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The Economic & Community Benefits of Tribes in Washington

2025 Edition

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2025

Executive Summary

Tribes in Washington continue investing in the state’s quality of life. This edition reports the 2023 impacts of federally recognized tribes in the state.

Growing tribal economies fund schools, housing programs, health clinics, environmental rehabilitation, infrastructure development, firefighting, law enforcement, and other public services for Indians and non-Indians alike. Even though COVID-19 brought rapid closures to casinos and other fiscally critical tribal enterprises, tribal economies have bounced back and kept pace with the economic growth of the state since then.

The economic analysis summarized below shows tribes are large employers, fiscally independent governments, and contributors to the public good in Washington. Most importantly, the tribes’ investments in improving lives have yielded remarkable changes in reservation life over the last 30 years—everything from income, poverty, and employment improvements to gains in college attainment and housing adequacy.

If tribes were out-of-state corporations considering bringing this economic activity, public spiritedness, and socioeconomic improvement to Washington, legislators might consider offering tax waivers or reductions. Rooted as they are in the lands and waters of Washington, tribes are committed to keeping their operations and profits in the state. Washington has substantially benefited from the economic and social resurgence in Indian Country and will for years to come.

TRIBES IN WASHINGTON CONTRIBUTE:

ECONOMIC ACTIVITY

- at least \$7.4 billion in gross state product
- more than \$3.9 billion in wages and benefits
- more than \$3.6 billion in purchasing power
- \$1 out of every \$100 in the Washington economy
- \$7 out of \$10 of tribal revenue comes from the power of tribal sovereignty
- 100% of tribal enterprise profits are government revenue

GENERATED TAX REVENUES

- \$148 million to local governments
- nearly \$300 million to Washington
- at least \$1.5 billion in total taxes

COMMUNITY BENEFITS

- at least 29,421 in direct employment (8th largest employer in Washington)
- more than \$1.9 billion in employee compensation
- at least 52,333 jobs statewide trace back to tribes
- 61% non-Indian employees
- \$3.6 billion in goods and services purchases, almost exclusively from off-reservation vendors
- more than \$9.6 million to local nonprofits and charities in 2023
- \$68.4 million in fuel tax collections for in-state infrastructure projects

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I. Tribal Governments Produce Economic and Community Benefits

Popular belief holds that the US gave fishing privileges, gambling regulatory authority, taxation powers, and other rights to tribal governments to address American Indian poverty, to make up for past wrongs, or to show generosity toward a particular “ethnic group.” All that is false, and the true governmental nature of tribes matters—both for the well-being of tribal citizens today and for their economic impact on their neighbors.

This section addresses this misconception by providing facts about three critical features. First, tribes retain inherent powers of self-government. Second, tribal governments own most of the economic activity on reservations. Third, tribes routinely collaborate with Washington’s state and local governments. All three features amplify tribal economic impacts.

A. Indian tribes are governments

Tribes have always governed themselves, and they participate in American federalism with unextinguished powers. The US Constitution explicitly acknowledges four sovereigns: the federal government, state governments, foreign nations, and American Indian tribes.¹ Treaties and US federal law give shape to tribal sovereignty. American Indian tribes do not exist because the US granted them powers based on ethnicity or race; they exist as political entities. They are rightly considered sovereigns of the United States because their cession and retention of land and sovereignty defined the country’s scope and power throughout its history [1, 2].

Today, tribal sovereignty is visible in the actions of the 574 federally recognized tribal governments that operate in the US [3]—29 of which are in what is now Washington State (Figure 1). Tribal governments provide healthcare, protect and restore habitats, support and educate children, build infrastructure, maintain public safety, care for elders, preserve and honor culture, and develop economies.



Squaxin Island’s Sally Selvidge Health Center and Jamestown S’Klallam’s Elder Center.

¹ Consistent with the common practice of the individuals and the official practice of the communities that constitute Indian Country, we respectfully use terms such as “Native,” “Native American,” “American Indian,” “Indian,” “Indigenous,” “Tribe,” and “Nation” as we find them used there.

Figure 1:
Indian Country in Washington



Presentation of reservation and treaty boundaries as reported by the United States (Census Cartographic Boundaries 2022) and others (Washington Department of Ecology 2021) does not imply the tribes accept and/or endorse the boundaries or the processes that produced them. Shaded regions are reservations, with the exception of Samish, a tribally designated statistical area. [4, 5, 6, 7, 8]

Self-government is critical to American Indian and Alaska Native well-being. Prior federal policies fractionalized land bases, isolated American Indians, stripped culture and language, restricted tribal revenue collection, and yielded persistent poverty. After more than a century and a half of federal policy experimentation, it is now apparent that recognizing and supporting tribal self-government in everything from natural resource management to housing policy is what changes Indian life for the better [9].

Self-determination—both the continuous tribal practice and the federal policies that support it²—puts decision-making in the right hands and results in business success, enhanced health-care, better housing, more effective law enforcement, improved natural resource management, and more [11, 12, 13, 14, 15, 16, 17]. Indeed, when tribal powers of self-determination

²Federal self-determination policies such as the watershed Indian Self-Determination and Education Assistance Act of 1975 (P.L. 93-638) result from American Indian political resurgence [10] and activism. For example, the National Congress of American Indians' conference theme for 1960, "Self-Determination, not Termination," predated P.L. 638 by 15 years [2]. In other words, federal self-determination policies do not result from a suddenly imaginative and beneficent non-Indian political economy operating at the federal level independently from Indian pressure.

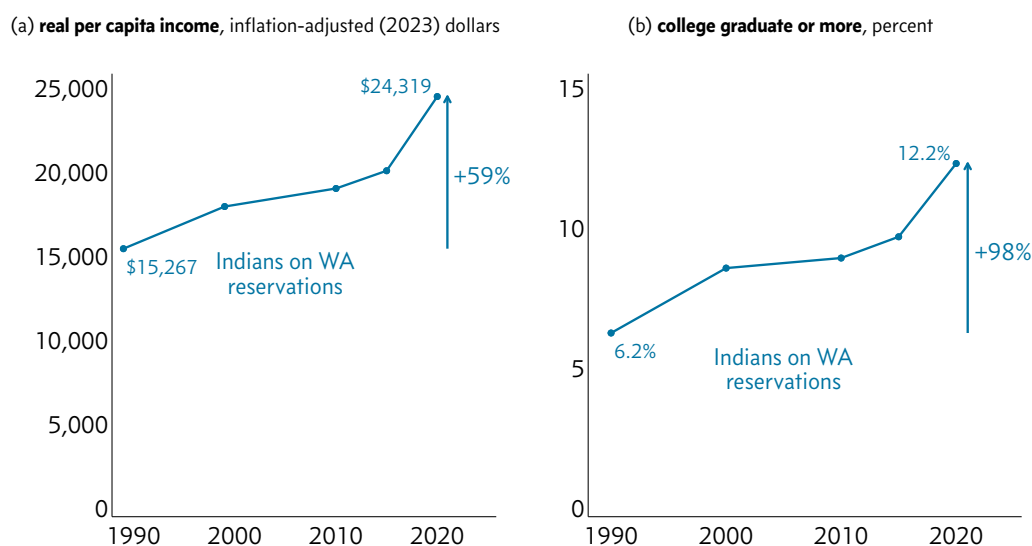
are withheld (as from the Wabanaki Nations in Maine), development withers [18]. And it is not all about casinos (though they help); in gaming's first decade (the 1990s), tribal economies *without* casinos grew at about three times the US rate of growth, [19] and tribes collectively maintained an exceptional pace in the decades since [20, 21].

Washington reservations are no exception. Over the last 30 years, American Indians on reservations in Washington saw their real income per person rise 59% (Figure 2a).³ Per capita income divides the aggregate income of all the people in a region by the population of the region (including non-earners like children). National income accounts do not calculate gross domestic product (GDP)—the typical measure of an economy—at the reservation level, but personal income makes a reasonable proxy for it.⁴ In other words, Figure 2a indicates that the economies of Washington reservations grew by 59% over the last 30 years.

Figure 2b shows that income growth has been accompanied by a near-doubling of the proportion of adult Indians with college degrees on Washington reservations. Washington tribes have succeeded not only in supporting their young people in graduating from college, but they have made their reservations sufficiently attractive for them to return, too.

Figure 2:

Per Capita Income and College Attainment of American Indians on Washington Reservations
1990 to 2020



Appendix A provides definitions, additional details, and citations for these and additional graphs.

³In economics, *real* denotes inflation-adjusted. Dollar figures in this report are denominated in 2023 dollars adjusted from other dollar years by the consumer price index for urban consumers (CPI-U [22]) unless designated as *nominal* dollars or with a year other than 2023, as in *1999 dollars*.

⁴Across large diversified economies like those of Washington and the United States, individual earnings constitute more than three-quarters or four-fifths of gross state or national product.

The welcome progress in Figure 2 is evident in multiple domains of reservation life (see also Appendix A):

- Indian median household income: up 30%
- Indian employment to population ratio: up 5%
- Indian family poverty: down 46%
- Indian child poverty: down 32%
- Indian unemployment: down 47%
- Overcrowded housing: down 26%
- Homes without complete plumbing: down by 50%

This pace of progress on varied fronts was essentially nonexistent before the Indian Self-Determination era. Few might have dared to hope, for example, that reservations would produce, attract, and retain enough American Indian college graduates to double the proportion of American Indian adults with degrees living on reservations over these three decades (from 6.2% to 12.2%). The breadth of this progress across measures of housing, employment, poverty, and income demonstrates that American Indian self-determination is not just the law, it is a good idea. Reservations (and the economies around them) would be much worse off if the stasis of the early 20th century had persisted.

B. Tribal enterprises produce in-state government revenue

Tribal governments face unique challenges to their powers to levy taxes [23, 24]. Instead of relying on taxes to fund essential services, tribes generally use income from their government-owned enterprises. The gross reservation product of tribal economies is dominated by government-owned businesses such as Cowlitz's ilani Casino, Lower Elwha Food & Fuel, Suquamish's Masi Shop, Spokane Tribal Enterprises Timber, and Tulalip Clinical Pharmacy.

Effectively, all tribally owned enterprise income is revenue to governments⁵ in Washington—in-state owners who will not threaten to take operations or revenues out of state. Tribal ownership of businesses offers more benefits to local and state economies than private enterprises because tribal businesses transfer their earnings to tribal governments. In contrast, the profits of private enterprises go to owners and investors who may live out of state or overseas. All else equal, tribal government ownership of casinos, gas stations, lumber mills, and other companies concentrates economic benefits in Washington State.

Tribal revenues, in turn, pay for public goods, services, and amenities, benefiting both Indians and non-Indians. These range across the spectrum of government activity, from education (e.g., Northwest Indian College) and environmental efforts (e.g., Lummi Wetland and

⁵As government owners of numerous businesses, Washington tribes are the first "taxing" authorities to benefit. The transfers to tribal treasuries may be called "dividends" or other non-tax accounting words, but as government owners, tribes effectively "tax" 100% of their enterprises' surplus. Even leaving retained earnings in tribally owned enterprises is properly understood as "taxing and reinvesting" the owning tribe's income.

Habitat Mitigation Bank) to substance abuse and mental health counseling (e.g., Swinomish's didg'wálic Wellness Center) and cultural revitalization (e.g., Tulalip's Lushootseed Department).

C. Tribal governments solve problems with state and local partners

The 29 federally recognized tribes in Washington routinely work with state and local governments and with nonprofits. The broadest formal framework for such collaboration arises from the 1989 Centennial Accord. It pledges the signatories—tribes and the state—to recognize each other's sovereignty and "translate the government-to-government relationship into more efficient, improved and beneficial services to American Indian and non-Indian people."

Refreshed by a Millennium Agreement (1999) and bolstered by state law (RCW 43.376), the Centennial Accord framework strengthens state-tribe cooperation and respect at the state agency level. The work of Washington agencies in 2023 "to strengthen relations with Tribal governments and enhance Tribal communities" included:

- Cooperatively surveying and controlling invasive species (Agriculture),
- Tracking, repatriating, or reburying Indigenous human remains (Archaeology and Historic Preservation),
- Making grants to culturally attuned tribal programs for trauma victims at Kalispel and Lummi and for transitional housing at Jamestown S'Klallam (Community Services Division of Commerce),
- Rehabilitating stream flows and habitats to aid salmon recovery (Conservation Commission, Fish and Wildlife),
- Coordinating to provide culturally appropriate healthcare, programming, religious, and cultural practices for incarcerated Indigenous people (Corrections),
- Helping to provide financial education to young people in American Indian communities (Financial Institutions, Education and Outreach),
- Sharing information about suspicious and criminal activity (Gambling Commission), and
- Partnering on fentanyl and opioid prevention, recovery, treatment, and mental health services (Health Care Authority) [25].

These and many other agreements, such as compacts governing gaming, tobacco, fuel, and cannabis, help make Washington a better place for Indians and non-Indians.

Tribes' governmental nature means that their in-state enterprise income helps to transform lives vastly more than private profits would. Tribes' growing participation in US federalism, from the White House to the local sewage treatment system, means that non-Indians also

benefit from increasing American Indian success as well. All three features intensify tribal economic impacts. The rest of this report shows how.

TRIBAL SPOTLIGHT: COWLITZ INDIAN TRIBE

An Economic Contributor Despite having a small reservation footprint, the Cowlitz Indian Tribe fosters economic growth within and outside its borders with endeavors like the ilani Casino Resort. The casino opened in 2017 and currently employs nearly 1,500. Its hotel expansion opened in 2023 and contains 14 floors with almost 300 luxury rooms with notable amenities [26]. Jennifer Lindsay, Mayor of Ridgefield, observed, “It creates a hospitality option that we don’t have here in north Clark County. It’s a great opportunity for the city to drive economic growth” [27].

Charitable Giving Revenue from Cowlitz’s business ventures, like ilani, support the Tribe’s broad-reaching charitable giving [28]. In 2023, the Cowlitz Foundation donated \$6.6 million to organizations in the state. One notable program was the Family Meeting Room, a collaboration between Washington Corrections and the Hands On Children’s Museum. The program re-designs prison family rooms, building engag-

ing spaces for parents and children and supporting families. Another grantee was the Council for the Homeless, a longstanding nonprofit addressing the homeless crisis in Clark County. Through leadership and practical solutions, it strives to prevent and end homelessness in the county. The Foundation also supported the Columbia Land Trust, Clark County YWCA, Good Roots Northwest Markets and Market Fresh Lockers, *The Columbian* newspaper, North Country Emergency Medical Services, Clark County Food Bank, and Clark Cowlitz Fire & Rescue.

From 2016 through 2024, the Foundation awarded over 200 nonprofits \$28 million, with \$7 million to the Statewide Fund and almost \$20 million to the Clark County Fund [27]. The Cowlitz Foundation funds tribal and non-tribal efforts throughout the state, reaching many counties, including Clark, Cowlitz, Franklin, King, Kitsap, Kittitas, Lewis, Mason, Pierce, Skagit, Thurston, Wahkiakum, Klickitat, and Pacific [29].



ilani Casino Resort

II. Stronger Tribal Economies Benefit All Washingtonians

In contrast to the first half of the 20th century, when Indian tribes were often a regional economic afterthought, today, Indian tribes rank among the Washington economy's biggest influences. Economic data shared by 22 of the 29 federally recognized tribes of Washington demonstrate their heft. The participating tribes (Table 1) are urban and rural; eastern and western; small and large. The 2023 survey data captures the overwhelming majority (79%) of the casino capacity of the Indian gaming sector in Washington [30], and 84% of pre-pandemic tribal employment in Washington [31]. This section demonstrates these tribes' high-ranking employment, large GDP contribution, and fiscal benefit to Washington.

Table 1:

Federally Recognized Tribes in Washington

Confederated Tribes and Bands of the Yakama Nation	Quinault Indian Nation
Confederated Tribes of the Chehalis Reservation	Samish Indian Nation
Confederated Tribes of the Colville Reservation	Sauk-Suiattle Indian Tribe
Cowlitz Indian Tribe	Shoalwater Bay Indian Tribe of the Shoalwater Bay Indian Reservation
Hoh Indian Tribe	Skokomish Indian Tribe
Jamestown S'Klallam Tribe	Snoqualmie Indian Tribe
Kalispel Indian Community of the Kalispel Reservation	Spokane Tribe of the Spokane Reservation
Lower Elwha Tribal Community	Squaxin Island Tribe of the Squaxin Island Reservation
Lummi Tribe of the Lummi Reservation	Stillaguamish Tribe of Indians of Washington
Makah Indian Tribe of the Makah Indian Reservation	Suquamish Indian Tribe of the Port Madison Reservation
Muckleshoot Indian Tribe	Swinomish Indian Tribal Community
Nisqually Indian Tribe	Tulalip Tribes of Washington
Nooksack Indian Tribe	Upper Skagit Indian Tribe
Port Gamble S'Klallam Tribe	
Puyallup Tribe of the Puyallup Reservation	
Quileute Tribe of the Quileute Reservation	

Survey participants in **bold**.

A. Tribes are top Washington employers

The 22 participating tribes employed 29,421 Washingtonians at year's end in 2023, across governments, casinos, and non-casino businesses. Aggregated together, Washington tribes rank eighth in the state (Table 2), above Walmart (22,655) and Costco (21,500) and below Providence Health (46,000), according to *Puget Sound Business Journal's* ranking of regional employers [32]. Six in 10 of these employees were non-Indians. Enterprise employment skews even more toward non-Indian workers (Table 3).

Table 2:

Top Employers in Washington State

in-state employees

rank	entity	employees
#1	Amazon.com Inc.	87,000
2	The Boeing Co.	66,797
3	Microsoft Corp.	55,119
4	Joint Base Lewis-McChord	54,025
5	University of Washington Seattle	53,305
6	Providence	46,000
7	Navy Region Northwest	37,000
8	Washington Tribes*	29,421
9	Walmart Inc.	22,655
10	Costco Wholesale Corp.	21,500

*Survey respondent tribes only. Robust employment data on the non-respondent tribes' employment in 2019 [31] suggests that all employment by tribes in Washington combined would comfortably exceed the Navy's Northwest Region employment. [32]

The survey data understates the size of the tribal workforce in Washington. First, seven tribes did not respond to the survey. Second, some responding tribes did not report all their economic activity. For example, five of the 22 participating tribes did not report government purchasing and employment figures. Third, businesses owned by individual American Indians operate on and near the reservations, and their jobs and revenues are generally unknown to tribal governments. Fourth, on-reservation businesses owned by non-Indians also contribute to reservation economies but do not typically report economic data to tribal governments. Thus, the size of the reservations' workforce in Washington is larger than these employment comparisons indicate.

Table 3:

Washington Tribes' Non-Indian & Indian Employment

22 respondent tribes*

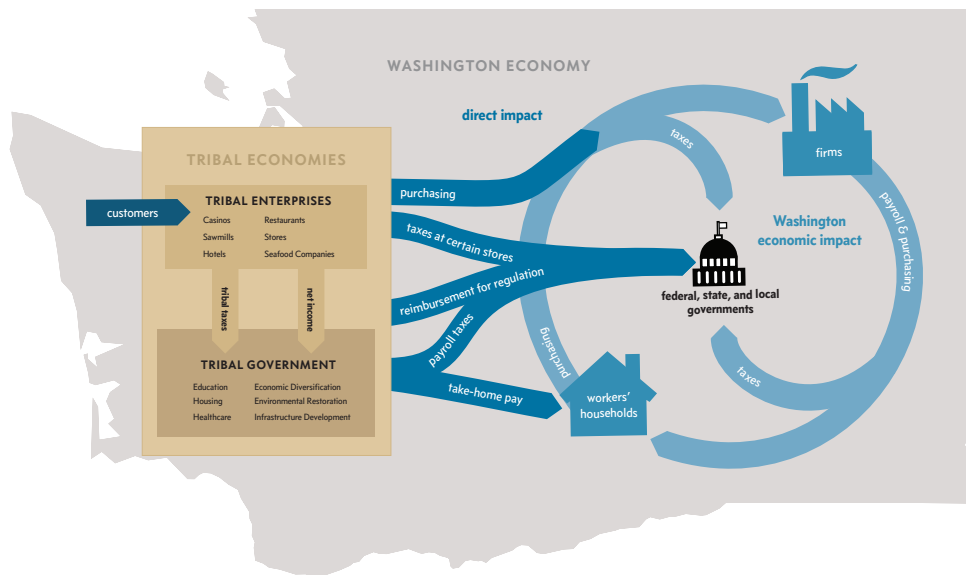
	Indian	non-Indian	total	% non-Indian
enterprise	2,539	2,890	5,429	53%
gaming	3,005	11,407	14,412	79%
government	6,049	3,531	9,580	37%
total	11,593	17,828	29,421	61%

*five of which did not report government employment data.

B. Tribes account for more than \$7 billion of Washington's GSP

Tribes hire and buy in the non-Indian economy, contributing to Washington's gross state product (GSP). In 2023, the 22 responding tribes paid more than \$1.9 billion in employee compensation (including employer contributions to payroll taxes and benefits), and 61% of the 29,421 employees of the respondent tribes were non-Indian. Their businesses and governments purchased more than \$3.6 billion in goods and services, almost exclusively from off-

Figure 3:
The Economic and Fiscal Flows of Washington Indian Tribes



reservation vendors [33]. The 22 responding tribes also spent an additional \$506 million in 2023 on fixed assets, including constructing clinics, youth centers, and housing; purchasing vehicles; upgrading broadband and water treatment infrastructure; and general maintenance and repair of facilities.

Tribal purchasing and hiring extend outward into the non-Indian economy. When tribes purchase cleaning supplies, asphalt, food and beverages, water-testing kits, schoolbooks, and accounting services, their suppliers purchase input goods and services and pay employees. Then, as the households of both the tribes' and their suppliers' employees buy groceries, equipment, shoes, and washing machines, their household spending generates still more economic activity (Figure 3).

Economic input-output (I-O) models permit the estimation of these relationships. The one used in this report, IMPLAN, distinguishes direct, indirect, and induced impacts. Paraphrasing from IMPLAN:

The **DIRECT EFFECTS** are the set of expenditures applied to the I-O multipliers for impact analysis. They are one or more production changes or expenditures made by producers/consumers due to an activity or policy...[In this analysis, the direct effects are represented by the revenues, payroll, and expenditures of the 22 tribes' enterprises and governments.]

INDIRECT EFFECTS are the business-to-business supply chain purchases in the region that stem from the initial [direct] industry input purchases. As the [tribes] spend their money in the region with their suppliers, this spending is shown through the indirect effect.

WIGA Economic Impact

INDUCED EFFECTS are the values stemming from household spending of labor income (after removing taxes, savings, and commuter income). The induced effects are generated by the spending of the employees within the [tribes'] supply chain. [34]

Total reported tribal economic activity (operations and capital expenditures) in the businesses and governments of the 22 survey respondents generated an estimated 52,333 direct, indirect, and induced jobs statewide in 2023 (Table 4). It also generated estimated total gross impacts of \$7.44 billion statewide, of which about half was employee compensation. For the same reasons employment is understated (per the previous subsection's concluding paragraph), the impact estimates in Table 4 also understate the true tribal impact.

Table 4:
Estimated Impact on the Washington Economy
2023

		dollars in millions		
		jobs	labor income	total value added
ANNUALLY RECURRING				
	Direct	27,047	\$1,972.4	\$3,861.1
	Indirect	12,496	\$991.0	\$1,741.1
	Induced	10,400	\$727.2	\$1,459.4
	subtotal	49,942	\$3,690.7	\$7,061.6
CAPITAL EXPENDITURES				
	Direct	929	\$93.8	\$147.0
	Indirect	864	\$75.2	\$147.8
	Induced	598	\$41.9	\$83.9
	subtotal	2,391	\$210.8	\$378.8
COMBINED TOTAL				
	Direct	27,975	\$2,066.2	\$4,008.1
	Indirect	13,360	\$1,066.2	\$1,888.9
	Induced	10,998	\$769.1	\$1,543.3
	total	52,333	\$3,901.5	\$7,440.4

See Appendix B for modeling assumptions and sources of conservatism [35].

The impact estimates of Table 4 represent growth from pre-pandemic levels, even though it might appear otherwise at first analysis. The 2019 statewide value-added tribal impact of \$6.6 billion [36] is higher in inflation-adjusted terms (\$7.8 billion in 2023 dollars) than the \$7.4 billion reported above. Yet those numbers do not quite make an apples-to-apples

comparison. The roster of tribes in this study is larger by Nooksack and smaller by (the large employer) Puyallup and Skokomish.⁶

While it is not possible to go back to the 2019 impact analysis and dissect it tribe by tribe to make a robust comparison, it is possible to compare the 13 tribes that participated in both studies and reported government and enterprise data. They experienced a post-pandemic increase of 13% in real enterprise revenue and 17% in real government revenue. On these dimensions, these tribes have more than recovered from the economic effects of the pandemic and roughly kept pace with the state's real growth of 15% over the same period [22].

C. Tribal contributions

As is usually the case, the bulk of value-added (or the tribal contribution to gross state product, GSP) is labor income (more than 50% of the total impacts in Table 4). Another portion of GSP goes to the federal, state, and local governments as taxes. Even though tribal governments do not pay taxes to other governments, tribes do *generate* tax impacts. Their indirect and induced economic impacts are taxable activities in the economy, generating \$1.5 billion in tax revenues in 2023, \$443 million of which went to state and local governments (Table 5). For the reasons noted above regarding the understatement of employment and value-added, these fiscal effects are understated, too.

Table 5:
Estimated Fiscal Flows to Non-Indian Governments from Tribal Activity
2023 dollars in millions

	local	state	federal	total
corporate profits tax			\$130	\$130
income tax			\$458	\$458
other tax	\$13	\$32	\$9	\$53
property tax	\$82	\$34		\$116
sales & excise	\$53	\$206	\$8	\$267
social insurance tax		\$23	\$449	\$472
total	\$148	\$295	\$1,054	\$1,498

See Appendix B for modeling assumptions and sources of conservatism [35].

In addition to the above indirect and induced tax effects, tribes directly contribute to Washington's state and local governments and to nonprofits operating in the state. Under the federal Indian Gaming Regulatory Act of 1988, the tribes and the state of Washington signed compacts articulating the scope and regulation of Class III gaming (commonly known as Vegas-style gaming). Under these agreements, tribes contribute to local fire, police, and other government bureaus that may bear the impact costs of casinos. Gaming tribes also

⁶Not to mention quite a few other factors driving impact that may differ between 2019 and 2023, e.g., sectoral changes in the Washington economy; the influences of the American Rescue Plan Act of 2021 (ARPA) and Coronavirus Aid, Relief, and Economic Security Act (CARES Act); tribal enterprise production and profitability; the composition of tribal government expenditures, and IMPLAN's model data and structure.

support the in-state activities of nonprofit and charitable organizations such as Habitat for Humanity and the Wounded Warrior Project. Furthermore, tribes support responsible gaming through contributions to government, nonprofit, or charitable organizations providing education, awareness, or treatment of problem gambling, such as the Asian Counseling and Referral Service and the Evergreen Council on Problem Gambling. Finally, under compact agreements, tribes continue to help fund the smoking cessation activities of governments, nonprofits, and charities [37].

In 2023, payments to such Washington entities by about half the 22 WIGA survey respondents totaled \$21.6 million (Table 6). The combination of gambling regulatory reimbursement and community contributions demonstrates gaming tribes' commitment to supporting state and local governments by covering costs. The National Indian Gaming Commission, the federal oversight body for Indian gaming, received over \$800,000 from 11 WIGA survey respondents to reimburse regulatory costs.

Table 6:
Selected Tribal Contributions Under the Gaming Compacts
2023 dollars in thousands

	amount	number of reporting tribes
WASHINGTON		
Community Impact (government, police, fire)	\$6,455	12
Charities	\$9,624	14
Problem Gambling	\$2,318	15
Smoking Cessation & Prevention	\$1,344	12
Washington State Gambling Commission Fees	\$1,866	10
subtotal	\$21,607	
UNITED STATES		
National Indian Gaming Commission Fees	\$817	11
total	\$22,424	

Tribes go further than their compacts require by making direct donations, such as to the Seattle Children's Foundation (Stillaguamish), the Oakville School District (Chehalis), and the Great Peninsula Conservancy (Suquamish). Additional in-kind contributions amplify the contribution by extending health (Port Gamble S'Klallam Health Center), fitness (Kalispel's Camas Center for Community Wellness), early childhood education (Colville's Head Start program), and other reservation community resources available to non-Indians. In addition, under Washington law (RCW 82.38.310) and by mutual agreement, 23 tribes in Washington have agreed to expend their share of motor fuel taxes collected on the reservation exclusively on planning, construction, and maintenance of roads, bridges, and boat ramps; transit services and facilities; transportation planning; public safety; or other highway-related purposes. In 2023, \$68.4 million in fuel tax collections was accrued by the respondent tribes for public transportation infrastructure projects in the state [38].

WIGA Economic Impact

Under Washington law (RCW 43.06.450) and by tribal-state agreement, 27 tribes have cigarette tax compacts with Washington, the principal terms of which generally require tribal taxes commensurate with Washington's [39]. Twenty-two tribes have compacts with the state to grow, process, and/or sell cannabis [40]. In addition to the above mutual agreements and partnerships, tribes and local governments regularly collaborate to connect sewer lines, fund ambulance service, upgrade intersections, and bus children to school.

In sum, the Indian tribes in Washington are both economically large and beneficial to the non-Indian public interest. Tribes contribute via in-kind services, indirect tax collections, and millions in direct contributions to public charities and government agencies. These efforts go beyond offsetting costs and improve Washington's quality of life.



Yakama Nation Credit Enterprise and Port Gamble S'Klallam Library.

Tribal Spotlight: Confederated Tribes of the Colville Reservation

The Confederated Tribes of the Colville Reservation is the government for about 9,500 citizens from 12 regional Native bands [31]. The Tribes' 1.4 million-acre reservation in north-central Washington is the largest in the state (Figure 1). Today, Colville creates jobs and supports economic activity in rural Washington. Its multimillion-dollar administration employs thousands of people in gaming, recreation, natural resources, timber, retail, tourism, and government. In recent decades, Colville has used its powers of self-government and the resources those powers yield to invest in changing the lives of its people, especially in the domains of education, public safety, and mental and behavioral health.

Education The Colville Tribes Head Start (CTHS) program strives to improve the lives of children and families. CTHS welcomes Indians and non-Indians at its locations in Inchelium, Keller, Nespelem, and Omak. All the centers provide prenatal care, Head Start (with language instruction in one of Colville's three Salish dialects), and parental training. Classroom curricula and parent skills training materials incorporate the traditions, cultures, and heritage of the Tribes' 12 bands.

In 1973, the Tribes took control of Omak's 87-year-old Indian boarding school and renamed it the Paschal Sherman Indian School. The school serves up to 260 students from early childhood to Grade 9 and provides complete residential and academic programs that include language and culture. A 91,623-square-foot complex opened in 2005. Under tribal control, the Paschal Sherman Indian School has flourished. Colville's effective management led to an intergovernmental agreement with Washington State to allow funding to flow straight to the school, and in 2023, it was honored as a School of Distinction [41].

Public Safety Colville's Fire Management, headquartered at the Mount Tolman Fire Center in Keller, has initial attack responsibility for all the lands within the reservation boundary and provides an increasingly critical protective functions in the broader region. Approximately 60 seasonal and non-seasonal employees prevent and monitor fires and reduce hazardous fuels in the forest. The Tribes coordinate fire suppression with state and federal agencies such that most fires are suppressed within the first 24 hours [42].

Mental and Behavioral Health The San Poil Treatment Center is a 46-bed facility offering high-quality, evidence-based substance abuse treatment. It combines modern medicine with cultural practices and traditional healing to help clients "find their way back to family." The center also provides good-paying jobs: clinical cultural specialists, chemical dependency treatment providers, support specialists, and case managers. The Tribes' Behavioral Health Department complements San Poil's efforts, providing a psychiatric nurse practitioner and licensed mental health clinicians [43]. To help retain qualified staff in this remote area, Colville built 26 new professional housing units [44].

Community Investments for Lasting Changes Recovery from the cultural, economic, and jurisdictional assaults of the past is sure to take decades. Yet Colville's exercise of self-government and its muscular investments in addressing multigenerational trauma and educational deficits bolster the reservation's economy and transform lives. Steady progress in the future will arise from continuing self-determination and the investments in the community it affords.

III. American Indian Needs Remain Acute

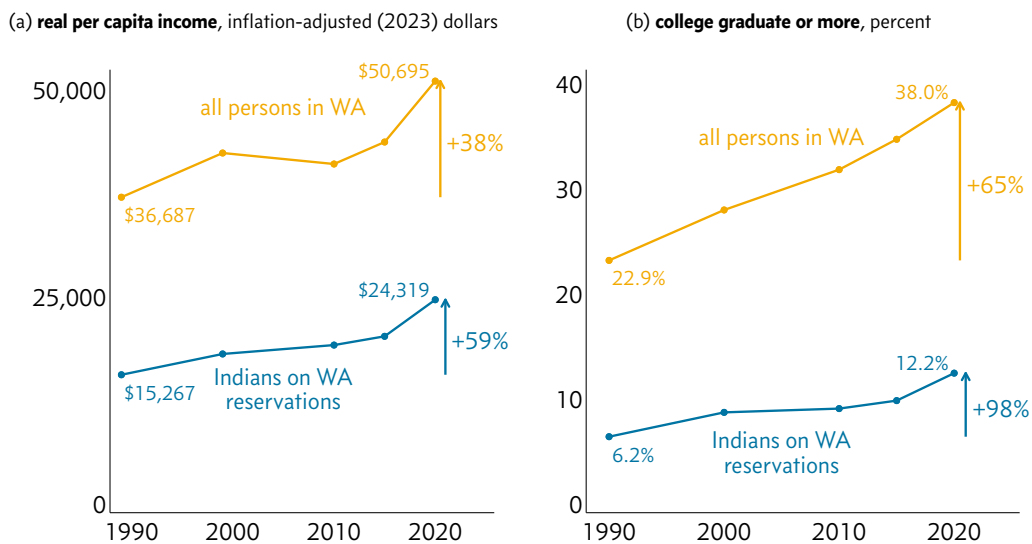
While off-reservation economies and non-Indian Washingtonians are important, the tribes' first priority is addressing socioeconomic and environmental conditions in their communities. This section demonstrates that even with recent tribal economic success, the relative position of Indians is well below that of Washingtonians in general. And while the federal government—despite its trust responsibility and treaty commitments—is not making enough of a difference in this area, tribes are.

A. American Indian socioeconomic health is still lagging

Despite the United States pledging in treaties and public policies to advance the prosperity of American Indians in exchange for vast territorial cessions, Indian socioeconomic health in the 21st century remains well below average. Yes, on-reservation Indian income, unemployment, housing, and education have been improving over the last three decades (Figure 2), but there is still a great deal of ground to cover.

Figure 4:

Relative Change in Per Capita Income and College Attainment on Washington Reservations and Statewide 1990 to 2020



Appendix A provides definitions, additional details, and citations for these and additional graphs.

Figure 4 recapitulates Figure 2, adding the data series for all persons in Washington. In Figure 4a, it is apparent that a higher reservation growth rate helped reservations close the income gap from 42% of Washington levels in 1990 to 48% in 2020, but the gap remains large. Indeed, it is so large that at those growth rates (59% and 38%, respectively) it would

take a century and a half for Indian reservation incomes to fully catch up to Washington's.⁷ Similarly, Figure 4b shows that Washingtonian adults are three times more likely to possess a bachelor's degree or more.

The gaps remain large across multiple other domains of reservation life (Appendix A):

- Indian median household income: less than two-thirds of Washington's
- Indian employment to population ratio: three-quarters of Washington's
- Indian family poverty: more than four times Washington's
- Indian child poverty: two and a half times Washington's
- Indian unemployment: twice Washington's
- Overcrowded housing: more than one and a half times Washington's
- Homes without complete plumbing: one and a half times Washington's

Gaps are significant in health and education, too. The Indian Health Service reported that American Indians nationwide had a life expectancy that is five and a half years lower than the rest of the population [45]. The high school graduation rate among Indian students in 2018–19 stood at 74%, compared to 89% for white students [46]. So while the gaps have been closing, tribal governments continue to strive for progress.

B. Federal underfunding of Indian programs continues

Treaties between the United States and tribal governments and federal statutes articulate federal commitments to support Indian well-being. Yet these commitments remain largely unfulfilled because Congress is persistently unwilling to appropriate sufficient funds. In the last quarter of the 20th century, federal funding on programs targeted to American Indians and their governments lost ground in inflation-adjusted, per capita terms and relative to federal non-defense spending per American generally [47]. Unfortunately, the 21st century is hardly an improvement. The US Office of Management and Budget reports that the enacted federal appropriations for the programs that benefited American Indians or Alaska Natives nationwide in 2023 were \$27.4 billion.⁸ Tribes estimate that the annual need is multiples of that amount.

The US Commission on Civil Rights observed in 2018,

the efforts undertaken by the federal government in the past 15 years have resulted in only minor improvements, at best, for the Native population. And, in some respects, the US Government has backslid in its treatment of Native Americans [49].

⁷And the variability of the lines themselves confirms the lay intuition that the continuation of such economic growth unimpeded is anything but assured.

⁸Technically, that is the total of "agency-reported data for Federal funding of programs, projects, and activities that in whole or in part benefit or relate to American Indians and Alaska Natives (AI/AN), including individuals, tribal governments, village governments, urban Indian organizations, and tribal communities." [48]

It further noted,

Federal funding for Native American programs across the government remains grossly inadequate to meet the most basic needs the federal government is obligated to provide. ...Since 2003, funding for Native American programs has mostly remained flat, and in the few cases where there have been increases, they have barely kept up with inflation or have actually resulted in decreased spending power [49].

C. Tribes are stepping into the breach

American Indian governments are stepping into the breach left by federal underfunding to deliver services on reservations. As the Tribal Spotlights in this report demonstrate, tribes in Washington routinely engage in varied, creative, and extensive efforts to improve their societies.

As outlined in Section I.A., tribes apply their unextinguished powers of self-government to improve reservation economies, schools, environments, clinics, housing, and infrastructure. Tribes add their own funds to support healthcare for their citizens, and many provide health-care services to both Native and non-Native Washingtonians. Seven State-Tribal Education Compacts permit tribes to fully operate and substantially fund schools [50], often with significant effect. Chief Kitsap Academy, for example, raised high school graduation rates to par with the state average despite having twice the proportion of children eligible for free lunch [51]. Tribal environmental efforts such as Lower Elwha's hatchery program [52] and Stillaguamish's *zis a ba* estuary restoration program [53] grow salmon populations. Squaxin Island's Northwest Indian Treatment Center is nationally recognized for its drug and alcohol treatment and recovery efforts [54]. These and myriad other investments, from the mundane local road improvement to the vast international Canoe Journey, contribute to revitalizing American Indian cultures, communities, and quality of life.

Faithful implementation of Indian treaties might have prevented the socioeconomic gap from growing so sizable in the first place. Still, with self-determination and self-governance in full swing, tribes are making progress on many fronts—to the benefit of the state economy and federal and state taxpayers.



Colville Tribal Administration Building and Kalispel's Northern Quest Resort & Casino.

Tribal Spotlight: Swinomish Indian Tribal Community

The Swinomish Indian Tribal Community (SITC) asserts its sovereignty and exercises its powers of self-determination in various creative and cooperative projects in the environment, taxes, healthcare, and dental care.

Environment Swinomish takes a leadership role in addressing climate change. “The Tribe’s climate proclamation came out in 2007, and their action plan, published in 2010, was one of the first such documents in the United States” [55]. The plan guides actions like resurrecting clam gardens [56], reviving the Olympia Oyster, and preserving eelgrass, an aquatic plant important to oysters, salmon, and crabs [57]. The Tribe also prioritizes sustainable design strategies in its construction projects [58] and amplifies its efforts by collaborating with other governments and agencies [59, 60, 61, 62, 63].

Taxation In 2014, Swinomish demonstrated governmental effectiveness when it began collecting property taxes for 942 homes on its reservation after a court ruling. The Tribe collaborated with Skagit County and its residents to successfully transfer the tax administration. In addition to building the necessary infrastructure, the Tribe negotiated agreements to provide continuous funding for public services such as off-reservation schools, libraries, and emergency services. Within a year, tribal collection success exceeded the county’s historic rate in the covered neighborhoods [64].

Healthcare Swinomish’s open-handedness extends into health areas. Multiple deaths in the region and the ongoing opioid epidemic motivated the Tribe to open its *ḏəxʷálic* Wellness Center. The Center assists all community members, Native and non-Native alike [65]. The Tribe employs over 150 professionals who provide services ranging from substance use disorder and mental health counseling to psychiatric medication management and medication-assisted therapies. The Center even assists with transitional housing and medical and dental care.

Dental Health Aides Swinomish’s governmental innovations include a standout program: training and deploying dental health aide therapists (DHATs). The Tribe launched the *ḏəxʷaxəbus* Dental Therapy Education Program in partnership with the Skagit Valley College to address painful shortfalls in dental care, and its program dropped dental appointment wait times from two to three months to a week [66]. In 2023, in partnership with the Washington Health Care Authority, Swinomish overcame an important hurdle when the federal appeals court reversed a previous decision to deny Medicaid funding for DHATs. Attorney General Bob Ferguson observed at the time, “This successful case is a great example of building strong state-tribal relations.” [67]

Self-Government Helps Make Strides Like so many tribes, Swinomish is making strides against social and environmental problems by applying its powers of self-government and asserting sovereignty. Swinomish also stands out for its collaborative innovations on behalf of Native and non-Native communities—innovations that preserve culture, protect the environment, deliver health, and generally make their reservation and its environs better places to live.

IV. Tribes Strengthen Washington's Economy

A. Indian economic development helps poor regions of Washington

Because historic forces generally set reservations in economically inauspicious locations, American Indian economic activity, especially casinos, can bring economic growth to areas that need it. Compared with the operation of modern market forces, which tend to distribute facilities near customers, a tribe may open a relatively rare business on a reservation (such as a Vegas-style casino) and attract customers from farther away than its less-rare competitors (e.g., movie theaters and restaurants). In other words, Indian casinos routinely recruit more economic activity from farther away than they compete with nearby. Indeed, a well-developed literature of systematic evidence on the question links casino introductions with economic vitality nearby [33, 68, 69, 70, 71, 72, 73, 74].

B. Intertribal transfers boost rural economies

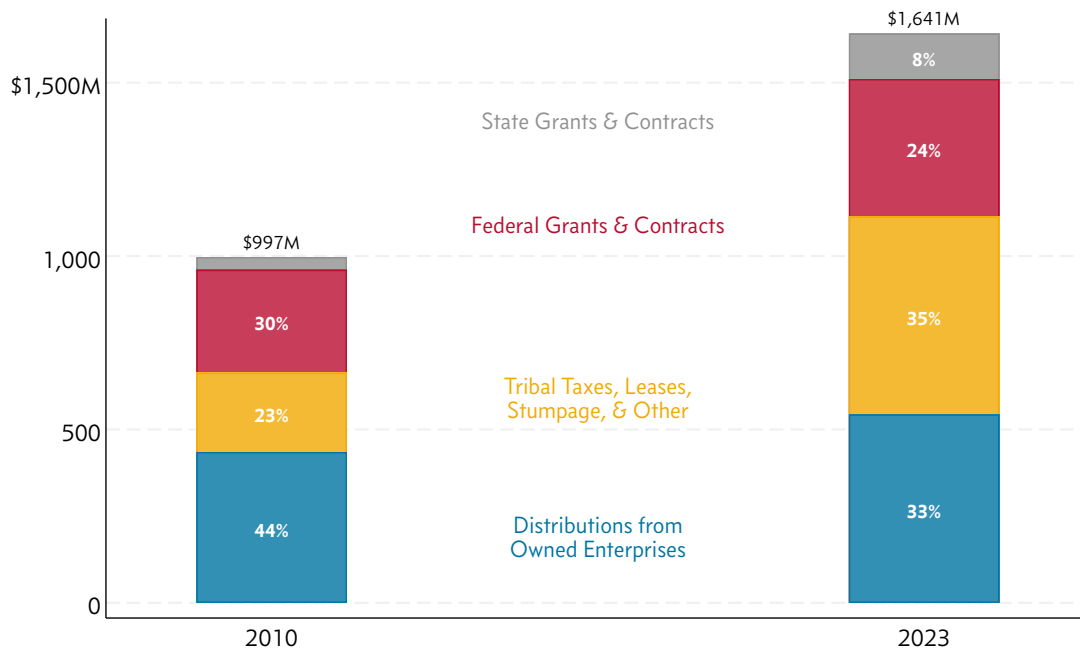
Under the terms of the tribal-state gaming compacts, each tribe in the state receives an allocation of video lottery terminals. If they choose, tribes may lease some or all of their allotment to other tribes in more favorable locations. In practical terms, these allocations allow tribes near urban markets to operate more than their number of allocated machines, sharing a portion of the value those machines create with remote tribes in, for example, the far Olympic Peninsula, the Pacific Coast, Northern Puget Sound, and the state's interior. For example, the Makah Tribe on the Pacific side of the Olympic Peninsula allocates its entire device allocation, meaning it benefits from gaming revenue without opening a facility. The geographic dispersal of casino value helps tribes that lease out devices by adding to tribal budgets. The local region benefits as well. As those tribes undertake government activity and spend dollars earned in the larger markets, they employ and purchase from the rural and remote economies around them.

C. Tribes are more fiscally independent

The preponderance of tribal budgets originates from tribal sovereignty. Whereas in the 1960s and 1970s, tribes may have been predominantly reliant on federal funding, today, tribes are much more self-sufficient. Tribally owned business net income (including revenue from leasing out casino device rights), on-reservation tax collections (including tribes' fuel tax shares), land and other lease revenue, and natural resource royalties (like stumpage for standing timber) accounted for 67% and 78% of 17 tribes' aggregate budgets in 2010 and 2023, respectively (Figure 5). Today, in other words, it is fair to observe that more than \$7 in \$10 of tribal revenue arises from the powers to own, regulate, and tax economic activity—powers inherent in tribal sovereignty.

WIGA Economic Impact

Figure 5:
Tribal Government Funding Sources
2023 dollars in millions



Data from the same 17 tribes in each period. 2023 federal data excludes COVID funds where so identified.

The aggregate percentages mask variation. Some remote, rural tribes may depend more heavily on intergovernmental transfers than their counterparts near urban centers. Nonetheless, the statewide totals paint a welcome picture of general tribal fiscal independence. The totals also indicate a nearly complete recovery of fiscal independence after the influx of federal pandemic-related funds under ARPA and the CARES Act [36].

V. Conclusion

American Indians were rooted in the land, sea, and rivers of what is now Washington long before national and state boundaries were drawn. Tribal governments will not come and go based on new incentives, any more than the government of Washington could move to Illinois. Tribal enterprise profits accrue to these permanent fixtures of the Washington economy (rather than to shareholders distributed across global capital markets).

One hundred percent of tribal enterprise net income translates into government efforts to build more vibrant households, more ample housing, better schooling, healthier citizens, safer communities, cleaner environments, and many other public goods, services, and amenities.

As reservation economies grow from a position below prevailing conditions in Washington, they bring underutilized resources—especially people—into more productive participation in the state economy. Successful investments in underserved communities' human capital yield double dividends: they reduce dependency—on families, tribes, or taxpayers—and they increase lifetime productivity. Tribes do this work without imposing fiscal burdens on the state to cover, for example, the cost of gaming regulation or municipal road construction on and near the reservations.

Since tribes rely heavily on the off-reservation economy for goods, services, and labor, reservation economic growth quickly registers in the larger economy and, accordingly, in the Washington treasury. Especially in remote rural locations, tribes can be substantial net contributors to regional growth. In addition, intertribal device leasing spreads the benefits of Indian casinos to rural Washington. If tribes in Washington were collectively a private out-of-state business, Washington would be brainstorming incentives to attract them, yet these benefits accrue to the state with no tax expenditures by the state legislature.



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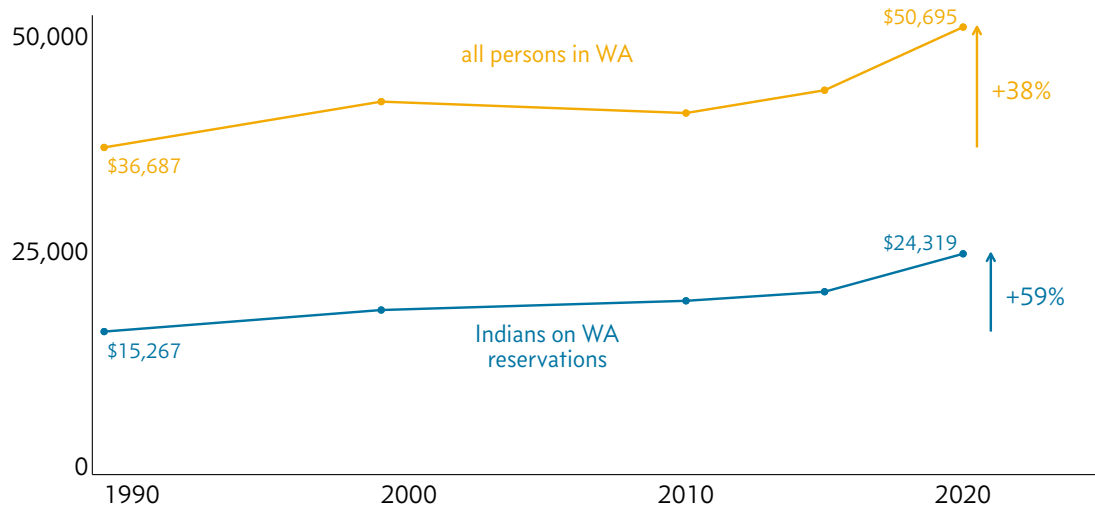
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Appendices

Appendix A Socioeconomic Change on Reservations

A. Income

Figure 6:
Real Per Capita Income in Washington
inflation-adjusted (2023) dollars



Per capita income is calculated by aggregating individual income and dividing by the total population for the respective races and geographies [21, 75]. Dollars are deflated by the CPI-U [22].

Figure 7:
Real Median Household Income in Washington
inflation-adjusted (2023) dollars



Median household income is calculated using Census' interpolation method [76] from summed income bins by race and geography [21, 75]. Dollars are deflated by the CPI-U [22].

B. Poverty

Figure 8:
Family Poverty in Washington
percent



Family poverty is calculated by taking the sum of families with related children under 18 years of age living in poverty divided by the total number of families with related children under 18. [21, 75]

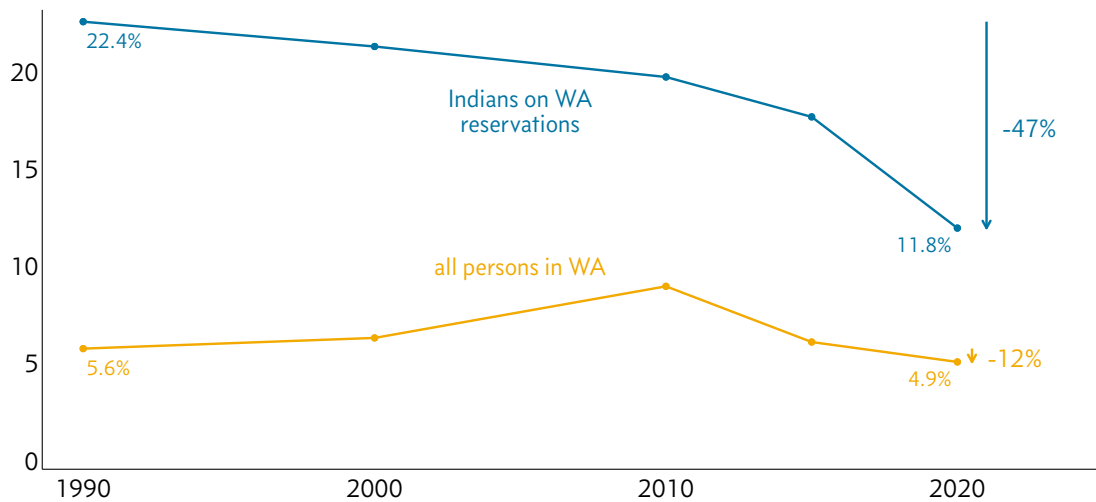
Figure 9:
Child Poverty in Washington
percent



Child poverty is calculated by summing children under 18 below the poverty line and dividing by the total number of children under 18. [21, 75]

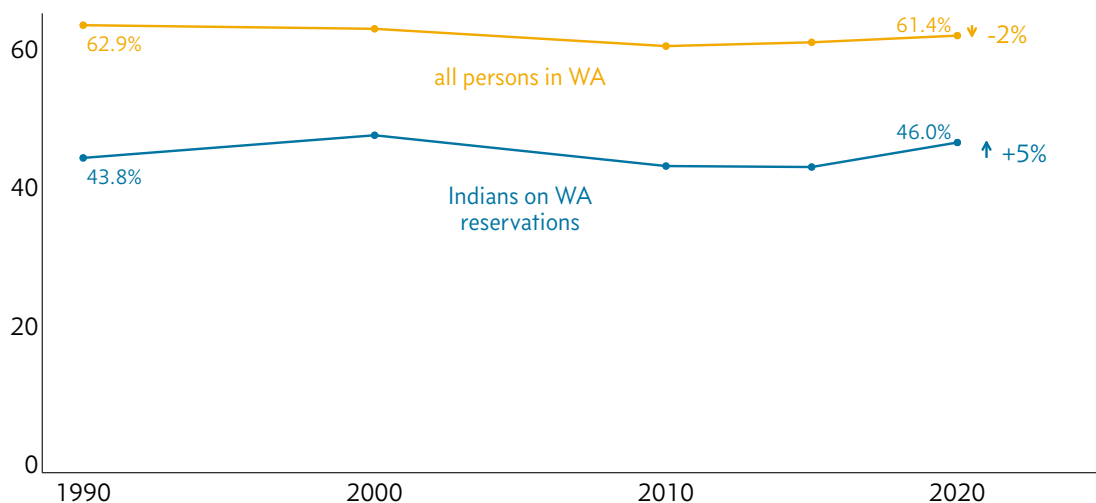
C. Workforce

Figure 10:
Unemployment in Washington
percent



Unemployment is calculated by the number of people 16 years and older in the labor force (civilians and active duty military personnel) actively holding or seeking jobs divided by the total number of people 16 years and older. [21, 75]

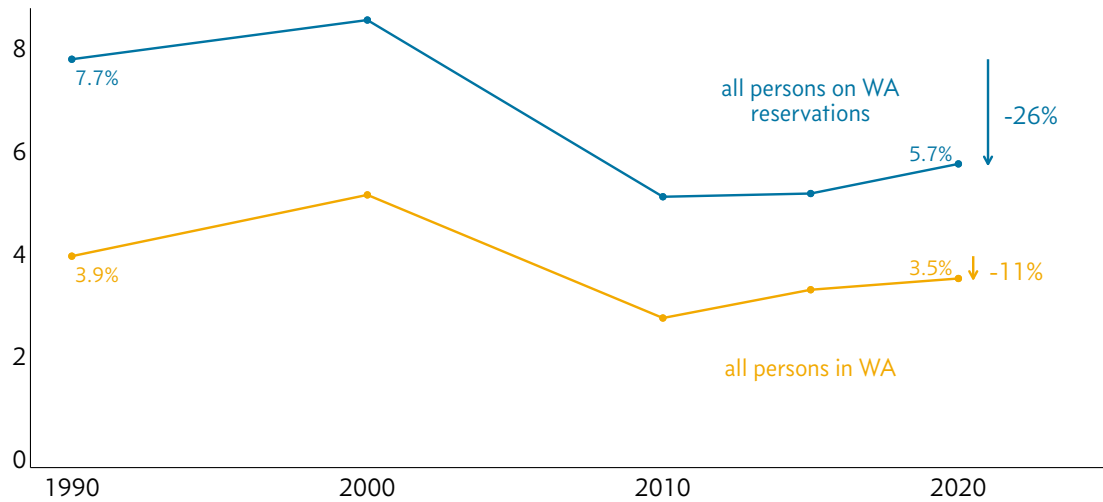
Figure 11:
Employment-Population Ratio in Washington
percent



The employment-population ratio is the number of people employed divided by the number of people of working age, i.e., those 16 and older [21, 75].

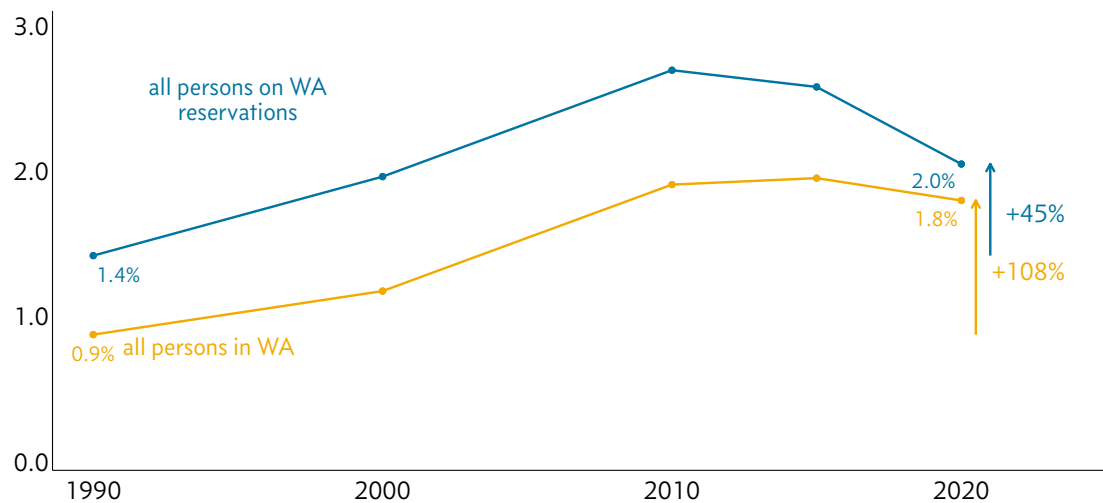
D. Housing

Figure 12:
Overcrowded Homes in Washington
percent



Overcrowded homes is the sum of owner and renter of occupied housing units with more than one occupant per room divided by the total number of occupied housing units. [21, 75]

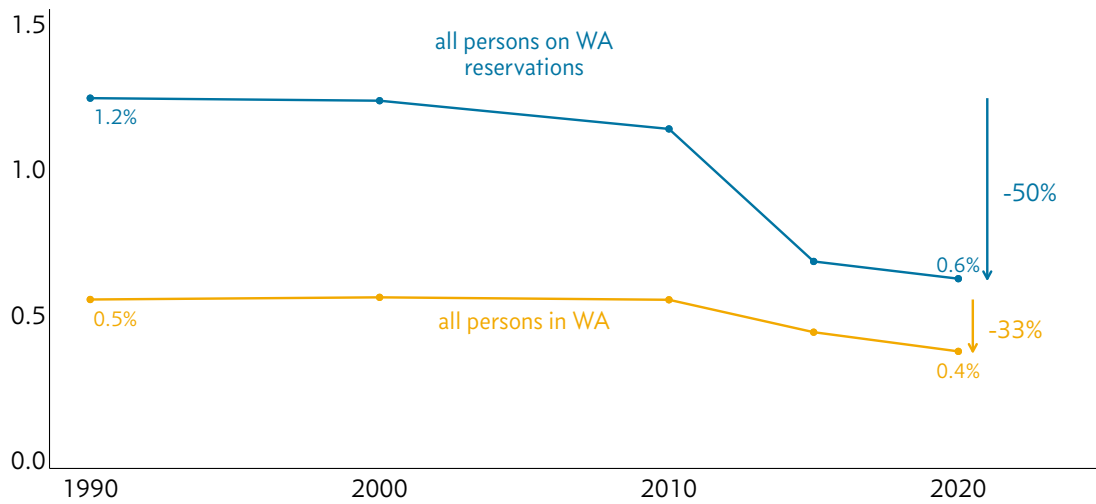
Figure 13:
Homes Without Complete Kitchens in Washington
percent



The proportion of homes without complete kitchens is calculated by dividing the number of housing units whose kitchens lack a sink with piped running water, a stove with an oven, or a refrigerator by the number of all housing units. Because the 1990 Census only provides data for kitchen facilities in all housing units (rather than in occupied housing units), for consistency this indicator tracks all housing units over time. [21, 75]

WIGA Economic Impact

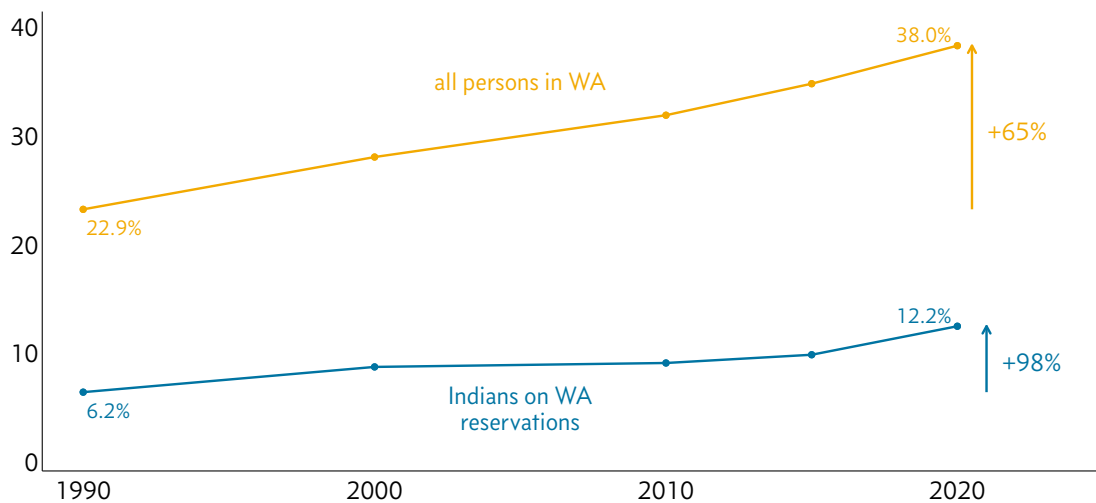
Figure 14:
Homes Without Complete Plumbing in Washington
percent



The proportion of homes without complete plumbing is calculated by dividing the number of occupied housing units lacking hot and cold piped water, a flush toilet, or either a bathtub or shower divided by the number of occupied housing units. [21, 75]

E. College Attainment

Figure 15:
College Graduate or More in Washington
percent



College attainment is calculated by dividing the number of adults 25 years and older with a bachelor's degree or more by the total number of adults 25 and older [21, 75].

Appendix B Economic Modeling

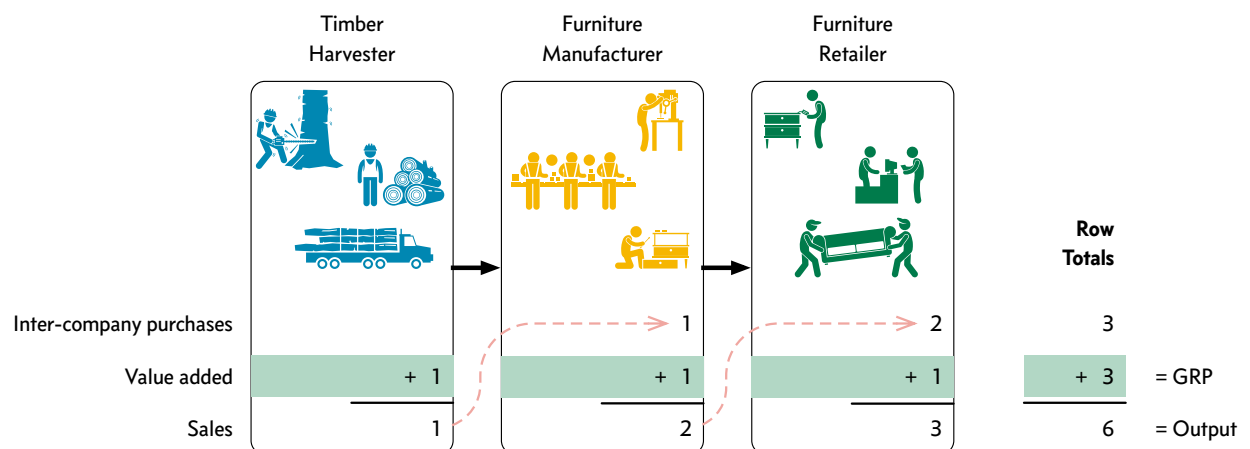
Common Sense in Reporting

Many impact studies report output numbers. This one opts for value added. Output is the sum of all firms' sales, whereas value added nets out the costs of intermediate production inputs. While the larger output numbers may please the impact consultant's clients, output is inflated and unreliable. An example makes both flaws apparent.

Suppose a tribe has a timber harvest operation that, in turn, supports a furniture manufacturer and a furniture retailer (Figure 16). Further, suppose that each stage in the value chain (harvesting, furniture-making, retailing) adds one unit of value at a given level of final production (green rows). By definition, the total value added in this sector of the economy is three units—its contribution to gross regional product (GRP).

Figure 16:

A Three-Company Timber Products Value Chain

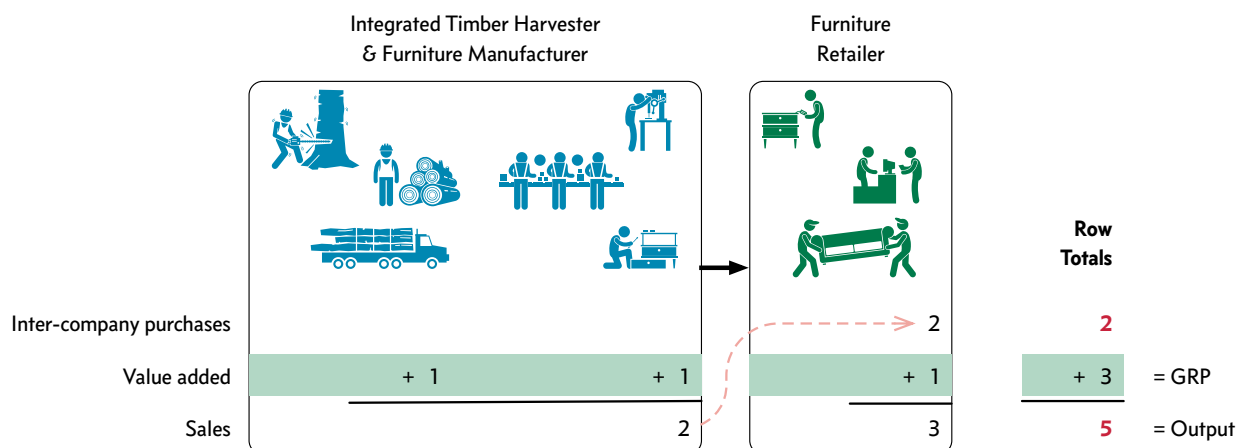


If all three processes occur in separate companies, inter-company sales (dashed arrows) accumulate along the value chain. The manufacturer's sales (2) cover the costs of its inputs—the harvester's lumber (1). Likewise, the retailer's sales (3) cover the costs of the furniture (2). The horizontal sum of all sales ($1 + 2 + 3 = 6$) or output is the same as the vertical sum of all inter-company purchases (3) and value added (3).

Note the multiple counting in output: the value added at the harvesting stage is counted once in its own sales, a second time in the manufacturer's sales, and a third time in the retailer's. Likewise, the value added at the manufacturing stage is counted once in its own sales and again in the retailer's. While the indicated sales figures would appropriately appear in the financial statements of the three companies, it is no way to measure impact in an *economy*. Output double-, triple-, quadruple-counts, or worse, the more intricate the supply chain is, and modern supply chains are the most complicated ever.

Output is also unreliable for measuring and comparing sectors and economies. Suppose the tribal timber harvest company acquired the furniture manufacturer (Figure 17), but everything else stayed the same. In other words, the given level of final production and the value added by each process remained constant. Inter-company sales between the harvest and manufacturing processes would disappear, reducing inter-company purchases (from 3 to 2) and total sales (or output, from 6 to 5). Yet, total value added (this value-chain's contribution to gross product) would remain constant (3). Using the output numbers to compare the pre- and post-merger worlds (Figures 16 and 17, respectively) would give the mistaken impression that the merger shrank the “economy,” when it merely reduced inter-company transactions. The contribution to gross product (the sum of value added) and the economic activity it represents would remain constant.

Figure 17:

A Two-Company Timber Products Value Chain

The unreliability of total sales (output) to accurately characterize pre- and post-merger economic activity also implicates inter-sector comparisons. Suppose Sectors A and B produce the same value added in their production chains, but Sector A is more vertically integrated (like Figure 17) than Sector B for technical, logistic, or historical reasons. Comparing the output of Sector A and B would give the mistaken impression that Sector B (the less integrated sector, like Figure 16) is more economically significant.

Thus, when tracking growth and recession or comparing sectors and economies, economists measure gross regional, state, or national product—the sum of all value added—not the measure of all firms’ revenues (output). As the *Dictionary of Economics* notes:

gross domestic product (GDP) A measure of the total flow of goods and services produced by the economy...obtained by valuing outputs of goods and services at market prices, and then aggregating. *Note that all intermediate goods are excluded, and only goods used for final consumption or investment goods or changes in stocks are included. This is because the values of intermediate goods are implicitly included in the prices of the final goods* [77, emphases added].

Output figures may be used by the uninformed or the unscrupulous *because they inflate impacts*. Either way, don't buy them.

Conservatism in Modeling

Several modeling approaches improve the precision of the impact estimates and introduce conservatism. Tribal enterprise impacts were modeled to reflect their government-owned nature. Wherever feasible, tribal data on revenue, employee headcount, employee compensation, and expenditures enter the model. Proprietor income (PI) and taxes on production and imports, net of subsidies (TOPI) are zeroed out for tribal enterprises because both categories of enterprise value added are already captured when modeling the tribal governments. In contrast to run-of-the-mill impact studies and default assumptions, this approach eliminates the risk of overstating PI and TOPI when modeling government-owned enterprises *with their governments*, a necessity in Indian Country analyses. PI and TOPI *do* arise from the indirect and the induced impacts and from capital expenditures.

When modeling capital expenditures that entailed real estate transactions, the purchase price was not the basis of demand change (since most of its value represents a wealth transfer that does not affect the demand for goods and services in the economy). Instead, an estimate of transaction costs (5% of value) was imputed to the legal, real estate, and banking sectors.

Tribal government was modeled using a local government institutional spending pattern. In both government-owned enterprise and administrative government modeling, tribal data on total employee compensation were introduced to further calibrate the model to actual operations (where possible).

Appendix C About the Authors

JONATHAN B. TAYLOR is an economist with expertise in natural resources, gaming, and American Indian development. He provides counsel to tribes and bands in the United States and Canada consisting of public policy analysis, strategic advice, and economic research. He has assessed the economic impacts of tribal enterprises, assessed tribal tax policies, assisted in tribal institutional reform, provided public policy analysis and negotiation support for resource development, valued non-market attributes of natural resources, and educated tribal executives. Taylor is President of the Taylor Policy Group, an economics and public policy consultancy; Research Fellow at the Harvard Project on Indigenous Governance and Development at the Kennedy School of Government; and Associate at the Native Nations Institute, Udall Center for Studies in Public Policy, University of Arizona, Tucson.

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