

## 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 649 individuals residing in Assembly District 65. The Pechanga Resort and Casino payroll, tribal payroll and other payments to individuals through tribal programs totaled \$33,866,821.<sup>1</sup> These wages and payments are estimated to have produced \$7,823,236 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 \$1,830,791 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 made by tribal casinos lead to increased business for surrounding communities and the rest of the state. Output, earnings and employment multipliers are widely used. 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>	649	\$33,866,821	\$1,830,791
<b>Indirect Effects</b>	<u>1,792</u>	<u>\$59,981,527</u>	<u>\$4,259,885</u>
<b>Total Effects</b>	2,441	\$93,848,348	\$6,090,676

The total indirect and direct effects of the Tribe's economic activities accounted for the creation of 2,441 jobs paying wages and benefits totaling \$93,848,348 in 2003. In addition, purchases of goods and services in the amount of \$6,090,676 occurred as a result of the Tribe's activities.

The majority of the impact of the Tribe's activities was in Assembly District 65. In particular, the portions of the cities of Hemet, Perris, Sun City and Moreno Valley within the district received significant economic benefits 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 lying within the district.