

## II. The Economic Impact of the Pechanga Band of Luiseño Indians

The combined economic effect of the Pechanga Band of Luiseño Indians Tribal and casino activities in 2003 resulted in the direct employment of 1,129 individuals that resided in Senate District 37. The Pechanga Resort and Casino payroll, tribal payroll and other payments to individuals through tribal programs totaled \$49,363,186.<sup>1</sup> These wages and payments are estimated to have produced \$11,402,896 in additional federal and state payroll and income taxes. In addition, the Tribe and the Pechanga Resort and Casino were responsible for the direct purchase of \$5,924,554 worth of goods and services.<sup>2</sup>

In addition to the direct economic effects, tribal gaming has indirect or multiplier effects on the rest of the California economy. Employment, purchases and tax payments that tribal casinos made lead to increased business for surrounding communities and the rest of the state. Output, earnings and employment multipliers are widely used. In order to estimate the indirect economic impact, we use the *Regional Input-Output Modeling System* (RIMS II) multipliers for output, wages and employment for the state of California as calculated by the Bureau of Economic Analysis, U.S. Department of Commerce.<sup>3</sup>

<b>Table 1: Total Economic Impact of Economic Activities</b>			
	<b>Employment</b>	<b>Payments to Individuals</b>	<b>Purchases</b>
<b>Direct Effects</b>	1,129	\$49,363,186	\$5,924,554
<b>Indirect Effects</b>	<u>2,824</u>	<u>\$87,427,138</u>	<u>\$13,785,251</u>
<b>Total Effects</b>	3,953	\$136,790,324	\$19,709,805

The total indirect and direct effects of the Tribe's economic activities accounted for the creation of 3,953 jobs that paid wages and benefits totaling \$136,790,324 in 2003. In addition, further purchases of goods and services in the amount of \$19,709,805 occurred as a result of the Tribe's activities.

The majority of the impact of the Tribe's activities was in Senate District 37. In particular, the portions of the cities of Hemet, Perris, Lake Elsinore and Sun City within the district received significant economic benefit as a result of the Tribe's activities. The following analysis focuses on the total impact on specific portions of the district and the portions of these cities that are within the district.