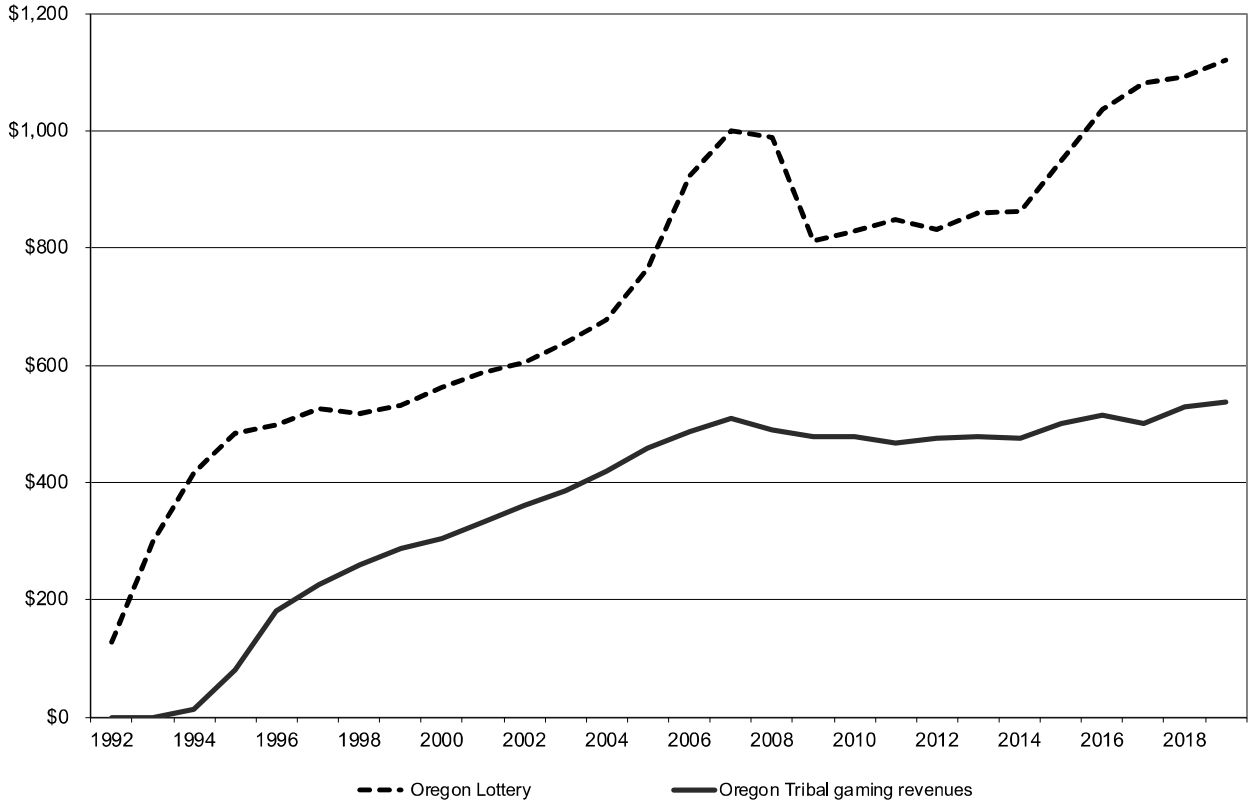
Note: Fiscal year ending June 30.
Source: Oregon Lottery.

[9] The hold rate is the average percent of every dollar wagered that is lost by players.

[10] "Gaming Revenue Report." Nevada Gaming Control Board. Year- ended June 30, 2019.

The Oregon Lottery has a major market advantage over Tribes. They have a geographic monopoly and an ability to offer games on mobile phones statewide. Only the Oregon Lottery can offer convenience gaming. Tribes are limited in the number and locations of their casinos, and the variety of games they may offer. The principal way the Lottery competes is through widespread distribution of VLTs, especially in fast-growing, high-income parts of Oregon, by limiting hold rates to encourage more play, and by adding new VLT titles that attract more action. The Oregon Lottery made $1,120,709,280 in total gaming revenues in 2019. Tribes generated $537,725,665 in gaming revenues.

Figure 14: Gaming Revenues at the Oregon Lottery and Oregon Tribal Casinos, 1992-2019



Sources: Oregon Tribal Gaming Alliance, ECONorthwest, and the Oregon Lottery.