

The Economic Impact of the Pechanga Band of Luiseño Indians



Prepared by
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The Economic Impact of the
Pechanga Band of Luiseño Indians
on Assembly District 64

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I. Executive Summary

1. The Pechanga Band of Luiseño Indians and the Pechanga Resort and Casino employed 614 residents of Assembly District 64 during 2003.
2. The Pechanga Band of Luiseño Indians and the Pechanga Resort and Casino were directly responsible for \$28,840,626 in wages, benefits and other payments to individuals residing in Assembly District 64 during 2003.
3. The Tribe and the Pechanga Resort and Casino purchased \$4,465,002 worth of goods and services from firms in Assembly District 64 during the year.
4. The Tribe's direct activities resulted in the payment of \$6,662,185 in state and federal payroll and income taxes from residents of Assembly District 64.
5. In addition to the direct effects of the Tribe's activities, these activities also have multiplier effects on the rest of the district's economy. Our estimates indicate that the Tribe's activities were indirectly responsible for the creation of 1,715 jobs paying wages and benefits totaling \$51,079,633 in 2003. In addition, purchases of goods and services in the amount of \$14,854,169 occurred as a result of the Tribe's activities.

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 614 individuals residing in Assembly District 64. The Pechanga Resort and Casino payroll, tribal payroll and other payments to individuals through tribal programs totaled \$28,840,626.¹ These wages and payments are estimated to have produced \$6,662,185 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 \$4,465,002 worth of goods and services from suppliers in the district.²

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 make 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.³

| Table 1: Total Economic Impact of Economic Activities | | | |
|--|-------------------|--------------------------------|---------------------|
| | Employment | Payments to Individuals | Purchases |
| Direct Effects | 614 | \$28,840,626 | \$4,465,002 |
| Indirect Effects | <u>1,715</u> | <u>\$51,079,633</u> | <u>\$14,854,169</u> |
| Total Effects | 2,329 | \$79,920,259 | \$14,854,169 |

The total indirect and direct effects of the Tribe's economic activities accounted for the creation of 2,329 jobs paying wages and benefits totaling \$79,920,259 in 2003. In addition, further purchases of goods and services in the amount of \$14,854,169 occurred as a result of the Tribe's activities.

The Tribe's activities had an important impact throughout the district. In particular, the portions of the cities of Temecula, Murrieta, Wildomar, and Perris 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 lying within the district.

Temecula

The City of Temecula was the primary beneficiary of the Tribe's activities because of the location of the Tribal Headquarters and the Pechanga Resort and Casino. Assembly District 64 contains a portion of Temecula. Direct economic activity resulted in the employment of 186 residents of Temecula. They received wages, benefits and other payments equal to \$12,329,741 in 2003. The Tribe and Pechanga Resort and Casino purchased \$809,624 worth of goods and services directly from merchants and suppliers in Temecula during the year. The indirect economic impact added another 662 jobs, \$21,837,204 in payments to individuals, and \$1,883,832 in purchases of goods and services to the district's economy.

| Table 2: Total Economic Impact of Economic Activities in Temecula | | | |
|--|-------------------|--------------------------------|--------------------|
| | Employment | Payments to Individuals | Purchases |
| Direct Effects | 186 | \$12,329,741 | \$809,624 |
| Indirect Effects | <u>662</u> | <u>\$21,837,204</u> | <u>\$1,883,832</u> |
| Total Effects | 848 | \$34,166,945 | \$2,693,456 |

The total indirect and direct effects of the Pechanga Band's activities accounted for the purchases of goods and services in the amount of \$2,693,456. The Tribe's activities resulted in total job creation of 848 and total payments to individual residents of Temecula and the district of \$34,166,945.

Murrieta

The City of Murrieta was the largest beneficiary of the Pechanga Band’s economic activities within the district. The majority of the city lies with the district. There were 41 residents of the district and Murrieta that either the Tribe or the Pechanga Resort and Casino employed in 2003. These individuals received wages, benefits and other payments equal to \$1,773,931. In addition, the Tribe was responsible for \$74,596 in purchases of goods and services from Murrieta suppliers located in the district. The Tribe’s activities resulted in the indirect employment of 92 people that received wages and benefits of \$3,141,809. Indirect purchases of \$173,569 worth of goods and services occurred in Murrieta and the district as the result of the Tribe’s activities.

| Table 3: Total Economic Impact of Economic Activities on Murrieta | | | |
|--|-------------------|--------------------------------|------------------|
| | Employment | Payments to Individuals | Purchases |
| Direct Effects | 41 | \$1,773,931 | \$74,596 |
| Indirect Effects | <u>92</u> | <u>\$3,141,809</u> | <u>\$173,569</u> |
| Total Effects | 133 | \$4,915,740 | \$248,165 |

The total indirect and direct effects of the Tribe’s activities accounted for the creation of 133 jobs in Murrieta that are within District 64. These jobs paid \$4,915,740 in wages and benefits. In addition, the Tribe’s activities resulted in the purchase of goods and services worth \$248,165 from local suppliers.

Wildomar

The Tribe and the Pechanga Resort and Casino employed 40 workers residing in Wildomar in 2003. Residents of the city received \$1,651,218 in wages, benefits and other payments. The Tribe and Casino purchased goods and services worth \$58,581 from suppliers in Wildomar. The indirect impact of the Tribe’s economic activities resulted in the employment of 85 workers with wages and benefits totaling \$2,924,472 in 2003. The Tribe’s activities also resulted in purchases from Wildomar suppliers in the amount of \$136,307.

| Table 4: Total Economic Impact of Economic Activities on Wildomar | | | |
|--|-------------------|--------------------------------|------------------|
| | Employment | Payments to Individuals | Purchases |
| Direct Effects | 40 | \$1,651,218 | \$58,581 |
| Indirect Effects | <u>85</u> | <u>\$2,924,472</u> | <u>\$136,307</u> |
| Total Effects | 125 | \$4,575,690 | \$194,888 |

The total impact of the Tribe’s economic activities resulted in the creation of 125 jobs and payments to individuals of \$4,575,690. The Tribe’s activities resulted in the purchase of \$194,888 worth of goods and services from suppliers in the district.

Perris

The Tribe was also a major employer for residents of Perris. The Tribe and Casino employed 63 Perris residents directly in 2003. The activities of the Tribe resulted in the indirect employment of another 90 full time equivalent employees in Perris and the district. The direct wages paid to Perris residents totaled \$1,756,157, and the indirect wages totaled \$3,110,330. The Tribe and Casino purchased \$54,508 worth of goods and services in Perris and the district. The Tribe's activities contributed to the purchase of another \$126,829 worth of goods and services in 2003.

| | Employment | Payments to Individuals | Purchases |
|-------------------------|-------------------|--------------------------------|------------------|
| Direct Effects | 63 | \$1,756,157 | \$54,508 |
| Indirect Effects | <u>90</u> | <u>\$3,110,330</u> | <u>\$126,829</u> |
| Total Effects | 153 | \$4,866,488 | \$181,337 |

The total economic impact of the Tribe resulted in purchases of goods and services in the amount of \$181,337. The Tribe's activities resulted in total job creation of 153 with wages and benefits of \$4,866,488.

Riverside County

Assembly District 64 is located entirely within Riverside County. The Tribe's economic activities resulted in the direct employment of 614 individuals in the district in 2003. These jobs were responsible for the direct payment of \$28,840,626 in wages, benefits, and other payments from tribal sources to residents of the county. The Tribe and the Pechanga Resort and Casino purchased \$4,465,002 in goods and services in 2003 from vendors in Riverside County. The indirect effects of the Tribe's activities resulted in the creation of 1,715 jobs that paid \$51,079,633 in wages and benefits in 2003. Tribal activity resulted in \$10,389,167 in additional purchases in the county and the district.

| Table 6: Total Economic Impact of Economic Activities on Riverside County | | | |
|--|-------------------|--------------------------------|---------------------|
| | Employment | Payments to Individuals | Purchases |
| Direct Effects | 614 | \$28,840,626 | \$4,465,002 |
| Indirect Effects | <u>1,715</u> | <u>\$51,079,633</u> | <u>\$10,389,167</u> |
| Total Effects | 2,329 | \$79,920,259 | \$14,854,169 |

The total economic impact of the Tribe's activities resulted in the creation of 2,329 jobs and payments to individuals of \$79,920,259. The Pechanga Band's activities resulted in direct and indirect purchases of \$14,854,169 worth of goods and services from District 64 suppliers in 2003.

¹ The employee data and the location of the employees in this report refer to the year end data. The wage data refers to the wages paid throughout the year. To the extent that there is employee turnover, one cannot combine this data to generate average wage data. In addition, the Pechanga Tribal Government operates many different programs that provide payments to Tribal Members. In this report, any payments to individuals are included in the wages and benefits categories. As a result, one cannot use the wage and benefit figures and the employee figures to calculate an average employee wage.

² The purchase figures reported here include construction expenditures. If construction expenditures are lower in the future, then the ongoing impact will be lower.

³ The wages and benefits multiplier is 1.8 and the purchases multiplier is 2.3. For indirect job creation, a total of 27.9 jobs are created for each \$1,000,000 in wages or purchases indirectly created by the Tribe's activities.

The Economic Impact of the Pechanga Band of Luiseño Indians on Assembly District 65

June 5, 2004

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I. Executive Summary

1. The Pechanga Band of Luiseño Indians and the Pechanga Resort and Casino employed 649 residents of Assembly District 65 during 2003.
2. The Pechanga Band of Luiseño Indians and the Pechanga Resort and Casino were directly responsible for \$33,866,821 in wages, benefits and other payments to individuals residing in Assembly District 65 during 2003.
3. The Tribe and the Pechanga Resort and Casino purchased \$1,830,791 worth of goods and services from firms in Assembly District 65 during the year.
4. The Tribe's direct activities resulted in the payment of \$7,823,236 in state and federal payroll and income taxes from residents of the Assembly District 65.
5. In addition to the direct effects of the Tribe's activities, these activities also have multiplier effects on the rest of the district's economy. Our estimates indicate that the Tribe's activities were indirectly responsible for the creation of 1,792 jobs paying wages and benefits totaling \$59,981,527 in 2003. In addition, purchases of goods and services in the amount of \$4,259,885 occurred as a result of the Tribe's activities.

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 \$33,866,821.¹ 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.²

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.³

| Table 1: Total Economic Impact of Economic Activities | | | |
|--|-------------------|--------------------------------|--------------------|
| | Employment | Payments to Individuals | Purchases |
| Direct Effects | 649 | \$33,866,821 | \$1,830,791 |
| Indirect Effects | <u>1,792</u> | <u>\$59,981,527</u> | <u>\$4,259,885</u> |
| Total Effects | 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.

Hemet

The Tribe and the Pechanga Resort and Casino employed 218 Hemet residents in 2003. Individuals residing in the district received payments totaling \$12,040,857 from tribal activities. The Tribe and Casino were responsible for direct purchases of \$1,694,052 from Hemet merchants and suppliers in the district. The Tribe's activities were responsible for the indirect creation of 705 jobs and the purchase of \$3,941,720 worth of goods and services in Assembly District 65.

| | Employment | Payments to Individuals | Purchases |
|-------------------------|-------------------|--------------------------------|--------------------|
| Direct Effects | 218 | \$12,040,857 | \$1,694,052 |
| Indirect Effects | <u>705</u> | <u>\$21,325,561</u> | <u>\$3,941,720</u> |
| Total Effects | 923 | \$33,366,418 | \$5,635,772 |

The combined direct and indirect effects of the Tribe and Pechanga Resort and Casino's activities accounted for the creation of 923 jobs paying \$33,366,561 in wages and benefits. The Tribe's activities also resulted in \$5,635,772 in purchases of goods and services from Hemet suppliers in the district.

Perris

The Tribe was also a major employer for residents of Perris with the Tribe and Casino employing 113 residents of Perris and the district in 2003. The activities of the Tribe resulted in the indirect employment of another 184 full time equivalent employees in Perris and the district. The direct wages totaled \$2,886,968 and the indirect wages totaled \$5,113,109. The Tribe and Casino purchased \$642,935 worth of goods and services in Perris in 2003. The Tribe's activities contributed to the purchase of another \$1,495,980 worth of goods and services in 2003 from Perris suppliers in the district.

| | Employment | Payments to Individuals | Purchases |
|-------------------------|-------------------|--------------------------------|--------------------|
| Direct Effects | 113 | \$2,886,968 | \$642,935 |
| Indirect Effects | <u>184</u> | <u>\$5,113,109</u> | <u>\$1,495,980</u> |
| Total Effects | 297 | \$8,000,077 | \$2,138,915 |

The total economic impact of the Tribe resulted in purchases of goods and services in the amount of \$2,138,915. The Tribe's activities resulted in total job creation of 297 with wages and benefits of \$8,000,077.

Sun City

The Tribe's economic activities resulted in the direct employment of 95 individuals in Sun City and the District in 2003. These jobs were responsible for the direct payment of \$3,448,086 in wages, benefits, and other payments from tribal sources. The Tribe and its operations purchased \$63,455 in goods and services in 2003 from vendors in Sun City and the district. The indirect effects of the Tribe's activities resulted in the creation of 175 jobs that paid \$6,106,906 in wages and benefits in 2003. Tribal activity resulted in \$147,648 in additional purchases in the city and the district.

| Table 4: Total Economic Impact of Economic Activities on Sun City | | | |
|--|-------------------|--------------------------------|------------------|
| | Employment | Payments to Individuals | Purchases |
| Direct Effects | 95 | \$3,448,086 | \$63,455 |
| Indirect Effects | <u>175</u> | <u>\$6,106,906</u> | <u>\$147,648</u> |
| Total Effects | 270 | \$9,554,992 | \$211,103 |

The total economic impact of the Tribe's activities resulted in the creation of 270 jobs and \$9,554,992 in wages, benefits, and other payments in the district and the city. The Pechanga Band's activities resulted in direct and indirect purchases of \$211,103 worth of goods and services from Sun City businesses located in the district in 2003.

Moreno Valley

The Tribe and the Casino employed 55 workers residing in Moreno Valley and the district in 2003. Residents of the city received \$1,495,730 in wages, benefits, and other payments from tribal sources. The Tribe and Casino purchased goods and services worth \$14,133 from suppliers in Moreno Valley. The indirect impact of the Tribe's economic activities resulted in the employment of 75 workers with wages and benefits totaling \$2,649,087 in the district. The Tribe's activities also resulted in indirect purchases from Moreno Valley suppliers in the amount of \$32,885.

| Table 5: Total Economic Impact of Economic Activities on Moreno Valley | | | |
|---|-------------------|--------------------------------|------------------|
| | Employment | Payments to Individuals | Purchases |
| Direct Effects | 55 | \$1,495,730 | \$14,133 |
| Indirect Effects | <u>75</u> | <u>\$2,649,087</u> | <u>\$32,885</u> |
| Total Effects | 130 | \$4,144,817 | \$47,018 |

The total impact of the Tribe's economic activities resulted in the creation of 130 jobs paying \$4,144,817 in Moreno Valley. The Tribe's activities resulted in the purchase of \$47,018 worth of goods and services from suppliers in Moreno Valley and the district.

Riverside County

Assembly District 65 is located almost entirely in Riverside County. The Tribe's economic activities resulted in the direct employment of 647 individuals in the district in 2003. These jobs were responsible for the direct payment of \$33,829,307 in wages, benefits, and other payments from tribal sources to residents of the county. The Tribe and the Pechanga Resort and Casino purchased \$1,725,208 in goods and services in 2003 from vendors in Riverside County. The indirect effects of the Tribe's activities resulted in the creation of 1,784 jobs that paid \$59,915,085 in wages and benefits in 2003. Tribal activities resulted in \$4,014,213 in additional purchases in the county and the district.

| Table 6: Total Economic Impact of Economic Activities on Riverside County | | | |
|--|-------------------|--------------------------------|--------------------|
| | Employment | Payments to Individuals | Purchases |
| Direct Effects | 647 | \$33,829,307 | \$1,725,208 |
| Indirect Effects | <u>1,784</u> | <u>\$59,915,085</u> | <u>\$4,014,213</u> |
| Total Effects | 2,431 | \$93,744,392 | \$5,739,420 |

The total economic impact of the Tribe's activities resulted in the creation of 2,431 jobs and payments to individuals of \$93,744,392. The Pechanga Band's activities resulted in direct and indirect purchases of \$5,739,420 worth of goods and services from Riverside County suppliers in the district.

¹ The employee data and the location of the employees in this report refer to the year end data. The wage data refers to the wages paid throughout the year. To the extent that there is employee turnover, one cannot combine this data to generate average wage data. In addition, the Pechanga Tribal Government operates many different programs that provide payments to Tribal Members. In this report, any payments to individuals are included in the wages and benefits categories. As a result, one cannot use the wage and benefit figures and the employee figures to calculate an average employee wage.

² The purchase figures reported here include construction expenditures. If construction expenditures are lower in the future, then the ongoing impact will be lower.

³ The wages and benefits multiplier is 1.8 and the purchases multiplier is 2.3. For indirect job creation, a total of 27.9 jobs are created for each \$1,000,000 in wages or purchases indirectly created by the Tribe's activities.

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I. Executive Summary

1. The Pechanga Band of Luiseño Indians and the Pechanga Resort and Casino employed 1,680 residents of Assembly District 66 during 2003.
2. The Pechanga Band of Luiseño Indians and the Pechanga Resort and Casino were directly responsible for \$71,284,390 in wages, benefits and other payments to individuals residing in Assembly District 66 during 2003.
3. The Tribe and the Pechanga Resort and Casino purchased \$18,767,131 worth of goods and services from firms in Assembly District 66 during the year.
4. The Tribe's direct activities resulted in the payment of \$16,537,978 in state and federal payroll and income taxes from residents of Assembly District 66.
5. In addition to the direct effects of the Tribe's activities, these activities also have multiplier effects on the rest of the district's economy. Our estimates indicate that the Tribe's activities were indirectly responsible for the creation of 4,741 jobs paying wages and benefits totaling \$126,251,783 in 2003. In addition, purchases of goods and services in the amount of \$43,667,361 occurred as a result of the Tribe's activities.

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

The combined economic impact of the Pechanga Band of Luiseño Indians Tribal and Casino activities in 2003 resulted in the direct employment of 1,680 individuals residing in Assembly District 66. The Pechanga Resort and Casino payroll, tribal payroll and other payments to individuals through tribal programs totaled \$71,284,390.¹ These wages and payments are estimated to have produced \$16,537,978 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 \$18,767,131 worth of goods and services.²

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.³

| | Employment | Payments to Individuals | Purchases |
|-------------------------|-------------------|--------------------------------|---------------------|
| Direct Effects | 1,680 | \$71,284,390 | \$18,767,131 |
| Indirect Effects | <u>4,741</u> | <u>\$126,251,783</u> | <u>\$43,667,361</u> |
| Total Effects | 6,421 | \$197,536,174 | \$62,434,493 |

The total indirect and direct effects of the Tribe's economic activities accounted for the creation of 6,421 jobs paying wages and benefits totaling \$197,536,174 in 2003. Additional purchases of goods and services in the amount of \$62,434,493 occurred as a result of the Tribe's activities.

The impact of the Tribe's activities was important throughout the district. In particular, the portions of the cities of Temecula, Wildomar and Lake Elsinore 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 lying within the district.

Temecula

The location of the Tribal Headquarters and the Pechanga Resort and Casino resulted in the City of Temecula being the primary beneficiary of the Tribe's activities. Assembly District 66 contains a portion of Temecula. Direct economic activity resulted in employment of 847 residents of Temecula receiving wages and benefits and other payments equal to \$41,464,772 in 2003. The Tribe and Pechanga Resort and Casino purchased \$14,131,940 worth of goods and services directly from merchants and suppliers in Temecula during the year. The indirect economic impact added another 2,966 jobs, \$73,438,257 in payments to individuals, and \$32,882,197 in purchases of goods and services to the district's economy.

| Table 2: Total Economic Impact of Economic Activities in Temecula | | | |
|--|-------------------|--------------------------------|---------------------|
| | Employment | Payments to Individuals | Purchases |
| Direct Effects | 847 | \$41,464,772 | \$14,131,940 |
| Indirect Effects | <u>2,966</u> | <u>\$73,438,257</u> | <u>\$32,882,197</u> |
| Total Effects | 3,813 | \$114,903,028 | \$47,014,137 |

The total economic impact of the Pechanga Band resulted in purchases of goods and services in the amount of \$47,014,137 from suppliers in the district and Temecula. The Tribe's activities resulted in total job creation of 3,813 with wages and benefits of \$114,903,028.

Murrieta

The City of Murrieta was a significant beneficiary of the Pechanga Band's economic activities within the district. The majority of the city lies within the district. There were 365 residents of the district and Murrieta employed either by the Tribe or the Pechanga Resort and Casino in 2003. These individuals received wages, benefits and other payments equal to \$14,833,475. In addition, the Tribe was responsible for \$1,843,224 in purchases of goods and services from Murrieta suppliers located in the district. The Tribe's activities resulted in the indirect employment of 853 people receiving wages of \$26,271,567. Indirect purchases of \$4,288,814 worth of goods and services occurred in Murrieta and the district as a result of the Tribe's activities.

| | Employment | Payments to Individuals | Purchases |
|-------------------------|-------------------|--------------------------------|--------------------|
| Direct Effects | 365 | \$14,833,475 | \$1,843,224 |
| Indirect Effects | <u>853</u> | <u>\$26,271,567</u> | <u>\$4,288,814</u> |
| Total Effects | 1,218 | \$41,105,042 | \$6,132,038 |

The total indirect and direct effects of the Tribe's activities accounted for 1,218 jobs being created in Murrieta within District 66. These jobs paid \$41,105,042 in wages and benefits. In addition, the Tribe's activities resulted in the purchase of goods and services worth \$6,132,038 from local suppliers.

Wildomar

The Tribe and the Pechanga Resort and Casino employed 61 workers residing in Wildomar in 2003. Residents of the city received \$2,252,371 in wages, benefits and other payments. The Tribe and Casino purchased goods and services worth \$66,793 from suppliers in Wildomar. The indirect impact of the Tribe’s economic activities resulted in the employment of 116 workers with wages and benefits totaling \$3,989,174 in 2003. The Tribe’s activities also resulted in purchases from Wildomar suppliers in the amount of \$155,415.

| Table 4: Total Economic Impact of Economic Activities on Wildomar | | | |
|--|-------------------|--------------------------------|------------------|
| | Employment | Payments to Individuals | Purchases |
| Direct Effects | 61 | \$2,252,371 | \$66,793 |
| Indirect Effects | <u>116</u> | <u>\$3,989,174</u> | <u>\$155,415</u> |
| Total Effects | 177 | \$6,241,545 | \$222,208 |

The total impact of the Tribe’s economic activities resulted in the creation of 177 jobs and payments to individuals of \$6,241,545. The Tribe’s activities resulted in the purchase of \$222,208 worth of goods and services from suppliers in Wildomar and the district in 2003.

Lake Elsinore

The City of Lake Elsinore received a considerable economic impact from the Pechanga Band's economic activities. The Tribe and Casino employed 253 residents of Lake Elsinore and the district directly in 2003 and the activities of the Tribe resulted in the indirect employment of 290 employees. The direct payments made to Lake Elsinore and district residents totaled \$5,447,872 and the indirect wages totaled \$9,648,726. The Tribe and Casino purchased \$318,488 worth of goods and services in Lake Elsinore in 2003. The Tribe's activities contributed to the purchase of another \$741,058 worth of goods and services from suppliers in Lake Elsinore and the district.

| Table 5: Total Economic Impact of Economic Activities on Lake Elsinore | | | |
|---|-------------------|--------------------------------|------------------|
| | Employment | Payments to Individuals | Purchases |
| Direct Effects | 253 | \$5,447,872 | \$318,488 |
| Indirect Effects | <u>290</u> | <u>\$9,648,726</u> | <u>\$741,058</u> |
| Total Effects | 543 | \$15,096,598 | \$1,059,546 |

The total economic impact of the Tribe resulted in purchases of goods and services in the amount of \$1,059,546. The Tribe's activities resulted in total job creation of 543 with total payments to individuals of \$15,096,598.

Riverside County

Assembly District 66 is located primarily within Riverside County. The Tribe’s economic activities resulted in the direct employment of 1,574 individuals in the district in 2003. These jobs were responsible for the direct payment of \$67,047,406 in wages, benefits, and other payments from tribal sources to residents of the county. The Tribe and the Pechanga Resort and Casino purchased \$18,439,748 in goods and services in 2003 from vendors in Riverside County. The indirect effects of the Tribe’s activities resulted in the creation of 4,510 jobs that paid \$118,747,660 in wages and benefits in the district and county. Tribal activity resulted in \$42,905,606 in additional purchases in the county.

| Table 6: Total Economic Impact of Economic Activities on Riverside County | | | |
|--|-------------------|--------------------------------|---------------------|
| | Employment | Payments to Individuals | Purchases |
| Direct Effects | 1,574 | \$67,047,406 | \$18,439,748 |
| Indirect Effects | <u>4,510</u> | <u>\$118,747,660</u> | <u>\$42,905,606</u> |
| Total Effects | 6,084 | \$185,795,066 | \$61,345,354 |

The total economic impact of the Tribe’s activities resulted in the creation of 6,084 jobs and payments to individuals of \$185,795,066. The Pechanga Band’s activities resulted in direct and indirect purchases of \$61,345,354 worth of goods and services from Riverside County suppliers located in the district.

San Diego County

A portion of Assembly District 66 lies within San Diego County. The Tribe and the Pechanga Resort and Casino directly employed 106 San Diego County residents. The Tribe paid \$4,236,984 in wages, benefits and distributions to residents in 2003. The Tribe's activities indirectly contributed to the creation of 231 jobs paying \$7,504,123 in wages and benefits in San Diego County. The Tribe's activities resulted in direct purchases of \$327,383 and indirect purchases of \$761,756 of goods and services from San Diego County suppliers located in District 66.

| Table 7: Total Economic Impact of Economic Activities on San Diego County | | | |
|--|-------------------|--------------------------------|------------------|
| | Employment | Payments to Individuals | Purchases |
| Direct Effects | 106 | \$4,236,984 | \$327,383 |
| Indirect Effects | <u>231</u> | <u>\$7,504,123</u> | <u>\$761,756</u> |
| Total Effects | 337 | \$11,741,108 | \$1,089,139 |

The total economic impact of the Tribe's activities resulted in the creation of 337 jobs and \$11,741,108 in wages, benefits, and other payments to individuals. The Tribe's activities resulted in direct and indirect purchases of \$1,089,139 worth of goods and services from suppliers in San Diego County and the district.

¹ The employee data and the location of the employees in this report refer to the year end data. The wage data refers to the wages paid throughout the year. To the extent that there is employee turnover, one cannot combine this data to generate average wage data. In addition, the Pechanga Tribal Government operates many different programs that provide payments to Tribal Members. In this report, any payments to individuals are included in the wages and benefits categories. As a result, one cannot use the wage and benefit figures and the employee figures to calculate an average employee wage.

² The purchase figures reported here include construction expenditures. If construction expenditures are lower in the future, then the ongoing impact will be lower.

³ The wages and benefits multiplier is 1.8 and the purchases multiplier is 2.3. For indirect job creation, a total of 27.9 jobs are created for each \$1,000,000 in wages or purchases indirectly created by the Tribe's activities.

The Economic Impact of the Pechanga Band of Luiseño Indians on Congressional District 45

June 5, 2004

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I. Executive Summary

1. The Pechanga Band of Luiseño Indians and the Pechanga Resort and Casino employed 1,002 residents of Congressional District 45 during 2003.
2. The Pechanga Band of Luiseño Indians and the Pechanga Resort and Casino were directly responsible for \$35,796,533 in wages, benefits and other payments to individuals residing in Congressional District 45 during 2003.
3. The Tribe and the Pechanga Resort and Casino purchased \$3,426,798 worth of goods and services from firms in Congressional District 45 during the year.
4. The Tribe's direct activities resulted in the payment of \$8,304,796 in state and federal payroll and income taxes from residents of the Congressional District 45.
5. In addition to the direct effects of the Tribe's activities, these activities also have multiplier effects on the rest of the district's economy. Our estimates indicate that the Tribe's activities were indirectly responsible for the creation of 1,991 jobs paying wages and benefits totaling \$63,399,240 in 2003. In addition, purchases of goods and services in the amount of \$7,973,474 occurred as a result of the Tribe's activities.

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 1,002 individuals residing in Congressional District 45. The Pechanga Resort and Casino payroll, tribal payroll and other payments to individuals through tribal programs totaled \$35,796,533.¹ These wages and payments are estimated to have produced \$8,304,796 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 \$3,426,798 worth of goods and services.²

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.³

| | Employment | Payments to Individuals | Purchases |
|-------------------------|-------------------|--------------------------------|--------------------|
| Direct Effects | 1,002 | \$35,796,533 | \$3,426,798 |
| Indirect Effects | <u>1,991</u> | <u>\$63,399,240</u> | <u>\$7,973,474</u> |
| Total Effects | 2,993 | \$99,195,774 | \$11,400,272 |

The total indirect and direct effects of the Tribe's economic activities accounted for the creation of 2,993 jobs and total payments to individuals of \$99,195,774 in the district. In addition, purchases of goods and services in the amount of \$11,400,272 occurred as a result of the Tribe's activities.

The impact of the Tribe's activities was important throughout the district. In particular, the portions of the cities of Murrieta, Hemet, Moreno Valley, and Temecula 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 lying within the district.

Murrieta

The City of Murrieta was the largest beneficiary of the Pechanga Band’s economic activities within the district. The majority of the city lies within the district. There were 318 residents of the district and Murrieta employed either by the Tribe or the Pechanga Resort and Casino in 2003. These individuals received wages, benefits and other payments equal to \$8,527,352. In addition, the Tribe was responsible for \$1,802,641 in purchases of goods and services from Murrieta suppliers located in the district. The Tribe’s activities resulted in the indirect employment of 538 people receiving wages of \$15,102,793. Indirect purchases of \$4,194,385 worth of goods and services occurred in Murrieta and the district as the result of the Tribe’s activities.

| Table 2: Total Economic Impact of Economic Activities on Murrieta | | | |
|--|-------------------|--------------------------------|--------------------|
| | Employment | Payments to Individuals | Purchases |
| Direct Effects | 318 | \$8,527,352 | \$1,802,641 |
| Indirect Effects | <u>538</u> | <u>\$15,102,793</u> | <u>\$4,194,385</u> |
| Total Effects | 856 | \$23,630,145 | \$5,997,026 |

The total indirect and direct effects of the Tribe’s activities accounted for 856 jobs being created in Murrieta within District 45. These jobs paid \$23,630,145 in wages and benefits. In addition, the Tribe’s activities resulted in the purchase of goods and services worth \$5,997,026 from local suppliers.

Hemet

The majority of the economic impact in Hemet was within Congressional District 45. The Tribe and the Pechanga Resort and Casino employed 193 Hemet residents that lived within District 45 in 2003. Individuals received payments totaling \$9,617,998 from tribal activities. The Tribe and Casino were responsible for direct purchases of \$431,141 from Hemet merchants and suppliers. The Tribe's activities were responsible for the indirect creation of 696 jobs and the purchase of \$1,434,321 worth of goods and services in the city and the district.

| | Employment | Payments to Individuals | Purchases |
|-------------------------|-------------------|--------------------------------|--------------------|
| Direct Effects | 193 | \$9,617,998 | \$431,141 |
| Indirect Effects | <u>503</u> | <u>\$17,034,437</u> | <u>\$1,003,180</u> |
| Total Effects | 696 | \$26,652,435 | \$1,434,321 |

The combined direct and indirect effects of the Tribe and Pechanga Resort and Casino's activities resulted in the creation of 696 jobs paying \$26,652,435 in wages and benefits. The Tribe's activities also resulted in \$1,434,321 in purchases of goods and services from Hemet suppliers that are located within District 45.

Moreno Valley

The Tribe and the Casino employed 115 workers residing in Moreno Valley and the district. Residents of the city received \$3,067,422 in wages, benefits and other payments from tribal sources. The Tribe and Casino purchased goods and services worth \$83,007 from suppliers in Moreno Valley. The indirect impact of the Tribe’s economic activities resulted in the employment of 157 workers with wages and benefits totaling \$5,432,711 in the city and the district. The Tribe’s activities also resulted in indirect purchases from Moreno Valley suppliers in the amount of \$193,141.

| Table 4: Total Economic Impact of Economic Activities on Moreno Valley | | | |
|---|-------------------|--------------------------------|------------------|
| | Employment | Payments to Individuals | Purchases |
| Direct Effects | 115 | \$3,067,422 | \$83,007 |
| Indirect Effects | <u>157</u> | <u>\$5,432,711</u> | <u>\$193,141</u> |
| Total Effects | 272 | \$8,500,133 | \$276,148 |

The total impact of the Tribe’s economic activities resulted in the creation of 272 jobs paying \$8,500,133 in Moreno Valley and the district. The Tribe’s activities resulted in the purchase of \$276,148 worth of goods and services in Moreno Valley and the district.

Temecula

A portion of Temecula lies within District 45. Direct economic activity resulted in employment of 153 residents of the district in Temecula receiving wages and benefits and other payments equal to \$6,402,548 in 2003. The Tribe and Pechanga Resort and Casino purchased \$426,347 worth of goods and services directly from merchants and suppliers within the district in Temecula during the year. The indirect economic impact added another 344 jobs, \$11,339,554 in payments to individuals, and \$992,024 in purchases of goods and services to the district's economy.

| | Employment | Payments to Individuals | Purchases |
|-------------------------|-------------------|--------------------------------|------------------|
| Direct Effects | 153 | \$6,402,548 | \$426,347 |
| Indirect Effects | <u>344</u> | <u>\$11,339,554</u> | <u>\$992,024</u> |
| Total Effects | 497 | \$17,742,102 | \$1,418,372 |

The total economic impact of the Pechanga Band resulted in purchases of goods and services in the amount of \$1,418,372. The Tribe's activities resulted in total job creation of 497 with wages and benefits of \$17,742,102 going to residents of the district residing in Temecula.

Riverside County

Congressional District 45 is located entirely within Riverside County. The Tribe's economic activities resulted in the direct employment of 1,002 individuals in the district in 2003. These jobs were responsible for the direct payment of \$35,796,533 in wages, benefits, and other payments from tribal sources to residents of the county. The Tribe and the Pechanga Resort and Casino purchased \$3,426,798 in goods and services in 2003 from vendors in the district and Riverside County. The indirect effects of the Tribe's activities resulted in the creation of 1,991 jobs that paid \$63,399,240 in wages and benefits in 2003. Tribal activity resulted in \$7,973,474 in additional purchases in the county and the district.

| Table 6: Total Economic Impact of Economic Activities on Riverside County | | | |
|--|-------------------|--------------------------------|--------------------|
| | Employment | Payments to Individuals | Purchases |
| Direct Effects | 1,002 | \$35,796,533 | \$3,426,798 |
| Indirect Effects | <u>1,991</u> | <u>\$63,399,240</u> | <u>\$7,973,474</u> |
| Total Effects | 2,993 | \$99,195,774 | \$11,400,272 |

The total economic impact of the Tribe's activities resulted in the creation of 2,993 jobs and payments to individuals of \$99,195,774. The Pechanga Band's activities resulted in direct and indirect purchases of \$11,400,272 worth of goods and services from Riverside County suppliers located in District 45.

¹ The employee data and the location of the employees in this report refer to the year end data. The wage data refers to the wages paid throughout the year. To the extent that there is employee turnover, one cannot combine this data to generate average wage data. In addition, the Pechanga Tribal Government operates many different programs that provide payments to Tribal Members. In this report, any payments to individuals are included in the wages and benefits categories. As a result, one can not use the wage and benefit figures and the employee figures to calculate an average employee wage.

² The purchase figures reported here include construction expenditures. If construction expenditures are lower in the future, then the ongoing impact will be lower.

³ The wages and benefits multiplier is 1.8 and the purchases multiplier is 2.3. For indirect job creation, a total of 27.9 jobs are created for each \$1,000,000 in wages or purchases indirectly created by the Tribe's activities.

The Economic Impact of the Pechanga Band of Luiseño Indians on Congressional District 49

June 5, 2004

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I. Executive Summary

1. The Pechanga Band of Luiseño Indians and the Pechanga Resort and Casino employed 1,953 residents of Congressional District 49 during 2003.
2. The Pechanga Band of Luiseño Indians and the Pechanga Resort and Casino were directly responsible for \$102,255,908 in wages, benefits and other payments to individuals residing in Congressional District 49 during 2003.
3. The Tribe and the Pechanga Resort and Casino purchased \$21,026,193 worth of goods and services from firms in Congressional District 49 during the year.
4. The Tribe's direct activities resulted in the payment of \$23,723,371 in state and federal payroll and income taxes from residents of Congressional District 49.
5. In addition to the direct effects of the Tribe's activities, these activities also have multiplier effects on the rest of the district's economy. Our estimates indicate that the Tribe's activities were indirectly responsible for the creation of 6,418 jobs paying wages and benefits totaling \$181,105,439 in 2003. In addition, purchases of goods and services in the amount of \$48,923,747 occurred as a result of the Tribe's activities.

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 1,953 individuals residing in Congressional District 49. The Pechanga Resort and Casino payroll, tribal payroll and other payments to individuals through tribal programs totaled \$102,255,908.¹ These wages and payments are estimated to have produced \$23,723,371 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 \$21,026,193 worth of goods and services.²

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.³

| Table 1: Total Economic Impact of Economic Activities | | | |
|--|-------------------|--------------------------------|---------------------|
| | Employment | Payments to Individuals | Purchases |
| Direct Effects | 1,953 | \$102,255,908 | \$21,026,193 |
| Indirect Effects | <u>6,418</u> | <u>\$181,105,439</u> | <u>\$48,923,747</u> |
| Total Effects | 8,371 | \$283,361,347 | \$69,949,940 |

The total indirect and direct effects of the Tribe's economic activities accounted for the creation of 8,371 jobs paying wages and benefits totaling \$283,361,347 in 2003. In addition, purchases of goods and services in the amount of \$69,949,940 occurred as a result of the Tribe's activities.

The majority of the impact of the Tribe's activities was in Congressional District 49. In particular, the portions of the cities of Temecula, Lake Elsinore, Wildomar, Perris 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 lying within the district.

Temecula

The location of the Tribal Headquarters and the Pechanga Resort and Casino resulted in the City of Temecula being the primary beneficiary of the Tribe's activities. The majority of Temecula lies within District 49. Direct economic activity resulted in employment of 955 residents of the district in Temecula receiving wages, benefits and other payments equal to \$72,604,960 in 2003. The Tribe and Pechanga Resort and Casino purchased \$16,296,974 worth of goods and services directly from merchants and suppliers within the district in Temecula during the year. The indirect economic impact added another 4,646 jobs, \$128,590,644 in payments to individuals and \$37,919,800 in purchases of goods and services to the local economy.

| Table 2: Total Economic Impact of Economic Activities in Temecula | | | |
|--|-------------------|--------------------------------|---------------------|
| | Employment | Payments to Individuals | Purchases |
| Direct Effects | 955 | \$72,604,960 | \$16,296,974 |
| Indirect Effects | <u>4,646</u> | <u>\$128,590,644</u> | <u>\$37,919,800</u> |
| Total Effects | 5,601 | \$201,195,603 | \$54,216,774 |

The total economic impact of the Pechanga Band resulted in purchases of goods and services in the amount of \$54,216,774. The Tribe's activities resulted in total job creation of 5,601 with wages, benefits and other payments of \$201,195,603 going to residents of the district residing in Temecula.

Lake Elsinore

The City of Lake Elsinore received a considerable fiscal impact from the Pechanga Band's economic activities. The Tribe and Casino employed 280 Lake Elsinore and district residents directly in 2003 and the activities of the Tribe resulted in the indirect employment of 324 employees. The direct payments made to residents of Lake Elsinore and the district totaled \$6,096,961 and the indirect wages totaled \$10,798,327. The Tribe and Casino purchased \$346,804 worth of goods and services in Lake Elsinore in 2003. The Tribe's activities contributed to the purchase of another \$806,944 worth of goods and services in 2003.

| Table 3: Total Economic Impact of Economic Activities on Lake Elsinore | | | |
|---|-------------------|--------------------------------|------------------|
| | Employment | Payments to Individuals | Purchases |
| Direct Effects | 280 | \$6,096,961 | \$346,804 |
| Indirect Effects | <u>324</u> | <u>\$10,798,327</u> | <u>\$806,944</u> |
| Total Effects | 604 | \$16,895,288 | \$1,153,749 |

The total economic impact of the Tribe resulted in purchases of goods and services in the amount of \$1,153,749. The Tribe's activities resulted in total job creation of 604 with payments to individuals residing in the district of \$16,895,288.

Wildomar

The Tribe and the Pechanga Resort and Casino employed 101 workers residing in Wildomar and the district in 2003. Residents of the city received \$3,903,589 in wages, benefits and other payments. The Tribe and Casino purchased goods and services worth \$138,490 from suppliers in Wildomar and the district. The indirect impact of the Tribe's economic activities resulted in the employment of 202 workers with wages and benefits totaling \$6,913,646 in 2003. The Tribe's activities also resulted in purchases from Wildomar suppliers located in District 49 in the amount of \$322,239.

| Table 4: Total Economic Impact of Economic Activities on Wildomar | | | |
|--|-------------------|--------------------------------|------------------|
| | Employment | Payments to Individuals | Purchases |
| Direct Effects | 101 | \$3,903,589 | \$138,490 |
| Indirect Effects | <u>202</u> | <u>\$6,913,646</u> | <u>\$322,239</u> |
| Total Effects | 303 | \$10,817,235 | \$460,729 |

The total impact of the Tribe's economic activities resulted in the creation of 303 jobs and payments to individuals of \$10,817,235. The Tribe's activities resulted in the purchase of \$460,729 worth of goods and services from suppliers in Wildomar and the district.

Perris

The Tribe was a major employer for residents of Perris with the Tribe and Casino directly employing 150 residents within the district in 2003. The activities of the Tribe resulted in the indirect employment of another 247 full time equivalent employees in Perris. The direct wages paid to Perris residents totaled \$4,029,704 and the indirect wages totaled \$7,137,008. The Tribe and Casino purchased \$734,167 worth of goods and services in Perris in 2003. The Tribe's activities contributed to the purchase of another \$1,708,260 worth of goods and services from suppliers in Perris and the district.

| | Employment | Payments to Individuals | Purchases |
|-------------------------|-------------------|--------------------------------|--------------------|
| Direct Effects | 150 | \$4,029,704 | \$734,167 |
| Indirect Effects | <u>247</u> | <u>\$7,137,008</u> | <u>\$1,708,260</u> |
| Total Effects | 396 | \$11,166,712 | \$2,442,428 |

The total economic impact of the Tribe resulted in purchases of goods and services in the amount of \$2,442,248. The Tribe's activities resulted in total job creation of 396 from suppliers in Perris and the district of \$11,166,712.

Sun City

The Tribe's economic activities resulted in the direct employment of 69 individuals in the portion of Sun City in the district. These jobs were responsible for the direct payment of \$3,820,011 in wages, benefits, and other payments from tribal sources to recipients of Sun City. The Tribe and its operations purchased \$143,074 in goods and services in 2003 from vendors in Sun City. The indirect effects of the Tribe's activities resulted in the creation of 198 jobs that paid \$6,765,621 in wages and benefits in 2003. Tribal activity resulted in \$332,904 in additional purchases in the city and the district

| Table 6: Total Economic Impact of Economic Activities on Sun City | | | |
|--|-------------------|--------------------------------|------------------|
| | Employment | Payments to Individuals | Purchases |
| Direct Effects | 69 | \$3,820,011 | \$143,074 |
| Indirect Effects | <u>198</u> | <u>\$6,765,621</u> | <u>\$332,904</u> |
| Total Effects | 267 | \$10,585,632 | \$475,978 |

The total economic impact of the Tribe's activities resulted in the creation of 267 jobs and paid \$10,585,632 in wages, benefits, and other payments to residents of Sun City and the district. The Pechanga Band's activities resulted in direct and indirect purchases of \$475,978 worth of goods and services from Sun City businesses in the district.

Riverside County

Congressional District 45 is located primarily in Riverside County. The Tribe’s economic activities resulted in the direct employment of 1,789 individuals in the district in 2003. These jobs were responsible for the direct payment of \$95,359,951 in wages, benefits, and other payments from tribal sources to residents of the county. The Tribe and the Pechanga Resort and Casino purchased \$17,887,902 in goods and services in 2003 from vendors in Riverside County and the district. The indirect effects of the Tribe’s activities resulted in the creation of 5,873 jobs that paid \$168,892,010 in wages and benefits in 2003. Tribal activity resulted in \$41,621,570 in additional purchases in the county.

| Table 7: Total Economic Impact of Economic Activities on Riverside County | | | |
|--|-------------------|--------------------------------|---------------------|
| | Employment | Payments to Individuals | Purchases |
| Direct Effects | 1,789 | \$95,359,951 | \$17,887,902 |
| Indirect Effects | <u>5,873</u> | <u>\$168,892,010</u> | <u>\$41,621,570</u> |
| Total Effects | 7,662 | \$264,251,961 | \$59,509,472 |

The total economic impact of the Tribe’s activities resulted in the creation of 7,662 jobs and payments to individuals of \$264,251,961. The Pechanga Band’s activities resulted in direct and indirect purchases of \$59,509,472 worth of goods and services from Riverside County suppliers in the district.

¹ The employee data and the location of the employees in this report refer to the year end data. The wage data refers to the wages paid throughout the year. To the extent that there is employee turnover, one cannot combine this data to generate average wage data. In addition, the Pechanga Tribal Government operates many different programs that provide payments to Tribal Members. In this report, any payments to individuals are included in the wages and benefits categories. As a result, one cannot use the wage and benefit figures and the employee figures to calculate an average employee wage.

² The purchase figures reported here include construction expenditures. If construction expenditures are lower in the future, then the ongoing impact will be lower.

³ The wages and benefits multiplier is 1.8 and the purchases multiplier is 2.3. For indirect job creation, a total of 27.9 jobs are created for each \$1,000,000 in wages or purchases indirectly created by the Tribe's activities.

The Economic Impact of the
Pechanga Band of Luiseño Indians
on Senate District 36

June 7, 2004

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I. Executive Summary

1. The Pechanga Band of Luiseño Indians and the Pechanga Resort and Casino employed 1,912 residents of Senate District 36 during 2003.
2. The Pechanga Band of Luiseño Indians and the Pechanga Resort and Casino were directly responsible for \$114,464,281 in wages, benefits and other payments to individuals residing in Senate District 36 during 2003.
3. The Tribe and the Pechanga Resort and Casino purchased \$19,996,934 worth of goods and services from firms in Senate District 36 during the year.
4. The Tribe's direct activities resulted in the payment of \$26,555,713 in state and federal payroll and income taxes from residents of Senate District 36.
5. In addition to the direct effects of the Tribe's activities, these activities also have multiplier effects on the rest of the district's economy. Our estimates indicate that the Tribe's activities were indirectly responsible for the creation of 6,954 jobs that paid wages and benefits totaling \$202,727,689 in 2003. In addition, purchases of goods and services in the amount of \$46,528,866 occurred as a result of the Tribe's activities.

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 1,912 individuals residing in Senate District 36. The Pechanga Resort and Casino payroll, tribal payroll and other payments to individuals through tribal programs totaled \$114,464,281.¹ These wages and payments are estimated to have produced \$26,555,713 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 \$19,996,934 worth of goods and services.²

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.³

| Table 1: Total Economic Impact of Economic Activities | | | |
|--|-------------------|--------------------------------|---------------------|
| | Employment | Payments to Individuals | Purchases |
| Direct Effects | 1,912 | \$114,464,281 | \$19,996,934 |
| Indirect Effects | <u>6,954</u> | <u>\$202,727,689</u> | <u>\$46,528,866</u> |
| Total Effects | 8,866 | \$317,191,970 | \$66,525,800 |

The total indirect and direct effects of the Tribe's economic activities accounted for the creation of 8,866 jobs that paid wages and benefits totaling \$317,191,970 in 2003. In addition, purchases of goods and services in the amount of \$66,525,800 occurred as a result of the Tribe's activities.

The majority of the impact of the Tribe's activities was in Senate District 36. In particular, the portions of the cities of Temecula, Murrieta, Wildomar and Lake Elsinore 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 lying within the district.

Temecula

The City of Temecula was the primary beneficiary of the Tribe's activities because of the location of the Tribal Headquarters and the Pechanga Resort and Casino. Direct economic activity resulted in the employment of 1,216 residents of Temecula and the district that received wages, benefits and other payments equal to \$81,253,248 in 2003. The Tribe and Pechanga Resort and Casino purchased \$16,721,973 worth of goods and services directly from merchants and suppliers in Temecula and the district during the year. The indirect economic impact added another 5,101 jobs, \$143,907,627 in payments to individuals, and \$38,908,688 in purchases of goods and services to the district's economy.

| Table 2: Total Economic Impact of Economic Activities in Temecula | | | |
|--|-------------------|--------------------------------|---------------------|
| | Employment | Payments to Individuals | Purchases |
| Direct Effects | 1,216 | \$81,253,248 | \$16,721,973 |
| Indirect Effects | <u>5,101</u> | <u>\$143,907,627</u> | <u>\$38,908,688</u> |
| Total Effects | 6,317 | \$225,160,875 | \$55,630,661 |

The total direct and indirect economic impact of the Pechanga Band accounted for the purchases of goods and services in the amount of \$55,630,661. The Tribe's activities in the district resulted in total job creation of 6,317 with payments to individuals of \$225,160,875.

Murrieta

The City of Murrieta was a major beneficiary of the Pechanga Band's economic activities. There were 406 residents of Murrieta that either the Tribe or the Pechanga Resort and Casino employed in 2003. These individuals received wages, benefits, and other payments equal to \$16,607,406. In addition, the Tribe was responsible for \$1,917,820 in purchases of goods and services from Murrieta suppliers. The Tribe's activities resulted in the indirect employment of 945 people that received wages of \$29,413,376. Indirect purchases of \$4,462,383 worth of goods and services occurred in Murrieta and the district as the result of the Tribe's activities.

| Table 3: Total Economic Impact of Economic Activities on Murrieta | | | |
|--|-------------------|--------------------------------|--------------------|
| | Employment | Payments to Individuals | Purchases |
| Direct Effects | 406 | \$16,607,406 | \$1,917,820 |
| Indirect Effects | <u>945</u> | <u>\$29,413,376</u> | <u>\$4,462,383</u> |
| Total Effects | 1,351 | \$46,020,782 | \$6,380,203 |

The total indirect and direct effects of the Tribe's activities accounted for 1,351 jobs that were created for district residents in Murrieta. These jobs paid \$46,020,782 in wages and benefits. In addition, the Tribe's activities resulted in the purchase of goods and services worth \$6,380,203 from district suppliers.

Wildomar

The Tribe and the Pechanga Resort and Casino employed 101 workers that resided in Wildomar in 2003. Residents of the city and the district received \$3,903,589 in wages, benefits and other payments. The Tribe and Casino purchased goods and services worth \$138,490 from suppliers in Wildomar. The indirect impact of the Tribe's economic activities accounted for the employment of 202 workers with wages and benefits that totaled \$6,913,646 in 2003. The Tribe's activities also resulted in purchases from Wildomar suppliers located in the district in the amount of \$322,239.

| Table 4: Total Economic Impact of Economic Activities on Wildomar | | | |
|--|-------------------|--------------------------------|------------------|
| | Employment | Payments to Individuals | Purchases |
| Direct Effects | 101 | \$3,903,589 | \$138,490 |
| Indirect Effects | <u>202</u> | <u>\$6,913,646</u> | <u>\$322,239</u> |
| Total Effects | 303 | \$10,817,235 | \$460,729 |

The total direct and indirect impact of the Tribe's economic activities accounted for the creation of 303 jobs and payments to individuals of \$10,817,235. The Tribe's activities resulted in the purchase of \$460,729 worth of goods and services in Wildomar and the district.

Lake Elsinore

The Tribe and Casino employed 67 Lake Elsinore and district residents directly in 2003, and the activities of the Tribe resulted in the indirect employment of 75 employees. The direct payments made to Lake Elsinore residents totaled \$1,429,631 and the indirect wages totaled \$2,532,019. The Tribe and Casino purchased \$65,857 worth of goods and services in Lake Elsinore in 2003. The Tribe's activities contributed to the purchase of another \$153,236 worth of goods and services in the district and Lake Elsinore.

| Table 5: Total Economic Impact of Economic Activities on Lake Elsinore | | | |
|---|-------------------|--------------------------------|------------------|
| | Employment | Payments to Individuals | Purchases |
| Direct Effects | 67 | \$1,429,631 | \$65,857 |
| Indirect Effects | <u>75</u> | <u>\$2,532,019</u> | <u>\$153,236</u> |
| Total Effects | 142 | \$3,961,649 | \$219,093 |

The total direct and indirect economic impact of the Tribe accounted for the purchases of goods and services in the amount of \$219,093. The Tribe's activities resulted in total job creation of 142 with payments to individuals of \$3,961,649.

Riverside County

Senate District 36 is located primarily in Riverside County. The Tribe's economic activities resulted in the direct employment of 1,794 individuals in the district in 2003. These jobs were responsible for the direct payment of \$106,314,978 in wages, benefits, and other payments from tribal sources to residents of the county. The Tribe and the Pechanga Resort and Casino purchased \$18,939,007 in goods and services in 2003 from vendors in Riverside County. The indirect effects of the Tribe's activities resulted in the creation of 6,483 jobs that paid \$188,294,457 in wages and benefits in 2003. Tribal activity resulted in \$44,067,281 in additional purchases in the county.

| Table 6: Total Economic Impact of Economic Activities on Riverside County | | | |
|--|-------------------|--------------------------------|---------------------|
| | Employment | Payments to Individuals | Purchases |
| Direct Effects | 1,794 | \$106,314,978 | \$18,939,007 |
| Indirect Effects | <u>6,483</u> | <u>\$188,294,457</u> | <u>\$44,067,281</u> |
| Total Effects | 8,277 | \$294,609,435 | \$63,006,288 |

The total direct and indirect economic impact of the Tribe's activities accounted for the creation of 8,277 jobs and payments to individuals of \$294,609,435. The Pechanga Band's activities accounted for direct and indirect purchases of \$63,006,288 worth of goods and services from Riverside County suppliers located in the district.

¹ The employee data and the location of the employees in this report refer to the year end data. The wage data refers to the wages paid throughout the year. To the extent that there is employee turnover, one cannot combine this data to generate average wage data. In addition, the Pechanga Tribal Government operates many different programs that provide payments to Tribal Members. In this report, any payments to individuals are included in the wages and benefits categories. As a result, one cannot use the wage and benefit figures and the employee figures to calculate an average employee wage.

² The purchase figures reported here include construction expenditures. If construction expenditures are lower in the future, then the ongoing impact will be lower.

³ The wages and benefits multiplier is 1.8 and the purchases multiplier is 2.3. For indirect job creation, a total of 27.9 jobs are created for each \$1,000,000 in wages or purchases indirectly created by the Tribe's activities.

The Economic Impact of the
Pechanga Band of Luiseño Indians
on Senate District 37

June 7, 2004

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I. Executive Summary

1. The Pechanga Band of Luiseño Indians and the Pechanga Resort and Casino employed 1,129 residents of Senate District 37 during 2003.
2. The Pechanga Band of Luiseño Indians and the Pechanga Resort and Casino were directly responsible for \$49,363,186 in wages, benefits and other payments to individuals in Senate District 37 during 2003.
3. The Tribe and the Pechanga Resort and Casino purchased \$5,924,554 worth of goods and services from firms in Senate District 37 during the year.
4. The Tribe's direct activities resulted in the payment of \$11,402,896 in state and federal payroll and income taxes from residents of the Senate District 37.
5. In addition to the direct effects of the Tribe's activities, these activities also have multiplier effects on the rest of the District's economy. Our estimates indicate that the Tribe's activities were indirectly responsible for the creation of 2,824 jobs, wages and benefits that totaled \$87,427,138 in 2003. In addition, purchases of goods and services in the amount of \$13,785,251 occurred as a result of the Tribe's activities.

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 \$49,363,186.¹ 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.²

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.³

| Table 1: Total Economic Impact of Economic Activities | | | |
|--|-------------------|--------------------------------|---------------------|
| | Employment | Payments to Individuals | Purchases |
| Direct Effects | 1,129 | \$49,363,186 | \$5,924,554 |
| Indirect Effects | <u>2,824</u> | <u>\$87,427,138</u> | <u>\$13,785,251</u> |
| Total Effects | 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.

Hemet

The Tribe and the Pechanga Resort and Casino employed 218 residents of Hemet and the District. Individuals received payments that totaled \$12,040,857 from tribal activities. The Tribe and Casino were responsible for direct purchases of \$1,694,052 from Hemet merchants and suppliers. The Tribe's activities were responsible for the indirect creation of 705 jobs and the purchase of \$3,941,720 worth of goods and services.

| | Employment | Payments to Individuals | Purchases |
|-------------------------|-------------------|--------------------------------|--------------------|
| Direct Effects | 218 | \$12,040,857 | \$1,694,052 |
| Indirect Effects | <u>705</u> | <u>\$21,325,561</u> | <u>\$3,941,720</u> |
| Total Effects | 923 | \$33,366,418 | \$5,635,772 |

The combined direct and indirect effects of the Tribe and Pechanga Resort and Casino's activities accounted for the creation of 923 jobs that paid \$33,366,561 in wages and benefits. The Tribe's activities also resulted in \$5,635,772 in purchases of goods and services from Hemet suppliers located in the district.

Perris

The tribe was also a major employer for residents of Perris. The Tribe and Casino employed 176 Perris residents directly in the district. The activities of the Tribe resulted in the indirect employment of another 287 full time equivalent employees in Perris. The direct wages paid to Perris residents totaled \$4,806,640 and the indirect wages totaled \$8,513,041. The Tribe and Casino purchased \$757,154 worth of goods and services in Perris and the District. The Tribe's activities contributed to the purchase of another \$1,761,747 worth of goods and services in 2003.

| | Employment | Payments to Individuals | Purchases |
|-------------------------|-------------------|--------------------------------|--------------------|
| Direct Effects | 176 | \$4,806,640 | \$757,154 |
| Indirect Effects | <u>287</u> | <u>\$8,513,041</u> | <u>\$1,761,747</u> |
| Total Effects | 463 | \$13,319,681 | \$2,518,901 |

The total direct and indirect economic impact of the Tribe resulted in purchases of goods and services in the amount of \$2,518,901. The Tribe's activities resulted in total job creation of 463 and payments to individuals in Perris and the district of \$13,319,681.

Lake Elsinore

The city of Lake Elsinore received a considerable economic impact from the Pechanga Band's economic activities. The Tribe and Casino employed 213 Lake Elsinore and District residents directly in 2003, and the activities of the Tribe resulted in the indirect employment of 246 employees. The direct payments made to residents of Lake Elsinore and the District totaled \$4,610,389, and the indirect wages totaled \$8,165,460. The Tribe and Casino purchased \$280,948 worth of goods and services in Lake Elsinore in 2003. The Tribe's activities contributed to the purchase of another \$653,709 worth of goods and services in Lake Elsinore and the district.

| Table 4: Total Economic Impact of Economic Activities on Lake Elsinore | | | |
|---|-------------------|--------------------------------|------------------|
| | Employment | Payments to Individuals | Purchases |
| Direct Effects | 213 | \$4,610,389 | \$280,948 |
| Indirect Effects | <u>246</u> | <u>\$8,165,460</u> | <u>\$653,709</u> |
| Total Effects | 459 | \$12,775,849 | \$934,657 |

The total direct and indirect economic impact of the Tribe accounted for the purchases of goods and services in the amount of \$934,657. The Tribe's activities resulted in total job creation of 459 with payments to residents of the district and Lake Elsinore of \$12,775,849.

Sun City

The Tribe's economic activities resulted in the direct employment of 118 individuals in Sun City and the district in 2003. These jobs were responsible for the direct payment of \$4,554,818 in wages, benefits, and other payments from tribal sources. The Tribe and its operations purchased \$155,988 in goods and services in 2003 from vendors in the district and Sun City. The indirect effects of the Tribe's activities resulted in the creation of 235 jobs that paid \$8,067,038 in wages and benefits in 2003. Tribal activity resulted in \$362,953 in additional purchases in the City and the District.

| Table 5: Total Economic Impact of Economic Activities on Sun City | | | |
|--|-------------------|--------------------------------|------------------|
| | Employment | Payments to Individuals | Purchases |
| Direct Effects | 118 | \$4,554,818 | \$155,988 |
| Indirect Effects | <u>235</u> | <u>\$8,067,038</u> | <u>\$362,953</u> |
| Total Effects | 353 | \$12,621,855 | \$518,942 |

The total direct and indirect economic impact of the Tribe's activities accounted for the creation of 353 jobs that paid \$12,621,855 in wages, benefits, and other payments. The Pechanga Band's activities resulted in direct and indirect purchases of \$518,942 worth of goods and services from Sun City businesses located in the district in 2003.

Riverside County

Senate District 37 is located primarily in Riverside County. The Tribe's economic activities resulted in the direct employment of 1,794 individuals in the district in 2003. The jobs were responsible for the direct payment of \$106,314,978 million in wages, benefits, and other payments from tribal sources to residents of the county. The Tribe and the Pechanga Resort and Casino purchased \$18,939,007 in goods and services in 2003 from vendors in Riverside County. The indirect effects of the Tribe's activities resulted in the creation of 6,483 jobs that paid \$188,294,457 in wages and benefits in 2003. Tribal activity resulted in \$44,067,281 in additional purchases in the county.

| Table 6: Total Economic Impact of Economic Activities on Riverside County | | | |
|--|-------------------|--------------------------------|---------------------|
| | Employment | Payments to Individuals | Purchases |
| Direct Effects | 1,794 | \$106,314,978 | \$18,939,007 |
| Indirect Effects | <u>6,483</u> | <u>\$188,294,457</u> | <u>\$44,067,281</u> |
| Total Effects | 8,277 | \$294,609,435 | \$63,006,288 |

The total direct and indirect economic impact of the Tribe's activities accounted for the creation of 8,277 jobs and payments to individuals of \$294,609,435. The Pechanga Band's activities resulted in direct and indirect purchases of \$63,006,288 worth of goods and services from Riverside County suppliers in 2003.

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