



Cover photos courtesy of First Americans Museum

The Economic Impact of Tribal Nations in Oklahoma

Fiscal Year 2019



Table of Contents

Acknowledgements	3
Executive Summary	4
Direct Contribution of Tribes	4
Total Economic Impact	4
Introduction	5
Background	5
Tribes in Oklahoma	5
Native American Population	6
The Multi-Faceted Impact of Tribes	9
Short-Run Impacts	9
Tribal Government Activity	9
Tribal Businesses	9
Capital Projects	10
Long-Run Impacts	10
In Focus: Education	11
In Focus: Tribal Health Care	12
In Focus: Tribal Government Gaming	15
Support to Oklahoma Communities	19
Economic Impact	20
Direct Contribution of Tribes in Oklahoma	20
Total Economic Impact	21
Comparison of Impacts from the 2012 and 2019 All-Tribe Economic Impact Reports	22
Oklahoma Fiscal Impacts	23
Appendix A: Impact Methodology	24
Impact Estimation	24
Tribal Data Overview	25
Data Disclaimer	25
Appendix B: Oklahoma Federally Recognized Tribes	26
Appendix C: Glossary of Terms	27
Direct Impact	27
Multiplier Impact	27
Employment	27
Input-Output Models	27
Output	27
Wages and Benefits/Payroll	27
Value Added	27
Appendix D: References	28

Acknowledgements

A project of this size with so many parts could not have happened without the help of individuals and tribes who devoted great time and effort to guarantee its completion. First, I would like to thank Chickasaw Nation Ambassador Neal McCaleb who provided the vision for this project and its previous iterations. I would also like to thank Victor Flores and the Oklahoma Tribal Finance Consortium (OTFC) who sponsored the report and wrangled the participants, advisory committees, and me, the researcher. Lastly, thank you to all tribal representatives who provided the tribal data for the report including Chrissie Moore (Cherokee Nation), Adam Stafford, Patrick Waldrop, and Phillip Davis (Chickasaw Nation), Stephanie Black and Easton Yellowfish (Cheyenne and Arapaho Tribes), Jeremiah Gipson (Choctaw Nation), Mary Chisholm (Citizen Potawatomi Nation), Karen Allen (Eastern Shawnee Tribe), Melissa Vail (Fort Sill Apache Tribe), Rusti Payne (Kaw Nation), Zechariah Harjo (Muscogee Nation), Hoyit Bacon (Seneca-Cayuga Nation), and President Terri Parton (Wichita and Affiliated Tribes).

A handwritten signature in black ink, appearing to read 'K. Dean', followed by a long horizontal line extending to the right.

Kyle D. Dean, PhD

Executive Summary

Direct Contribution of Tribes

Direct Employment and Wages for Oklahomans

Oklahoma tribes employed 54,201 Oklahoma workers in 2019, paying out wages and benefits of \$2.5 billion to Oklahomans.

Direct Oklahoma Production

When combining business revenues, government expenditures, and capital expenditures, Oklahoma tribes accounted for \$8.3 billion in direct Oklahoma production.

Education, Health Care, and Tribal Gaming

Tribes in Oklahoma spent significant dollars on education, health care, and provided funding for local communities.

- Tribes invested heavily in tribal education and primary, secondary, and higher education. In total, tribes invested \$228.4 million for human capital development in the state.
- Health Care for tribal citizens resulted in a savings of \$231.7 million through the reduction of Medicaid match payments that would otherwise be borne by the state.
- Tribes provided \$84 million to local school districts, municipalities, counties, and the state to support community initiatives.

Total Economic Impact

When analyzed in the context of the Oklahoma economy and accounting for spillover (multiplier) impacts, we estimate that tribal activities supported:

- 113,442 jobs in the state
- \$5.4 billion in wages and benefits to Oklahoma workers
- \$15.6 billion in state production of goods and services

Introduction

This report evaluates and quantifies the statewide economic contribution of tribes within the state of Oklahoma. Working with the tribes, we gathered data on tribal businesses, governments, and other sources of tribal contribution such as expenditures on capital projects, and federal dollars that come to the state to support projects within the Oklahoma tribal areas. We received data from 11 participating tribes and audited financial information from 5 tribes (see Appendix B for list). We used this data along with data from other sources to create an economic profile of aggregated tribal activity within the state.

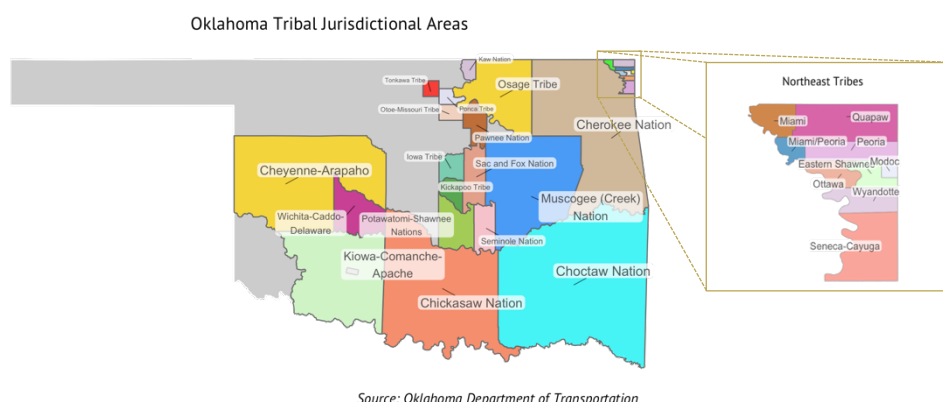
The data from this profile were used as primary inputs into our economic model which was used to quantify the output, value added, employment, and wages and benefits (payroll) impacts of tribal activity generated in Oklahoma. This methodology follows that of previous studies completed for all tribal activity Dean (2012) and Dean (2019), all gaming activities (Dean and Robinson 2015) and (Dean and Robinson 2016), and many other reports created for individual tribes.

The impact estimates in this report do not represent the exact impact(s) of the tribes (which is unknowable), rather, they should be interpreted as good faith estimates of the economic contribution of all Oklahoma tribal activity and the corresponding spillover effects generated by economic linkages with other Oklahoma institutions and citizens. This general disclaimer is useful for any impact report using similar methodology but is particularly prescient for this report given the number of participants (15 of 38 tribes) in the study. Comparison of results with previous studies is useful for understanding the nature of the change of activity and impact, but should not be viewed as precise, exact developments.

Background

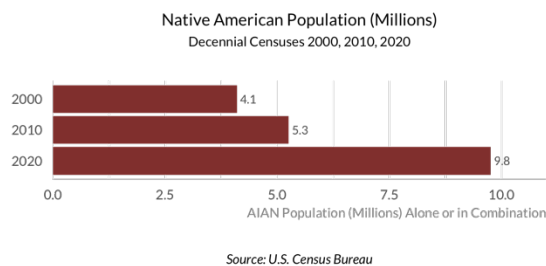
Tribes in Oklahoma

There are 38 federally recognized tribes in the state (see Appendix B for complete list). From the Eastern Shawnee Tribe in the northeast corner to the Cheyenne and Arapaho Tribes bordering the Texas Panhandle in the West to the Choctaw Nation in the southeast corner, tribal activities touch nearly every part of the state.



Native American Population

The Census Bureau recently released population counts from the 2020 Decennial Census. The 2020 release reports an 86% increase in the American Indian or Alaska Native (AIAN) population in the United States¹. According to the U.S. Census Bureau 2010 Decennial Census, the American Indian and Alaska Native population alone, or in combination with one or more other races was 5.3 million and represented 1.7% of the total population in the United States. In 2020, the AIAN population increased to 9.8 million, representing 2.9% of the U.S. population.



At first glance, it appears that the number of Native Americans have increased significantly due to some combination of increased birth rates and/or repatriation of Native Americans living abroad. Upon closer inspection, the large increase can be explained by an increase in the number of Americans choosing multiple race categories and Hispanic or Latino populations choosing AIAN as race in combination with other races. The Latino identification with AIAN stems from how the Census defines American Indian or Alaska Native individuals as “having origins in any of the original peoples of North and South America (including Central America)”². Latinos

accounted for 51% of U.S. population growth from 2010 to 2020 and now represent 18.7% of the population, up from 16.3% in 2010.

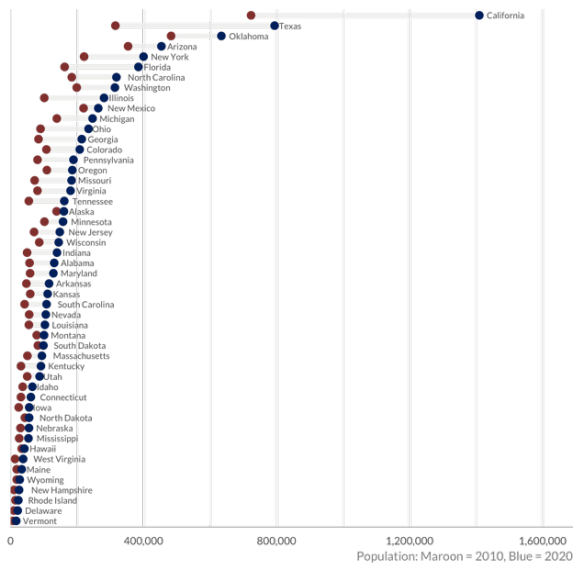
The use of census data to represent the AIAN population has always been imperfect due to the nature of self-identification. Native American tribes determine their own requirements for citizenship leading to differences in the number of officially enrolled citizens and the number of Americans who self-identify as Native American regardless of citizenship. Even still, census counts have been useful for comparing changes to AIAN population in the past. The changes in AIAN self-identification mentioned above make comparison to previous numbers challenging. The most accurate AIAN data is maintained by the individual tribes but is not available publicly. As such, census population counts are used here.

In 2010, Oklahoma ranked second only to California in the number of self-identified Native Americans with 13.9% of Oklahomans self-identifying as AIAN. In 2020, Oklahoma was overtaken by Texas as the state with the second largest AIAN population. This is not surprising given that the AIAN population grew by 152% in Texas and by only 31.3% in Oklahoma. In fact, there were 42 states whose AIAN population growth rate exceeded Oklahoma’s with 22 states experiencing greater than 100% growth. While AIAN growth in other states may be more closely tied to Hispanic growth, the Oklahoma picture is less clear.

¹ In the 2020 census, the Census Bureau created a decoupled American Indian dataset in addition to the traditional AIAN dataset. The typical AIAN dataset was used here for comparison purposes.

² “About the Topic of Race,” U.S. Census Bureau, <https://www.census.gov/topics/population/race/about.html>

American Indian and Alaska Native Population by State, 2010 - 2020

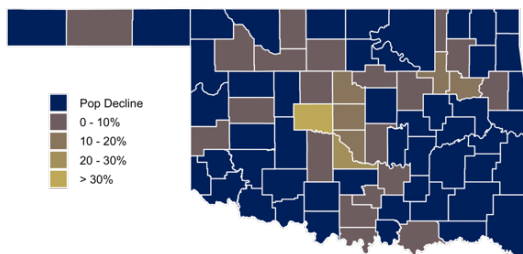


Source: US Census Bureau Decennial Redistricting Data PL 94-171, 2010 - 2020

Changes in Oklahoma Population

The total population of Oklahoma grew by 5.5% from 2010 to 2020 (26th in nation). The graphic below demonstrates the continued rural to urban population redistribution in Oklahoma. Population declined in 50 out of the 77 counties. Most counties in the Oklahoma City and Tulsa metropolitan areas experience growth while most predominantly rural counties lost population. Canadian County, a suburban county just west of Oklahoma City, continued to lead the state in

Oklahoma Population Change 2010 - 2020
All Races

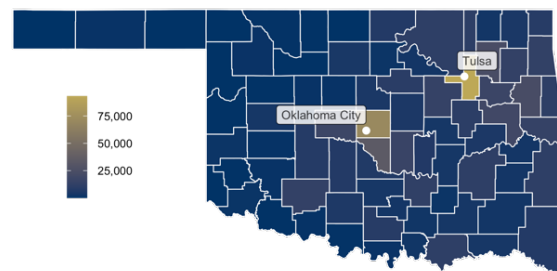


Source: US Census Bureau Decennial Redistricting Data PL 94-171
2010 - 2020

growth with a 33.6% increase in total population.

The population growth picture is a tale that includes three narratives. First, growth in OKC and Tulsa metro areas is due to agglomeration effects unique to dense areas. Essentially, they are growing because of productivity and amenity effects that exist within cities (i.e., cities provide jobs and things to do) and spread to nearby suburban communities such as those in Canadian County. Second, growth in western and northwestern Oklahoma is due in large part to the location of Oil and Gas activities and the growth of meat packing in Texas County in the panhandle specifically. Lastly, the growth in

Oklahoma Native American Population by County 2020
Alone or in Combination with Another Race



Source: US Census Bureau Decennial Redistricting Data PL 94-171 for 2020

south central counties is largely due to growth in Tribal Government Gaming and proximity to the large consumer market that extends from Dallas/Fort Worth north to the Oklahoma border.

Geography of the Native Population in Oklahoma

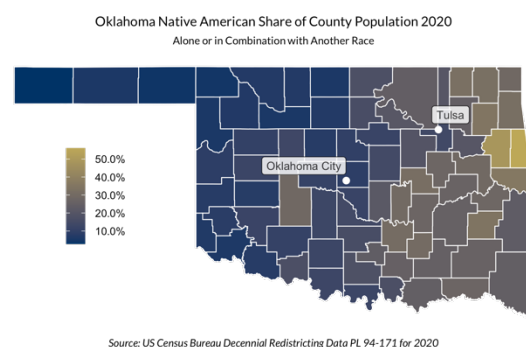
According to the 2020 Census, 633,831 Oklahomans self-identified as American Indian or Alaska Native Alone or in Combination with One or More Other Races. The AIAN population is shown in the map below, with the gold counties having the most Native

Americans and the blue counties having the least.

Just under 50% of the Native American population in Oklahoma resided in the 14 counties that make up the Oklahoma City and Tulsa Metropolitan Statistical Areas (MSAs), with nearly 1/3rd living in Oklahoma and Tulsa counties³. The top 3 counties by AIAN population were Tulsa (93,127), Oklahoma (70,588), and Cleveland (34,068), all metro counties. The county with the least number of self-identified Native Americans was Cimarron with 64.

The concentration of Native Americans in the metropolitan areas is significant, but still less than the general population of whom 61.7% live in the two MSAs. A more in-depth evaluation reveals the importance of the population of Native Americans in rural counties. As the gold counties in the map below demonstrate, the historical geography of Indian Territory is still apparent in the share of population that is Native American living in

the counties of the current reservations and jurisdictional areas. This is most noticeable in the Cherokee Nation Reservation with Adair County Native Americans accounting for 56% of the county population followed by Cherokee County (49%) and other Cherokee Nation counties (Delaware, Mayes, Sequoyah). This is not surprising given the number of Cherokee Nation Citizens and non-citizens identifying as Cherokee.



³ The Oklahoma City MSA includes Canadian, Cleveland, Grady, Lincoln, Logan, McClain, and Oklahoma Counties. The Tulsa MSA includes Creek, Okmulgee, Osage, Pawnee, Rogers, Tulsa, and Wagoner Counties. According to the U.S.

Decennial Census for 2020, 49.9% of all self-identified Native Americans lived in these 14 counties, while 61.7% of all Oklahomans resided there.

The Multi-Faceted Impact of Tribes

Short-Run Impacts

The economic impacts that are quantified later in this report represent short-run (1-year) impacts resulting from direct activity from tribes in Oklahoma. They include the current dollar value of direct tribal activity reported by tribes, and the value of subsequent downstream activity from tribal and non-tribal entities triggered by the direct tribal contribution⁴. These impacts were estimated from data collected and imputed for tribal government activity, tribal business activity, and tribal capital projects expenditures⁵.

Tribal Government Activity

Impact from tribal governments derives from the programs and services they provide for tribal citizens and their expenditures incurred for basic government operations. The structure of many tribal governments is like other local, state, and federal governments with executive, legislative, and judicial



The Lighthorse Police Department's 3 precincts are first responders within the Chickasaw Nation.

⁴ Short-Run is used here to indicate the reported impacts (output, employment, payroll) do not include any dynamic growth effects from tribal investment in human and physical capital.

branches. The operation of these basic government functions generates economic activity like other state and local government operations.

The primary focus of tribes is the long-run welfare of tribal citizens. Tribal governments use dollars received from federal sources and tribal businesses to provide programs and services that benefit tribal citizens in the pursuit of this objective. These programs include workforce development, housing assistance for low-income citizens, health care, education, and many other. The delivery of these programs serves as another source of economic activity through expenditure, employment, and wages.

Tribal Businesses

Tribes in Oklahoma operate a diverse portfolio of businesses which provide revenue vital for tribal self-determination and long-run stability. For this report, we classified tribal businesses into finance, gaming, manufacturing, professional services, real estate, retail, and other categories. Tribal business activities generate revenue, the majority of which is transferred to tribal governments to support the government activity mentioned above.

The state is brimming with Native American entrepreneurs. Many are inspired or supported by tribal entities created specifically to enhance skills and foster entrepreneurial activity. The Citizen Potawatomi Nation Community Development Corporation is focused on providing the

⁵ For a more detailed explanation of the methodology used to calculate estimates, see Appendix A: Impact Methodology.

financial support needed by Native American entrepreneurs in Oklahoma to innovate and create new economic activity in the state. According to Bailey Walker, President of the American Indian Chamber of Commerce in Oklahoma, there are now more than 11,000 Native-Owned businesses in the state.

"Oklahoma is home to a diverse landscape of over 11,000 native-owned businesses. These small businesses are the backbone of communities state-wide. In today's entrepreneurial scene, both metro and rural, you will find these robust examples ranging from construction, healthcare, salons, retail/trade, and manufacturing..."

Bailey Walker, President of the American Indian Chamber of Commerce in Oklahoma

Capital Projects

Capital projects include expenditures on new construction, maintenance, and upgrades for existing structures, and expenditures on equipment. We divided these expenditures into two broad categories: Roads and Other Capital Expenditures.



The Citizen Potawatomi Community Development Corporation provides financial services to Native American entrepreneurs across the state, including commercial and consumer loans and business training.

Long-Run Impacts

The total, long-run impact of Oklahoma tribes is difficult to quantify in a report such as this. Tribes undertake many programs that develop human capital and invest in physical capital that enhance long-run growth. The full impact of these investments is difficult to quantify today, their benefits being realized in future years. Thus, the quantifiable economic impacts reported provide a conservative estimate of the true value of Oklahoma tribal activity.

In Focus: Education

Tribes provide significant resources for education programs that benefit tribal citizens and non-tribal Oklahomans, including donations to local school districts and universities, scholarships, and direct payments to the state in the form of gaming exclusivity fees, 88% of which are used for education, benefitting all Oklahoma students. Gaming compacts between tribes and the state require that tribes submit a percentage of their gaming revenues for the right to operate Class III Covered Games in the state.

According to the state Office of Management and Enterprise Services (OMES) and the Oklahoma Indian Gaming Association (OIGA)⁶, Oklahoma tribes have remitted over \$1.8 billion in exclusivity fees to the state since 2006, the first year of collections. Collections increased each year, apart from 2014, until 2020 when most facilities closed for several months due to the COVID-19 pandemic. Exclusivity fee remittances increased appreciably in 2021 with the reopening of facilities. Tribes submitted \$148 million in exclusivity fees to the state in 2019, of which \$130,215,025⁷ were provided to the

HB1017 education revolving fund according to OMES.

In addition to exclusivity fees, Oklahoma tribes spent \$78.2 million for tribal education programs and scholarships and provided \$20 million in donations to Oklahoma communities and universities to support education programs (see the “Support to Oklahoma Communities” section of the report). When combined with the education portion of exclusivity fees, Oklahoma tribes delivered \$228 million for Oklahoma education programs in 2019⁸.



The Cherokee Nation gives 38% of their tribal car tag receipts to local schools in Oklahoma. In 2019, they donated \$5.7 million to 108 Oklahoma school districts. The picture highlights a recent donation to Roland Schools in Sequoyah County in eastern Oklahoma.

⁶ OMES posted monthly collections until October 2019. Data included for collections after October 2019 were provided by OIGA.

⁷ Oklahoma Gaming Compliance Unit, Annual Report 2019

⁸ Total support for Oklahoma education = \$130.2 million (HB 1017 funds) + \$78.2 million (tribal education expenditures) + \$20 million (tribal donations to Oklahoma communities to support education objectives)

In Focus: Tribal Health Care

Tribes provide health care services using federal dollars and internal tribal funds. The primary funding for health care services comes through the Indian Health Service (IHS) and may be delivered fully by IHS or via tribal management with funding provided by IHS.

Indian Health Service (IHS)

The current Indian Health Service (IHS) was created in 1955 to provide health services to American Indian and Alaska Natives who are citizens of federally recognized tribes. The provision of health services for tribal citizens grew out of government-to-government relationships between the federal government and Indian Tribes established in 1787 and formed by subsequent treaties and Supreme Court decisions.

Eligibility

According to IHS, “American Indians and Alaska Natives are eligible to participate in all public, private, and state health programs available to the general population. In addition, they also have treaty rights to federal health care services through the Department of Health and Human Services. The federal trust responsibility to uphold the treaty responsibility for health care to Indians is accomplished by consulting with Indian Tribes and then actively advocating for policy, legislative, and budgetary planning for Indian health care⁹.” Most facilities require individuals to present a Certificate Degree of

Indian Blood (CDIB) card for health services¹⁰. Some facilities will also accept a tribal citizenship card or proof of eligibility for a CDIB card. Health care services may also be extended to non-tribal individuals at tribal-operated health facilities¹¹. These policies are set by the operating tribe and vary by location.



Pediatric Services provided by the Choctaw Nation.

Facilities

Indian health care facilities are located within Indian Reservations or tribal statistical area boundaries and may be operated directly by IHS or by individual tribes who receive funding from IHS. Most American Indians in the United States reside within urban areas outside of reservations. Nonprofit urban clinics provide services within urban areas to meet the needs of American Indians who live in urban areas. These urban clinics receive limited funding from IHS. Health care facilities include hospitals, ambulatory outpatient facilities, health centers, school health centers, health stations, and alcohol substance abuse

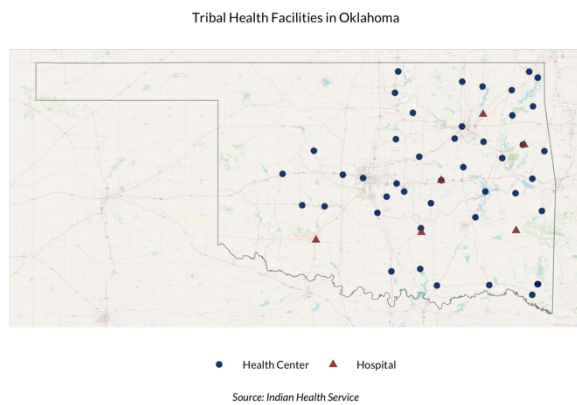
⁹ “Basis for Health Services,” Indian Health Service, <https://www.ihs.gov/newsroom/factsheets/basisforhealthservices/>, accessed Feb 26, 2022.

¹⁰ CDIB cards are issued by the federal Bureau of Indian Affairs. CDIB cards may be held by individuals who are not registered citizens of a federally recognized tribe but who can

prove eligibility for citizenship (i.e., most tribal citizens have CDIB cards but not all CDIB cardholders are tribal citizens).

¹¹ For example, some tribes provide services for non-tribal employees. Some tribes provided access to COVID-19 vaccines to the broader public.

treatment facilities. Hospital and Health facilities are pictured in the map below.



In Oklahoma, there are 9 facilities operated by IHS, 43 facilities operated by individual tribes, and two urban clinics, one each in Oklahoma City and Tulsa. These facilities include hospitals (6), health centers (44), and alcohol substance abuse treatment facilities (6).

Services Provided by Study Services Provided by Study Participants

The data in the table below report health services provided by eight of the participating tribes¹². In 2019, the participating tribes recorded just under 3.5 million unique patient visits and nearly 5.8 million filled



The Eufaula Indian Health Center is located near Lake Eufaula. Operated by the Muscogee Nation, it provides a wide variety of health services, including Primary Care, Dental, Optometry, Audiology, Physical Therapy, Radiology, and many others to citizens of federally recognized tribes in rural eastern Oklahoma.

¹² Some participants did not provide a complete data set and not every tribe operates health facilities.

prescriptions. The data indicate that 1.7% of services provided and 2.3% of prescriptions filled at tribal health facilities were for non-Indian patients.

Tribal Health Services by Participating Tribes			
	Native	Non-Native	Total
In-Patient Visits	582,953	649	583,602
Out-Patient Visits	2,815,388	56,749	2,872,137
Total Visits	3,398,341	57,398	3,455,739
Prescriptions	5,644,805	132,378	5,777,183

Purchased/Referred Care (PRC)

Purchased/Referred Care (PRC) refers to medical or dental services purchased away from IHS or tribal health facilities. The program allows eligible Native Americans to obtain care from providers outside the IHS network in cases where no IHS facility is nearby or when emergency or specialty care is not available at nearby IHS facilities.

Participating tribes reported spending \$66,494,492 for PRC services for 101,821 patients in 2019. These expenditures supported local health care providers throughout the state.

Medicaid Savings for the State

Many tribal citizens participate in the Medicaid insurance program provided to low-income individuals by the federal government. Medicaid costs are shared by the federal government and the state government via state matching funds. The share of expenditures paid by states varies by year, but in 2019, the state match percentage was 37%, indicating that for every \$1 spent on medical

care for Medicaid patients, the federal government paid 63 cents and the State of Oklahoma paid 37 cents.

When health care is provided to Native American patients at IHS or tribal health facilities, the entire cost of care is paid by the federal government, resulting in a direct reduction in required state expenditures¹³.

According to the Oklahoma Healthcare Authority (OHCA), total Medicaid expenditures for tribal citizens at tribal facilities was \$232 million in 2019. Similar expenditure at non-tribal facilities would have cost the state \$86 million in Medicaid matching funds (37% of total expenditure)¹⁴. Put another way, the state saved \$86 million that would have otherwise been spent had services not been provided at tribal facilities.

Oklahoma State University College of Osteopathic Medicine at Cherokee Nation

Oklahoma State University Center for Health Sciences and the Cherokee Nation have established the nation's first tribally affiliated college of medicine in Tahlequah, Oklahoma. This groundbreaking facility opened in August of 2020 with an entering class of 54 first year medical students. The inaugural class out of the Cherokee capital city of Tahlequah is set to graduate May 2024.

The 84,000-square-foot medical school building will include an anatomy laboratory, clinical skills lab, osteopathic manipulative medicine lab, standardized patient labs and a simulation center that will feature state-of-the-art computer programmable manikins. There will also be lecture halls, classrooms, faculty offices, study carrels and a gym/workout area.

¹³ There are some administrative costs incurred by the Oklahoma Healthcare Authority, but the cost of care is zero for the state.

¹⁴ Information provided by Dana Miller, Director of Tribal Government Relations on February 2, 2022

In Focus: Tribal Government Gaming

Indian Gaming Regulatory Act

The U.S. government passed the Indian Gaming Regulatory Act (IGRA) in 1988. The purpose of IGRA was to create a consistent source of revenue for tribes to spend on tribal government priorities for the purpose of improving the welfare of tribes and tribal citizens. As such, the act permitted the use of net revenue from gaming for 5 purposes: to fund tribal government operations or programs, to provide for the general welfare of tribes and tribal citizens, to promote tribal economic development, to donate to charitable organizations, and to help fund operations of local government agencies.

The act established 3 classes of games and defined a different regulator structure for each.

- Class I: Includes social games for prizes of minimal value or traditional forms of Indian gaming connected to tribal ceremonies or celebrations. Regulation of Class I gaming is left to the exclusive jurisdiction of tribes.
- Class II: Includes bingo and similar games such as pull tabs, lotto, instant bingo, and non-banked card games in which players bet against each other rather than against the house. Class II gaming is allowed in states where the state permits such gaming, and the governing body of the tribe adopts an ordinance or resolution which is approved by the Chairman of the

National Indian Gaming Commission (NIGC). Tribes regulate their own Class II activities with oversight by the NIGC.

- Class III: All forms of gaming not included in classes I or II. Frequently called “Vegas-style” gaming because it includes games of chance played at casinos (slot machines, blackjack, poker, and other casino games) that allow wagers or significant prizes.

Regulatory roles are dictated in each individual tribal-state compact.

Tribal Government Gaming in Oklahoma

Oklahoma tribes operated gaming facilities that offered bingo and similar games and had the ability to operate off-track simulcasting wagers through Off-Track Wagering Compacts for several years, but it wasn’t until 2004 when Oklahoma voters approved the State-Tribal Gaming Act, that they were offered a compact to operate a wider array of Class III Covered Games in the state. The act provided a model compact offer which laid out the specific terms for operation of Class III gaming activities in the state. Tribes wanting to offer these Class III games accepted the model compact offer and applied for approval from the Department of Interior. Many tribes signed the model compact and began operating Class III facilities by 2006. Thirty-three of the 35 compacted tribes were operating 133 facilities in the state in 2021¹⁵.

¹⁵ See *Oklahoma Gaming Compliance Unit Annual Report, Fiscal Year 2021*, Oklahoma Office of Management and Enterprise Services,

<https://oklahoma.gov/content/dam/ok/en/omes/documents/GameCompAnnReport2021.pdf>.

Tribal casinos in Oklahoma operate a combination of Nonhouse-Banked games, Class III electronic games, and Class II games. Legislative action in 2018 extended the offer to include “ball and dice” games.



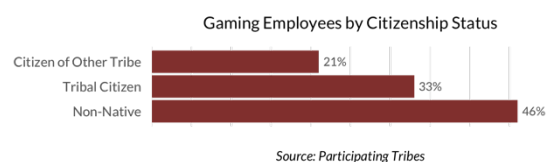
Compacts were amended in 2018 to include ball and dice games.

In exchange for the right to operate Class III Covered Games in tribal areas, the compacts require tribes to remit exclusivity fees monthly from the operation of compacted games to the state¹⁶. By statute, the first \$250,000 of annual fee collections are routed to the Oklahoma Department of Mental Health and Substance Abuse. Of the remaining funds, 88% go to the HB 1017 Revolving Education Fund to support state education priorities and the remaining 12% are distributed to the state’s general revenue fund (Class II revenues are excluded from exclusivity fees).

There were 31 tribes operating 131 gaming facilities by the end of FY 2019 according to the Oklahoma Office of Management and

Enterprise Services (OMES)¹⁷. OMES estimated that tribes operated over 70,000 electronic gaming machines, 43,054 of which were Class III machines.

Gaming and related activity generated revenues just under \$5.8 billion, maintained 28,240 jobs paying \$1.1 billion in wages and benefits to Oklahoma workers in 2019. The largest share of workers (46%) were not citizens of any tribe, with 33% being tribal citizens and 21% being citizens of another federally recognized tribe. Data collected for previous studies have shown that up to 60% of workers were not tribal citizens (Dean and Robinson 2015) and (Dean and Robinson 2016).



Adjusted Gross Gaming Revenue (AGR) refers to the total revenue earned from gaming less monies paid out in prizes. AGR was estimated to be just over \$4 billion in 2014 (Dean and Robinson 2015) with revenue from gaming and all related activities¹⁸ totaling \$4.3 billion. In 2019, AGR increased to \$4.8 billion, while revenue from all gaming and related activities increased to \$5.8 billion, up 38% since 2014.

¹⁶ Fees are calculated as follows:

Electronic Covered Games

- 4% of first \$10 million of AGR
- 5% of next \$10 million of AGR
- 6% of AGR over \$20 million

Table Games

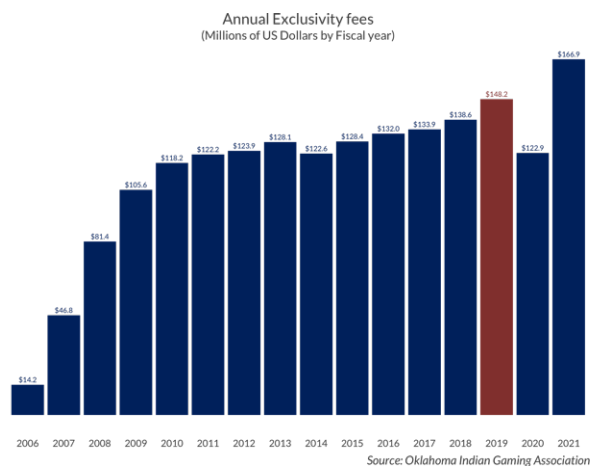
- 10% of monthly net win

Source: Oklahoma Office of Management and Enterprise Services

¹⁷ See Oklahoma Gaming Compliance Unit Annual Report 2019.

¹⁸ Gaming and related revenues include Adjusted Gross Gaming Revenue, and Food and Beverage, Hotel, Retail, Entertainment, Golf, RV Park, Horse Racing, Convenience Store, and Other revenues related to casino operations.

While we don't have estimates for AGR for all years, we can see the increasing significance of compacted gaming by reviewing the growth of exclusivity fee collections since the beginning of compacted gaming in the state in 2006. Fee collections increased consistently with exceptions in years 2014 and 2020. The decrease in 2020 was directly tied to casino closures related to the COVID-19 pandemic.



Collections were up again in 2021 when casinos were reopened. By the end of FY 2021, collections were up 1,075% over collections in 2006. Since 2006, tribes have provided over \$1.8 billion in exclusivity fees to support state education funding priorities.

The Success of IGRA in Oklahoma

States began working with tribal nations shortly after the passage of IGRA in 1988. By 1995, gross revenue from Indian gaming nationwide was \$54.6 million, a full 11 years

before Oklahoma, the former Indian Territory, would offer a compact agreement to the tribal nations in the state¹⁹.

Oklahomans emphatically demonstrated their preference for tribal gaming in 2004, with over 60% of them voting in favor of passage of the Oklahoma State-Tribal Gaming Act. They have continually revealed their demand in the years since its passage, fueling the significant growth in revenues evidenced in the exclusivity fee collections. So much so, that by 2019, Oklahoma ranked third in the U.S. in gaming revenues with collections representing 15% of the U.S. total²⁰.

It wasn't only Oklahomans fueling the growth in gaming. The industry is now a significant exporter of entertainment to surrounding states, attracting dollars to especially rural areas in Oklahoma. Data provided by the participating tribes indicate that 34% of all visits to Oklahoma properties in 2019 came from outside the state. This suggests that more than 1/3rd of the benefits of tribal gaming received by Oklahomans are funded by people living outside the state.

The benefits to Oklahomans include the economic contributions and charitable donations to the state and local communities, the increased employment opportunities for Oklahoma workers, the increased exclusivity fee collections used for education, and the increased tax base resulting from increased income by citizens and businesses who are

¹⁹ Source: "The Encyclopedia of Oklahoma History and Culture," Gaming, Indian, Oklahoma Historical Society, <https://www.okhistory.org/publications/enc/entry.php?entry=GA007>.

²⁰ According to the National Indian Gaming Commission (NIGC), revenues from the Tulsa Region which incorporates

eastern Oklahoma and Kansas were \$2,468,144,000 and revenues from the Oklahoma City Region which incorporates the rest of Oklahoma and Texas were \$2,669,839,000. The combined total of 5,137,983,000 represented 15% of nationwide revenues of \$3,457,8542,000.



Electronic games in Oklahoma include both Class II and Class III machines.

directly or indirectly linked to tribal gaming activities.

All the benefits from tribal gaming in Oklahoma demonstrate the success of IGRA and its implementation by the state and tribal leaders. Resources earned by tribes have been used directly in accordance with the purposes stated in IGRA. In 2019, tribes spent \$1.2 billion to fund tribal government programs, services, and operations²¹, and \$859 million to provide health care services to citizens, and in

some cases, Oklahomans who were not tribal citizens. The tribes sent \$148 million to the state in exclusivity fees. Remaining revenue was used to fund gaming operations and other business/economic development opportunities, and to provide grants to local communities and universities. All uses of revenue are consistent with the funding priorities of IGRA, and the benefits have been received by all Oklahomans.

²¹ Includes \$569 million in expenditures and \$553 million in government payroll.

Support to Oklahoma Communities

Tribes provide dollars directly to local communities to support community projects/goals. Such payments include donations to local school districts and other local governments supporting local primary

and secondary schools, Oklahoma universities, local health and wellness and cultural programs, and many others. The table below highlights a summary of these contributions by the tribes who participated in this study. As such, the true contribution of Oklahoma tribes is larger than the amount reported here.

Total Contributions to State and Local Communities			
	Local	Statewide	Total
Education	\$ 8,633,633	\$ 11,341,358	\$ 19,974,991
Government	\$ 58,857,532	\$ 14,204	\$ 58,871,736
History and Culture	\$ 555,476	\$ 48,600	\$ 604,076
Health and Wellness	\$ 1,089,668	\$ 20,250	\$ 1,109,918
Other	\$ 3,143,209	\$ 70,000	\$ 3,213,209
Total	\$ 72,279,518	\$ 11,494,412	\$ 83,773,930

Economic Impact

Economic impacts include the direct employment, wage, and output (revenue/expenditure) contribution of tribal activity throughout the state and multiplier effects from trade with downstream industries and household expenditures due to increased household income throughout the value chain.

Direct Contribution of Tribes in Oklahoma

The direct contribution of any entity refers to its direct revenues (and/or expenditures for tribes), the wages and benefits it pays to workers, and the number of jobs maintained directly by the entity. For the purpose of impact estimation, the direct output (production) of tribal activity includes their business revenues, government expenditures, and expenditures for capital improvements including roads projects. Direct Employment refers to the number of jobs maintained by tribal businesses and tribal governments in Oklahoma communities. Total wages and benefits refer to the total compensation of workers filling these jobs who live within the borders of the state. Some jobs are filled by out-of-state workers, but their income is spent within their communities outside the state, so

their wages and benefits are not included in this analysis. We can interpret the direct contribution of tribes as the direct production of economic output, the direct number of jobs maintained in Oklahoma communities, and the direct compensation paid to Oklahoma residents.

Direct contribution refers to the direct employment, payroll, and output of Oklahoma tribes inside the Oklahoma economy.

Employment includes all business and government jobs as estimated by the average number of employees for each entity during the year. Payroll includes all business and government wages and benefits provided to workers who reside within the state.

Output includes the total of tribal business revenues and expenditures by tribal governments. Tribes also directly contribute to the economy through their expenditures on new capital projects and road construction and maintenance. Capital expenditure varies by year depending upon tribal improvement schedules, so caution is advised when comparing capital expenditure (including roads) for specific years. The direct contribution data is summarized in the table below. These numbers serve as the direct inputs into the economic impact model.

Direct Contribution Estimates for all Tribes in Oklahoma				
	Government	Business	Capital Projects	Total
Employment	19,629	34,572		54,201
Wages and Benefits	\$ 1,082,138,462	\$ 1,378,342,919		\$ 2,460,481,382
Business Revenues		\$ 7,054,816,265		\$ 7,054,816,265
Government Expenditures	\$ 897,638,634			\$ 897,638,634
Roads Expenditures			\$ 45,510,012	\$ 45,510,012
Other Capital Expenditures			\$ 284,450,513	\$ 284,450,513

Total Economic Impact

The impacts reported in the below include the direct tribal contribution discussed previously, and the economic activity generated by governments, households, and businesses in response to tribal production. These additional impacts are referenced as the “Multiplier Effect” in the table. These multiplier effects include the additional production, employment, and compensation generated by Oklahoma companies in response to the demand for their goods and services by tribal activities. It also includes the additional impacts by households and governments receiving income through wages

Total Economic Impact

Output: \$15.6 billion

Employment: 113,442 jobs

Income to Workers: \$5.4 billion

and who produce products and services purchased by tribes. Tribes supported significant economic activity within the state of Oklahoma in 2019.

Total Economic Impacts from Tribes in Oklahoma in 2019				
	Employment	Payroll	Value Added	Output
Direct Effect	54,201	\$ 2,460,481,382	\$ 4,163,055,614	\$ 8,282,415,423
Multiplier Effect	59,240	\$ 2,904,770,725	\$ 4,359,608,918	\$ 7,284,240,437
Total Effect	113,442	\$ 5,365,252,106	\$ 8,522,664,532	\$ 15,566,655,861

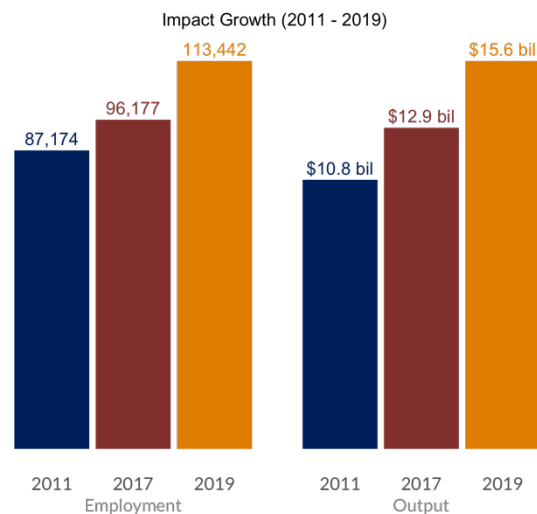
Comparison of Impacts from the 2012 and 2019 All-Tribe Economic Impact Reports

This is the third impact report to estimate the economic impact of all tribal activities in Oklahoma. The first report was published in 2012, using 2011 data. The second was published in 2019, using 2017 data. The current report uses 2019 data. Here we present a comparison of the current impacts with those reported in the two previous reports. These changes should not be viewed as exact, rather they present evidence of the growth of tribal impact.

Employment supported by tribal activities increased by 30% over the 8-year period and nominal output increased by 44%. Real output²² increased by 26.3% from 2011 to 2019.

By comparison, the state of Oklahoma experienced an 8.1% increase in total employment²³ and a 20.7% increase in Real

Gross State Product²⁴ over the same period. The large increases in employment and output impacts relative to changes in the Oklahoma economy overall, demonstrate the increasing importance of tribes as drivers of economic growth in Oklahoma. Again, this growth is especially important in rural areas where the national trend is decline.



²² Reported Output Impacts for each year (\$10.8, \$12.9, and \$15.6 billion) were converted to real values using the GDP Deflator for each year (base = 2015).

²³ U.S. Bureau of Labor Statistics, All Employees: Total Nonfarm in Oklahoma [OKNA], retrieved from FRED,

Federal Reserve Bank of St. Louis;
<https://fred.stlouisfed.org/series/OKNA>, March 1, 2022.

²⁴ U.S. Bureau of Economic Analysis, Real Gross Domestic Product: All Industry Total in Oklahoma [OKRQGSP], retrieved from FRED, Federal Reserve Bank of St. Louis;
<https://fred.stlouisfed.org/series/OKRQGSP>, March 1, 2022.

Oklahoma Fiscal Impacts

Tribal activities generated significant revenues for Oklahoma state and local governments in 2019. IMPLAN²⁵ software generates estimates of fiscal collections at every level of government from workers, households, and corporations resulting from the entirety of economic activity (direct and multiplier) generated from the initial direct

contributions in the impact model. The estimated fiscal impacts of Oklahoma tribal nations are summarized in the table below. Combining fiscal impact estimates generated by the model with the exclusivity fees paid by tribes, we estimated payments to Oklahoma governments totaled more than \$530 million. Note: The numbers reported here do not include federal government collections as they are not germane to this study.

Fiscal Impacts	
Household Income, Property, and other Taxes and Fees	\$ 73,623,426
Corporate Income and Production Taxes	\$ 308,453,276
Gaming Exclusivity Fees	\$ 148,221,620
Total Estimated Fiscal Impacts	\$ 530,298,322

²⁵ IMPLAN is a nationally recognized vendor of impact multipliers and software. IMPLAN Group LLC, 16905 NorthCross Drive, Suite 120, Huntersville, NC 28078

Appendix A: Impact Methodology

Impact Estimation

Economic impacts are estimates of the full production, employment, and income that are directly and indirectly linked to the production activity under study. The true impacts are unknowable, as the variety and quantity of expenditures flowing downstream are not specifically reported. However, “good” estimates can be obtained by using existing economic linkages developed from previous industry flows. These previous annual dollar flows are used to construct a model that calculates the downstream impacts that result from tribal government, business, health care, gaming, and construction activities. The downstream expenditures include production by related industries, governments, and households. When totaled, these direct (tribal) and multiplier (downstream industries + expenditure from households) activities provide a complete picture of the total impact.

A model was created for the state of Oklahoma for use in the estimation phase. Tribal data was collected from individual tribes and aggregated into tribal direct inputs. Because this report includes data from 11 of the 38 tribes, additional tribal government, business, health care, and gaming activities were estimated for the remaining tribes in Oklahoma to complete the data inputs for use in the Oklahoma model. All reported impacts occur at the state level.

Tribal government impacts were derived from direct government expenditures, employment, and payroll. These impacts were added to

business impacts derived from business revenues, employment, and payroll, health care expenditures, employment, and payroll, gaming revenue, employment, and payroll, and capital expenditures for one-time roads and other construction projects to provide a complete estimate of the impacts of all tribal activities in the state. Construction impacts are transient, occurring only once, while the other impacts occur annually. As a result, some of the variance of impacts across years can be explained as variation in roads and other capital projects expenditures.

The methodology employed in this report is designed to estimate the contribution of (mostly) existing activities to the local economy²⁶. The approach begins with a static description of expenditure flows between households and industries, capturing the reliance of one industry’s output on other, supporting industries. For example, by examining the expenditures from the construction industry to the wholesale lumber industry we can derive an estimate of the reliance of the construction sector on wholesale lumber output.

From these frozen-in-time expenditure flows, we can derive economic multipliers specific to each industry. These multipliers estimate the combined, or total economic impact originating from an initial expenditure (or revenue) from Oklahoma tribes. Multipliers for employment and wages and benefits are derived similarly.

This approach is valuable as it provides rich information at a relatively low computational cost. However, the methodology does invoke

²⁶ In fact, while reports of this nature are commonly referred to as ‘impact analyses,’ they are more correctly characterized as ‘contribution analyses’

some restrictive assumptions, including constant prices and a fixed production process, and should not be confused with a computationally higher cost economic forecast.

Tribal Data Overview

The calculation of impacts relies on quality data inputs. Every effort was made to obtain a complete, aggregated dataset of all Oklahoma tribal production, employment, wages and benefits, and other information for this study. We used a data collection survey which was completed by 11 of the 38 Oklahoma tribes. Four additional tribes provided audited financial reports which were helpful in determining their contribution as well. In total, 16 tribes participated in the study.

The provided survey asked tribes to describe their production activities for several pre-defined categories (see below). Tribes used internal financial records to complete revenue, expenditure, employment, and wages and benefits totals for the various categories. As such, individual tribe data is proprietary and therefore not releasable to the public.

The results from each tribal survey were combined to form an aggregate sample. Estimates of all tribal activity including non-participating tribes were derived using information available publicly in combination with averages or other measures derived from the aggregate participant sample.

The data were collected using a survey template which categorized activities by type and subcategory. Data categories are provided in the table below.

Data Disclaimer

The data provided to Economic Impact Group, LLC. by the individual tribes include private financial, employment, and operations data. Report results are derived from the provided data without audit by the report provider. The accuracy or reliability of the data or results is not guaranteed or warranted in any way. We disclaim liability of any kind whatsoever, including, without limitation, liability for quality, performance, merchantability and fitness for a particular purpose arising out of the use, or inability to use the data.

Production Categories			
Government	Business	Capital Expenditures	Other
Social Services	Finance	Roads	Healthcare
History and Culture	Real Estate	Other Capex	Gaming
Housing	Professional Services		
Education	Manufacturing		
Government Operations	Retail		
Other Gov	Other Bus		

Appendix B: Oklahoma Federally Recognized Tribes

Absentee-Shawnee Tribe of Indians of Oklahoma
Alabama-Quassarte Tribal Town **
Apache Tribe of Oklahoma
Caddo Nation of Oklahoma
Cherokee Nation *
Chickasaw Nation *
Cheyenne and Arapaho Tribes *
Choctaw Nation of Oklahoma *
Citizen Potawatomi Nation *
Comanche Nation
Delaware Nation **
Delaware Tribe of Indians
Eastern Shawnee Tribe of Oklahoma *
Fort Sill Apache Tribe of Oklahoma *
Iowa Tribe of Oklahoma
Kaw Nation *
Kialegee Tribal Town
Kickapoo Tribe of Oklahoma **
Kiowa Indian Tribe of Oklahoma
Miami Tribe of Oklahoma

Modoc Tribe of Oklahoma
Muscogee Nation *
Osage Nation
Otoe-Missouria Tribe of Indians
Ottawa Tribe of Oklahoma **
Pawnee Nation of Oklahoma **
Peoria Tribe of Indians of Oklahoma
Ponca Tribe of Indians of Oklahoma
Quapaw Tribe of Indians
Sac & Fox Nation
Seminole Nation of Oklahoma
Seneca-Cayuga Tribe of Oklahoma *
Shawnee Tribe
Thlopthlocco Tribal Town
Tonkawa Tribe of Indians of Oklahoma
United Keetoowah Band of Cherokee Indians in Oklahoma
Wichita and Affiliated Tribes *
Wyandotte Nation

* Indicates Participating Tribe

** Indicates Tribe who Submitted Audited Financial Reports

Appendix C: Glossary of Terms

Direct Impact

Direct Impact refers to the direct contribution of tribal activity to the state of Oklahoma. For this study, direct impact includes Business Revenues, Employment, and Wages and Benefits and Government Expenditures, Employment, and Wages and Benefits.

Multiplier Impact

Economic impact includes the direct contribution of tribes (Direct Impact) and the additional economic activity that is generated in support of this direct contribution.

Multiplier Impact refers to this additional activity and includes revenues and subsequent expenditures of businesses from whom tribes purchase goods and services. Also included are the additional employment and wages and benefits created by downstream businesses as well as business activity resulting from worker income spent within the state.

Employment

In the context of this report, employment refers to the number of jobs or positions necessary to support tribal activity and the production of downstream industries that supports tribal activity. It is not a count of total employees as multiple employees may fill a single job during a year if one employee leaves employment and is replaced by another individual.

Input-Output Models

Models that estimate economic linkages between industries, households, governments, and trade based upon known or estimated flows of dollars throughout an economy. IMPLAN models estimate the linkages using

publicly available data on production, employment, wages, household income, government revenue and expenditure, and other dollar flows for a specific region. All linkages and estimates in this report are for the state of Oklahoma unless stated otherwise.

Output

Output is an estimate of the value of production for a given activity in each region. In this report, output refers to value of all goods and services produced directly by tribes or indirectly by downstream industries. It differs from GDP in that it includes the value of all goods and services produced, including intermediate goods used in the production of final goods which can result in double counting in some cases.

Wages and Benefits/Payroll

The term Payroll is synonymous with the phrase Wages and Benefits in this report. Both refer to the total expenditure of tribes on wages, salaries, and associated benefits for workers who live within the state of Oklahoma. Wages and Benefits paid to employees who live in adjoining states do not count toward this total.

Value Added

Value Added is like output in that it measures the value of production. Unlike output, it avoids double counting by summing only the added value of production at each phase of the production process. The total value added will sum to the value of the final good produced and thus is comparable to traditional measures of GDP. To understand the value of tribal production within the state, compare Value Added to Oklahoma GDP.

Appendix D: References

Dean, Kyle D. 2012. "The Statewide Impacts of Oklahoma Tribes." Steven C. Agee Economic Research & Policy Institute.

———. 2019. "The Economic Impact of Tribal Nations in Oklahoma, Fiscal Year 2017." Center for Native American; Urban Studies, Oklahoma City University. <http://www.oknativeimpact.com>.

Dean, Kyle D., and Matthew S. Robinson. 2015. "Statewide Economic Impacts from Oklahoma

Tribal Government Gaming." Oklahoma Indian Gaming Association. <https://oiga.org/wp-content/uploads/2018/01/OIGA-2015-Annual-Impact-Report-singlepg2.pdf>.

———. 2016. "Statewide Economic Impacts from Oklahoma Tribal Government Gaming, 2016 Annual Impact." Oklahoma Indian Gaming Association. <https://oiga.org/wp-content/uploads/2018/01/OIGA-Impact-Report-2016.pdf>.