

Indian Gaming: Not a Gold Rush

~ Helen Oliff for National Relief Charities

*Where does all the casino money go?
Don't tribal members get casino payouts?
Why don't the rich casino tribes help the other tribes?
What does enrollment have to do with casinos?*

These sentiments are echoed daily by Americans who only heard part of the casino story. They are not at fault. In the early years of Indian gaming, sensational news stories told the tale of



huge earnings by Indian tribes, stories that captured the attention of the American public like a twentieth century Gold Rush. The lesser known part of the story is that casino “riches” are the fate of only a few fortunate tribes, that in most cases casinos do not yield huge profits, and that even now the majority of tribes do not operate casinos.

If you think casinos mean Native Americans are set for life, you may be surprised by these facts:

1. **Casino riches are not universal for all tribes.** Nearly 25 million people a year visit casinos for recreation, and Indian gaming creates 339,000 jobs and \$12.3 billion in wages. Through this, some tribes are experiencing positive growth and stabilization. But it's a fact that these tribes are within easy distance of an urban customer base and/or have a small tribal enrollment. Indian casinos in rural and remote communities such as those served by [National Relief Charities](#) (NRC) often operate at breakeven with the big gain being more tribal jobs.
2. **Only 4 in 10 recognized tribes have casinos.** The US has 566 federally recognized tribes. Of them, only 224 (39%) operate casinos, according to the National Indian Gaming Commission (NIGC) web site. Another 460 US tribes are not federally recognized or authorized for Indian gaming. They do not meet the definition of “[Indian tribe](#)” under the Indian Gaming Regulatory Act that is administered by the NIGC.
3. **Only 1.3 in 10 recognized tribes give casino payouts.** The use of gaming profits is largely defined by the NIGC. Tribes must use gaming profits to fund their tribal government, social programs, and economic development; provide for the general welfare of the tribe and its members; and make donations to help fund local governments and charitable organizations. Only then, under the Indian Gaming Regulatory Act, may federally recognized tribes request NIGC approval for casino payouts to enrolled tribal members.



Only 72-74 recognized tribes (13%) have reached this status. The majority of tribes cannot give casino payouts.

4. **States can limit Indian gaming revenue.** Only 28 states allow [Indian gaming](#) and tribes that conduct Class III gaming (blackjack, slot machines, baccarat) must negotiate gaming compacts with state governments. For instance, the Oglala Sioux Tribe is federally recognized and subject to NIGC regulations, yet it is also subject to a gaming compact with the state of South Dakota. These compacts often limit the seats, gaming options, and thus earning capacity of casinos. Further, if Indian gaming is operated off-reservation, the operation is subject to the laws of the state where it is located. Huge earnings like those in the news are not the norm.
5. **Gaming tribes help the US economy and other tribes.** According to Indian Country Today, gaming tribes paid \$6 billion in federal taxes in 2011, as well as \$3.8 billion in state support and \$2.5 billion to local governments. While states cannot tax casino business earnings, many tribes agree to share a portion of proceeds in exchange for the right to conduct gaming in the state – but this too is subject to NIGC approval. Despite this heavy burden, gaming tribes also donate about \$100 million dollars a year to localities near their gaming facilities and to less fortunate tribes.
6. **Tribal enrollment and gaming converge.** Over 200 unrecognized tribes are pursuing [federal recognition](#), some of them for the right to conduct gaming. Recognition is awarded by the BIA and/or Congress, but such awards are rare and it can take years to complete the exacting requirements. Already recognized tribes also suffer challenges related to gaming. This ranges from the swell of tribal member enrollments that have come about in the 25-year history of Indian gaming to the dis-enrollment of members by tribes reportedly to boost tribal revenues.

Now you know the whole story: Indian gaming has helped some tribes but done little to change the economic conditions on most reservations. This is best summed up by a passage from Native Americans in Philanthropy:

...the needs of reservation Indians are so great that even if the total annual Indian gaming revenue in the country could be divided equally among all the Indians in the country, the amount distributed per person would still not be enough to raise Indian per capita income to anywhere near the national average...

(Survey of Grant Giving by American Indian Foundations and Organizations)